

PAK-OMAN INVESTMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2010

Unaudited September 30, 2010 <u>(US \$ in '000)</u>	Audited December 31, 2009		Unaudited September 30, 2010 <u>(Rupees in '000)</u>	Audited December 31, 2009
		ASSETS		
749	862	Cash and balances with treasury banks	64,385	74,119
654	7,456	Balances with other banks	56,230	641,256
30,318	33,448	Lendings to financial institutions	2,607,332	2,876,508
110,686	123,497	Investments	9,518,979	10,620,720
69,437	64,047	Advances	5,971,556	5,508,051
919	944	Operating fixed assets	79,034	81,202
4,066	3,764	Deferred taxation	349,688	323,703
5,172	4,785	Other assets	444,727	411,466
222,001	238,803		19,091,931	20,537,025
		LIABILITIES		
-	-	Bills payable	-	-
77,318	103,431	Borrowings from financial institutions	6,649,317	8,895,096
59,677	53,048	Deposits and other accounts	5,132,203	4,562,089
-	-	Sub-ordinated loans	-	-
187	175	Liabilities against assets subject to finance lease	16,047	15,014
9,069	7,807	Other liabilities	779,945	671,491
-	-	Deferred taxation	-	-
146,251	164,461		12,577,512	14,143,690
75,750	74,342	NET ASSETS	6,514,419	6,393,335
		REPRESENTED BY		
71,512	71,512	Share capital	6,150,000	6,150,000
5,548	4,825	Reserves	477,124	414,920
850	(1,466)	Accumulated Loss	73,093	(126,035)
77,910	74,871		6,700,217	6,438,885
885	1,122	Non controlling interest	76,073	96,469
78,795	75,993		6,776,290	6,535,354
(3,045)	(1,651)	Deficit on revaluation of securities - net of tax	(261,871)	(142,019)
75,750	74,342		6,514,419	6,393,335
		Contingencies and commitments	9	

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial report.

Chief Financial Officer

Managing Director
and Chief Executive

Managing Director
and Chief Executive

Chairman

PAK-OMAN INVESTMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

Nine months ended		
September 30, 2010	September 30, 2009	
(US \$ in '000)		
19,687	20,140	Mark-up/return/interest earned
13,202	14,253	Mark-up/return/interest expensed
6,485	5,887	Net mark-up/ interest income
1,184	5,953	Provision against non -performing loans and advances
10	403	Provision for diminution in the value of investments
-	-	Bad debts written off directly
1,194	6,356	
5,291	(469)	Net mark-up/ interest income after provisions

NON MARK-UP/INTEREST INCOME

530	572	Fee, commission and brokerage income
578	531	Dividend income
(189)	656	(Loss) / income from trading in Government securities
-	-	Income from dealing in foreign currencies
730	(1,520)	Income from trading in listed and other securities
-	(3,292)	Provision for impairment in the value of investments
(98)	208	Unrealised (deficit) / surplus on revaluation of investments classified as 'held-for-trading' securities
32	7	Other income
1,583	(2,838)	Total non -mark up/interest income
6,874	(3,307)	

NON MARK-UP/INTEREST EXPENSES

2,877	2,905	Administrative expenses
-	-	Other provisions/write offs
208	252	Other charges
3,085	3,157	Total non-mark up/interest expenses
3,789	(6,464)	
294	1,366	Share of results of associates before taxation
-	-	Extra ordinary /unusual items
4,083	(5,098)	PROFIT / (LOSS) BEFORE TAXATION

1,600	1,840	Taxation - current
-	-	- prior
(317)	(2,302)	- deferred
1,283	(462)	
2,800	(4,636)	PROFIT / (LOSS) AFTER TAXATION
237	(37)	Share of loss attributable to non controlling interest
3,037	(4,673)	PROFIT / (LOSS) ATTRIBUTABLE TO SHAREHOLDERS

US \$ 0.0049 **US \$ -0.0076** Basic and diluted earnings / (loss) per share (Rs per share)

Note	Quarter ended		Nine months ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
(Rupees in '000)				
	548,293	611,505	1,693,109	1,732,057
	354,898	454,031	1,135,334	1,225,784
	193,395	157,474	557,775	506,273
6.2	17,436	63,130	101,837	511,961
	3,236	-	846	34,700
	-	-	-	-
	20,672	63,130	102,683	546,661
	172,723	94,344	455,092	(40,388)
	15,792	16,052	45,612	49,217
	32,435	18,582	49,713	45,703
	(11,053)	13,582	(16,264)	56,425
	-	-	-	-
	2,263	19,520	62,797	(130,703)
	-	(35,386)	-	(283,132)
	11,793	(24,164)	(8,421)	17,866
	155	323	2,779	604
	51,385	8,509	136,216	(244,020)
	224,108	102,853	591,308	(284,408)
	86,056	74,419	247,409	249,795
	-	-	-	-
	3,505	4,289	17,916	21,791
	89,561	78,708	265,325	271,586
	134,547	24,145	325,983	(555,994)
	8,982	30,884	25,306	117,479
	143,529	55,029	351,289	(438,515)
	35,307	49,239	137,605	158,199
	-	-	-	-
	8,442	(34,952)	(27,252)	(197,967)
	43,749	14,287	110,353	(39,768)
	99,780	40,742	240,936	(398,747)
	4,367	(5,643)	20,396	(3,149)
	104,147	35,099	261,332	(401,896)
10	0.17	0.06	0.42	(0.65)

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial report.

Chief Financial Officer

Managing Director
and Chief Executive

Managing Director
and Chief Executive

Chairman

PAK-OMAN INVESTMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

Nine months ended			Quarter ended		Nine months ended	
September	September		September	September	September	September
2010	2009		2010	2009	2010	2009
US \$ in '000			Rupees in '000			
2,800	(4,636)	PROFIT / (LOSS) AFTER TAXATION	99,780	40,742	240,936	(398,747)
(1,378)	7,435	Surplus / (Deficit) net on revaluation of securities	(134,764)	182,645	(118,585)	639,434
(14)	(199)	Deferred tax asset / (liability) on Government Securities	771	(1,009)	(1,267)	(17,123)
(19)	99	Share of other comprehensive income of associates	(1,796)	267	(1,620)	8,518
(1,411)	7,335	Other comprehensive income for the period net of tax not transferred to equity	(135,789)	181,903	(121,472)	630,829
1,389	2,699	Total comprehensive income / (loss) for the period	(36,009)	222,645	119,464	232,082

Surplus / Deficit arising on revaluation of 'available-for-sale' securities is required to be shown separately below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirement specified by the State Bank of Pakistan. Accordingly, it has not been reflected in the statement of changes in equity.

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial report.

Chief Financial Officer

**Managing Director
and Chief Executive**

**Managing Director
and Chief Executive**

Chairman

PAK-OMAN INVESTMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

Nine months ended			Nine months ended	
September 30, 2010	September 30, 2009		September 30, 2010	September 30, 2009
(US \$ in '000)			(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES				
4,083	(5,098)	Profit / (loss) before taxation	351,289	(438,515)
578	531	Less: Dividend income	49,713	45,703
3,505	(5,629)		301,576	(484,218)
Adjustments for non-cash charges				
188	192	Depreciation	16,138	16,541
31	31	Amortisation of intangible assets	2,695	2,651
98	(208)	Unrealised deficit / (surplus) on revaluation of investments classified as 'held-for-trading'	8,421	(17,866)
(30)	14	(Gain) / loss on sale of fixed assets	(2,544)	1,185
(294)	(1,366)	Share of (gain) from associates before taxation	(25,306)	(117,479)
1,184	5,953	Provision against non-performing loans and advances	101,837	511,961
10	403	Provision for diminution in the value of investments	846	34,700
-	3,292	Provision for impairment in the value of investments	-	283,132
(19,687)	(20,140)	Financial income	(1,693,109)	(1,732,057)
13,202	14,253	Financial charges	1,135,334	1,225,784
(5,298)	2,424		(455,688)	208,552
(1,793)	(3,205)		(154,112)	(275,666)
(Increase)/decrease in operating assets				
2,786	(6,476)	Lendings to financial institutions	239,604	(556,931)
-	-	Balances with other banks	-	-
17,862	(66,725)	Held-for-trading	1,536,111	(5,738,313)
(6,574)	(2,256)	Advances	(565,342)	(194,025)
190	3,414	Other assets	16,244	293,647
14,264	(72,043)		1,226,617	(6,195,622)
Increase/(decrease) in operating liabilities				
-	-	Bills payable	-	-
(26,114)	51,651	Borrowings from financial institutions	(2,245,779)	4,441,984
6,629	11,534	Deposits and other accounts	570,114	991,945
12	388	Liabilities against assets subject to finance lease	1,033	33,378
15	(12)	Other liabilities	1,242	(982)
(19,458)	63,561		(1,673,390)	5,466,325
(6,987)	(11,687)		(600,885)	(1,004,963)
19,462	19,435	Financial income received	1,673,715	1,671,390
(12,406)	(13,890)	Financial charges paid	(1,066,956)	(1,194,548)
(1,149)	(658)	Income tax paid	(98,771)	(56,624)
(1,080)	(6,800)	Net cash (outflow) from operating activities	(92,897)	(584,745)
CASH FLOW FROM INVESTING ACTIVITIES				
(8,023)	3,337	Net investments	(689,991)	286,957
1,780	-	Investment in associates	153,075	-
228	197	Dividend received	19,602	16,937
(225)	(149)	Investments in operating fixed assets	(19,380)	(12,812)
61	48	Sale proceeds of property and equipment disposed-off	5,259	4,122
(6,179)	3,433	Net cash (outflow) / inflow from investing activities	(531,435)	295,204
CASH FLOW FROM FINANCING ACTIVITIES				
-	-	Dividend paid	-	-
-	-	Net cash inflow / (outflow) from financing activities	-	-
(7,259)	(3,367)	(Decrease) in cash and cash equivalents	(624,332)	(289,541)
8,662	8,799	Cash and cash equivalents at the beginning of the period	744,947	756,696
1,403	5,432	Cash and cash equivalents at the end of the period	120,615	467,155

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial report.

Chief Financial Officer

Managing Director
and Chief Executive

Managing Director
and Chief Executive

Chairman

PAK-OMAN INVESTMENT COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

	Issued, subscribed and paid up capital	Reserve			Unappropriated profit / (Loss)	Sub Total	Non controlling Interest	Total
		Statutory reserve	General reserve	Contingencies reserve				
-----Rupees in '000-----								
Balance as at January 1, 2009	6,150,000	348,483	575,755	93,013	(229,835)	6,937,416	96,739	7,034,155
Net loss after tax for the nine months ended September 30, 2009	-	-	-	-	(398,747)	(398,747)	-	(398,747)
Share of (profit) attributable to non controlling interest	-	-	-	-	(3,149)	(3,149)	3,149	-
Transfer to general reserve	-	-	5,162	-	(5,162)	-	-	-
Transfer from general reserve	-	-	(27,419)	-	27,419	-	-	-
Transfer to contingencies reserve - relating to year ended December 31, 2008	-	-	-	27,419	(27,419)	-	-	-
Balance as at September 30, 2009	6,150,000	348,483	553,498	120,432	(636,893)	6,535,520	99,888	6,635,408
Net loss after tax for the quarter ended December 31, 2009	-	-	-	-	(100,054)	(100,054)	-	(100,054)
Share of (profit) attributable to non controlling interest	-	-	-	-	3,419	3,419	(3,419)	-
Transfer from general reserve	-	-	(487,061)	-	487,061	-	-	-
Transfer from contingencies reserve	-	-	-	(120,432)	120,432	-	-	-
Balance as at December 31, 2009	6,150,000	348,483	66,437	-	(126,035)	6,438,885	96,469	6,535,354
Net profit after tax for the nine months ended September 30, 2010	-	-	-	-	240,936	240,936	-	240,936
Share of loss attributable to non controlling interest	-	-	-	-	20,396	20,396	(20,396)	-
Transfer to statutory reserve	-	47,604	-	-	(47,604)	-	-	-
Transfer to contingencies reserve - relating to six months ended June 30, 2010	-	-	-	14,600	(14,600)	-	-	-
Balance as at September 30, 2010	6,150,000	396,087	66,437	14,600	73,093	6,700,217	76,073	6,776,290

The annexed notes from 1 to 14 form an integral part of this condensed interim consolidated financial report.

Chief Financial Officer

Managing Director
and Chief Executive

Managing Director
and Chief Executive

Chairman

PAK-OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

1 LEGAL STATUS AND NATURE OF BUSINESS

The Group comprises of Pak Oman Investment Company Limited - POICL (the holding company) and a subsidiary, Pak Oman Asset Management Company Limited (POAMCL). POAMCL is involved in investment advisory, portfolio management, equity research and corporate finance. POICL holds 51% of the share capital of POAMCL.

The Group's associates are as follows:

Entity	Country of incorporation	Nature of business	Holding percentage 30-Sep-10
Japan Power Generation Limited (JPGL)	Pakistan	Incorporated under the Companies Ordinance, 1984 and is engaged in generation of power and its supply to WAPDA.	19.59
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.	33.4
Pak Oman Advantage Fund	Pakistan	Established as an closed-end scheme under the Non-Banking Finance Companies (NBFC) Rules 2003 and Notified Entities Regulations, 2008	27
Pak Oman Advantage Islamic Income Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies (NBFC) Rules 2003 and Notified Entities Regulations, 2008	48
Pak Oman Advantage Islamic Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies (NBFC) Rules 2003 and Notified Entities Regulations, 2008	95
Pak Oman Advantage Stock Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies (NBFC) Rules 2003 and Notified Entities Regulations, 2008	91

The holding company was incorporated as a private limited company on July 23, 2001. Subsequently, on March 17, 2004 the 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. POICL's objectives interalia 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. POICL operates a branch at Lahore and other representative offices at Islamabad, Gwadar and Muscat. POICL is designated as a development financial institution (DFI) under the BPD circular No. 35 dated October 28, 2003 issued by the State Bank of Pakistan.

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 1st Floor, Tower A, Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Sindh. The company obtained certificate of commencement of business on October 31, 2006. The principal activities of the company include investment advisory and corporate finance.

PAK-OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

2 BASIS OF PRESENTATION AND CONSOLIDATION

2.1 Basis of presentation

2.1.1 This condensed interim consolidated financial report have been prepared from the information available in the condensed interim unaudited financial report of the holding company for the six months ended June 30, 2010 and the unaudited financial report of POAMCL for the year ended June 30, 2010.

2.1.2 The associates have been accounted for in this condensed interim consolidated financial report under the equity method of accounting on the respective basis as follows:

Entity	Source of information
Japan Power Generation Limited (JPGL)	Audited financial report for the year ended June 30, 2010
Pak Oman Microfinance Bank Limited (POMFBL)	Unaudited financial report for the nine months ended September 30, 2010
Pak Oman Advantage Fund	Unaudited financial report for the quarter ended September 30, 2010
Pak Oman Advantage Islamic Income Fund	Unaudited financial report for the quarter ended September 30, 2010
Pak Oman Advantage Islamic Fund	Unaudited financial report for the quarter ended September 30, 2010
Pak Oman Advantage stock fund	Unaudited financial report for the quarter ended September 30, 2010

3 STATEMENT OF COMPLIANCE

This consolidated condensed interim financial report of the group for the nine months period ended September 30, 2010 has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting, requirements of the Companies Ordinance, 1984 (the Ordinance) and provisions of and directives issued by the State Bank of Pakistan (SBP). In case requirements differ, the requirements of the Ordinance or of SBP have been followed.

The financial report has been prepared on the format of the accounts and mode of disclosures prescribed by SBP through its BSD Circular letter No. 02 dated May 12, 2004.

The US dollar amounts shown in the condensed interim consolidated statement of financial position, condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income and condensed interim consolidated cash flow statement are stated solely for information purposes. For this purpose the amounts in Pakistan rupees have been converted at a rate of Rs. 86 = US dollar 1 for the nine months ended September 30, 2010 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 report are the same as those applied in the preparation of the financial statements of the group for the year ended December 31, 2009.

PAK-OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

5 INVESTMENTS

	Held by the company	Given as collateral	Total
	----- Rupees in '000 -----		
Balance as at September 30, 2010 (un-audited)	6,881,504	2,637,475	9,518,979
Balance as at December 31, 2009 (audited)	6,982,725	3,637,995	10,620,720
Balance as at September 30, 2009 (un-audited)	7,248,829	5,361,623	12,610,452

5.1 Investments by types

	Held by the company	Given as collateral	Total
	----- Rupees in '000 -----		
Held-for-trading securities	708,202	1,382,590	2,090,792
Available for sale securities	5,649,628	1,293,106	6,942,734
Held-to-maturity securities	262,664	-	262,664
Associates	839,445	-	839,445
	<u>7,459,939</u>	<u>2,675,696</u>	<u>10,135,635</u>
Less: Provision for diminution in value of investments	(220,817)	-	(220,817)
Provision for impairment in the value of investments	(108,558)	-	(108,558)
	<u>7,130,564</u>	<u>2,675,696</u>	<u>9,806,260</u>
(Deficit) on revaluation of 'available for sale' securities	(237,987)	(34,751)	(272,738)
(Deficit) on revaluation of 'held for trading' securities	(11,073)	(3,470)	(14,543)
Balance as at September 30, 2010 (un-audited)	6,881,504	2,637,475	9,518,979

	Un-audited September 30, 2010	Audited December 31, 2009
	----- Rupees in '000 -----	
6. ADVANCES	5,733,900	5,139,791
Loans in Pakistan	1,265,508	1,294,275
Net investment in finance lease in Pakistan	6,999,408	6,434,066
Less: Provision for non-performing advances	(1,027,852)	(926,015)
	<u>5,971,556</u>	<u>5,508,051</u>

6.1 Advances include amount aggregating Rs. 1,275.189 million (December 31, 2009: Rs. 1,142.507 million), which have been placed under the non-performing status as detailed below:

	Domestic	Overseas	Total	Provision required	Provision held
	-----Rupees in '000-----				
Substandard	50,368	-	50,368	11,599	11,599
Doubtful	160,556	-	160,556	80,278	80,278
Loss	1,064,265	-	1,064,265	935,975	935,975
	<u>1,275,189</u>	<u>-</u>	<u>1,275,189</u>	<u>1,027,852</u>	<u>1,027,852</u>

6.2 Movements in provision is analysed as follows:

	Rs. in '000
Nine months ended September 30, 2009	
Opening balance	333,971
Charge for the period	520,738
(Reversal) for the period	(8,777)
Closing balance	<u>845,932</u>
Nine months ended September 30, 2010	
Opening balance	926,015
Charge for the period	122,939
(Reversal) for the period	(21,102)
Closing balance	<u>1,027,852</u>

PAK-OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

	Un-audited September 30 2010	Un-audited September 30 2009
	----- Rupees in '000 -----	
7 OPERATING FIXED ASSETS		
Additions – cost	19,380	12,812
Disposals – cost	9,442	13,179
- Net book value	2,715	5,307

8 SHARE CAPITAL

8.1 Authorized share capital

	Un-audited September 30, 2010	Audited December 31, 2009	Un-audited September 30, 2010	Audited December 31, 2009
	No. of shares in '000		----- Rupees in '000 -----	
Ordinary shares of Rs. 10 each	1,000,000	1,000,000	10,000,000	10,000,000

8.2 Issued, subscribed and paid - up capital

	Un-audited September 30, 2010	Audited December 31, 2009	Un-audited September 30, 2010	Audited December 31, 2009
	No. of shares in '000		----- Rupees in '000 -----	
	615,000	615,000	6,150,000	6,150,000

8.3 The Ministry of Finance on behalf of the Government of Pakistan and the Ministry of Finance on behalf of the Government of the Sultanate of Oman each held 307,495,900 (December 31, 2009: 307,495,900) ordinary shares of the company while 4,100 (December 31, 2009: 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 September 30, 2010	Audited December 31, 2009
	----- Rupees in '000 -----	
9 CONTINGENCIES AND COMMITMENTS		

Transaction related contingent liability:

- guarantees	11,301	24,301
- import letter of credit	13,730	168,590

Pledge of shares on behalf of associated company - note 9.1	70,726	70,726
---	--------	--------

Commitments for:

- purchase of government securities	141,131	-
- sale of government securities	232,063	477,710
- purchase of TFCs	-	30,627
- sale of TFCs	-	102,089
- sale of Mutual funds	-	-
- repurchase agreement borrowing	756,652	67,000

Commitments for loans and advances and

net investment in finance leases	394,490	193,910
----------------------------------	---------	---------

9.1 Shares in Japan Power Generation Limited (an associate) aggregating 17,622,878 (December 31, 2009: 17,622,878) having a cost of Rs. 70.726 million (December 31, 2009: Rs. 70.726 million) have been pledged as security on behalf of that associated company against a syndicate finance facility obtained by it.

PAK-OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

10. BASIC AND DILUTED EARNING / (LOSS) PER SHARE	Un-audited	
	Nine months ended September 30	
	2010	2009
	----- Rupees in '000 -----	
Profit / (loss) attributable to shareholders	<u>261,332</u>	<u>(401,896)</u>
	Quarter ended September 30	
	2010	2009
	----- Rupees in '000 -----	
Profit attributable to shareholders	<u>104,147</u>	<u>35,099</u>
	Numbers in thousand	
Weighted average number of ordinary shares	<u>615,000</u>	<u>615,000</u>
	Rupee	
Basic and diluted earning / (loss) per share for the nine months ended September 30, 2010/09	<u>0.42</u>	<u>(0.65)</u>
Basic and diluted earning per share for the quarter ended September 30, 2010/09	<u>0.17</u>	<u>0.06</u>

11. RELATED PARTY TRANSACTIONS

Associates

- Pak Oman Microfinance Bank Limited
- Japan Power Generation Limited
- Pak Oman Advantage Fund
- Pak Oman Advantage Islamic Income Fund
- Pak Oman Advantage Islamic Fund
- Pak Oman Advantage Stock Fund

Other related party

- Orient Power Company (Private) Limited

Key management Personnel

- All head of departments
- Directors

PAK-OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

11.1 Transactions entered into with related parties are as follows:

	Associates		Other related party		Total	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Rupees in '000						
Advances / Investments *						
Balance as at January 1	1,133,816	1,087,349	318,314	274,474	1,452,130	1,361,823
Additions during the period / year	-	84,108	862,497	43,840	862,497	127,948
Repayments / Transfer	(159,874)	(37,641)	(234,604)	-	(394,478)	(37,641)
Closing balance	973,942	1,133,816	946,207	318,314	1,920,149	1,452,130
* including sale / purchase / transfer of units from associated mutual funds.						
Borrowings / Deposits						
Balance as at January 1	211,861	213,011	-	-	211,861	213,011
Additions during the period / year	251,520	446,515	-	-	251,520	446,515
Repayments	(37,000)	(447,665)	-	-	(37,000)	(447,665)
Closing balance	426,381	211,861	-	-	426,381	211,861
Balances						
Other receivable	-	132	75	-	75	132
Rupees in '000						
	Associates		Other related party		Total	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
11.2 Transactions, income and expenses						
Mark up expense	41,529	23,840	-	-	41,529	23,840
Mark up income	-	7,209	82,930	37,751	82,930	44,960
Fee income	-	-	6,370	450	6,370	450
Dividend income	35,995	26,038	-	-	35,995	26,038
11.3 Transactions with retirement benefit funds						
					September 30, 2010	September 30, 2009
Rupees in '000						
Defined contribution plan					6,734	4,823
Defined benefit plan					5,581	6,079
11.4 Key management compensation						
Salaries and benefits					42,046	63,597
Non-executive director's remuneration					103	170
					42,149	63,767
11.5 Mark-up received on loans to key management personnel						
					1,725	1,563
11.6 Loans to key management personnel						
					September 30, 2010	December 31, 2009
Opening balance					53,630	57,694
Additions during the period					13,589	17,625
Repayments during the period					(21,548)	(21,689)
Closing balance					45,671	53,630

PAK-OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

12. 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.

13. GENERAL

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

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial report were authorised on November 23, 2010 by the board of directors of the holding company.

Chief Financial Officer

**Managing Director
and Chief Executive**

**Managing Director
Chief Executive**

Chairman