

**PAK OMAN INVESTMENT
COMPANY LIMITED**

**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

**FOR THE FIRST QUARTER
ENDED MARCH 31, 2013**

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2013

(Unaudited) March 31 2013 ------(US Dollars in '000)-----	(Audited) December 31, 2012		(Unaudited) March 31 2013 ------(Rupees in '000)-----	(Audited) December 31, 2012
ASSETS				
717	1,036	Cash and balances with treasury banks	70,546	101,974
1,149	1,625	Balances with other banks	113,076	159,980
7,300	8,463	Lendings to financial institutions	718,587	833,119
88,085	104,593	Investments -net	8,671,079	10,296,148
54,449	64,476	Advances -net	5,359,979	6,347,059
583	623	Operating fixed assets	57,421	61,298
4,691	4,369	Deferred tax assets -net	461,811	430,070
3,633	3,950	Other assets	357,532	388,729
160,607	189,135		15,810,031	18,618,377
LIABILITIES				
-	-	Bills payable	-	-
38,798	66,501	Borrowings	3,819,277	6,546,367
43,336	44,200	Deposits and other accounts	4,265,952	4,351,000
-	-	Sub-ordinated loans	-	-
94	110	Liabilities against assets subject to finance lease	9,245	10,802
-	-	Deferred tax liabilities	-	-
7,335	5,058	Other liabilities	722,139	497,955
89,563	115,869		8,816,613	11,406,124
71,044	73,266	NET ASSETS	6,993,418	7,212,253
REPRESENTED BY				
62,475	62,475	Share capital	6,150,000	6,150,000
5,957	5,800	Reserves	586,398	570,983
2,726	4,599	Unappropriated profit	268,311	452,759
71,158	72,874		7,004,709	7,173,742
379	379	Non controlling interest	37,268	37,268
71,537	73,253		7,041,977	7,211,010
(493)	13	(Deficit) / surplus on revaluation of assets - net of deferred tax	(48,559)	1,243
71,044	73,266		6,993,418	7,212,253
CONTINGENCIES AND COMMITMENTS				
			14	

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

Managing Director
and Chief Executive

Managing Director
and Chief Executive

Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2013

March 31, 2013 ------(US Dollars in '000)-----	March 31, 2012	Note	March 31, 2013 ------(Rupees in '000)-----	March 31, 2012 ------(Rupees in '000)-----
4,027	5,315		396,423	523,229
2,294	3,406		225,796	335,306
1,733	1,909		170,627	187,923
(7)	223		(677)	21,913
63	147		6,242	14,458
-	-		-	-
56	370		5,565	36,371
1,677	1,539		165,062	151,552
NON MARK-UP/INTEREST INCOME				
18	112		1,739	11,018
61	154		5,963	15,127
179	239		17,623	23,510
33	79		3,278	7,812
2	-		156	-
293	584		28,759	57,467
1,970	2,123		193,821	209,019
NON MARK-UP/INTEREST EXPENSES				
776	844		76,344	83,058
38	-		3,698	-
16	23		1,613	2,280
830	867		81,655	85,338
1,140	1,256		112,166	123,681
(1)	376		(110)	36,993
-	-		-	-
1,139	1,632		112,056	160,674
466	675		45,910	66,403
-	-		-	-
(110)	(328)		(10,821)	(32,262)
356	347		35,089	34,141
783	1,285		76,967	126,533
PROFIT / (LOSS) ATTRIBUTABLE TO:				
783	1,304		76,967	128,416
-	(19)		-	(1,883)
783	1,285		76,967	126,533
<u>US \$ 0.0013</u>	<u>US \$ 0.0021</u>	Basic and diluted earnings per share (Rupees)	<u>0.13</u>	<u>0.21</u>

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

Managing Director
and Chief Executive

Managing Director
and Chief Executive

Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2013

March 31 2013 ----- (US Dollars in '000) -----	March 31, 2012		March 31 2013 ----- (Rupees in '000) -----	March 31, 2012
783	1,285	Profit after taxation	76,967	126,533
-	-	Other comprehensive income	-	-
<u>783</u>	<u>1,285</u>	Total comprehensive income for the period	<u>76,967</u>	<u>126,533</u>
		Total comprehensive income attributable to:		
783	1,304	Shareholders of the holding company	76,967	128,416
-	(19)	Non-controlling interest	-	(1,883)
<u>783</u>	<u>1,285</u>		<u>76,967</u>	<u>126,533</u>

Deficit / surplus on revaluation of assets has been reported in accordance with the requirements of the Companies Ordinance, 1984 and the directives of the State Bank of Pakistan in a separate account below equity.

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

**Managing Director
and Chief Executive**

**Managing Director
and Chief Executive**

Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2013

March 31, 2013	March 31, 2012		Note	March 31, 2013	March 31, 2012
----- (US Dollars in '000) -----				----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES					
1,139	1,632	Profit before taxation		112,056	160,674
61	154	Less: Dividend income		5,963	15,127
<u>1,078</u>	<u>1,478</u>			<u>106,093</u>	<u>145,547</u>
Adjustments for non-cash charges					
38	51	Depreciation		3,775	5,005
3	6	Amortisation of intangible assets		315	584
(33)	(79)	Unrealised (gain) on revaluation of investments classified as 'held-for-trading'		(3,278)	(7,812)
(1)	-	(Gain) on sale of fixed assets		(84)	-
1	(376)	Share of loss / (gain) from associates - net of tax		110	(36,993)
(7)	223	(Reversal) / provision against non-performing advances		(677)	21,913
63	147	Provision for diminution in the value of investments		6,242	14,458
3	6	Financial charges on leased assets		299	581
<u>67</u>	<u>(22)</u>			<u>6,702</u>	<u>(2,264)</u>
<u>1,145</u>	<u>1,456</u>			<u>112,795</u>	<u>143,283</u>
(Increase)/decrease in operating assets					
1,163	(4,968)	Lendings to financial institutions		114,532	(489,072)
13,186	13,585	Net investments in held-for-trading securities		1,298,012	1,337,318
10,034	(6,453)	Advances		987,757	(635,231)
336	690	Other assets		32,963	68,048
<u>24,719</u>	<u>2,854</u>			<u>2,433,264</u>	<u>281,063</u>
Increase/(decrease) in operating liabilities					
-	-	Bills payable		-	-
(27,703)	17,141	Borrowings		(2,727,090)	1,687,380
(864)	1,606	Deposits and other accounts		(85,048)	158,074
23	(1,126)	Other liabilities		2,280	(110,812)
<u>(28,544)</u>	<u>17,621</u>			<u>(2,809,858)</u>	<u>1,734,642</u>
<u>(2,680)</u>	<u>21,931</u>			<u>(263,799)</u>	<u>2,158,988</u>
(3)	(6)	Financial charges on lease assets paid		(329)	(622)
(711)	(486)	Income tax paid		(69,976)	(47,794)
<u>(3,394)</u>	<u>21,439</u>	Net cash (used in) / from operating activities		<u>(334,104)</u>	<u>2,110,572</u>
CASH FLOW FROM INVESTING ACTIVITIES					
2,559	(21,915)	Net (Investments in)/proceeds from available-for-sale securities		251,930	(2,157,332)
14	13	Net proceeds from investments in held-to-maturity		1,331	1,236
-	68	Investments in associates		-	6,648
43	5	Dividend received		4,197	526
(12)	(24)	Investments in operating fixed assets		(1,134)	(2,370)
10	4	Sale proceeds of property and equipment disposed-off		1,005	352
<u>2,614</u>	<u>(21,849)</u>	Net cash from / (used in) investing activities		<u>257,329</u>	<u>(2,150,940)</u>
CASH FLOW FROM FINANCING ACTIVITIES					
(16)	(20)	Payment of lease obligation		(1,557)	(1,992)
<u>(796)</u>	<u>(430)</u>	Decrease in cash and cash equivalents		<u>(78,332)</u>	<u>(42,360)</u>
2,661	2,806	Cash and cash equivalents at the beginning of the period		261,954	276,210
<u>1,865</u>	<u>2,376</u>	Cash and cash equivalents at the end of the period	17	<u>183,622</u>	<u>233,850</u>

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

Managing Director
and Chief Executive

Managing Director
and Chief Executive

Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2013

	Issued, subscribed and paid up capital	Reserves		Unappropriated profit	Sub Total	Non controlling Interest	Total
		Statutory reserve	General reserve				
------(Rupees in '000)-----							
Balance as at January 1, 2012	6,150,000	473,682	11,630	296,512	6,931,824	47,850	6,979,674
Comprehensive income							
Net profit after tax for the first quarter ended March 31, 2012	-	-	-	128,416	128,416	(1,883)	126,533
Other comprehensive income -net of tax	-	-	-	-	-	-	-
	-	-	-	128,416	128,416	(1,883)	126,533
Transfers							
Transfer to statutory reserve	-	20,011	-	(20,011)	-	-	-
Balance as at March 31, 2012	6,150,000	493,693	11,630	404,917	7,060,240	45,967	7,106,207
Comprehensive income							
Net profit after tax for the nine months ended December 31, 2012	-	-	-	328,752	328,752	(8,699)	320,053
Other comprehensive income -net of tax	-	-	-	-	-	-	-
	-	-	-	328,752	328,752	(8,699)	320,053
Transfers							
Transfer to statutory reserve	-	65,660	-	(65,660)	-	-	-
Transactions with owners recognised directly in equity							
Dividend for the year ended December 31, 2011 (Re. 0.35 per share)	-	-	-	(215,250)	(215,250)	-	(215,250)
Balance as at December 31, 2012	6,150,000	559,353	11,630	452,759	7,173,742	37,268	7,211,010
Comprehensive income							
Net profit after tax for the first quarter ended March 31, 2013	-	-	-	76,967	76,967	-	76,967
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	76,967	76,967	-	76,967
Transfers							
Transfer to statutory reserve	-	15,415	-	(15,415)	-	-	-
Transaction with owners recognised directly in equity							
Dividend for the year ended December 31, 2012 (Re. 0.40 per share)	-	-	-	(246,000)	(246,000)	-	(246,000)
Balance as at March 31, 2013	6,150,000	574,768	11,630	268,311	7,004,709	37,268	7,041,977

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

Managing Director
and Chief Executive

Managing Director
and Chief Executive

Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2013

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Group comprises of Pak Oman Investment Company Limited - POICL (the "holding company" or "parent") and a subsidiary, Pak Oman Asset Management Company Limited (POAMCL). The Group is principally engaged in promotion of the economic growth of Pakistan and Oman through industrial development and agro-based industries on commercial basis and to carry on the business of finance and/or investment bank, asset management and investment advisory services. Brief profile of the holding company and its subsidiary is as follows:

1.1.1 Holding Company

Pak-Oman Investment Company Limited (the "holding company" or "POICL" or "parent") was incorporated as a private limited company on July 23, 2001. Subsequently, on March 17, 2004 the holding company was converted into a public limited company. It is a joint venture between the Government of Pakistan and the Government of the Sultanate of Oman. The objectives of the holding company include promotion of the economic growth of Pakistan and Oman through industrial development and agro-based industries on commercial basis and to carry on the business of finance and/or investment bank. Its registered office is situated at 1st Floor, Tower A, Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan. The holding company operates a branch at Lahore and other representative offices at Islamabad, Gwadar and Muscat. The holding company is designated as a development financial institution (DFI) under the BPD Circular Letter No. 35 dated October 28, 2003 issued by the State Bank of Pakistan (SBP).

1.1.2 Subsidiary Company

POAMCL was incorporated in Pakistan under the Companies Ordinance, 1984 on July 28, 2006 as an unlisted public limited company having its registered office at Horizon Vista, Mezzanine Floor-2, Plot No Com-10, Scheme-5, Block 4 Clifton, Karachi, Pakistan. POAMCL obtained certificate of commencement of business on October 31, 2006. The principal activities of the company include investment advisory and corporate finance.

1.2 The Group's associates are as follows:

Entity	Country of incorporation	Nature of business	Holding %	
			31-Mar-13	31-Dec-12
Pak Oman Advantage Fund	Pakistan	Established as an closed-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	27.36	27.36
Pak Oman Advantage Islamic Income Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	36.92	35.36
Pak Oman Islamic Asset Allocation fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	82.08	64.97
Pak Oman Advantage Asset Allocation Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	86.98	94.27
Pak Oman Microfinance Bank Limited	Pakistan	Incorporated under the Companies Ordinance, 1984 and is engaged in providing microfinance services to the poor and underserved segment of the society.	33.40	33.40
Japan Power Generation Limited	Pakistan	Incorporated under the Companies Ordinance, 1984 and is engaged in generation of power and its supply to WAPDA.	19.59	19.59

2 BASIS OF PRESENTATION AND CONSOLIDATION

2.1 Basis of presentation

- 2.1.1 This consolidated condensed interim financial information has been prepared from the information available in the unaudited unconsolidated condensed interim financial information of the holding company for the first quarter ended March 31, 2013 and the unaudited financial statements of POAMCL for the six months ended December 31, 2012. The accounting policies used by POAMCL and associates in preparation of their respective financial statements are consistent with that of the holding company except for the accounting policy for investments.
- 2.1.2 The associates have been accounted for in this consolidated condensed interim financial information under the equity method of accounting on the respective basis as follows:

Entity	Source of information
Japan Power Generation Limited (JPGL)	Unaudited financial statements for the six months ended December 31, 2012
Pak Oman Microfinance Bank Limited (POMFBL)	Audited financial statements for the year ended December 31, 2012
Pak Oman Advantage Fund	Unaudited financial statements for the six months ended December 31, 2012
Pak Oman Advantage Islamic Income Fund	Unaudited financial statements for the six months ended December 31, 2012
Pak Oman Islamic Asset Allocation Fund	Unaudited financial statements for the six months ended December 31, 2012
Pak Oman Advantage Asset Allocation fund	Unaudited financial statements for the six months ended December 31, 2012
Pak Oman Government Securities Fund	Unaudited financial statements for the six months ended December 31, 2012

3 STATEMENT OF COMPLIANCE

This consolidated condensed interim financial information of the Company for the first quarter ended March 31, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case where requirements differ, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the said directives have been followed.

The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Non Banking Financial Institutions in Pakistan vide BSD Circular Letter number 11 dated September 11, 2002, till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks and NBFCs. Therefore, it is also not applicable on the Company as it follows the same format of reporting as made applicable on banks by the SBP and accordingly, the requirements of these standards have not been considered in the preparation of this consolidated condensed interim financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

The disclosures made in this condensed interim consolidated financial information have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated May 12, 2004 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, this consolidated condensed interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2012.

The US dollar amounts shown in the consolidated condensed interim statement of financial position, consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income and consolidated condensed interim cash flow statement are stated solely for information purposes. For this purpose the amounts in Pakistan rupees have been converted into US Dollar at a rate of Rs 98.44 = US dollar 1 for the first quarter ended March 31, 2013 and the corresponding period.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended December 31,

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates / judgments and associated assumptions used in the preparation of this condensed interim consolidated financial information are consistent with those applied in the preparation of the annual consolidated financial statements of the Group for the year ended December 31, 2012.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Group for the year ended December 31, 2012.

7 INVESTMENTS - net

	March 31, 2013 (Un-audited)			December 31, 2012 (Audited)		
	Held by the Group	Given as collateral	Total	Held by the Group	Given as collateral	Total
------(Rupees in '000)-----						
7.1 Investments by types						
Held-for-trading securities						
Pakistan investment bonds	25,438	-	25,438	13,366	612,226	625,592
Market treasury bills (T-Bills)	1,099	-	1,099	50,812	648,145	698,957
Sukuk Certificates	3,443	-	3,443	3,443	-	3,443
	29,980	-	29,980	67,621	1,260,371	1,327,992
Available-for-sale securities						
Pakistan investment bonds	1,134,369	2,062,880	3,197,249	154,242	2,647,324	2,801,566
Market treasury bills (T-Bills)	518,768	-	518,768	485,026	653,294	1,138,320
Listed ordinary shares	203,436	-	203,436	213,693	-	213,693
Unlisted ordinary shares	131,333	226,000	357,333	131,333	226,000	357,333
Unlisted preference shares	231,744	-	231,744	231,744	-	231,744
Mutual funds units / certificates	14,337	-	14,337	14,337	-	14,337
Sukuk certificates	695,961	-	695,961	724,373	-	724,373
National saving bonds	-	-	-	9,999	-	9,999
Term finance certificates (TFCs)	2,793,040	177,496	2,970,536	2,772,238	177,691	2,949,929
	5,722,988	2,466,376	8,189,364	4,736,985	3,704,309	8,441,294
Held-to-maturity securities						
Pakistan investment bonds	201,245	-	201,245	202,576	-	202,576
Associates						
Japan Power Generation Limited	-	-	-	-	-	-
Pak Oman Advantage Fund	298,760	-	298,760	298,760	-	298,760
Pak Oman Advantage Islamic Income Fund	105,451	-	105,451	105,451	-	105,451
Pak Oman Islamic Asset Allocation Fund	112,441	-	112,441	112,441	-	112,441
Pak Oman Advantage Asset Allocation Fund	155,015	-	155,015	155,015	-	155,015
Pak Oman Government Securities Fund	-	-	-	-	-	-
Pak Oman Microfinance Bank Limited	233,867	-	233,867	233,761	-	233,761
	905,534	-	905,534	905,428	-	905,428
Investments at cost	6,859,747	2,466,376	9,326,123	5,912,610	4,964,680	10,877,290
Less: Provision for diminution in the value of investments	579,741	-	579,741	573,499	-	573,499
Investments - net of provisions	6,280,006	2,466,376	8,746,382	5,339,111	4,964,680	10,303,791
Gain / (loss) on revaluation of held-for-trading securities	950	-	950	(119)	(2,209)	(2,328)
(Deficit) / surplus on revaluation of available-for-sale securities	(83,725)	7,472	(76,253)	(40,896)	35,581	(5,315)
Total investments at carrying value	6,197,231	2,473,848	8,671,079	5,298,096	4,998,052	10,296,148

7.2 In respect of term finance certificates of Azgard Nine Limited and Agritech Limited, and listed shares of Agritech Limited, the State Bank of Pakistan vide letter number BPRD/BRD-(Policy)/2013-1857 dated February 15, 2013 has advised to record the provision and impairment on existing credit exposure and mark-to-market loss on shares in a phased manner upto 10%, 25%, 50%, 75% and 100% by December 31, 2012, March 31, 2013, June 30, 2013, September 30, 2013 and December 31, 2013 respectively calculated under Prudential Regulations. On prudent basis the Company has recorded 50% provision on credit exposure and 100% impairment on mark-to-market loss on shares in these financial statements.

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	----- (Rupees in '000) -----	
8. ADVANCES - net		
Loans in Pakistan	5,302,969	6,352,491
Net investment in finance lease in Pakistan	990,147	928,382
Advances - gross	6,293,116	7,280,873
Less: Provision for non-performing advances	(933,137)	(933,814)
Advances - net of provision	5,359,979	6,347,059

8.1 Advances include amount aggregating Rs. 1,224.246 million (December 31, 2012: Rs. 1,182.906 million), which have been placed under the non-performing status as detailed below:

March 31, 2013 (Un-audited)					
Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	55,937	-	55,937	-	-
Doubtful	218,999	-	218,999	63,061	63,061
Loss	949,310	-	949,310	870,076	870,076
	1,224,246	-	1,224,246	933,137	933,137

December 31, 2012 (Audited)					
Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	94,878	-	94,878	-	-
Doubtful	128,266	-	128,266	63,061	63,061
Loss	959,762	-	959,762	870,753	870,753
	1,182,906	-	1,182,906	933,814	933,814

8.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the holding Company has further availed the benefit of FSV against the non-performing advances and term finance certificates. Had this benefit of FSV not been taken by the Company, the specific provision against non-performing advances and term finance certificates would have been higher by Rs. 16.76 million (net of tax Rs. 10.89 million) and profit before taxation for the first quarter ended March 31, 2013 would have been reduced by the same amount. As of March 31, 2013, the holding Company has availed total accumulated FSV benefit amounting to Rs. 310.22 million (net of tax Rs. 201.65 million). Accordingly, accumulated profit of Rs. 201.65 (net of transfer to statutory reserves Rs. 161.32 million) will not be available for the distribution as cash or stock dividend to the shareholders of the holding Company as required by the aforementioned SBP directives.

9 OPERATING FIXED ASSETS	(Un-Audited) March 31, 2013	(Un-Audited) March 31, 2012
	----- (Rupees in '000) -----	
During the period additions to operating fixed assets were as follows:		
Owned		
Office equipment	21	22
Computer equipment	463	871
Furniture and fixture	650	-
Vehicles	-	1,477
	1,134	2,370

During the period disposals from operating fixed assets were as follows:

Owned		
Vehicles	921	-

	(Un-Audited) March 31, 2013	(Audited) December 31, 2012
	------(Rupees in '000)-----	
10 DEFERRED TAX ASSETS - net		
Deferred tax assets arising in respect of:		
Provision for diminution in the value of investments	167,691	165,791
Other provision	1,294	-
Amortisation of premium on federal government securities	18,124	17,121
Revaluation on investments classified as held-for-trading	(333)	815
Revaluation on investments classified as available-for-sale	29,283	8,363
Provision against non-performing loans and advances	326,598	326,835
	542,657	518,925
Less: Deferred tax liabilities arising in respect of:		
Assets subject to finance leases	(1,840)	(1,930)
Accelerated tax depreciation allowances	1,002	814
Net investment in finance leases	(79,831)	(87,739)
Dividend receivable	(177)	-
	(80,846)	(88,855)
	461,811	430,070

11 DEPOSITS AND OTHER ACCOUNTS

Certificate of investments - remunerative (in local currency)		
Financial institutions	481,747	731,747
Others	3,784,205	3,619,253
	4,265,952	4,351,000

11.1 The rate of return on deposits maturing April 2013 to May 2014 (2012: January 2013 to May 2014) is 9 to 13.75 (2012: 9 to 13.75) per annum.

12 SHARE CAPITAL

12.1 Authorized capital

	(Un-Audited) March 31, 2013	(Audited) December 31, 2012		(Un-Audited) March 31, 2013	(Audited) December 31, 2012
	------(Number of shares)-----			------(Rupees in '000)-----	
	1,000,000,000	1,000,000,000	Ordinary shares of Rs. 10 each.	10,000,000	10,000,000

12.2 Issued, subscribed and paid - up capital

	615,000,000	615,000,000	Ordinary shares of Rs. 10 each.	6,150,000	6,150,000
--	--------------------	--------------------	---------------------------------	------------------	------------------

12.3 The Ministry of Finance on behalf of the Government of Pakistan and the Sultanate of Oman through its Ministry of Finance each holds 307,495,900 (2012: 307,495,900) ordinary shares of the Company, while 4,100 (2012: 4,100) ordinary shares each are held by the Secretary - Economic Affairs Division, Government of Pakistan and Ministry of Commerce and Industry, Sultanate of Oman.

	(Un-Audited) March 31, 2013	(Audited) December 31, 2012
	------(Rupees in '000)-----	
13 (DEFICIT) / SUPPLUS ON REVALUATION OF ASSETS - net of deferred tax		
(Deficit) /surplus on revaluation of available-for-sale securities - net of tax		
Federal Government Securities		
- Market Treasury Bills	(343)	873
- Pakistan Investment Bonds	(2,552)	31,508
	<u>(2,895)</u>	<u>32,381</u>
Shares-listed	4,934	17,727
Term Finance Certificates		
-Listed	(70,202)	(44,772)
-Unlisted	(10,333)	(9,827)
Sukuk-unlisted	(237)	(1,076)
National Saving Bonds	-	(599)
Investment in Mutual Funds	2,480	851
	<u>(76,253)</u>	<u>(5,315)</u>
Deferred tax asset recognized	29,283	8,363
	<u>(46,970)</u>	<u>3,048</u>
Associate's share of surplus of revaluation of available-for-sale securities	(1,589)	(1,805)
	<u>(48,559)</u>	<u>1,243</u>

14 CONTINGENCIES AND COMMITMENTS

Transaction related contingent liability:		
- guarantees	-	-
Pledge of shares on behalf of JPGL - note 14.1	70,726	70,726
Pledge of shares on behalf of Orient Power Company (Pvt) Ltd - note 14.2	226,000	226,000
Commitments for:		
Sale of government securities	-	235,657
Commitments for loans and advances and net investment in finance leases	2,172,250	1,016,982
Commitments for the acquisition of operating fixed assets	709	709
14.1 Shares in Japan Power Generation Limited (an associate) aggregating 17,622,878 (December 31, 2012: 17,622,878) having a cost of Rs. 70.726 million (December 31, 2012: Rs. 70.726 million) have been pledged as security on behalf of that associated company against a syndicate finance facility obtained by it.		
14.2 Shares in Orient Power Company (Pvt) Ltd (related party) aggregating 22,600,000 (December 31, 2012: 22,600,000) having a cost of Rs.226 million (December 31, 2012: Rs. 226 million) are pledged as security on behalf of Orient Power Company (Pvt) Ltd (related party) against a syndicate finance facility obtained by Orient Power Company (Pvt) Ltd (related party).		
14.3 The Income Tax Department has amended the deemed assessment orders for the tax years 2005 and 2011. The holding company has filed appeals against these orders. The effect of these amendments amounts to Rs. 74 million. No provision has been made against these amendments based on the opinion of the Company's tax consultant who expect a favorable outcome of these appeals.		

15 **BASIC AND DILUTED EARNINGS PER SHARE (Un-Audited)**

	First quarter ended	
	March 31, 2013	March 31, 2012
Profit attributable to shareholders (Rupees in '000)	76,967	128,416
Weighted average number of ordinary shares (in '000)	615,000	615,000
Basic and diluted earnings per share (Rupees)	0.13	0.21

16 **SEGMENT ANALYSIS WITH RESPECT TO BUSINESS ACTIVITIES (Un-Audited)**

16.1 The segment analysis with respect to business activities are as follows:

	Corporate Finance	Trading & Sales	Commercial Banking	Asset Management	Total
----- (Rupees in '000)' -----					
First quarter ended March 31, 2013 (Un-Audited)					
Total income	-	245,898	179,174	-	425,072
Total expense	17,217	163,883	131,916	-	313,016
Net income	<u>(17,217)</u>	<u>82,015</u>	<u>47,258</u>	<u>-</u>	<u>112,056</u>
First quarter ended March 31, 2012 (Un-Audited)					
Total income	1,182	416,350	184,105	16,549	618,186
Total expense	9,312	270,399	157,522	20,279	457,512
Net income	<u>(8,130)</u>	<u>145,951</u>	<u>26,583</u>	<u>(3,730)</u>	<u>160,674</u>

17 **CASH AND CASH EQUIVALENTS**

	(Un-Audited)	
	First quarter ended March 31, 2013	March 31, 2012
----- (Rupees in '000) -----		
Cash and balances with treasury banks	70,546	58,762
Balances with other banks	113,076	175,088
	<u>183,622</u>	<u>233,850</u>

18 **RELATED PARTY TRANSACTIONS**

18.1 The Group has related party relationship with its associates, employee benefit plans, company having common directors and its key management personnel (including their associates). The details of investments in associates are stated in note 7 to this consolidated condensed interim financial information.

Contributions to the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation /terms of the contribution plan. Remuneration of the key management personnel are in accordance with the terms of their employment. Advances are given to employees as per the Company's Policy. Transactions with other related parties are carried out on commercial terms and as per market rates.

The details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the consolidated condensed interim financial information are as follows:

Associates

- Pak Oman Microfinance Bank Limited
- Japan Power Generation Limited
- Pak Oman Advantage Fund
- Pak Oman Advantage Islamic Income Fund
- Pak Oman Islamic Asset Allocation Fund
- Pak Oman Advantage Asset Allocation Fund
- Pak Oman Government Securities Fund

Key management Personnel

- All head of departments
- Directors

Retirement benefit fund

- Defined benefit plan
- Defined contribution plan

Other related party

- Orient Power Company (Private) Limited

19 CREDIT RATING

The JCR VIS Credit Rating Company Limited has maintained the company's rating of AA+ (Double AA Plus) in the long term and A-1+ (A One Plus) for the short term.

20 GENERAL

Figures have been rounded off to the nearest rupee in thousand.

21 DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information were authorised on April 18, 2013 by the board of directors of the holding Company.

Chief Financial Officer

**Managing Director
and Chief Executive**

**Managing Director
and Chief Executive**

Chairman