

**PAK OMAN INVESTMENT
COMPANY LIMITED**

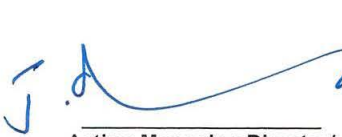
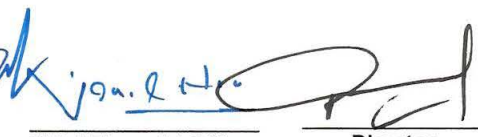

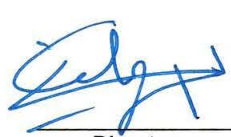
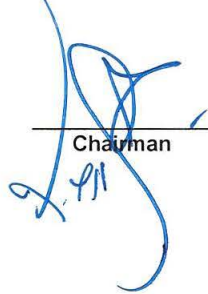
**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

**FOR THE NINE MONTHS
ENDED 30 SEPTEMBER 2022**

Pak Oman Investment Company Limited
Consolidated Condensed Interim Statement of Financial Position
As at 30 September 2022

(Unaudited) 30 September 2022 (US Dollar in '000)	(Audited) 31 December 2021		Note	(Unaudited) 30 September 2022 (Rupees in '000)	(Audited) 31 December 2021
ASSETS					
982	759	Cash and balances with treasury banks	6	224,349	173,463
4,445	6,526	Balances with other banks	7	1,015,439	1,490,942
4,342	8,551	Lendings to financial institutions	8	991,848	1,953,578
412,653	444,043	Investments	9	94,271,469	101,442,517
83,155	86,322	Advances	10	18,996,965	19,720,493
2,408	958	Fixed assets	11	550,152	218,795
423	423	Intangible assets	12	96,592	96,692
2,085	1,617	Deferred tax assets	13	476,430	369,393
16,428	10,028	Other assets	14	3,752,926	2,290,984
-	1,542	Assets held-for-sale		-	352,163
526,921	560,769			120,376,170	128,109,020
LIABILITIES					
-	-	Bills payable		-	-
439,762	455,319	Borrowings	15	100,464,466	104,018,650
41,402	62,830	Deposits and other accounts	16	9,458,389	14,353,682
15	17	Liabilities against assets subject to finance lease	17	3,333	3,935
-	-	Subordinated debt		-	-
-	-	Deferred tax liabilities		-	-
8,876	5,560	Other liabilities	18	2,027,667	1,269,874
490,055	523,726			111,953,855	119,646,141
36,866	37,043			8,422,315	8,462,879
NET ASSETS					
REPRESENTED BY					
26,920	26,920	Share capital	19	6,150,000	6,150,000
8,266	8,122	Reserves		1,888,320	1,855,525
637	(5)	Surplus on revaluation of assets	20	145,524	(1,050)
1,035	1,998	Unappropriated profit		236,544	456,490
36,858	37,035	Equity attributable to shareholder of holding company		8,420,388	8,460,965
8	8	Non-Controlling Interest		1,927	1,914
36,866	37,043			8,422,315	8,462,879
CONTINGENCIES AND COMMITMENTS					
21					


The annexed notes from 1 to 39 form an integral part of these consolidated condensed interim financial statements.

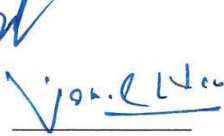
 Acting Managing Director/ Chief Executive Officer	 Chief Financial Officer	 Director	 Director	 Chairman
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Pak Oman Investment Company Limited
Consolidated Condensed Interim Profit and Loss Account (Un-Audited)
For the nine months ended 30 September 2022

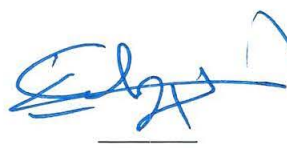
Nine months ended		Quarter ended		Nine months ended	
30 September 2022	30 September 2021	30 September 2022	30 September 2021	30 September 2022	30 September 2021
(US Dollar in '000)		(Rupees in '000)			
52,499	24,831	4,945,316	2,080,730	11,993,463	5,672,661
50,155	20,285	4,649,128	1,745,327	11,458,072	4,634,121
2,344	4,546	296,188	335,403	535,391	1,038,540
Net mark-up / interest income		Net mark-up / interest income			
NON MARK-UP / INTEREST INCOME					
422	437	24,444	24,415	96,344	99,868
6	-	-	-	1,310	-
-	-	-	-	-	-
-	-	-	-	-	-
449	405	47,558	43,598	102,579	92,464
426	132	20,816	648	97,315	30,146
62	39	2,314	4,267	14,050	8,799
1,365	1,013	95,132	72,928	311,598	231,277
3,709	5,559	391,320	408,331	846,989	1,269,817
Total Income		Total Income			
NON MARK-UP / INTEREST EXPENSES					
2,067	2,390	139,784	190,577	472,115	546,029
70	65	4,890	4,004	16,051	14,885
95	140	5,337	11,352	21,763	31,922
2,232	2,595	150,011	205,933	509,929	592,836
Total non mark-up / interest expenses		Total non mark-up / interest expenses			
1,477	2,964	241,309	202,398	337,060	676,981
(183)	231	(999)	(6,768)	(41,702)	52,836
-	-	-	-	-	-
1,294	3,195	240,310	195,630	295,358	729,817
(506)	(916)	(74,309)	(59,490)	(115,644)	(209,232)
788	2,279	166,001	136,140	179,714	520,585
PROFIT BEFORE TAXATION		PROFIT BEFORE TAXATION			
PROFIT AFTER TAXATION		PROFIT AFTER TAXATION			
ATTRIBUTABLE TO:					
788	2,280	165,912	136,158	179,701	520,829
-	(1)	89	(18)	13	(244)
788	2,279	166,001	136,140	179,714	520,585
Shareholders of the holding company		Shareholders of the holding company			
Non-controlling interest		Non-controlling interest			
(US \$)		(Rupees)			
0.0013	0.0037	0.27	0.22	0.29	0.85
Basic and diluted earnings per share attributable to shareholders of the holding company		Basic and diluted earnings per share attributable to shareholders of the holding company			


The annexed notes from 1 to 39 form an integral part of these consolidated condensed interim financial statements.


 Acting Managing Director/
Chief Executive Officer


 Chief Financial Officer


 Director



 Director

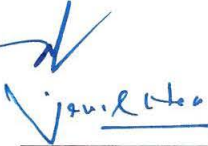

 Chairman


Pak Oman Investment Company Limited
 Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)
 For the nine months ended 30 September 2022


Nine months ended		Quarter ended		Nine months ended	
30 September 2022	30 September 2021	30 September 2022	30 September 2021	30 September 2022	30 September 2021
(US Dollar in '000)		(Rupees in '000)			
788	2,279	166,001	136,140	179,714	520,585
Profit after taxation for the period					
Other comprehensive income		Items that may be reclassified to profit and loss account in subsequent periods:			
(413)	(643)	(52,531)	(36,522)	(94,280)	(146,942)
Movements in (deficit) / surplus on revaluation of investments - net of tax		Items that will not be reclassified to profit and loss account in subsequent periods:			
1,086	-	248,143	-	248,143	-
(32)	(9)	(628)	(665)	(7,289)	(1,994)
1,054	(9)	247,515	(665)	240,854	(1,994)
1,429	1,627	360,985	98,953	326,288	371,649
Total comprehensive income		ATTRIBUTABLE TO:			
1,429	1,628	360,896	98,971	326,275	371,893
-	(1)	89	(18)	13	(244)
1,429	1,627	360,985	98,953	326,288	371,649
Shareholders of the holding company		Non-controlling interest			


The annexed notes from 1 to 39 form an integral part of these consolidated condensed interim financial statements.


 Acting Managing Director/
 Chief Executive Officer


 Chief Financial Officer


 Director


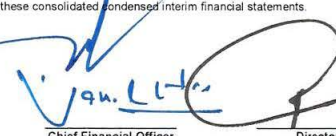


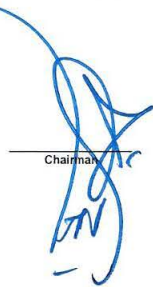

 Director


 Chairman

Pak Oman Investment Company Limited
Consolidated Condensed Interim Statement of Changes in Equity (Un-Audited)
For the nine months ended 30 September 2022

	Share capital	Statutory reserve	General reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub total	Non-controlling interest	Total
				Investments	Fixed assets	Non-banking assets				
(Rupees in '000)										
Opening balance as at 01 January 2021	6,150,000	1,448,355	311,630	249,897	-	98,601	636,372	8,894,855	6,619	8,901,474
Total comprehensive income										
Profit after taxation	-	-	-	-	-	-	520,829	520,829	(244)	520,585
Other comprehensive income / (loss) - net of tax	-	-	-	(146,942)	-	(1,994)	-	(148,936)	-	(148,936)
Total comprehensive income for the nine months ended 30 September 2021	-	-	-	(146,942)	-	(1,994)	520,829	371,893	(244)	371,649
Transfer to statutory reserve	-	104,291	-	-	-	-	(104,291)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	1,994	1,994	-	1,994
Further acquisition in subsidiary	-	-	-	-	-	-	-	-	(2,445)	(2,445)
Transaction with owners recorded directly in equity										
Final cash dividend - 31 December 2020 declared subsequent to the year end (Rs. 0.75 per share)	-	-	-	-	-	-	(461,250)	(461,250)	-	(461,250)
Opening balance as at 01 October 2021	6,150,000	1,552,646	311,630	102,955	-	96,607	593,654	8,807,492	3,930	8,811,422
Total comprehensive income										
Profit after taxation	-	-	-	-	-	-	(149,840)	(149,840)	(2,016)	(151,856)
Other comprehensive income / (loss) - net of tax	-	-	-	(199,947)	-	(665)	3,260	(197,352)	-	(197,352)
Total comprehensive income for the quarter ended 31 December 2021	-	-	-	(199,947)	-	(665)	(146,580)	(347,192)	(2,016)	(349,208)
Transfer to statutory reserve	-	(8,751)	-	-	-	-	8,751	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	665	665	-	665
Opening balance as at 01 January 2022	6,150,000	1,543,895	311,630	(96,992)	-	95,942	456,490	8,460,965	1,914	8,462,879
Total comprehensive income										
Profit after taxation	-	-	-	-	-	-	179,701	179,701	13	179,714
Other comprehensive income / (loss) - net of tax	-	-	-	(94,280)	248,143	(7,289)	-	146,574	-	146,574
Total comprehensive income for the nine months ended 30 September 2022	-	-	-	(94,280)	248,143	(7,289)	179,701	326,275	13	326,288
Transfer to statutory reserve	-	32,795	-	-	-	-	(32,795)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	2,148	2,148	-	2,148
Transaction with owners recorded directly in equity										
Final cash dividend - 31 December 2021 declared subsequent to the year end (Rs. 0.60 per share)	-	-	-	-	-	-	(369,000)	(369,000)	-	(369,000)
Closing balance as at 30 September 2022	6,150,000	1,576,690	311,630	(191,272)	248,143	88,653	236,544	8,420,388	1,927	8,422,315

The annexed notes from 1 to 39 form an integral part of these consolidated condensed interim financial statements.

Acting Managing Director/
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

Pak Oman Investment Company Limited
Consolidated Condensed Interim Cash Flow Statement (Un-Audited)
For the nine months ended 30 September 2022

30 September 2022	30 September 2021		30 September 2022	30 September 2021
(US Dollar in '000)			(Rupees in '000)	
1,294	3,195	CASH FLOW FROM OPERATING ACTIVITIES	295,358	729,817
(6)	-	Profit before taxation	(1,310)	-
1,288	3,195	Less: Dividend income	294,048	729,817
144	152	Adjustments:	32,855	34,653
83	82	Depreciation	18,915	18,822
-	-	Depreciation on right-of-use assets	100	-
183	(231)	Amortization	41,702	(52,836)
(11)	(30)	(Reversals) and write offs - net	(2,485)	(6,763)
(426)	(132)	Gain on sale of fixed assets	(97,315)	(30,146)
48	54	Share of (profit) from associates - net of tax	10,983	12,330
2	1	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	458	203
(3)	21	Finance charges on leased assets	(768)	4,893
20	(83)	Unrealised loss / (gain) on revaluation of investments classified as held-for-trading	4,445	(18,844)
1,308	3,112		298,493	710,973
4,210	13,570	(Increase) / Decrease in operating assets	961,730	3,100,000
(60,453)	63,629	Lendings to financial institutions	(13,810,539)	14,536,154
2,940	4,756	Held-for-trading securities	671,735	1,086,566
(4,839)	651	Advances	(1,105,326)	148,825
(58,142)	82,606	Other assets (excluding advance taxation)	(13,282,400)	18,871,545
-	-	Increase / (decrease) in operating liabilities	-	-
(15,558)	82,893	Bills payable	(3,554,184)	18,937,096
(21,428)	(22,815)	Borrowings	(4,895,293)	(5,212,026)
3,346	(1,028)	Deposits	764,519	(235,214)
(33,640)	59,050	Other liabilities (excluding current taxation)	(7,684,958)	13,489,856
(90,474)	144,768		(20,668,865)	33,072,374
(3,121)	(1,504)	Income tax paid	(712,918)	(343,571)
(93,595)	143,264	Net cash flow generated from operating activities	(21,381,783)	32,728,803
90,447	(141,526)	CASH FLOW FROM INVESTING ACTIVITIES	20,662,861	(32,331,790)
2,759	1,142	Net investments in available-for-sale securities	630,191	260,999
204	-	Investments in associates	46,510	-
(39)	(61)	Dividend received	(9,008)	(14,040)
63	30	Investments in operating fixed assets	14,381	6,791
93,434	(140,426)	Proceeds from sale of fixed assets	21,344,935	(32,080,485)
(5)	(8)	CASH FLOW FROM FINANCING ACTIVITIES	(1,060)	(1,885)
(97)	(84)	Payments of lease obligations	(22,209)	(19,128)
(1,596)	(2,019)	Payments of lease liability against right-of-use assets	(364,500)	(461,250)
(1,698)	(2,111)	Dividend paid	(387,769)	(482,263)
(1,859)	727	Net cash flow (used in) financing activities	(424,617)	166,055
7,286	6,715	(Decrease) / increase in cash and cash equivalents	1,664,405	1,534,049
5,427	7,442	Cash and cash equivalents at beginning of the period	1,239,788	1,700,104
		Cash and cash equivalents at end of the period		

The annexed notes from 1 to 39 form an integral part of these consolidated condensed interim financial statements.

Acting Managing Director/
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

Pak Oman Investment Company Limited
Notes to the Consolidated Condensed Interim Financial Statements (Un-Audited)
For the nine months ended 30 September 2022

1. STATUS AND NATURE OF BUSINESS

1.1 The Group comprises of Pak-Oman Investment Company Limited - POICL (the "holding company" or "parent"), a subsidiary, Pak Oman Asset Management Company Limited (POAMCL) and associates. 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 - POICL (the "holding company" or "parent") was incorporated as a private limited company on 23 July 2001. Subsequently, on 17 March 2004 the holding company was converted into a public company. The Company 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 company. The registered office of the Company is situated at 1st Floor, Block 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 28 October, 2003 issued by the State Bank of Pakistan.

1.1.2 Subsidiary Company

Pak-Oman Asset Management Company Limited (the "subsidiary company" or "POAMCL") was incorporated in Pakistan under the repealed Companies Ordinance, 1984 on 28 July 2006 as an unlisted public limited company having its registered office at Icon House, 83-C, 12th Commercial Street Phase- II Extension, DHA Karachi, Pakistan. POAMCL obtained certificate of commencement of business on 31 October 2006. The principal activities of the subsidiary company includes investment advisory and asset management services.

In 2017, the subsidiary company had purchased 100% shares of Askari Investment Management Limited and accordingly three funds of Askari Investment Management Limited are now under the management of the subsidiary company.

1.2 The Group's associates are as follows:

Entity	Country of Incorporation	Nature of business	Holding %	
			30-Sep-22	31-Dec-21
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.	14.37	19.47
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.	15.13	25.13
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.	98.70	98.46
Pak Oman Government Securities Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	2.93	13.99
Askari High Yield Scheme	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	10.99	9.07
Askari Cash Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	7.30	5.32
Pak Oman Daily Dividend Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	34.97	5.32
Pak Oman Microfinance Bank Limited *	Pakistan	Incorporated under the repealed Companies Ordinance, 1984 and is engaged in providing micro finance services to the poor and under served segment of the society.	-	16.67
Japan Power Generation Limited	Pakistan	Incorporated under the repealed Companies Ordinance, 1984 and is engaged in generation of power and its supply to WAPDA.	11.29	11.29

* During the year, holding Company has sold its investment in Pak Oman Microfinance Bank Limited.

2. BASIS OF PREPARATION

These consolidated condensed interim financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular Letter No. 05, dated 22 March 2019.

2.1 CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared from the information available in the unaudited financial statements of the holding company for the nine months ended 30 September 2022 and the unaudited financial statements of the subsidiary (POAMCL) for the nine months ended 30 September 2022. The financial statements used for the equity accounting of associates.

The Group believes that there is no significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on going concern basis.

2.2 STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017.
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated 22 March 2019 and IAS 34. These consolidated condensed interim financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2021.

SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter No. 10 dated 26 August 2002 till further instructions. SECP has deferred the applicability of IFRS 7, 'Financial Instruments: Disclosures' through its notification S.R.O 411 (I) / 2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars.

"Financial Instruments" - IFRS 9 will replace the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. State Bank of Pakistan's (SBP) vide its BPRD Circular No. 03 of 2022 dated July 05, 2022 has extended the implementation date of IFRS 9 to 01 January 2023 from an earlier implementation date of 01 January 2022. However, SBP has directed the banks/DFIs in Pakistan to submit IFRS 9 parallel run and proforma financial statements on periodic basis based on the instructions issued by SBP for parallel run of IFRS 9 and Bank / DFIs has been complying with these requirements.

These consolidated condensed interim financial statements have been presented in Pakistani Rupees, which is the Company's functional and presentation currency.

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 Dollars at a rate of Rs.228.4520= 1 US dollar for the nine months ended 30 September 2022 and the corresponding period.

2.3 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period:

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the group accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the group operations and therefore not detailed in these consolidated financial statements.

2.4 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

- IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	January 01, 2023
- IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet announced

'The above standards, amendments and improvements are not expected to have any material impact on the consolidated financial statements of the Company for the futures periods.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	01 January 2004
IFRS 17 – Insurance Contracts	01 January 2023

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual consolidated financial statements for the year ended 31 December 2021 except holding company office premises which is carried at revalued amount less depreciation. Holding company office premises is revalued by professionally qualified valuer to ensure that the net carrying amount does not differ materially from their fair value. Surplus/ (deficit) arising on revaluation of fixed assets is credited / debited to the surplus on revaluation of assets account and is shown in the shareholders' equity.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

- 4.1 The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements is the same as that applied in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2021.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the company are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended December 31, 2021.

		(Un-audited) 30 September 2022 (Rupees in '000)	(Audited) 31 December 2021
6. CASH AND BALANCES WITH TREASURY BANKS	<i>Note</i>		
In hand			
local currency		122	301
foreign currency		293	252
		415	553
With State Bank of Pakistan in Local currency current account	6.1	223,371	172,498
With National Bank of Pakistan in Local currency current account		563	412
		<u>224,349</u>	<u>173,463</u>
6.1	This represent the amount required to be maintained by the holding company in accordance with the SBP's Regulations.		
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
In current accounts		5,887	16,196
In deposit accounts	7.1	1,007,153	1,466,759
		<u>1,013,040</u>	<u>1,482,955</u>
Outside Pakistan:			
In current accounts		2,399	7,987
		<u>1,015,439</u>	<u>1,490,942</u>
7.1	These include term deposit receipts (TDRs) of Rs. 1,000 million (2021: Rs. 1,450 million) maturing from October 2022 to December 2022 (2021: January 2022 to March 2022). These carry mark-up rates ranging from 16.50% to 17.75% (2021: 10.50% to 12.50%) per annum.		
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Placements		-	-
Repurchase agreement lendings (Reverse Repo)		991,848	1,953,578
		<u>991,848</u>	<u>1,953,578</u>

9 INVESTMENTS

	30 September 2022 (Unaudited)				31 December 2021 (Audited)			
	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value
----- (Rupees in '000) -----								
9.1 Investments by types								
Held-for-trading securities								
Federal Government securities	26,370,432	-	3,867	26,374,299	12,204,646	-	3,099	12,207,745
Non-Government debt securities	-	-	-	-	355,247	-	-	355,247
	26,370,432	-	3,867	26,374,299	12,559,893	-	3,099	12,562,992
Available-for-sale securities								
Federal Government securities	64,176,503	-	(353,951)	63,822,552	84,909,793	-	(197,316)	84,712,477
Shares	346,266	(111,717)	-	234,549	346,266	(111,717)	-	234,549
Non-Government debt securities	3,507,503	(385,110)	68,470	3,190,863	3,437,074	(395,201)	60,707	3,102,580
	68,030,272	(496,827)	(285,481)	67,247,964	88,693,133	(506,918)	(136,609)	88,049,606
Associates	649,206	-	-	649,206	829,919	-	-	829,919
Total Investments	95,049,910	(496,827)	(281,614)	94,271,469	102,082,945	(506,918)	(133,510)	101,442,517

9.1.1 Investments given as collateral

	30 September 2022 (Unaudited)				31 December 2021 (Audited)			
	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value
------(Rupees in '000)-----								
Federal Government Securities								
- Pakistan Investment Bonds	41,954,750	-	(287,038)	41,667,712	44,863,617	-	(73,372)	44,790,245
- Market treasury bills	40,489,855	-	(13,116)	40,476,739	49,861,839	-	(115,693)	49,746,146
	82,444,605	-	(300,154)	82,144,451	94,725,456	-	(189,065)	94,536,391
Shares								
- Listed companies	-	-	-	-	-	-	-	-
- Unlisted companies	226,000	-	-	226,000	226,000	-	-	226,000
	226,000	-	-	226,000	226,000	-	-	226,000
Total investments	82,670,605	-	(300,154)	82,370,451	94,951,456	-	(189,065)	94,762,391

(Un-audited) Nine months ended 30 September 2022	(Audited) Year ended 31 December 2021
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(Rupees in '000)

9.2 Provision for diminution in value of investments

9.2.1 Opening balance

506,918	628,654
---------	---------

Charges / reversals

Charge for the year
Reversals for the year

-	31,979
(10,091)	(153,715)
(10,091)	(121,736)

Transfers - net
Amounts written off
Closing balance

-	-
-	-
496,827	506,918

9.2.2 Particulars of provision against debt securities

Category of classification

Domestic

Other assets especially mentioned
Substandard
Doubtful
Loss

Total

	30 September 2022		31 December 2021 (Audited)	
	NPI	Provision	NPI	Provision
------(Rupees in '000)-----				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	444,971	385,110	455,062	395,201
	444,971	385,110	455,062	395,201

9.2.3 In accordance with SBP Prudential Regulations for Corporate / Commercial Banking, Regulation R-8, the holding Company has availed the benefit of FSV against the non-performing investments. As of 30 September 2022, the Company has availed total accumulated FSV benefit amounting to Rs. 39 million. The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to the shareholders / bonus to employees of the holding Company as required by the aforementioned SBP directives.

9.2.4 The Group does not hold overseas classified debt securities.

* NPI stands for Non-performing investments.

10 ADVANCES

	Performing		Non-performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
	(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	
Loans, cash credits, running finances, etc.	17,325,533	17,672,076	1,961,248	1,919,000	19,286,781	19,591,076
Margin trading	511,284	878,724	-	-	511,284	878,724
Advances - Gross	<u>17,836,817</u>	<u>18,550,800</u>	<u>1,961,248</u>	<u>1,919,000</u>	<u>19,798,065</u>	<u>20,469,800</u>
Provision against advances						
Specific	-	-	800,890	749,097	800,890	749,097
General	210	210	-	-	210	210
	<u>210</u>	<u>210</u>	<u>800,890</u>	<u>749,097</u>	<u>801,100</u>	<u>749,307</u>
Advances - net of provision	<u>17,836,607</u>	<u>18,550,590</u>	<u>1,160,358</u>	<u>1,169,903</u>	<u>18,996,965</u>	<u>19,720,493</u>

10.1 Particulars of advances (Gross)

	30-Sep-22	31-Dec-21
	(Rupees in '000)	
In local currency	19,798,065	20,469,800
In foreign currencies	-	-
	<u>19,798,065</u>	<u>20,469,800</u>

10.2 Advances include Rs. 1,961 million (2021: Rs 1,919 million) which have been placed under the non-performing status as detailed below:

Category of Classification

	30 September 2022		31 December 2021 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned	200,790	-	204,370	-
Substandard	750,000	44,840	750,000	44,840
Doubtful	64,217	10,245	-	-
Loss	946,241	745,805	964,630	704,257
	<u>1,961,248</u>	<u>800,890</u>	<u>1,919,000</u>	<u>749,097</u>

10.3 Particulars of provision against advances

	Nine months ended 30 September 2022			Year ended 31 December 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	749,097	210	749,307	651,697	213	651,910
Charge for the year	64,182	-	64,182	124,482	-	124,482
Reversals	(12,389)	-	(12,389)	(27,082)	(3)	(27,085)
	51,793	-	51,793	97,400	(3)	97,397
Amounts written off	-	-	-	-	-	-
Closing balance	<u>800,890</u>	<u>210</u>	<u>801,100</u>	<u>749,097</u>	<u>210</u>	<u>749,307</u>

10.4 In accordance with BPRD Circular No. 6 dated 26 June 2014 issued by the SBP, the holding Company has availed the benefit of FSV against the non-performing advances. As of 30 September 2022, the Company has availed total accumulated FSV benefit amounting to Rs. 359 million. The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to the shareholders / bonus to employees of the holding Company as required by the aforementioned SBP directives.

		(Un-audited) 30 September 2022 ----- (Rupees in '000) -----	(Audited) 31 December 2021
11	FIXED ASSETS		
	Office premises	11.1 374,557	5,621
	Vehicles, equipment and Furniture and fixtures	11.2 & 11.3 68,281	89,490
	Right of use assets	107,314	123,684
		<u>550,152</u>	<u>218,795</u>

11.1 Including surplus on revaluation on office premises of Rs 371.912 million.

	(Un-Audited) 30 September 2022	(Un-Audited) 30 September 2021
	----- (Rupees in '000) -----	

11.2 Additions to fixed assets

The following additions have been made to fixed assets during the period:

Vehicles, equipment and Furniture and fixtures

Improvements	-	1,410
Office equipment	543	469
Computer equipment	4,615	834
Furniture and fixture	250	374
Vehicles	3,600	16,561
	<u>9,008</u>	<u>19,648</u>
Total	<u>9,008</u>	<u>19,648</u>

11.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

Office equipment	412	-
Furniture and fixture	782	28
Vehicles	10,702	-
Total	<u>11,896</u>	<u>28</u>

12 INTANGIBLE ASSETS

Computer Software	288	388
Goodwill	96,304	96,304
	<u>96,592</u>	<u>96,692</u>

	(Un-audited) 30 September 2022	(Audited) 31 December 2021
	----- (Rupees in '000) -----	
13 DEFERRED TAX ASSETS		
Deductible Temporary Differences on		
Provision for diminution in the value of investments	163,952	147,006
Assets subject to finance leases	(164)	(214)
Amortisation of premium on Federal Government Securities	3,891	2,556
Provision against non-performing advances	264,363	217,299
Revaluation on investments classified as available-for-sale	94,209	39,617
Revaluation on investments classified as held-for-trading	(1,276)	(899)
Net investment in finance leases	38,396	(65,829)
Accumulated tax losses - POAMCL	35,886	35,886
	599,257	375,422
Taxable Temporary Differences on		
Accelerated tax depreciation allowances	13,761	13,626
Revaluation on Non-banking assets	(13,857)	(16,265)
Revaluation on fixed assets	(122,731)	-
Dividend receivable	-	(3,390)
	(122,827)	(6,029)
	476,430	369,393
14 OTHER ASSETS		
Income/ Mark-up accrued in local currency - net of provision	2,197,029	1,206,928
Dividend income receivable	-	45,200
Mark-up / profit receivable on purchase of securities	167,558	59,788
Security deposits	4,920	4,920
Prepayments	19,850	10,930
Taxation	921,566	505,647
Non-banking assets acquired in satisfaction of claims	210,772	222,064
Receivable from funds under management and investment advisory clients	83,221	85,994
Defined contribution plan	-	-
Defined benefit plan	-	4,900
Others	15,692	9,484
	3,620,608	2,155,855
Less: Provision held against other assets	-	-
Other assets (net of provisions)	3,620,608	2,155,855
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	132,318	135,129
	3,752,926	2,290,984

15	BORROWINGS	(Un-Audited)	(Audited)
		30 September 2022	31 December 2021
		(Rupees in '000)	
	Secured		
	Borrowings from the State Bank of Pakistan:		
	- Long term financing facility (LTFF)	2,497,388	2,499,104
	- Financing Power Plants Using Renewable Energy (REF)	279,232	265,565
	- Financing Facility for Storage of Agricultural Produce (FFSAP)	38,462	44,231
	- Temporary Economic Refinance Facility (TERF)	187,525	87,975
	Repurchase agreement borrowings	76,598,007	90,633,437
	Long term borrowings	4,691,667	3,354,833
	Short term running finance	34,937	153,816
	Bai Muajjal	6,413,501	6,076,567
	Total secured	90,740,719	103,115,528
	Unsecured		
	Placements	4,000,000	500,000
	Murabaha financing	5,723,747	403,122
	Total unsecured	9,723,747	903,122
		100,464,466	104,018,650

16 DEPOSITS AND OTHER ACCOUNTS

	30 September 2022 (Unaudited)		31 December 2021 (Audited)	
	In local currency	Total	In local currency	Total
	----- (Rupees in '000) -----			
Certificates of investment				
Financial institutions	160,000	160,000	3,500,000	3,500,000
Others	9,298,389	9,298,389	10,853,682	10,853,682
	9,458,389	9,458,389	14,353,682	14,353,682

17 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
	----- (Rupees in '000) -----					
Not later than one year	1,124	272	852	1,124	328	796
Later than one year and upto five years	2,798	317	2,481	3,640	501	3,139
	3,922	589	3,333	4,764	829	3,935

- 17.1 The holding company has entered into lease agreement with a financial institution for lease of vehicle. Lease rentals are payable in monthly installments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rate of 9.17% (2021: 9.17%) per annum. At the end of lease term, the holding company has option to acquire the assets, subject to adjustment of security deposit.

18	OTHER LIABILITIES	(Un-Audited) 30 September 2022	(Audited) 31 December 2021
		(Rupees in '000)	
	Mark-up/ Return/ Interest payable in local currency	1,414,659	541,534
	Accrued expenses	196,259	312,471
	Dividend payable	4,500	-
	Security deposits against investment in finance leases	132,444	124,867
	Sales tax and federal excise duty payable	94,449	90,786
	Lease liability against right-of-use assets	135,852	152,322
	Withholding tax and sales tax payable	8,979	5,028
	Others	40,525	42,866
		2,027,667	1,269,874

19 SHARE CAPITAL

19.1 Authorized Capital

(Unaudited) 30-Sep-22 (Number of shares)	(Audited) 31-Dec-21	Ordinary shares of Rs.10 each	(Unaudited) 30-Sep-22	(Audited) 31-Dec-21
			(Rupees in '000)	
1,000,000,000	1,000,000,000		10,000,000	10,000,000

19.2 Issued, subscribed and paid-up

30-Sep-22	31-Dec-21	Ordinary shares of Rs. 10 each	30-Sep-22	31-Dec-21
600,000,000	600,000,000	- Fully paid in cash	6,000,000	6,000,000
15,000,000	15,000,000	- Issued as bonus shares	150,000	150,000
615,000,000	615,000,000		6,150,000	6,150,000

19.3 The Ministry of Finance on behalf of the Government of Pakistan and Sultanate of Oman through Oman Investment Authority each holds 307,495,900 (2021: 307,495,900) ordinary shares of the Company, while 4,100 (2021: 4,100) ordinary shares each are held by Secretary – Economic Affairs Division, Government of Pakistan and Ministry of Commerce and Industry, Sultanate of Oman.

20 SURPLUS ON REVALUATION OF ASSETS

Surplus on revaluation of

- Available for sale securities
- Fixed assets
- Non-banking assets acquired in satisfaction of claims

(285,481)	(136,609)
370,363	-
132,318	135,129
217,200	(1,480)

Deferred tax on surplus on revaluation of:

- Available for sale securities
- Fixed assets
- Non-banking assets acquired in satisfaction of claims

94,209	39,617
(122,220)	-
(43,665)	(39,187)
(71,676)	430
145,524	(1,050)

21	CONTINGENCIES AND COMMITMENTS	<i>Note</i>	(Un-Audited) 30 September 2022 (Rupees in '000)	(Audited) 31 December 2021
	Transaction related contingent liability:			
	Standby letter of credit		780,553	702,520
	Pledge of shares on behalf of Japan Power Generation Limited	21.1	70,726	70,726
	Pledge of shares on behalf of Orient Power Company (Private) Limited	21.2	226,000	226,000
	Commitments for:			
	Sale of Government securities		2,980,116	-
	Commitments for advances and net investment in finance leases		2,129,265	1,226,443
	Securities given as collateral against loan taken by Pak Oman Asset Management Company Limited	21.3	-	36,000

21.1 Shares in Japan Power Generation Limited (JPGL) (an associate) aggregating 17,622,878 having a cost of Rs. 70.726 million (2021: Rs. 70.726 million) are pledged as security on behalf of that associate company against a syndicate finance facility obtained by it (the associate company).

21.2 Investment in unlisted shares in Orient Power Company (Private) Limited (related party) aggregating 22,600,000 having a cost of Rs. 226 million are pledged as security against a syndicate finance facility obtained by Orient Power Company (Private) Limited.

21.3 These have been released after complete settlement of loan taken by POAMCL.

21.4 Pak Oman Asset Management Company Limited

In year 2007, the Pak Oman Asset Management Company Limited ("POAMCL" or "the Company") had launched POBOP Advantage Plus Fund (the Fund) under the capital subscription and fee sharing agreement with The Bank of Punjab (BOP). BOP had subscribed five million core units and ten million non-core units of the aggregate face value of Rs. 250 million and Rs. 500 million respectively. During year 2011 the management rights of the Fund were transferred to another asset management company.

In 2013, BOP filed a suit against the POAMCL before the Honorable High Court of Sindh claiming damages of Rs. 100.4 million in respect of the alleged losses suffered by BOP due to non-honoring of its redemption requests by POAMCL in year 2009 allegedly violating the NBFC regulations and provisions of the trust deed.

The legal advisor of POAMCL has opined that the suit is based on factual inconsistencies and POAMCL has sound defense on legal grounds. During the year ended 31 December 2015, POAMCL had also lodged a counter claim of Rs. 250 million against BOP for damaging the image and reputation of POAMCL.

During the years ended 31 December 2013 and 2014 two former employees of the merged entity served notices to the Company and its former Chief Executive Officer. The employees demanded Rs. 28.5 million for defamation and Rs. 0.723 million against settlement of outstanding dues. Later, the employees also filed cases in the Court of District Judge South at Karachi. The legal advisors of the Company are of the view that although the outcome of the case appears to be favourable, the Company's chances of success cannot currently be determined due to the inherently uncertain nature of the litigation. Furthermore, the management expects that an insignificant amount will be required to settle these cases. Accordingly, provision to the extent of Rs. 0.489 million has been recognised on account of settlement of outstanding dues while no provision has been recognised in respect of defamation claim in the consolidated condensed interim financial statements for the nine months ended 30 September 2022.

		(Un-Audited)	
		Nine months	
		30 September	30 September
		2022	2021
		(Rupees in '000)	
22	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) On loans and advances	1,580,501	1,223,285
	b) On investments	9,764,953	4,286,499
	c) On lendings to financial institutions	530,735	75,138
	d) On balances with banks	117,274	87,739
		11,993,463	5,672,661
23	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	a) Deposits	1,036,320	665,955
	b) Borrowings	10,410,769	3,955,836
	c) Lease liability against right-of-use assets	10,983	12,330
		11,458,072	4,634,121
24	FEE AND COMMISSION INCOME		
	Credit related fees	32,724	41,838
	Investment banking fees	7,475	4,395
	Commission on guarantees	2,598	3,242
	Underwriting commission of Government securities auction	18,943	6,048
	Remuneration from funds under management	28,781	43,344
	Fee from investments advisory services	5,823	1,001
		96,344	99,868
25	GAIN ON SECURITIES		
	Realised	101,811	97,357
	Unrealised - held for trading	768	(4,893)
		102,579	92,464
25.1	Realised gain on:		
	Federal Government Securities	93,616	96,035
	Non Government debt securities	380	1,322
	Mutual funds	-	-
	Shares	7,815	-
		101,811	97,357
26	OTHER INCOME		
	Gain on sale of fixed assets - net	2,485	6,763
	Rent on property	6,065	958
	Utilization of Fixtures	-	1,050
	Front end load	-	28
	Reversal of liabilities no longer payables	5,500	-
		14,050	8,799

27 OPERATING EXPENSES	(Un-Audited)	
	Nine months ended	
	30 September 2022	30 September 2021
	(Rupees in '000)	
Total compensation expense	304,156	379,208
Property expense		
Utilities cost	4,858	5,027
Security (including guards)	927	890
Repair & maintenance (including janitorial charges)	11,013	10,062
Depreciation on right-of-use assets	18,915	18,822
Depreciation	2,971	1,580
	38,684	36,381
Information technology expenses		
Software maintenance	944	1,523
Hardware maintenance	287	24
Depreciation	2,152	1,645
Amortisation	100	-
Network charges	2,367	2,174
Others	1,073	914
	6,923	6,280
Other operating expenses		
Directors' fees and allowances	23,625	26,550
Directors' fees and allowances - Subsidiary	1,251	2,654
Legal & professional charges	10,594	12,290
Travelling & conveyance	15,566	3,438
Depreciation	27,732	31,428
Training & development	663	2,374
Postage & courier charges	629	670
Communication	6,787	5,720
Stationery & printing	1,302	1,484
Marketing, advertisement & publicity	1,687	3,082
Donations	130	-
Auditors' remuneration	2,119	2,390
Membership and subscriptions	1,867	2,362
Transportation	10,005	7,398
Insurance	3,579	4,915
Finance charges on leased assets	458	203
Entertainment and canteen expenses	4,471	4,109
Distribution commission	2,413	3,735
Maintenance charges - Non-banking assets	1,803	2,660
Others	5,671	6,698
	122,352	124,160
Total operating expenses	472,115	546,029

		(Un-Audited)	
		Nine months ended	
		30 September 2022	30 September 2021
		(Rupees in '000)	
28	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	-	1,601
	Fees, commission and others	<u>21,763</u>	<u>30,321</u>
		<u>21,763</u>	<u>31,922</u>
29	(PROVISIONS) / REVERSAL & WRITE OFFS - NET		
	Reversals of provisions for diminution in value of investments - net	10,091	48,793
	Provisions against loans & advances - net	<u>(51,793)</u>	<u>4,043</u>
		<u>(41,702)</u>	<u>52,836</u>
30	TAXATION		
	Current	266,923	205,451
	Prior years	30,076	-
	Deferred	<u>(181,355)</u>	<u>3,781</u>
		<u>115,644</u>	<u>209,232</u>
30.1	Tax contingencies		
	Pak Oman Investment Company Limited		
	The Income tax Department has amended the deemed assessment orders for the tax years 2004, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018, wherein major issues raised by the authorities were related to applicability of Workers Welfare Fund (WWF), disallowance of allocation of common expenses and disallowance of losses claimed on early termination of leased assets. The Company's appeals are pending at various appellate forums. For the tax year 2005 and 2008, the Commissioner Inland Revenue (Appeals) [CIR(A)] has adjudicated that the proceeding initiated by the department under section 122(5A) for respective tax years were barred in time, thereby, the amended assessment order has been annulled. Thereafter, the department being aggravated by the CIR(A) decision, filed appeal before the Appellate Tribunal Inland Revenue for the respective tax years. Further, for the matter of WWF, Supreme Court (SC) in its decision has annulled the amendments made through Finance Act 2006 and 2008. However, Federal Board of Revenue (FBR) has now filed review petition in the SC against the SC decision in the matter of WWF. Management estimates that sufficient provisions have been made and no further provision is required.		
	Pak Oman Asset Management Company Limited		
	As per the requirement of Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of Management Company has been applied effective from 13 June 2013. The management is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been taken up collectively by the Mutual Fund Association of Pakistan and the Honorable High Court of Sindh has issued stay order against such levy.		
	During 2016, the Honorable Sindh High Court, in its judgment dated 30 September 2016, on the Constitutional Petition instituted by MUFAP declared that the provisions of the Federal Excise Act, 2005, insofar as they relate to providing or rendering of services, are ultra vires to the 18th amendment of the Constitution with effect from 01 July 2011, the date on which Sindh Sales Tax on Services Act, 2011 came into force. However, the Federal Board of Revenue (FBR) has right to challenge the decision in the Supreme Court of Pakistan within 90 days of the above decision of the Court, and the petition of the Management Company is still pending in the Court; therefore, as a matter of prudence, the Company has maintained the accumulated provision against FED amounting to Rs. 78.345 million as of 30 September 2021.		
	Through Finance Act 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn. Accordingly, no FED has been charged on the remuneration of the Company for period subsequent to 30 June 2016.		
30.2	Taxation - prior		
	This shows super tax @ 4% on the taxable income for the tax year 2022 imposed through Finance Act 2022.		
31	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit attributable to shareholders of the holding company	<i>Rupees in '000</i>	<u>179,701</u> <u>520,829</u>
	Weighted average number of ordinary shares issued	<i>Numbers in '000</i>	<u>615,000</u> <u>615,000</u>
	Basic and diluted earnings per share attributable to shareholders of holding company	<i>Rupees</i>	<u>0.29</u> <u>0.85</u>
31.1	Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue.		
32	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	224,349	171,218
	Balances with other banks	<u>1,015,439</u>	<u>1,528,886</u>
		<u>1,239,788</u>	<u>1,700,104</u>

33 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

Office premises and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these condensed interim consolidated financial statement.

33.1 Fair Value of financial assets

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

In the opinion of management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or in the case of customer loans and deposits are frequently repriced.

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

On balance sheet financial instruments	30 September 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	90,196,851	-	90,196,851
Shares	-	-	-	-
Non-Government Debt Securities	-	3,190,863	-	3,190,863
Mutual funds		649,206	-	649,206
Financial assets - disclosed but not measured at fair value				
Investments	-	-	234,549	234,549
	31 December 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	96,920,222	-	96,920,222
Non-Government Debt Securities	-	3,457,827	-	3,457,827
Mutual funds	-	829,919	-	829,919
Financial assets - disclosed but not measured at fair value				
Investments	-	-	234,549	234,549

33.2 Fair value of non-financial assets

	(Un-audited)			
	As at 30 September 2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Office premises	-	-	374,557	374,557
Non-banking assets acquired in satisfaction of claims	-	-	375,991	375,991
	(Audited)			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Non-banking assets acquired in satisfaction of claims	-	-	375,991	375,991

34 SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

Nine months ended 30 September 2022 (Unaudited)					
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	----- (Rupees in '000) -----				
Profit & Loss					
Net mark-up/return/profit	189,410	(88,645)	436,702	(2,076)	535,391
Non mark-up / return / interest income	35,687	112,165	122,137	41,609	311,598
Total Income	225,097	23,520	558,839	39,533	846,989
Segment direct expenses	253,075	26,040	193,096	37,718	509,929
(Provisions) / Reversals	(51,793)	10,091	-	-	(41,702)
Profit before tax	(79,771)	7,571	365,743	1,815	295,358
Balance Sheet					
Cash & Bank balances	-	-	1,239,674	114	1,239,788
Investments	-	883,755	93,387,714	-	94,271,469
Lendings to financial institutions	-	-	991,848	-	991,848
Advances - performing	17,325,323	-	511,284	-	17,836,607
non- performing	1,160,358	-	-	-	1,160,358
Others	1,114,766	380,372	3,094,459	286,503	4,876,100
Total Assets	19,600,447	1,264,127	99,224,979	286,617	120,376,170
Borrowings	15,994,675	1,401,947	83,067,844	-	100,464,466
Subordinated debt	-	-	-	-	-
Deposits & other accounts	1,543,753	99,564	7,815,072	-	9,458,389
Others	420,143	18,555	1,456,440	135,862	2,031,000
Total liabilities	17,958,571	1,520,066	92,339,356	135,862	111,953,855
Equity	1,641,876	(255,939)	6,885,623	150,755	8,422,315
Total Equity & liabilities	19,600,447	1,264,127	99,224,979	286,617	120,376,170
Contingencies & Commitments	2,909,818	296,726	2,980,116	-	6,186,660

Nine months ended 30 September 2021 (Unaudited)					
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	----- (Rupees in '000) -----				
Profit & Loss					
Net mark-up/return/profit	311,881	(70,862)	800,497	(2,976)	1,038,540
Non mark-up / return / interest income	45,080	35,499	103,840	46,858	231,277
Total Income	356,961	(35,363)	904,337	43,882	1,269,817
Segment direct expenses	284,799	34,325	226,895	46,817	592,836
(Reversals) / Provisions	4,043	-	48,793	-	52,836
Profit before tax	76,205	(69,688)	726,235	(2,935)	729,817

Year ended 31 December 2021					
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	----- (Rupees in '000) -----				
Balance Sheet					
Cash & Bank balances	-	-	1,664,151	254	1,664,405
Investments	-	1,064,468	100,378,049	-	101,442,517
Lendings to financial institutions	-	-	1,953,578	-	1,953,578
Advances - performing	17,671,866	-	878,724	-	18,550,590
non-performing	1,169,903	-	-	-	1,169,903
Others	799,159	730,938	1,506,515	291,415	3,328,027
Total Assets	19,640,928	1,795,406	106,381,017	291,669	128,109,020
Borrowings	16,448,123	1,453,053	86,095,974	21,500	104,018,650
Subordinated debt	-	-	-	-	-
Deposits & other accounts	2,204,294	256,502	11,892,886	-	14,353,682
Others	282,370	17,942	853,087	120,410	1,273,809
Total liabilities	18,934,787	1,727,497	98,841,947	141,910	119,646,141
Equity	706,141	67,909	7,539,070	149,759	8,462,879
Total Equity & liabilities	19,640,928	1,795,406	106,381,017	291,669	128,109,020
Contingencies & Commitments	1,928,963	332,726	-	-	2,261,689

35 RELATED PARTY TRANSACTIONS

The Group has related party relationship with various parties, including its directors, key management personnel (including their associates), associates, employee benefit plans, and company having common directors.

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 Group's Policy. Transactions with other related parties are carried out on commercial terms and as per market rates.

The nature of the relationships and transactions with related parties, other than those which have been specifically disclosed elsewhere in the consolidated financial statements are as follows:

Associates

Japan Power Generation Limited
Pak Oman Advantage Islamic Income Fund
Pak Oman Islamic Asset Allocation Fund
Pak Oman Advantage Asset Allocation Fund
Pak Oman Government Securities Fund
Pak Oman Daily Dividend Fund
Askari High Yield Scheme
Askari Sovereign Yield Enhancer
Askari Sovereign Cash Fund

Retirement benefit fund

Defined benefit plan
Defined contribution plan

Other related party

Orient Power Company (Private) Limited

35.1 Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements are as follows:

	Nine months ended 30 September 2022 (Unaudited)					Year ended 31 December 2021 (Audited)				
	Directors	Key management personnel	Associates	Retirement benefit funds	Other related parties	Directors	Key management personnel	Associates	Retirement benefit funds	Other related parties
	(Rupees in '000)									
Balances with other banks										
In deposit accounts	-	-	-	-	-	-	-	200,000	-	-
Investments										
Opening balance	-	-	1,182,082	-	226,000	-	-	1,217,498	-	726,000
Investment made during the year	-	-	491,350	-	-	-	-	1,195,031	-	-
Investment redeemed / disposed off during the year	-	-	(1,024,226)	-	-	-	-	(1,230,447)	-	(500,000)
Closing balance	-	-	649,206	-	226,000	-	-	1,182,082	-	226,000
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	-	-
Advances										
Opening balance	-	35,831	68,200	-	-	-	41,535	68,200	-	524,566
Addition during the year	-	8,100	-	-	-	-	8,297	-	-	-
Repaid during the year	-	(8,838)	-	-	-	-	(14,001)	-	-	(71,700)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(452,866)
Closing balance	-	35,093	68,200	-	-	-	35,831	68,200	-	-
Provision held against advances	-	-	68,200	-	-	-	-	68,200	-	-
	Nine months ended 30 September 2022 (Unaudited)					Year ended 31 December 2021 (Audited)				
	Directors	Key management personnel	Associates	Retirement benefit funds	Other related parties	Directors	Key management personnel	Associates	Retirement benefit funds	Other related parties
	(Rupees in '000)									
Other Assets										
Interest / mark-up accrued	-	-	-	-	-	-	-	1,052	-	8,725
Receivable from staff retirement fund	-	-	-	-	-	-	-	-	4,900	-
Other receivable	-	-	83,221	589	-	-	-	85,994	-	-
	-	-	83,221	589	-	-	-	87,046	4,900	8,725
Provision against other assets	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	-	3,377	-	-	-	-	5,532	-	6,871	-
Received during the year	-	62,575	-	-	-	-	43,388	-	3,923	-
Withdrawn during the year	-	(51,201)	-	-	-	-	(45,543)	-	(10,794)	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	14,751	-	-	-	-	3,377	-	-	-
Other Liabilities										
Interest / mark-up payable	-	90	-	-	-	-	4	-	-	-
Outright sale of Securities	-	-	2,585,126	7,051,936	-	-	-	1,470,950	6,177,570	-
Outright purchase of Securities	-	-	587,132	7,195,911	-	-	-	155,883	5,896,182	-
Contingencies and Commitments										
Other contingencies	-	-	70,726	-	226,000	-	-	70,726	-	226,000

35.2 Related party transactions

	Nine months ended 30 September 2022 (Un-audited)					Nine months ended 30 September 2021 (Un-audited)				
	Directors	Key management personnel	Associates	Retirement benefit funds	Other related parties	Directors	Key management personnel	Associates	Retirement benefit funds	Other related parties
(Rupees in '000)										
Income										
Mark-up / return / interest earned	-	1,030	-	-	-	-	1,093	1,306	-	52,334
Fee and commission income	-	-	-	-	-	-	-	-	-	2,373
Dividend income	-	-	38,246	-	-	-	-	-	-	-
Net gain on sale of securities	-	-	35,346	319	-	-	-	-	(195)	-
Other income	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Expense										
Mark-up / return / interest paid	-	643	-	-	-	-	283	-	48	-
Operating expenses	-	-	-	-	-	-	-	-	-	-
Non-Executive Directors' fees and allowances	23,625	-	-	-	-	26,550	-	-	-	-
Compensation expenses	-	243,041	-	-	-	-	300,972	-	-	-
Contribution to defined contribution plan	-	-	-	14,749	-	-	-	-	15,435	-
Charge for defined benefit plan	-	-	-	15,600	-	-	-	-	14,654	-

36 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-Audited) 30 September 2022	(Audited) 31 December 2021
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>6,150,000</u>	<u>6,150,000</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>6,907,415</u>	6,566,601
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>6,907,415</u>	6,566,601
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	<u>6,907,415</u>	6,566,601
Risk Weighted Assets (RWAs):		
Credit Risk	<u>24,367,683</u>	23,565,628
Market Risk	<u>12,875,630</u>	13,901,012
Operational Risk	<u>3,001,190</u>	3,001,190
Total	<u>40,244,503</u>	40,467,830
Common Equity Tier 1 Capital Adequacy ratio	<u>17.16%</u>	16.23%
Tier 1 Capital Adequacy Ratio	<u>17.16%</u>	16.23%
Total Capital Adequacy Ratio	<u>17.16%</u>	16.23%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>6,907,415</u>	6,566,601
Total Exposures	<u>124,416,576</u>	128,183,137
Leverage Ratio	<u>5.55%</u>	5.12%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>8,176,104</u>	10,987,504
Total Net Cash Outflow	<u>11,844,814</u>	16,181,833
Liquidity Coverage Ratio	<u>69.03%</u>	67.90%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>20,590,444</u>	21,726,820
Total Required Stable Funding	<u>20,256,272</u>	20,582,830
Net Stable Funding Ratio	<u>101.65%</u>	105.56%

37 CREDIT RATING

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

The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset management rating of AM3++ (Stable) to the subsidiary company in the medium and long term.

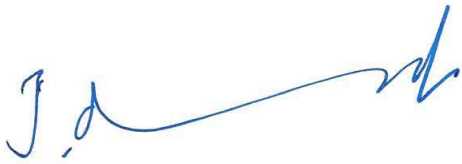
38. GENERAL

38.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

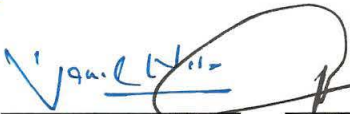
38.2 The comparative figures have been re-arranged for comparison purposes.

39. DATE OF AUTHORISATION FOR ISSUE


These consolidated financial statements were authorised for issue on 20 October 2022 by the Board of Directors of the holding company.




Acting Managing Director /
Chief Executive Officer



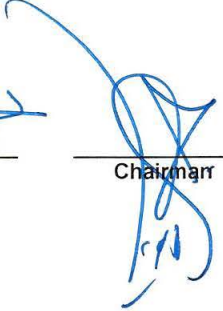
Chief Financial Officer



Director



Director



Chairman