

PAK-OMAN INVESTMENT COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2010

| Unaudited March 31, 2010 (US \$ in '000) | Audited December 31, 2009 | | Note | Unaudited March 31, 2010 (Rupees in '000) | Audited December 31, 2009 |
|---|---------------------------------|--|------|--|---------------------------------|
| ASSETS | | | | | |
| 939 | 881 | Cash and balances with treasury banks | | 78,876 | 73,968 |
| 6,195 | 7,028 | Balances with other banks | | 520,378 | 590,362 |
| 21,353 | 33,892 | Lendings to financial institutions | | 1,793,680 | 2,846,936 |
| 132,514 | 128,274 | Investments | 4 | 11,131,183 | 10,775,046 |
| 76,030 | 65,644 | Advances | 5 | 6,386,557 | 5,514,114 |
| 747 | 745 | Operating fixed assets | 6 | 62,715 | 62,538 |
| 3,723 | 3,729 | Deferred taxation | | 312,722 | 313,222 |
| 4,762 | 4,626 | Other assets | | 400,035 | 388,553 |
| <u>246,263</u> | <u>244,819</u> | | | <u>20,686,146</u> | <u>20,564,739</u> |
| LIABILITIES | | | | | |
| - | - | Bills payable | | - | - |
| 89,652 | 105,894 | Borrowings from financial institutions | | 7,530,799 | 8,895,096 |
| 69,025 | 54,311 | Deposits and other accounts | | 5,798,134 | 4,562,089 |
| - | - | Sub-ordinated loans | | - | - |
| 154 | 169 | Liabilities against assets subject to finance lease | | 12,897 | 14,168 |
| - | - | Deferred taxation | | - | - |
| 8,931 | 7,982 | Other liabilities | | 750,208 | 670,485 |
| <u>167,762</u> | <u>168,356</u> | | | <u>14,092,038</u> | <u>14,141,838</u> |
| <u>78,501</u> | <u>76,463</u> | NET ASSETS | | <u>6,594,108</u> | <u>6,422,901</u> |
| REPRESENTED BY | | | | | |
| 73,214 | 73,214 | Share capital | 7 | 6,150,000 | 6,150,000 |
| 5,235 | 4,940 | Reserves | | 439,749 | 414,920 |
| 1,182 | - | Unappropriated profit | | 99,315 | - |
| <u>79,631</u> | <u>78,154</u> | | | <u>6,689,064</u> | <u>6,564,920</u> |
| (1,130) | (1,691) | Deficit on revaluation of securities - net of tax | | (94,956) | (142,019) |
| <u>78,501</u> | <u>76,463</u> | | | <u>6,594,108</u> | <u>6,422,901</u> |
| MEMORANDUM ITEMS | | | | | |
| | | Contingencies and commitments | 8 | | |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Managing Director
and Chief Executive

Managing Director
and Chief Executive

Chairman

PAK-OMAN INVESTMENT COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2010

| March 31, 2010 | March 31, 2009 | | Note | March 31, 2010 | March 31, 2009 |
|--------------------------------------|-------------------|--|------|-------------------|-------------------|
| (US \$ in '000) | | | | (Rupees in '000) | |
| 6,582 | 6,611 | Mark-up/return/interest earned | | 552,891 | 555,285 |
| 4,493 | 4,528 | Mark-up/return/interest expensed | | 377,398 | 380,381 |
| 2,089 | 2,083 | Net mark-up/ interest income | | 175,493 | 174,904 |
| (216) | 545 | (Reversal) / provision against non -performing loans and advances | 5.2 | (18,110) | 45,815 |
| (15) | 235 | (Reversal) / provision for diminution in the value of investments | | (1,222) | 19,700 |
| - | - | Bad debts written off directly | | - | - |
| (231) | 780 | | | (19,332) | 65,515 |
| 2,320 | 1,303 | Net mark-up/ interest income after provisions | | 194,825 | 109,389 |
| NON MARK-UP/INTEREST INCOME | | | | | |
| 97 | 59 | Fee, commission and brokerage income | | 8,188 | 4,920 |
| 144 | 115 | Dividend income | | 12,125 | 9,638 |
| (27) | 251 | (Loss) / income from trading in Government securities | | (2,293) | 21,044 |
| - | - | Income from dealing in foreign currencies | | - | - |
| 341 | 95 | Income from trading in listed and other securities | | 28,605 | 7,983 |
| - | (2,394) | Provision for impairment in the value of investments | | - | (201,106) |
| (118) | 309 | Unrealised (deficit) / surplus on revaluation of investments classified as 'held-for-trading' securities | | (9,909) | 25,958 |
| 18 | - | Other income | | 1,513 | - |
| 455 | (1,565) | Total non -mark up/interest income | | 38,229 | (131,563) |
| 2,775 | (262) | | | 233,054 | (22,174) |
| NON MARK-UP/INTEREST EXPENSES | | | | | |
| 651 | 699 | Administrative expenses | | 54,672 | 58,708 |
| - | - | Other provisions/write offs | | - | - |
| 22 | 52 | Other charges | | 1,842 | 4,373 |
| 673 | 751 | Total non-mark up/interest expenses | | 56,514 | 63,081 |
| 2,102 | (1,013) | | | 176,540 | (85,255) |
| - | - | Extra ordinary /unusual items | | - | - |
| 2,102 | (1,013) | PROFIT / (LOSS) BEFORE TAXATION | | 176,540 | (85,255) |
| 637 | 464 | Taxation - current | | 53,474 | 38,946 |
| - | - | - prior | | - | - |
| (13) | (107) | - deferred | | (1,078) | (9,000) |
| 624 | 357 | | | 52,396 | 29,946 |
| 1,478 | (1,370) | PROFIT / (LOSS) AFTER TAXATION | | 124,144 | (115,201) |
| US \$ 0.0024 | US \$ -0.0022 | Basic and diluted earning / (loss) per share (Rs per share) | 9 | 0.20 | (0.19) |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Managing Director
and Chief Executive

Managing Director
and Chief Executive

Chairman

PAK-OMAN INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2010

| March 31, 2010 | March 31, 2009 | | March 31, 2010 | March 31, 2009 |
|---------------------------|---------------------------|---|---------------------------|---------------------------|
| US \$ in '000 | | | Rupees in '000 | |
| 1,478 | (1,370) | PROFIT / (LOSS) AFTER TAXATION | 124,144 | (115,201) |
| 579 | 1,862 | Surplus net on revaluation of securities | 48,641 | 156,426 |
| (19) | (144) | Deferred tax (liability) on Government Securities | (1,578) | (12,124) |
| 560 | 1,718 | | 47,063 | 144,302 |
| <u>2,038</u> | <u>348</u> | | <u>171,207</u> | <u>29,101</u> |

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Chief Financial Officer

**Managing Director
and Chief Executive**

**Managing Director
and Chief Executive**

Chairman

PAK-OMAN INVESTMENT COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2010

| March 31, 2010 | March 31, 2009 | | Note | March 31, 2010 | March 31, 2009 |
|---|-------------------|---|------|-------------------|--------------------|
| (US \$ in '000) | | | | (Rupees in '000) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| 2,102 | (1,013) | Profit / (loss) before taxation | | 176,540 | (85,255) |
| 144 | 115 | Less: Dividend income | | 12,125 | 9,638 |
| <u>1,958</u> | <u>(1,128)</u> | | | <u>164,415</u> | <u>(94,893)</u> |
| Adjustments for non-cash charges | | | | | |
| 43 | 43 | Depreciation | | 3,596 | 3,601 |
| 4 | 3 | Amortisation of intangible assets | | 370 | 273 |
| 118 | (309) | Unrealised deficit / (surplus) on revaluation of investments classified as 'held-for-trading' | | 9,909 | (25,958) |
| (18) | 22 | (Gain) / loss on sale of fixed assets | | (1,513) | 1,846 |
| (216) | 545 | (Reversal) / provision against non-performing loans and advances | 5.2 | (18,110) | 45,815 |
| (15) | 235 | (Reversal) / provision for diminution in the value of investments | | (1,222) | 19,700 |
| - | 2,394 | Provision for impairment in the value of investments | | - | 201,106 |
| 7 | 6 | Financial charges on leased assets | | 600 | 495 |
| <u>(77)</u> | <u>2,939</u> | | | <u>(6,370)</u> | <u>246,878</u> |
| <u>1,881</u> | <u>1,811</u> | | | <u>158,045</u> | <u>151,985</u> |
| (Increase) / decrease in operating assets | | | | | |
| 12,539 | (7,257) | Lendings to financial institutions | | 1,053,256 | (609,586) |
| - | - | Balances with other banks | | - | - |
| (10,171) | 6,908 | Advances | | (854,333) | 580,251 |
| (53) | 3,307 | Other assets | | (4,470) | 277,814 |
| <u>2,315</u> | <u>2,958</u> | | | <u>194,453</u> | <u>248,479</u> |
| Increase / (decrease) in operating liabilities | | | | | |
| - | - | Bills payable | | - | - |
| (16,242) | 13,803 | Borrowings from financial institutions | | (1,364,297) | 1,159,411 |
| 14,715 | 2,506 | Deposits and other accounts | | 1,236,045 | 210,523 |
| 371 | 87 | Other liabilities | | 31,115 | 7,397 |
| <u>(1,156)</u> | <u>16,396</u> | | | <u>(97,137)</u> | <u>1,377,331</u> |
| <u>3,040</u> | <u>21,165</u> | | | <u>255,361</u> | <u>1,777,795</u> |
| (7) | (6) | Financial charges paid on leased assets | | (614) | (474) |
| (58) | (277) | Income tax paid | | (4,852) | (23,300) |
| <u>2,975</u> | <u>20,882</u> | Net cash inflow from operating activities | | <u>249,895</u> | <u>1,754,021</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| (3,764) | (23,301) | Net Investments | | (316,183) | (1,957,247) |
| 61 | 7 | Dividend received | | 5,113 | 580 |
| (66) | (92) | Investments in operating fixed assets | | (5,527) | (7,701) |
| 34 | 19 | Sale proceeds of property and equipment disposed-off | | 2,897 | 1,576 |
| <u>(3,735)</u> | <u>(23,367)</u> | Net cash (outflow) from investing activities | | <u>(313,700)</u> | <u>(1,962,792)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| (15) | 39 | Liabilities against assets subject to finance lease | | (1,271) | 3,293 |
| - | - | Dividend paid | | - | - |
| <u>(15)</u> | <u>39</u> | Net cash (outflow) / inflow from financing activities | | <u>(1,271)</u> | <u>3,293</u> |
| (775) | (2,446) | (Decrease) in cash and cash equivalents | | (65,076) | (205,478) |
| 7,909 | 7,823 | Cash and cash equivalents as at beginning of the period | | 664,330 | 657,108 |
| <u>7,134</u> | <u>5,377</u> | Cash and cash equivalents at the end of the period | | <u>599,254</u> | <u>451,630</u> |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Managing Director
and Chief Executive

Managing Director
and Chief Executive

Chairman

PAK-OMAN INVESTMENT COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2010

| | Issued, subscribed and paid up capital | Capital reserve Statutory reserve | Revenue reserves | | | Total |
|---|---|---|--------------------|--------------------------|-----------------------------------|------------------|
| | | | General reserve | Contingencies reserve | Unappropriated profit / (Loss) | |
| -----Rupees in '000----- | | | | | | |
| Balance as at January 1, 2009 | 6,150,000 | 348,483 | 575,755 | 93,013 | 5,162 | 7,172,413 |
| Net loss after tax for the quarter ended March 31, 2009 | - | - | - | - | (115,201) | (115,201) |
| 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 March 31, 2009 | 6,150,000 | 348,483 | 553,498 | 120,432 | (115,201) | 7,057,212 |
| Net loss after tax for the nine months period ended December 31, 2009 | - | - | - | - | (492,292) | (492,292) |
| 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 | - | - | 6,564,920 |
| Net profit after tax for the quarter ended March 31, 2010 | - | - | - | - | 124,144 | 124,144 |
| Transfer to statutory reserve | - | 24,829 | - | - | (24,829) | - |
| Balance as at March 31, 2010 | 6,150,000 | 373,312 | 66,437 | - | 99,315 | 6,689,064 |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Chief Financial Officer

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and Chief Executive

Managing Director
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PAK-OMAN INVESTMENT COMPANY LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2010 (UN-AUDITED)

1 LEGAL STATUS AND NATURE OF BUSINESS

Pak Oman Investment Company Limited 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. The Company's objectives inter alia 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. The registered office of the company is situated at 1st Floor, Tower A, Finance and Trade Centre, Shahrah-e-Faisal, Karachi. The Company operates a branch at Lahore and other representative offices at Islamabad, Gwadar and Muscat. The Company is designated as a development financial institution (DFI) under BPD Circular No. 35 dated October 28, 2003 issued by State Bank of Pakistan (SBP).

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in condensed form in accordance with the requirements of International Accounting Standard 34, 'Interim Financial Reporting' and 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 balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim 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. 84 = US dollar 1 for the first quarter ended March 31, 2010 and the corresponding period.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the company for the year ended December 31, 2009.

4 INVESTMENTS

| | Held by the company | Given as collateral | Total |
|---------------------------------|--------------------------------|--------------------------------|-------------------|
| | ----- Rupees in '000 ----- | | |
| Balance as at March 31, 2010 | <u>7,662,323</u> | <u>3,468,860</u> | <u>11,131,183</u> |
| Balance as at December 31, 2009 | <u>7,091,055</u> | <u>3,683,991</u> | <u>10,775,046</u> |
| Balance as at March 31, 2009 | <u>7,140,328</u> | <u>1,774,975</u> | <u>8,915,303</u> |

4.1 Investments by types

| | Held by the company | Given as collateral | Total |
|---|----------------------------|------------------------|-------------------|
| | ----- Rupees in '000 ----- | | |
| Held-for-trading securities | 1,186,206 | 2,742,731 | 3,928,937 |
| Available for sale securities | 5,506,280 | 763,430 | 6,269,710 |
| Held-to-maturity securities | 266,276 | - | 266,276 |
| Associates | 994,890 | 70,726 | 1,065,616 |
| Subsidiary | 168,300 | - | 168,300 |
| | <u>8,121,952</u> | <u>3,576,887</u> | <u>11,698,839</u> |
| Less: Provision for diminution in value of investments | (237,608) | (24,026) | (261,634) |
| Provision for impairment in the value of investments | <u>(138,668)</u> | <u>(49,981)</u> | <u>(188,649)</u> |
| | <u>7,745,676</u> | <u>3,502,880</u> | <u>11,248,556</u> |
| | | | |
| (Deficit) on revaluation of 'available for sale' securities | (80,161) | (25,351) | (105,512) |
| | | | |
| (Deficit) on revaluation of 'held for trading' securities | (3,192) | (8,669) | (11,861) |
| Balance as at March 31, 2010 | <u>7,662,323</u> | <u>3,468,860</u> | <u>11,131,183</u> |

5. ADVANCES

| | 31-Mar-10 | 31-Dec-09 |
|---|----------------------------|------------------|
| | ----- Rupees in '000 ----- | |
| Loans, cash credits, running finances, etc. | | |
| In Pakistan | 5,985,484 | 5,139,791 |
| Outside Pakistan | - | - |
| | <u>5,985,484</u> | <u>5,139,791</u> |
| Net investment in finance lease | | |
| In Pakistan | 1,308,978 | 1,300,338 |
| Outside Pakistan | - | - |
| | <u>1,308,978</u> | <u>1,300,338</u> |
| | <u>7,294,462</u> | <u>6,440,129</u> |
| Less: Provision for non-performing advances | <u>(907,905)</u> | <u>(926,015)</u> |
| | <u>6,386,557</u> | <u>5,514,114</u> |

- 5.1 Advances include amount aggregating Rs. 1,126.712 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 | 36,519 | - | 36,519 | 9,875 | 9,875 |
| Doubtful | 34,500 | - | 34,500 | 17,250 | 17,250 |
| Loss | 1,055,693 | - | 1,055,693 | 880,780 | 880,780 |
| | <u>1,126,712</u> | <u>-</u> | <u>1,126,712</u> | <u>907,905</u> | <u>907,905</u> |

5.2 Movements in provision is analysed as follows:

| | Rs. in '000 |
|------------------------------------|-----------------|
| First quarter ended March 31, 2009 | |
| Opening balance | 333,971 |
| Charge for the period | 49,100 |
| (Reversal) for the period | <u>(3,285)</u> |
| Closing balance | <u>379,786</u> |
| First quarter ended March 31, 2010 | |
| Opening balance | 926,015 |
| Charge for the period | 8,625 |
| (Reversal) for the period | <u>(26,735)</u> |
| Closing balance | <u>907,905</u> |

6 OPERATING FIXED ASSETS

| | Firsr quarter ended | |
|------------------|----------------------------|-----------|
| | 31-Mar-10 | 31-Mar-09 |
| | ----- Rupees in '000 ----- | |
| Additions – cost | 5,527 | 7,701 |
| Disposals – cost | 4,991 | 10,071 |
| - Net book value | 1,384 | 3,422 |

7 SHARE CAPITAL

7.1 Authorized share capital

| | 31-Mar-10 | 31-Dec-09 | 31-Mar-10 | 31-Dec-09 |
|--------------------------------|-----------------------|-----------|----------------------------|------------|
| | 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 |

7.2 Issued, subscribed and paid - up capital

| | 31-Mar-10 | 31-Dec-09 | 31-Mar-10 | 31-Dec-09 |
|--|-----------------------|-----------|----------------------------|-----------|
| | No. of shares in '000 | | ----- Rupees in '000 ----- | |
| | 615,000 | 615,000 | 6,150,000 | 6,150,000 |

7.3 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. 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.

8 CONTINGENCIES AND COMMITMENTS

| | 31-Mar-10 | 31-Dec-09 |
|---|----------------------------|-----------|
| | ----- Rupees in '000 ----- | |
| Transaction related contingent liability: | | |
| - guarantees | 11,301 | 24,301 |
| - import letter of credits | 59,932 | 168,590 |
| Pledge of shares on behalf of associated company - note 8.1 | 70,726 | 70,726 |
| Commitments for: | | |
| - sale of government securities | 97,572 | 477,710 |
| - purchase of term finance certificates | - | 30,627 |
| - sale of term finance certificates | - | 102,089 |
| - sale of mutual funds | 25,771 | - |
| - repurchase agreement borrowing | - | 67,000 |
| Commitments for loans and advances and net investment in finance leases | 543,260 | 193,910 |

8.1 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.

9. BASIC AND DILUTED EARNING / (LOSS) PER SHARE

| | First quarter ended | |
|---|----------------------------|------------------|
| | 31-Mar-10 | 31-Mar-09 |
| | ----- Rupees in '000 ----- | |
| Profit / (loss) after taxation | <u>124,144</u> | <u>(115,201)</u> |
| | Numbers in thousand | |
| Weighted average number of ordinary shares at quarter ended | <u>615,000</u> | <u>615,000</u> |
| | Rupee | |
| Basic and diluted earning / (loss) per share | <u>0.20</u> | <u>(0.19)</u> |

10. RELATED PARTY TRANSACTIONS

Subsidiary Company

-Pak Oman Asset Management Company Limited

Associates

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

Key management Personnel

-All heads of departments
-Directors

10.1 Transactions entered into with related parties are as follows:

| | Subsidiary | | Associates | | Total | |
|------------------------------------|----------------------------|----------------|------------------|------------------|------------------|------------------|
| | 31-Mar-10 | 31-Dec-09 | 31-Mar-10 | 31-Dec-09 | 31-Mar-10 | 31-Dec-09 |
| | ----- Rupees in '000 ----- | | | | | |
| Advances / Investments * | | | | | | |
| Balance as at January 1 | 174,363 | 175,726 | 1,133,816 | 1,087,349 | 1,308,179 | 1,263,075 |
| Additions during the period / year | - | - | - | 84,108 | - | 84,108 |
| Repayments | (378) | (1,363) | - | (37,641) | (378) | (39,004) |
| Closing balance | <u>173,985</u> | <u>174,363</u> | <u>1,133,816</u> | <u>1,133,816</u> | <u>1,307,801</u> | <u>1,308,179</u> |

* including sale / purchase of units from associated mutual funds.

Borrowings / Deposits *

| | | | | | | |
|------------------------------------|------------|------------|----------------|----------------|----------------|----------------|
| Balance as at January 1 | 882 | 882 | 211,861 | 213,011 | 212,743 | 213,893 |
| Additions during the period / year | - | - | 251,520 | 446,515 | 251,520 | 446,515 |
| Repayments | - | - | (10,000) | (447,665) | (10,000) | (447,665) |
| Closing balance | <u>882</u> | <u>882</u> | <u>453,381</u> | <u>211,861</u> | <u>454,263</u> | <u>212,743</u> |

* including security deposit against lease finance.

Balances

| | | | | | | |
|------------------|---|---|---|-----|---|-----|
| Other receivable | - | - | 2 | 132 | 2 | 132 |
|------------------|---|---|---|-----|---|-----|

| | Subsidiary | | Associates | | Total | |
|--|----------------------------|-----------|------------|-----------|-----------|-----------|
| | 31-Mar-10 | 31-Mar-09 | 31-Mar-10 | 31-Mar-09 | 31-Mar-10 | 31-Mar-09 |
| | ----- Rupees in '000 ----- | | | | | |

10.2 Transactions, income and expenses

| | | | | | | |
|-----------------|-----|-----|--------|-------|--------|-------|
| Mark up expense | - | - | 13,340 | 7,995 | 13,340 | 7,995 |
| Mark up income | 187 | 273 | - | 2,422 | 187 | 2,695 |
| Fee income | 125 | 242 | - | - | 125 | 242 |

10.3 Transactions with retirement benefit funds

| | 31-Mar-10 | 31-Mar-09 |
|---------------------------|----------------|-----------|
| | Rupees in '000 | |
| Defined contribution plan | 1,535 | 1,726 |
| Defined benefit plan | 1,674 | 2,026 |

10.4 Key management compensation

| | | |
|---|--------------|---------------|
| Salaries and other short term benefits | 6,197 | 6,766 |
| Staff retirement benefits | 499 | 492 |
| Executive and non-executive director's remuneration | 3,038 | 5,719 |
| | <u>9,734</u> | <u>12,977</u> |

10.5 Mark-up received on loans to key management personnel

| | | |
|--|------------|------------|
| | <u>646</u> | <u>598</u> |
|--|------------|------------|

10.6 Loans to key management personnel

| | 31-Mar-10 | 31-Dec-09 |
|------------------------------|---------------|---------------|
| Opening balance | 53,630 | 57,694 |
| Additions during the period | 4,000 | 17,625 |
| Repayments during the period | (1,876) | (21,689) |
| Closing balance | <u>55,754</u> | <u>53,630</u> |

11. 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.

12. POST BALANCE SHEET EVENTS

The board of directors have proposed a transfer to contingency reserve of Rs. 7.847 million for the quarter ended March 31, 2010 at their meeting held on April 19, 2010. These financial statements do not recognise the appropriation to contingency reserve as a deduction from unappropriated profit as it has been proposed subsequent to balance sheet date.

13. GENERAL

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

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised on April 19, 2010 by the board of directors.

Chief Financial Officer

**Managing Director
and Chief Executive**

**Managing Director
and Chief Executive**

Chairman