

**PAK OMAN INVESTMENT
COMPANY LIMITED**

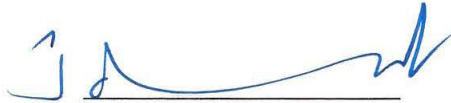
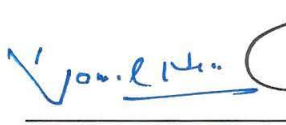


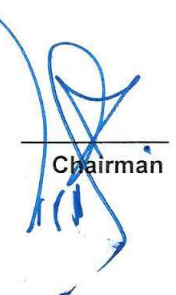
**UNCONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

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

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

(Un-audited) 30 September 2022 (US Dollar in '000)	(Audited) 31 December 2021		(Un-audited) 30 September 2022	(Audited) 31 December 2021
		Note	(Rupees in '000)	
ASSETS				
982	759	Cash and balances with treasury banks	224,347	173,449
4,444	6,525	Balances with other banks	1,015,327	1,490,702
4,342	8,551	Lendings to financial institutions	991,848	1,953,578
414,203	445,554	Investments	94,625,500	101,787,711
83,155	86,322	Advances	18,996,965	19,720,493
2,330	854	Fixed assets	532,276	194,993
-	-	Intangible assets	-	-
2,252	1,744	Deferred tax assets	514,504	398,502
15,930	9,437	Other assets	3,639,277	2,155,949
-	1,684	Assets held-for-sale	-	384,708
527,638	561,430		120,540,044	128,260,085
LIABILITIES				
-	-	Bills payable	-	-
439,762	455,225	Borrowings	100,464,466	103,997,150
41,402	62,830	Deposits and other accounts	9,458,389	14,353,682
15	17	Liabilities against assets subject to finance lease	3,333	3,935
-	-	Subordinated debt	-	-
-	-	Deferred tax liabilities	-	-
8,379	5,032	Other liabilities	1,914,305	1,149,464
489,558	523,104		111,840,493	119,504,231
38,080	38,326	NET ASSETS	8,699,551	8,755,854
REPRESENTED BY				
26,920	26,920	Share capital	6,150,000	6,150,000
8,266	8,122	Reserves	1,888,320	1,855,525
637	(5)	Surplus on revaluation of assets	145,524	(1,050)
2,257	3,289	Unappropriated profit	515,707	751,379
38,080	38,326		8,699,551	8,755,854
CONTINGENCIES AND COMMITMENTS				
			20	

The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

				
Acting Managing Director/ Chief Executive Officer	Chief Financial Officer	Director	Director	Chairman

Pak Oman Investment Company Limited
Unconsolidated 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	30 September		30 September	30 September	30 September	30 September
2022	2021	Note	2022	2021	2022	2021
(US Dollar in '000)			(Rupees in '000)			
52,498	24,830	Mark-up / return / interest earned	4,945,303	2,080,669	11,993,382	5,672,505
50,146	20,271	Mark-up / return / interest expensed	4,650,157	1,744,303	11,455,915	4,630,989
2,352	4,559	Net mark-up / return / interest income	295,146	336,366	537,467	1,041,516
NON MARK-UP / INTEREST INCOME						
270	243	Fee and commission income	8,010	10,954	61,740	55,523
173	51	Dividend income	-	-	39,556	11,678
-	-	Foreign exchange income	-	-	-	-
-	-	Income / (loss) from derivatives	-	-	-	-
604	471	Gain on securities	47,558	43,598	137,940	107,522
31	28	Other income	2,240	2,917	7,045	6,286
1,078	793	Total non mark-up / interest income	57,808	57,469	246,281	181,009
3,430	5,352	Total income	352,954	393,835	783,748	1,222,525
NON MARK-UP / INTEREST EXPENSES						
1,901	2,186	Operating expenses	129,293	175,597	434,397	499,406
70	65	Workers Welfare Fund	4,890	4,004	16,051	14,885
95	139	Other charges	5,337	11,289	21,763	31,728
2,066	2,390	Total non mark-up / interest expenses	139,520	190,890	472,211	546,019
1,364	2,962	Profit before provisions	213,434	202,945	311,537	676,506
(183)	231	(Provisions) / Reversals and write offs - net	(999)	(6,768)	(41,702)	52,836
-	-	Extra ordinary / unusual items	-	-	-	-
1,181	3,193	PROFIT BEFORE TAXATION	212,435	196,177	269,835	729,342
(463)	(910)	Taxation	(74,212)	(59,344)	(105,860)	(207,886)
718	2,283	PROFIT AFTER TAXATION	138,223	136,833	163,975	521,456
(US \$)			(Rupees)			
0.0012	0.0037	Basic and diluted earnings per share	0.22	0.22	0.27	0.85

The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

				
Acting Managing Director/ Chief Executive Officer	Chief Financial Officer	Director	Director	Chairman

Pak Oman Investment Company Limited
 Unconsolidated 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 (US Dollar in '000)	30 September 2021		30 September 2022	30 September 2021	30 September 2022 (Rupees in '000)	30 September 2021
718	2,283	Profit after taxation for the period	138,223	136,833	163,975	521,456
Other comprehensive income						
Items that may be reclassified to profit and loss account in subsequent periods						
(413)	(643)	Movements in (deficit) / surplus on revaluation of investments - net of tax	(52,531)	(36,522)	(94,280)	(146,942)
Items that will not be reclassified to profit and loss account in subsequent periods						
1,086	-	Movement in surplus on revaluation of fixed assets	248,143	-	248,143	-
(32)	(9)	Movement in surplus on revaluation of non-banking assets- net of tax	(628)	(665)	(7,289)	(1,994)
1,054	(9)		247,515	(665)	240,854	(1,994)
<u>1,359</u>	<u>1,631</u>	Total comprehensive income	<u>333,207</u>	<u>99,646</u>	<u>310,549</u>	<u>372,520</u>





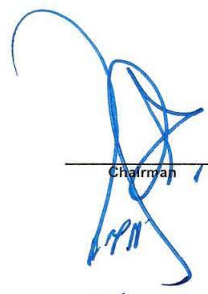
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Acting Managing Director/ Chief Executive Officer	Chief Financial Officer	Director	Director	Chairman

Pak Oman Investment Company Limited
Unconsolidated 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	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	824,550	9,083,033
Total comprehensive income								
Profit after taxation	-	-	-	-	-	-	521,456	521,456
Other comprehensive income / (loss) - net of tax	-	-	-	(146,942)	-	(1,994)	-	(148,936)
Total comprehensive income for the nine months ended 30 September 2021	-	-	-	(146,942)	-	(1,994)	521,456	372,520
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
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)
Opening balance as at 01 October 2021	6,150,000	1,552,646	311,630	102,955	-	96,607	782,459	8,996,297
Total comprehensive income								
Profit after taxation	-	-	-	-	-	-	(43,756)	(43,756)
Other comprehensive income / (loss) - net of tax	-	-	-	(199,947)	-	(665)	3,260	(197,352)
Total comprehensive income for the quarter months ended 31 December 2021	-	-	-	(199,947)	-	(665)	(40,496)	(241,108)
Transfer to statutory reserve	-	(8,751)	-	-	-	-	8,751	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	665	665
Opening balance as at 01 January 2022	6,150,000	1,543,895	311,630	(96,992)	-	95,942	751,379	8,755,854
Total comprehensive income								
Profit after taxation	-	-	-	-	-	-	163,975	163,975
Other comprehensive income / (loss) - net of tax	-	-	-	(94,280)	248,143	(7,289)	-	146,574
Total comprehensive income for the nine months ended 30 September 2022	-	-	-	(94,280)	248,143	(7,289)	163,975	310,549
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
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)
Closing balance as at 30 September 2022	6,150,000	1,576,690	311,630	(191,272)	248,143	88,653	515,707	8,699,551

The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

Acting Managing Director/
Chief Executive Officer

Chief Financial Officer

Director

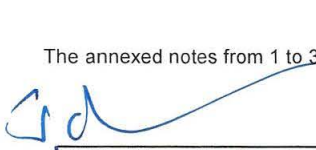
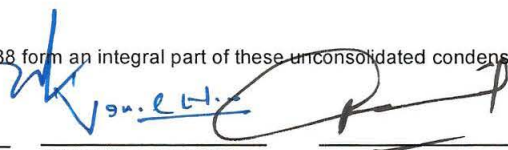

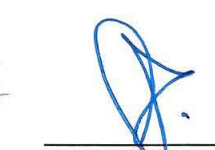
Director

Chairman

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

30 September 2022 (US Dollar in '000)	30 September 2021		Note	30 September 2022 (Rupees in '000)	30 September 2021
CASH FLOW FROM OPERATING ACTIVITIES					
1,181	3,193	Profit before taxation		269,835	729,342
(173)	(51)	Less: Dividend income		(39,556)	(11,678)
1,008	3,142			230,279	717,664
Adjustments:					
135	138	Depreciation		30,784	31,587
68	70	Depreciation on right-of-use assets		15,630	15,957
-	-	Amortization		-	-
183	(231)	Provisions / (Reversals) and write offs - net	28	41,702	(52,836)
(4)	(23)	Gain on sale of fixed assets		(980)	(5,328)
45	48	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		10,209	10,869
2	1	Finance charges on leased assets		458	203
(3)	21	Unrealised loss / (gain) on revaluation of investments classified as held-for-trading		(768)	4,893
426	24			97,035	5,345
1,434	3,166			327,314	723,009
(Increase) / Decrease in operating assets					
4,210	13,570	Lendings to financial institutions		961,730	3,100,000
(60,453)	63,629	Held-for-trading securities		(13,810,539)	14,536,154
2,940	4,756	Advances		671,735	1,086,566
(4,936)	647	Other assets (excluding advance taxation)		(1,127,615)	147,856
(58,239)	82,602			(13,304,689)	18,870,576
Increase / (decrease) in operating liabilities					
-	-	Bills payable		-	-
(15,464)	82,908	Borrowings		(3,532,684)	18,940,596
(21,428)	(22,815)	Deposits		(4,895,293)	(5,212,026)
3,381	(1,028)	Other liabilities (excluding current taxation)		772,341	(235,098)
(33,511)	59,065			(7,655,636)	13,493,472
(90,316)	144,833			(20,633,011)	33,087,057
(3,113)	(1,495)	Income tax paid		(711,196)	(341,589)
(93,429)	143,338	Net cash flow (used in) / from operating activities		(21,344,207)	32,745,468
CASH FLOW FROM INVESTING ACTIVITIES					
90,447	(141,526)	Net investments in available-for-sale securities		20,662,861	(32,331,790)
2,436	1,025	Investments in associates		556,584	234,263
371	51	Dividend received		84,756	11,678
(39)	(61)	Investments in operating fixed assets		(9,008)	(13,875)
54	23	Proceeds from sale of fixed assets		12,306	5,356
93,269	(140,499)	Net cash flow from / (used in) investing activities		21,307,499	(32,096,813)
CASH FLOW FROM FINANCING ACTIVITIES					
(5)	(8)	Payments of lease obligations		(1,060)	(1,885)
(97)	(84)	Payments of lease liability against right-of-use assets		(22,209)	(19,128)
(1,596)	(2,019)	Dividend paid		(364,500)	(461,250)
(1,698)	(2,111)	Net cash flow (used in) financing activities		(387,769)	(482,263)
(1,858)	728	(Decrease) / increase in cash and cash equivalents		(424,477)	166,392
7,284	6,710	Cash and cash equivalents at beginning of the period		1,664,151	1,532,869
5,426	7,438	Cash and cash equivalents at end of the period	31	1,239,674	1,699,261

The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

Acting Managing Director/
 Chief Executive Officer
 Chief Financial Officer
Director
Director
Chairman

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

1 STATUS AND NATURE OF BUSINESS

Pak Oman Investment Company Limited (the Company) was incorporated as a private limited company on 23 July 2001. Subsequently, on 17 March 2004 the 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 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 the BPD Circular Letter No. 35 dated 28 October 2003 issued by the State Bank of Pakistan.

2 BASIS OF PREPARATION

These unconsolidated 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 No. 05, dated 22 March 2019.

2.1 SEPARATE FINANCIAL STATEMENTS

These unconsolidated financial statements are separate financial statements of the Company in which investments and subsidiary are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees (equity method), which is incorporated in the consolidated financial statements of the Company.

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

2.2 STATEMENT OF COMPLIANCE

These unconsolidated 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 unconsolidated 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 unconsolidated condensed interim financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated 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 unconsolidated 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 unconsolidated condensed interim statement of financial position, unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated 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 Company's 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 Company's operations and therefore not detailed in these unconsolidated interim 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 IFRS as notified under the Companies Act, 2017 and the amendments thereto will be effective for future periods and not early adopted:

- 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 unconsolidated 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 unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements for the year ended 31 December 2021 except office premises which is carried at revalued amount less depreciation. 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

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

5 FINANCIAL RISK MANAGEMENT

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

		(Un-audited) 30 September 2022	(Audited) 31 December 2021
	Note	(Rupees in '000)	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
local currency		120	287
foreign currency		293	252
		413	539
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>224,347</u>	<u>173,449</u>
6.1	This represent the amount required to be maintained by the 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	1,007,041	1,466,519
		1,012,928	1,482,715
Outside Pakistan:			
In current accounts		2,399	7,987
		<u>1,015,327</u>	<u>1,490,702</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

	(Un-audited)				(Audited)			
	30 September 2022				31 December 2021			
	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	697,340	(70,726)	-	626,614	876,124	(77,634)	-	798,490
Subsidiary	600,745	(224,122)	-	376,623	600,745	(224,122)	-	376,623
Total Investments	95,698,789	(791,675)	(281,614)	94,625,500	102,729,895	(808,674)	(133,510)	101,787,711

9.1.1 Investments given as collateral

	(Un-audited)				(Audited)			
	30 September 2022				31 December 2021			
	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
	<u>82,444,605</u>	-	<u>(300,154)</u>	<u>82,144,451</u>	<u>94,725,456</u>	-	<u>(189,065)</u>	<u>94,536,391</u>
Shares								
- Listed companies	-	-	-	-	-	-	-	-
- Unlisted companies	226,000	-	-	226,000	226,000	-	-	226,000
	<u>226,000</u>	-	-	<u>226,000</u>	<u>226,000</u>	-	-	<u>226,000</u>
Associates								
Japan Power Generation Limited	70,726	(70,726)	-	-	70,726	(70,726)	-	-
Total investments	<u>82,741,331</u>	<u>(70,726)</u>	<u>(300,154)</u>	<u>82,370,451</u>	<u>95,022,182</u>	<u>(70,726)</u>	<u>(189,065)</u>	<u>94,762,391</u>

9.2 Provision for diminution in value of investments

9.2.1 Opening balance

Charge / (reversal)

Charge for the period / year
Reversals for the period / year

Transfers - net

Closing balance

	(Un-audited) 30 September 2022	(Audited) 31 December 2021
	(Rupees in '000)	
Opening balance	808,674	856,755
Charge / (reversal)		
Charge for the period / year	-	105,634
Reversals for the period / year	(10,091)	(153,715)
	(10,091)	(48,081)
Transfers - net	(6,908)	-
Closing balance	<u>791,675</u>	<u>808,674</u>

9.2.2 Particulars of provision against debt securities

Category of classification

Domestic

Other assets especially mentioned
Substandard
Doubtful
Loss
Total

	(Un-audited)		(Audited)	
	30 September 2022		31 December 2021	
	NPI	Provision	NPI	Provision
	(Rupees in '000)			
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	444,971	385,110	455,062	395,201
Total	<u>444,971</u>	<u>385,110</u>	<u>455,062</u>	<u>395,201</u>

9.2.3 In accordance with SBP Prudential Regulations for Corporate / Commercial Banking, Regulation R-8, the 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 Company as required by the aforementioned SBP directives.

9.2.4 The Company 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 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	------(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	17,836,817	18,550,800	1,961,248	1,919,000	19,798,065	20,469,800
Provision against advances						
Specific	-	-	800,890	749,097	800,890	749,097
General	210	210	-	-	210	210
	210	210	800,890	749,097	801,100	749,307
Advances - net of provision	17,836,607	18,550,590	1,160,358	1,169,903	18,996,965	19,720,493
					(Un-audited) 30 September 2022	(Audited) 31 December 2021
					------(Rupees in '000)-----	

10.1 Particulars of advances (Gross)

In local currency	19,798,065	20,469,800
In foreign currencies	-	-
	19,798,065	20,469,800

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	(Un-audited) 30 September 2022		(Audited) 31 December 2021	
	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
	1,961,248	800,890	1,919,000	749,097

10.3 Particulars of provision against advances

	(Un-audited) 30 September 2022			(Audited) 31 December 2021		
	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	800,890	210	801,100	749,097	210	749,307

- 10.4** In accordance with BPRD Circular No. 6 dated 26 June 2014 issued by the SBP, the 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 Company as required by the aforementioned SBP directives.

	Note	(Un-audited) 30 September 2022	(Audited) 31 December 2021
(Rupees in '000)			
11 FIXED ASSETS			
Office premises	11.1	374,557	5,621
Vehicles, equipment and Furniture and fixtures	11.2 & 11.3	58,421	76,990
Right of use assets		99,298	112,382
		532,276	194,993

- 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 equipments	543	469
Computer equipments	4,615	693
Furniture and fixture	250	350
Vehicles	3,600	16,561
	9,008	19,483
Total	9,008	19,483

11.3 Disposal of fixed assets

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

Furniture and fixture	212	-
Office equipment	412	-
Improvements	-	28
Vehicles	10,702	-
Total	11,326	28

	(Un-audited) 30 September 2022	(Audited) 31 December 2021
	(Rupees in '000)	
12 DEFERRED TAX ASSETS		
Deductible Temporary Differences on		
Provision for diminution in the value of investments	237,912	212,001
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)
	637,331	404,531
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)
	514,504	398,502
13 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	3,486	3,486
Prepayments	38,111	9,675
Taxation	874,311	459,295
Non-banking assets acquired in satisfaction of claims	210,772	222,064
Defined benefit plan	-	4,900
Others	15,692	9,484
	3,506,959	2,020,820
Less: Provision held against other assets	-	-
Other assets (net of provisions)	3,506,959	2,020,820
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	132,318	135,129
	3,639,277	2,155,949

	(Un-audited) 30 September 2022	(Audited) 31 December 2021
	(Rupees in '000)	
14 BORROWINGS		
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	3,333,333
Short term running finance	34,937	153,816
Bai Muajjal	6,413,501	6,076,567
Total secured	90,740,719	103,094,028
Unsecured		
Placements	4,000,000	500,000
Murabaha financing	5,723,747	403,122
Total unsecured	9,723,747	903,122
	100,464,466	103,997,150

15 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) 30 September 2022		(Audited) 31 December 2021	
	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

16 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	(Un-audited) 30 September 2022			(Audited) 31 December 2021		
	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

16.1 The 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 Company has option to acquire the assets, subject to adjustment of security deposit.

			(Un-audited) 30 September 2022 (Rupees in '000)	(Audited) 31 December 2021
17	OTHER LIABILITIES			
	Mark-up/ Return/ Interest payable in local currency		1,414,659	541,338
	Accrued expenses		195,259	304,512
	Dividend payable		4,500	-
	Security deposits against investment in finance leases		132,444	124,867
	Lease liability against right-of-use assets		126,284	138,708
	Withholding tax and sales tax payable		6,077	4,412
	Others		35,082	35,627
			<u>1,914,305</u>	<u>1,149,464</u>
18	SHARE CAPITAL			
18.1	Authorized Capital			
		(Unaudited) 30-Sep-22 (Number of shares)	(Audited) 31-Dec-21	
		<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs.10 each
			<u>10,000,000</u>	<u>10,000,000</u>
18.2	Issued, subscribed and paid-up			
		30-Sep-22	31-Dec-21	
				Ordinary shares of Rs. 10 each
		600,000,000	600,000,000	- Fully paid in cash
		15,000,000	15,000,000	- Issued as bonus shares
		<u>615,000,000</u>	<u>615,000,000</u>	
			<u>6,150,000</u>	<u>6,150,000</u>
18.3	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.			
19	SURPLUS ON REVALUATION OF ASSETS			
	Surplus on revaluation of			
	- Available for sale securities		(285,481)	(136,609)
	- Fixed assets		370,363	-
	- Non-banking assets acquired in satisfaction of claims		132,318	135,129
			217,200	(1,480)
	Deferred tax on surplus on revaluation of:			
	- Available for sale securities		94,209	39,617
	- Fixed assets		(122,220)	-
	- Non-banking assets acquired in satisfaction of claims		(43,665)	(39,187)
			(71,676)	430
			<u>145,524</u>	<u>(1,050)</u>

		(Unaudited) 30-Sep-22	(Audited) 31-Dec-21
		(Rupees in '000)	
20	CONTINGENCIES AND COMMITMENTS		
	Transaction related contingent liability:		
	Standby letter of credit	780,553	702,520
	Pledge of shares on behalf of Japan Power Generation Limited	20.1 70,726	70,726
	Pledge of shares on behalf of Orient Power Company (Private) Limited	20.2 226,000	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	20.3 -	36,000
20.1	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).		
20.2	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.		
20.3	These have been released after complete settlement of loan taken by POAMCL.		

		(Un-audited) Nine months ended	
Note		30 September 2022	30 September 2021
(Rupees in '000)			
21	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) Loans and advances	1,580,501	1,223,285
	b) Investments	9,764,953	4,286,499
	c) Lendings to financial institutions	530,735	75,138
	d) Balances with banks	117,193	87,583
		<u>11,993,382</u>	<u>5,672,505</u>
22	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	a) Deposits	1,036,320	665,955
	b) Borrowings	10,409,386	3,954,165
	c) Lease liability against right-of-use assets	10,209	10,869
		<u>11,455,915</u>	<u>4,630,989</u>
23	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
		<u>61,740</u>	<u>55,523</u>
24	GAIN ON SECURITIES		
	Realised	137,172	112,415
	Unrealised - held for trading	768	(4,893)
		<u>137,940</u>	<u>107,522</u>
24.1	Realised gain/(loss) on:		
	Federal Government Securities	93,616	96,035
	Non Government debt securities	380	1,322
	Mutual Funds	14,865	15,058
	Shares	28,311	-
		<u>137,172</u>	<u>112,415</u>
25	OTHER INCOME		
	Gain on sale of fixed assets - net	980	5,328
	Rent on property	6,065	958
		<u>7,045</u>	<u>6,286</u>

26 OPERATING EXPENSES

	(Un-audited)	
	Nine months ended	
	30 September 2022	30 September 2021
	(Rupees in '000)	
Total compensation expense	287,125	355,236
Property expense		
Utilities cost	3,591	3,860
Security (including guards)	525	478
Repair & maintenance (including janitorial charges)	7,840	9,409
Depreciation on right-of-use assets & improvements	15,630	15,957
Depreciation	2,971	1,580
	30,557	31,284
Information technology expenses		
Software maintenance	944	880
Hardware maintenance	287	16
Depreciation	1,511	1,012
Network charges	2,367	2,091
Others	1,073	914
	6,182	4,913
Other operating expenses		
Directors' fees and allowances	23,625	26,550
Legal & professional charges	7,048	10,530
Travelling & conveyance	15,446	3,270
Depreciation	26,302	28,995
Training & development	663	2,374
Postage & courier charges	629	670
Communication	6,576	5,478
Stationery & printing	1,112	1,305
Marketing, advertisement & publicity	1,687	3,082
Donations	130	-
Auditors' remuneration	1,669	1,866
Membership and subscriptions	1,867	1,581
Transportation	10,005	7,309
Insurance	2,055	2,566
Finance charges on leased assets	458	203
Entertainment and canteen expenses	3,989	3,890
Maintenance charges - Non-banking assets	1,803	2,660
Others	5,469	5,644
	110,533	107,973
Total operating expenses	434,397	499,406

		(Un-audited)	
		Nine months ended	
		30 September 2022	30 September 2021
		(Rupees in '000)	
27	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	-	1,601
	Fee, commission and others	<u>21,763</u>	<u>30,127</u>
		<u>21,763</u>	<u>31,728</u>
28	(PROVISIONS) / REVERSAL & WRITE OFFS - NET		
	Reversal of provision 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>
29	TAXATION		
	Current	266,104	204,105
	Prior years	30,076	-
	Deferred	<u>(190,320)</u>	<u>3,781</u>
		<u>105,860</u>	<u>207,886</u>

29.1 Tax contingencies

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.

29.2 Taxation - prior

This shows super tax @ 4% on the taxable income for the tax year 2022 imposed through Finance Act 2022.

		(Un-audited)	
		Nine months ended	
		30 September 2022	30 September 2021
		(Rupees in '000)	
30	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit after taxation	Rupees in '000	<u>163,975</u>
			<u>521,456</u>
	Weighted average number of ordinary shares issued	Numbers in '000	<u>615,000</u>
			<u>615,000</u>
	Basic and diluted earnings per share	Rupees	<u>0.27</u>
			<u>0.85</u>

30.1 Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue.

		(Un-audited)	
		Nine months ended	
		30 September 2022	30 September 2021
		(Rupees in '000)	
31	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	224,347	171,184
	Balances with other banks	1,015,327	1,528,077
		<u>1,239,674</u>	<u>1,699,261</u>

32 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 unconsolidated financial statement

32.1 Fair value of financial assets

The Company 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:

(Un-audited)				
As at 30 September 2022				
On balance sheet financial instruments	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	-	628,392	-	628,392
Financial assets - disclosed but not measured at fair value				
Investments	-	-	611,172	611,172
(Audited)				
As at 31 December 2021				
On balance sheet financial instruments	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	-	829,921	-	829,921
Financial assets - disclosed but not measured at fair value				
Investments	-	-	611,172	611,172

32.2 Fair value of non-financial assets

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

33 SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

	(Un-audited)			
	Nine months ended 30 September 2022			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Profit & loss account				
Net mark-up / return / profit	189,410	(88,645)	436,702	537,467
Non mark-up / return / interest income	35,687	88,457	122,137	246,281
Total income	225,097	(188)	558,839	783,748
Segment direct expenses	253,075	26,040	193,096	472,211
(Provisions) / Reversals	(51,793)	10,091	-	(41,702)
Profit before tax	(79,771)	(16,137)	365,743	269,835
	(Un-audited)			
	As at 30 September 2022			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Statement of financial position				
Cash & Bank balances	-	-	1,239,674	1,239,674
Investments	-	1,237,786	93,387,714	94,625,500
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	1,114,765	454,343	3,116,949	4,686,057
Total assets	19,600,446	1,692,129	99,247,469	120,540,044
Borrowings	16,765,509	1,403,111	82,295,846	100,464,466
Subordinated debt	-	-	-	-
Deposits & other accounts	1,537,984	132,776	7,787,629	9,458,389
Others	422,726	25,060	1,469,852	1,917,638
Total liabilities	18,726,219	1,560,947	91,553,327	111,840,493
Equity	874,227	131,182	7,694,142	8,699,551
Total equity & liabilities	19,600,446	1,692,129	99,247,469	120,540,044
Contingencies & commitments	2,909,818	296,726	2,980,116	6,186,660
	(Un-audited)			
	Nine months ended 30 September 2021			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Profit & loss account				
Net mark-up / return / profit	311,881	(70,862)	800,497	1,041,516
Non mark-up / return / interest income	45,080	32,089	103,840	181,009
Total income	356,961	(38,773)	904,337	1,222,525
Segment direct expenses	284,799	34,325	226,895	546,019
Reversals	4,043	-	48,793	52,836
Profit before tax	76,205	(73,098)	726,235	729,342
	(Audited)			
	As at 31 December 2021			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Statement of financial position				
Cash & Bank balances	-	-	1,664,151	1,664,151
Investments	-	1,409,662	100,378,049	101,787,711
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	799,231	827,788	1,507,133	3,134,152
Total assets	19,641,000	2,237,450	106,381,635	128,260,085
Borrowings	16,400,323	1,804,411	85,792,416	103,997,150
Subordinated debt	-	-	-	-
Deposits & other accounts	2,198,039	250,395	11,905,248	14,353,682
Others	282,370	17,942	853,087	1,153,399
Total liabilities	18,880,732	2,072,748	98,550,751	119,504,231
Equity	760,268	164,702	7,830,884	8,755,854
Total equity & liabilities	19,641,000	2,237,450	106,381,635	128,260,085
Contingencies & commitments	1,928,963	332,726	-	2,261,689

34 RELATED PARTY TRANSACTIONS

The Company has related party relationship with various parties, including its directors, key management personnel (including their associates), associates, subsidiary company, 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 Company 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 unconsolidated financial statements are as follows:

Subsidiary

Pak Oman Asset Management Company Limited

Associates

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

Retirement benefit fund

Defined benefit plan
Defined contribution plan

Other related party

Orient Power Company (Private) Limited

34.2 Related party transactions

	Nine months ended 30 September 2022 (Un-audited)					Nine months ended 30 September 2021 (Un-audited)						
	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties
----- (Rupees in '000) -----												
Income												
Mark-up / return / interest earned	-	1,030	-	-	-	-	-	1,093	-	1,306	-	16,499
Fee and commission income	-	-	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	38,246	-	-	-	-	-	11,678	-	-
Net gain on sale of securities	-	-	-	35,346	319	-	-	-	-	15,598	(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	-	234,401	-	-	-	-	-	291,792	-	-	-	-
Contribution to defined contribution plan	-	-	-	-	13,862	-	-	-	-	-	14,428	-
Charge for defined benefit plan	-	-	-	-	15,600	-	-	-	-	-	14,654	-

35 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>7,172,423</u>	6,658,230
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>7,172,423</u>	6,658,230
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	<u>7,172,423</u>	<u>6,658,230</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>24,884,358</u>	23,616,456
Market Risk	<u>12,875,630</u>	13,901,012
Operational Risk	<u>2,915,280</u>	2,915,280
Total	<u>40,675,268</u>	<u>40,432,748</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>17.63%</u>	16.47%
Tier 1 Capital Adequacy Ratio	<u>17.63%</u>	16.47%
Total Capital Adequacy Ratio	<u>17.63%</u>	16.47%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>7,172,423</u>	6,658,230
Total Exposures	<u>139,306,062</u>	119,057,544
Leverage Ratio	<u>5.15%</u>	5.59%
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%

36 CREDIT RATING

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


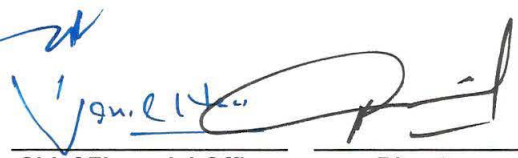
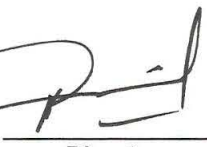


37 GENERAL

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

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

38 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on 20 October 2022 by the Board of Directors of the Company.

Acting Managing Director/
Chief Executive Officer Chief Financial Officer Director Director Chairman