

**PAK OMAN INVESTMENT
COMPANY LIMITED**

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

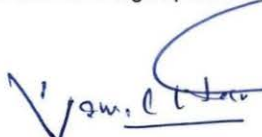
**FOR THE HALF YEAR
ENDED 30 JUNE 2022**

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

(Unaudited) 30 June 2022 (US Dollar in '000)	(Audited) 31 December 2021		(Unaudited) 30 June 2022 (Rupees in '000)	(Audited) 31 December 2021
		Note		
ASSETS				
856	847		175,429	173,463
4,940	7,278	6	1,011,937	1,490,942
16,818	9,537	7	3,445,052	1,953,578
543,283	495,212	8	111,289,823	101,442,517
95,069	96,270	9	19,474,494	19,720,493
924	1,068	10	189,196	218,795
472	472	11	96,626	96,692
2,739	1,803	12	561,072	369,393
15,121	11,184	13	3,097,458	2,290,984
-	1,719	14	-	352,163
680,222	625,390		139,341,087	128,109,020
LIABILITIES				
-	-		-	-
566,659	507,788	15	116,078,274	104,018,650
64,644	70,070	16	13,242,118	14,353,682
17	19	17	3,534	3,935
-	-		-	-
-	-		-	-
9,557	6,201	18	1,957,496	1,269,874
640,877	584,078		131,281,422	119,646,141
39,345	41,312		8,059,665	8,462,879
NET ASSETS				
REPRESENTED BY				
30,022	30,022	19	6,150,000	6,150,000
9,083	9,058		1,860,675	1,855,525
(241)	(5)	20	(49,460)	(1,050)
472	2,228		96,612	456,490
39,336	41,303		8,057,827	8,460,965
9	9		1,838	1,914
39,345	41,312		8,059,665	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

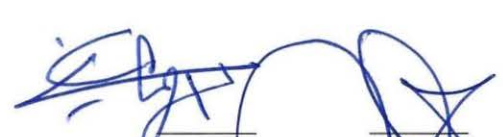
Pak Oman Investment Company Limited
Consolidated Condensed Interim Profit and Loss Account (Un-Audited)
For the half year ended 30 June 2022

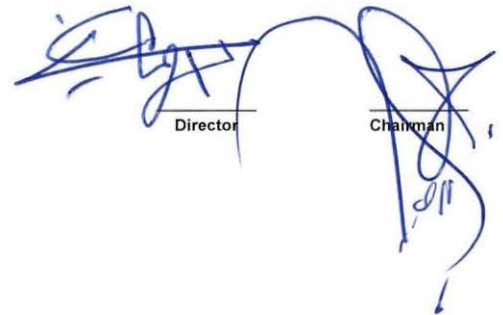
Half year ended		Quarter ended		Half year ended	
30 June	30 June	30 June	30 June	30 June	30 June
2022	2021	2022	2021	2022	2021
(US Dollar in '000)		(Rupees in '000)			
34,407	17,535	3,784,441	1,942,088	7,048,147	3,591,931
33,239	14,102	3,806,584	1,606,924	6,808,944	2,888,794
1,168	3,433	(22,143)	335,164	239,203	703,137
Mark-up / Return / Interest Earned		Mark-up / Return / Interest Expensed			
Net mark-up / interest income		Net mark-up / interest income			
NON MARK-UP / INTEREST INCOME					
351	368	45,592	40,011	71,900	75,453
6	-	-	-	1,310	-
-	-	-	-	-	-
-	-	-	-	-	-
269	239	51,001	36,105	55,021	48,866
373	144	11,075	21,057	76,499	29,498
57	22	9,462	3,925	11,736	4,532
1,056	773	117,130	101,098	216,466	158,349
2,224	4,206	94,987	436,262	455,669	861,486
Fee and commission income		Dividend income			
Foreign exchange income		Income / (loss) from derivatives			
Gain on securities		Share of profit from associates - net of tax			
Other income		Total non mark-up / interest income			
Total Income		Total Income			
NON MARK-UP / INTEREST EXPENSES					
1,622	1,735	138,876	181,428	332,331	355,452
54	53	8,193	5,190	11,161	10,881
80	100	8,825	9,364	16,426	20,570
1,756	1,888	155,894	195,982	359,918	386,903
Operating expenses		Workers Welfare Fund			
Other charges		Total non mark-up / interest expenses			
Profit Before Provisions		Reversals / (Provisions) and write offs - net			
Extra ordinary / unusual items		PROFIT BEFORE TAXATION			
Taxation		PROFIT AFTER TAXATION			
ATTRIBUTABLE TO:					
67	1,879	(117,847)	181,589	13,789	384,671
-	(1)	7	(220)	(76)	(226)
67	1,878	(117,840)	181,369	13,713	384,445
Shareholders of the holding company		Non-controlling interest			
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			
(US \$)		(Rupees)			
0.0001	0.0031	(0.19)	0.30	0.02	0.63

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

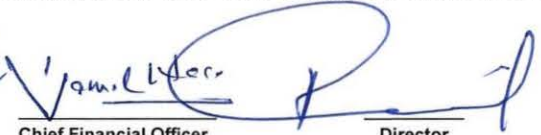

Chairman

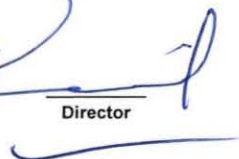
Pak Oman Investment Company Limited
 Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)
 For the half year ended 30 June 2022


Half year ended		Quarter ended		Half year ended	
30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
(US Dollar in '000)		(Rupees in '000)			
67	1,878	(117,840)	181,369	13,713	384,445
Profit after taxation for the period					
Other comprehensive income					
Items that may be reclassified to profit and loss account in subsequent periods:					
(204)	(539)	(45,027)	6,428	(41,749)	(110,420)
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:					
(33)	(6)	(5,995)	(664)	(6,661)	(1,329)
Movement in deficit on revaluation of non-banking assets- net of tax					
<u>(170)</u>	<u>1,333</u>	<u>(168,862)</u>	<u>187,133</u>	<u>(34,697)</u>	<u>272,696</u>
Total comprehensive income					
ATTRIBUTABLE TO:					
(170)	1,334	(168,869)	187,353	(34,621)	272,922
-	(1)	7	(220)	(76)	(226)
<u>(170)</u>	<u>1,333</u>	<u>(168,862)</u>	<u>187,133</u>	<u>(34,697)</u>	<u>272,696</u>
Shareholders of the holding company					
Non-controlling interest					

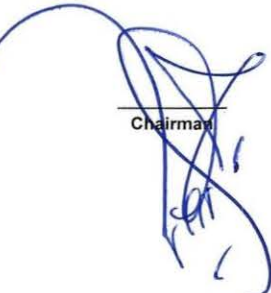
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 Acting Managing Director/
 Chief Executive Officer


 Chief Financial Officer


 Director

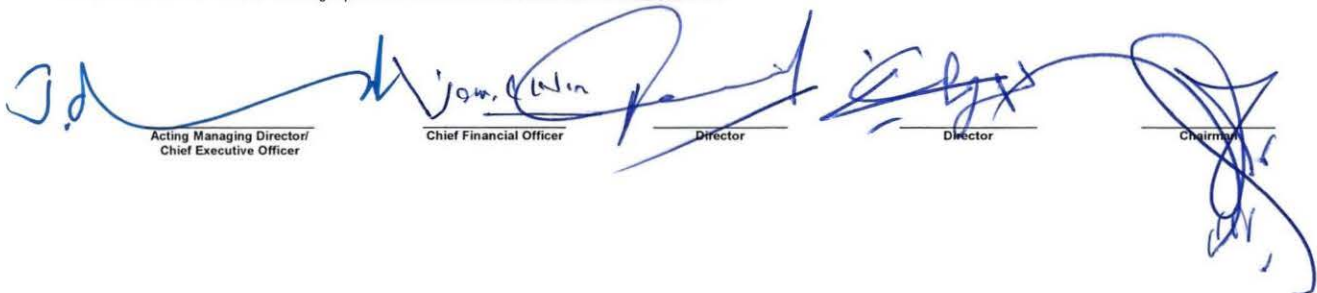

 Director


 Chairman

Pak Oman Investment Company Limited
Consolidated Condensed Interim Statement of Changes in Equity (Un-Audited)
For the half year ended 30 June 2022

	Share capital	Statutory reserve	General reserve	Surplus / (deficit) on revaluation of		Unappropriated profit	Sub total	Non-controlling interest	Total
				Investments	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	-	-	-	-	-	384,671	384,671	(226)	384,445
Other comprehensive income / (loss) - net of tax	-	-	-	(110,420)	(1,329)	-	(111,749)	-	(111,749)
Total comprehensive income for the half year ended 30 June 2021	-	-	-	(110,420)	(1,329)	384,671	272,922	(226)	272,696
Transfer to statutory reserve	-	76,925	-	-	-	(76,925)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	1,329	1,329	-	1,329
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 July 2021	6,150,000	1,525,280	311,630	139,477	97,272	484,197	8,707,856	3,948	8,711,804
Total comprehensive income									
Profit after taxation	-	-	-	-	-	(13,682)	(13,682)	(2,034)	(15,716)
Other comprehensive income / (loss) - net of tax	-	-	-	(236,469)	(1,330)	3,260	(234,539)	-	(234,539)
Total comprehensive income for the half year months ended 31 December 2021	-	-	-	(236,469)	(1,330)	(10,422)	(248,221)	(2,034)	(250,255)
Transfer to statutory reserve	-	18,615	-	-	-	(18,615)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	1,330	1,330	-	1,330
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	-	-	-	-	-	13,789	13,789	(76)	13,713
Other comprehensive income / (loss) - net of tax	-	-	-	(41,749)	(6,661)	-	(48,410)	-	(48,410)
Total comprehensive income for the half year ended 30 June 2022	-	-	-	(41,749)	(6,661)	13,789	(34,621)	(76)	(34,697)
Transfer to statutory reserve	-	5,150	-	-	-	(5,150)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	483	483	-	483
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 June 2022	6,150,000	1,549,045	311,630	(138,741)	89,281	96,612	8,057,827	1,838	8,059,665

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


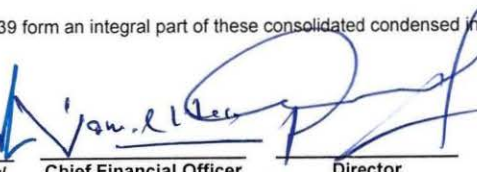


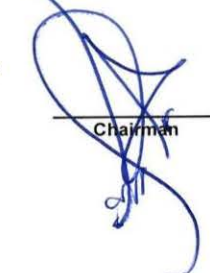
Director

Chairman

Pak Oman Investment Company Limited
 Consolidated Condensed Interim Cash Flow Statement (Un-Audited)
 For the half year ended 30 June 2022

30 June 2022	30 June 2021		30 June 2022	30 June 2021
(US Dollar in '000)			(Rupees in '000)	
269	2,609	CASH FLOW FROM OPERATING ACTIVITIES	55,048	534,187
(6)	-	Profit before taxation	(1,310)	-
263	2,609	Less: Dividend income	53,738	534,187
107	113	Adjustments:	21,909	23,074
61	62	Depreciation	12,598	12,657
-	-	Depreciation on right-of-use assets	66	-
199	(291)	Amortization	40,703	(59,604)
(12)	(17)	(Reversals) and write offs - net	(2,405)	(3,454)
(373)	(144)	Gain on sale of fixed assets	(76,499)	(29,498)
49	40	Share of (profit) from associates - net of tax	10,032	8,293
1	-	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	251	97
24	4	Finance charges on leased assets	4,925	830
56	(233)	Unrealised loss / (gain) on revaluation of investments classified as held-for-trading	11,580	(47,605)
319	2,376		65,318	486,582
(7,281)	17,574	(Increase) / Decrease in operating assets	(1,491,474)	3,600,000
(18,725)	15,239	Lendings to financial institutions	(3,835,656)	3,121,722
953	5,049	Held-for-trading securities	195,205	1,034,317
(3,217)	88	Advances	(659,058)	18,019
(28,270)	37,950	Other assets (excluding advance taxation)	(5,790,983)	7,774,058
-	-	Increase / (decrease) in operating liabilities	-	-
58,871	125,573	Bills payable	12,059,624	25,723,313
(5,426)	(15,123)	Borrowings	(1,111,564)	(3,097,916)
3,296	(988)	Deposits	674,943	(202,651)
56,741	109,462	Other liabilities (excluding current taxation)	11,623,003	22,422,746
28,790	149,788		5,897,338	30,683,386
(1,827)	(1,096)	Income tax paid	(374,247)	(224,460)
26,963	148,692	Net cash flow generated from operating activities	5,523,091	30,458,926
(30,666)	(141,267)	CASH FLOW FROM INVESTING ACTIVITIES	(6,281,759)	(28,937,993)
3,092	1,217	Net investments in available-for-sale securities	633,470	249,321
40	-	Investments in associates	8,265	-
(37)	(70)	Dividend received	(7,492)	(14,256)
70	17	Investments in operating fixed assets	14,391	3,482
(27,501)	(140,115)	Proceeds from sale of fixed assets	(5,633,125)	(28,701,891)
(3)	(8)	CASH FLOW FROM FINANCING ACTIVITIES	(652)	(1,595)
(9)	(83)	Payments of lease obligations	(1,853)	(17,044)
(1,779)	(2,252)	Payments of lease liability against right-of-use assets	(364,500)	(461,250)
(1,791)	(2,343)	Dividend paid	(367,005)	(479,889)
(2,329)	6,234	Net cash flow (used in) financing activities	(477,039)	1,277,146
8,125	7,489	(Decrease) / increase in cash and cash equivalents	1,664,405	1,534,049
5,796	13,723	Cash and cash equivalents at beginning of the period	1,187,366	2,811,195
		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 half year ended 30 June 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-Jun-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.	8.38	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.	15.09	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.	98.46	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.	9.47	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.	11.95	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.	7.45	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.	99.29	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

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.

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 six months ended 30 June 2022 and the unaudited financial statements of the subsidiary (POAMCL) for the six months ended 30 June 2022. The financial statements used for the equity accounting of associates.

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

2.1 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.

These consolidated financial statements have been prepared from the information available in the unaudited condensed interim financial statements of the holding company for the half year ended 30 June 2022 and the unaudited financial statements of the subsidiary (POAMCL) for the half year ended 30 June 2022. The consolidated condensed interim financial statements used equity accounting for the associates.

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.

IFRS 9 '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.204.8467= 1 US dollar for the half year ended 30 June 2022 and the corresponding period.

2.2 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.

2.3 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 future 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.

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 June 2022 (Rupees in '000)	(Audited) 31 December 2021
6. CASH AND BALANCES WITH TREASURY BANKS	<i>Note</i>		
In hand			
local currency		134	301
foreign currency		293	252
		427	553
With State Bank of Pakistan in Local currency current account	6.1	174,559	172,498
With National Bank of Pakistan in Local currency current account		443	412
		<u>175,429</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		6,785	16,196
In deposit accounts	7.1	1,003,676	1,466,759
		<u>1,010,461</u>	<u>1,482,955</u>
Outside Pakistan:			
In current accounts		1,476	7,987
		<u>1,011,937</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 July 2022 to September 2022 (2021: January 2022 to March 2022). These carry mark-up rates ranging from 14.25% to 17.75% (2021: 10.50% to 12.50%) per annum.		
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Placements		-	-
Repurchase agreement lendings (Reverse Repo)		3,445,052	1,953,578
		<u>3,445,052</u>	<u>1,953,578</u>

9 INVESTMENTS

	30 June 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	16,395,549	-	(1,826)	16,393,723	12,204,646	-	3,099	12,207,745
Shares	-	-	-	-	-	-	-	-
Non-Government debt securities	-	-	-	-	355,247	-	-	355,247
	16,395,549	-	(1,826)	16,393,723	12,559,893	-	3,099	12,562,992
Available-for-sale securities								
Federal Government securities	91,049,245	-	(264,763)	90,784,482	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	3,579,381	(385,110)	57,687	3,251,958	3,437,074	(395,201)	60,707	3,102,580
	94,974,892	(496,827)	(207,076)	94,270,989	88,693,133	(506,918)	(136,609)	88,049,606
Associates	625,111	-	-	625,111	829,919	-	-	829,919
Total Investments	111,995,552	(496,827)	(208,902)	111,289,823	102,082,945	(506,918)	(133,510)	101,442,517

9.1.1 Investments given as collateral

	30 June 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	47,116,312	-	(244,984)	46,871,328	44,863,617	-	(73,372)	44,790,245
- Market treasury bills	52,355,592	-	(15,498)	52,340,094	49,861,839	-	(115,693)	49,746,146
	99,471,904	-	(260,482)	99,211,422	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	99,697,904	-	(260,482)	99,437,422	94,951,456	-	(189,065)	94,762,391

(Un-audited)
Half year ended
30 June
2022

(Audited)
Year ended
31 December
2021

(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 June 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 June 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-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
	(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	
Loans, cash credits, running finances, etc.	17,483,657	17,672,076	1,963,248	1,919,000	19,446,905	19,591,076
Margin trading	827,690	878,724	-	-	827,690	878,724
Advances - Gross	<u>18,311,347</u>	<u>18,550,800</u>	<u>1,963,248</u>	<u>1,919,000</u>	<u>20,274,595</u>	<u>20,469,800</u>
Provision against advances						
Specific	-	-	799,891	749,097	799,891	749,097
General	210	210	-	-	210	210
	<u>210</u>	<u>210</u>	<u>799,891</u>	<u>749,097</u>	<u>800,101</u>	<u>749,307</u>
Advances - net of provision	<u>18,311,137</u>	<u>18,550,590</u>	<u>1,163,357</u>	<u>1,169,903</u>	<u>19,474,494</u>	<u>19,720,493</u>

10.1 Particulars of advances (Gross)

	30-Jun-22	31-Dec-21
	(Rupees in '000)	
In local currency	20,274,595	20,469,800
In foreign currencies	-	-
	<u>20,274,595</u>	<u>20,469,800</u>

10.2 Advances include Rs. 1,971 million (2021: Rs 1,919 million) which have been placed under the non-performing status as detailed below:

Category of Classification

	30 June 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	7,246	-	-
Loss	948,241	747,805	964,630	704,257
	<u>1,963,248</u>	<u>799,891</u>	<u>1,919,000</u>	<u>749,097</u>

10.3 Particulars of provision against advances

	Half year ended 30 June 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	63,183	-	63,183	124,482	-	124,482
Reversals	(12,389)	-	(12,389)	(27,082)	(3)	(27,085)
	50,794	-	50,794	97,400	(3)	97,397
Amounts written off	-	-	-	-	-	-
Closing balance	<u>799,891</u>	<u>210</u>	<u>800,101</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 June 2022, the Company has availed total accumulated FSV benefit amounting to Rs. 364 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 June 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	(191)	(214)
Amortisation of premium on Federal Government Securities	3,366	2,556
Provision against non-performing advances	264,033	217,299
Revaluation on investments classified as available-for-sale	68,336	39,617
Revaluation on investments classified as held-for-trading	603	(899)
Net investment in finance leases	34,279	(65,829)
Accumulated tax losses - POAMCL	35,886	35,886
	570,264	375,422
Taxable Temporary Differences on		
Accelerated tax depreciation allowances	11,953	13,626
Revaluation on Non-banking assets	(15,408)	(16,265)
Dividend receivable	(5,737)	(3,390)
	(9,192)	(6,029)
	561,072	369,393
14 OTHER ASSETS		
Income/ Mark-up accrued in local currency - net of provision	1,550,944	1,206,928
Dividend income receivable	38,245	45,200
Mark-up / profit receivable on purchase of securities	245,553	59,788
Security deposits	4,920	4,920
Prepayments	26,744	10,930
Taxation	669,420	505,647
Non-banking assets acquired in satisfaction of claims	214,536	222,064
Receivable from funds under management and investment advisory clients	80,152	85,994
Defined contribution plan	77,510	-
Defined benefit plan	40,036	4,900
Others	16,143	9,484
	2,964,203	2,155,855
Less: Provision held against other assets	-	-
Other assets (net of provisions)	2,964,203	2,155,855
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	133,255	135,129
	3,097,458	2,290,984

15	BORROWINGS	(Un-Audited)	(Audited)
		30 June 2022	31 December 2021
		(Rupees in '000)	
	Secured		
	Borrowings from the State Bank of Pakistan:		
	- Long term financing facility (LTFF)	2,442,283	2,499,104
	- Financing Power Plants Using Renewable Energy (REF)	278,668	265,565
	- Financing Facility for Storage of Agricultural Produce (FFSAP)	40,385	44,231
	- Temporary Economic Refinance Facility (TERF)	166,825	87,975
	Repurchase agreement borrowings	98,521,211	90,633,437
	Long term borrowings	3,729,167	3,354,833
	Short term running finance	42,132	153,816
	Bai Muajjal	3,999,217	6,076,567
	Total secured	109,219,888	103,115,528
	Unsecured		
	Placements	686,000	500,000
	Murabaha financing	6,172,386	403,122
	Total unsecured	6,858,386	903,122
		116,078,274	104,018,650

16 DEPOSITS AND OTHER ACCOUNTS

	30 June 2022 (Unaudited)		31 December 2021 (Audited)	
	In local currency	Total	In local currency	Total
	----- (Rupees in '000) -----			
Certificates of investment				
Financial institutions	2,160,000	2,160,000	3,500,000	3,500,000
Others	11,082,118	11,082,118	10,853,682	10,853,682
	13,242,118	13,242,118	14,353,682	14,353,682

17 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	30 June 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	291	833	1,124	328	796
Later than one year and upto five years	3,079	378	2,701	3,640	501	3,139
	4,203	669	3,534	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.

	(Un-Audited) 30 June 2022	(Audited) 31 December 2021
18 OTHER LIABILITIES	(Rupees in '000)	
Mark-up/ Return/ Interest payable in local currency	1,340,397	541,534
Accrued expenses	193,989	312,471
Dividend payable	4,500	-
Security deposits against investment in finance leases	131,732	124,867
Sales tax and federal excise duty payable	92,417	90,786
Lease liability against right-of-use assets	135,581	152,322
Withholding tax and sales tax payable	21,418	5,028
Others	37,462	42,866
	1,957,496	1,269,874

19 SHARE CAPITAL

19.1 Authorized Capital

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

19.2 Issued, subscribed and paid-up 30-Jun-22	31-Dec-21		30-Jun-22	31-Dec-21
600,000,000	600,000,000	Ordinary shares of Rs. 10 each	6,000,000	6,000,000
15,000,000	15,000,000	- Fully paid in cash	150,000	150,000
		- Issued as bonus shares		
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	(207,076)	(136,609)
- Non-banking assets acquired in satisfaction of claims	133,255	135,129
	(73,821)	(1,480)
Deferred tax on surplus on revaluation of:		
- Available for sale securities	68,335	39,617
- Non-banking assets acquired in satisfaction of claims	(43,974)	(39,187)
	24,361	430
	(49,460)	(1,050)

21	CONTINGENCIES AND COMMITMENTS	<i>Note</i>	(Un-Audited) 30 June 2022 (Rupees in '000)	(Audited) 31 December 2021
	Transaction related contingent liability:			
	Standby letter of credit		740,829	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:			
	Commitments for advances and net investment in finance leases		1,433,062	1,226,443
	Securities given as collateral against loan taken by Pak Oman Asset Management Company Limited		-	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 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 half year ended 30 June 2022.

		(Un-Audited)	
		Half year ended	
		30 June 2022	30 June 2021
		(Rupees in '000)	
22	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) On loans and advances	926,296	806,004
	b) On investments	5,796,008	2,685,843
	c) On lendings to financial institutions	249,960	47,695
	d) On balances with banks	75,883	52,389
		7,048,147	3,591,931
23	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	a) Deposits	635,125	443,946
	b) Borrowings	6,163,787	2,436,555
	c) Lease liability against right-of-use assets	10,032	8,293
		6,808,944	2,888,794
24	FEE AND COMMISSION INCOME		
	Credit related fees	26,405	32,983
	Investment banking fees	6,475	3,350
	Commission on guarantees	1,907	2,284
	Underwriting commission of Government securities auction	18,943	5,952
	Remuneration from funds under management	17,963	29,883
	Fee from investments advisory services	207	1,001
		71,900	75,453
25	GAIN ON SECURITIES		
	Realised	59,946	49,696
	Unrealised - held for trading	(4,925)	(830)
		55,021	48,866
25.1	Realised gain on:		
	Federal Government Securities	51,811	36,965
	Non Government debt securities	320	12,731
	Mutual funds	-	-
	Shares	7,815	-
		59,946	49,696
26	OTHER INCOME		
	Gain on sale of fixed assets - net	2,405	3,454
	Rent on property	3,831	-
	Utilization of Fixtures	-	1,050
	Front end load	-	28
	Reversal of liabilities no longer payables	5,500	-
		11,736	4,532

27 OPERATING EXPENSES	(Un-Audited)	
	Half year ended	
	30 June 2022	30 June 2021
	(Rupees in '000)	
Total compensation expense	219,387	247,522
Property expense		
Utilities cost	3,210	3,155
Security (including guards)	614	563
Repair & maintenance (including janitorial charges)	6,222	7,505
Depreciation on right-of-use assets	12,598	12,657
Depreciation	1,053	1,053
	23,697	24,933
Information technology expenses		
Software maintenance	421	1,065
Hardware maintenance	287	22
Depreciation	1,305	1,113
Amortisation	66	-
Network charges	1,622	1,508
Others	734	591
	4,435	4,299
Other operating expenses		
Directors' fees and allowances	13,875	16,500
Directors' fees and allowances - Subsidiary	1,251	2,267
Legal & professional charges	7,610	7,321
Travelling & conveyance	12,377	1,777
Depreciation	19,551	20,908
Training & development	501	209
Postage & courier charges	419	430
Communication	4,158	3,838
Stationery & printing	1,029	1,036
Marketing, advertisement & publicity	1,495	2,245
Donations	130	-
Auditors' remuneration	1,216	1,866
Membership and subscriptions	1,782	1,425
Transportation	6,080	4,701
Insurance	2,928	3,188
Finance charges on leased assets	251	97
Entertainment and canteen expenses	3,335	2,340
Distribution commission	1,773	2,350
Maintenance charges - Non-banking assets	1,011	2,080
Others	4,040	4,120
	84,812	78,698
Total operating expenses	332,331	355,452

		(Un-Audited)	
		Half year ended	
		30 June 2022	30 June 2021
		(Rupees in '000)	
28	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	-	1,601
	Fees, commission and others	16,426	18,969
		<u>16,426</u>	<u>20,570</u>
29	REVERSAL / (PROVISIONS) & WRITE OFFS - NET		
	Reversals of provisions for diminution in value of investments - net	10,091	44,836
	Reversals of provisions against loans & advances - net	(50,794)	14,768
		<u>(40,703)</u>	<u>59,604</u>
30	TAXATION		
	Current	180,398	133,418
	Prior years	30,076	-
	Deferred	(169,139)	16,324
		<u>41,335</u>	<u>149,742</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>13,789</u> <u>384,671</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>0.02</u> <u>0.63</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	175,429	225,779
	Balances with other banks	1,011,937	2,585,416
		<u>1,187,366</u>	<u>2,811,195</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.

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:

	30 June 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	107,178,205	-	107,178,205
Shares	-	-	-	-
Non-Government Debt Securities	-	3,251,958	-	3,251,958
Mutual funds	-	625,111	-	625,111
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) -----			
On balance sheet financial instruments				
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 June 2022			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
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

	Half year ended 30 June 2022 (Unaudited)				
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	----- (Rupees in '000) -----				
Profit & Loss					
Net mark-up/return/profit	103,663	(53,045)	191,703	(3,118)	239,203
Non mark-up / return / interest income	28,671	88,115	74,579	25,101	216,466
Total Income	132,334	35,070	266,282	21,983	455,669
Segment direct expenses	179,117	17,864	135,710	27,227	359,918
Reversals	(50,794)	-	10,091	-	(40,703)
Profit before tax	(97,577)	17,206	140,663	(5,244)	55,048
Balance Sheet					
Cash & Bank balances	-	-	1,186,125	1,241	1,187,366
Investments	-	859,660	110,430,163	-	111,289,823
Lendings to financial institutions	-	-	3,445,052	-	3,445,052
Advances - performing	17,483,447	-	827,690	-	18,311,137
non- performing	1,163,357	-	-	-	1,163,357
Others	1,016,373	372,658	2,271,139	284,182	3,944,352
Total Assets	19,663,177	1,232,318	118,160,169	285,423	139,341,087
Borrowings	18,069,996	1,626,645	96,381,633	-	116,078,274
Subordinated debt	-	-	-	-	-
Deposits & other accounts	1,872,503	117,352	11,252,263	-	13,242,118
Others	370,377	14,956	1,434,067	141,630	1,961,030
Total liabilities	20,312,876	1,758,953	109,067,963	141,630	131,281,422
Equity	(649,699)	(526,635)	9,092,206	143,793	8,059,665
Total Equity & liabilities	19,663,177	1,232,318	118,160,169	285,423	139,341,087
Contingencies & Commitments	2,173,891	296,726	-	-	2,470,617

	Half year ended 30 June 2021 (Unaudited)				
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	----- (Rupees in '000) -----				
Profit & Loss					
Net mark-up/return/profit	196,817	(58,279)	566,612	(2,013)	703,137
Non mark-up / return / interest income	35,267	32,848	58,187	32,047	158,349
Total Income	232,084	(25,431)	624,799	30,034	861,486
Segment direct expenses	184,936	22,784	147,409	31,774	386,903
(Reversals) / Provisions	14,768	-	44,836	-	59,604
Profit before tax	61,916	(48,215)	522,226	(1,740)	534,187

	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:

	Half year ended 30 June 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	-	726,000	-	-	1,217,498	-	726,000
Investment made during the year	-	-	491,350	-	-	-	-	1,195,031	-	-
Investment redeemed / disposed off during the year	-	-	(1,048,321)	-	-	-	-	(1,230,447)	-	-
Closing balance	-	-	625,111	-	726,000	-	-	1,182,082	-	726,000
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	-	-
Advances										
Opening balance	-	35,831	68,200	-	-	-	41,535	68,200	-	524,566
Addition during the year	-	6,000	-	-	-	-	8,297	-	-	-
Repaid during the year	-	(7,113)	-	-	-	-	(14,001)	-	-	(71,700)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(452,866)
Closing balance	-	34,718	68,200	-	-	-	35,831	68,200	-	-
Provision held against advances	-	-	68,200	-	-	-	-	68,200	-	-
	Half year ended 30 June 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	-	-	-	117,546	-	-	-	-	4,900	-
Other receivable	-	-	80,152	-	-	-	-	85,994	-	-
	-	-	80,152	117,546	-	-	-	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	-	23,078	-	-	-	-	43,388	-	3,923	-
Withdrawn during the year	-	(19,099)	-	-	-	-	(45,543)	-	(10,794)	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	7,356	-	-	-	-	3,377	-	-	-
Other Liabilities										
Interest / mark-up payable	-	26	-	-	-	-	4	-	-	-
Outright sale of Securities	-	-	1,827,876	2,826,902	-	-	-	1,470,950	6,177,570	-
Outright purchase of Securities	-	-	490,328	2,914,890	-	-	-	155,883	5,896,182	-
Contingencies and Commitments										
Other contingencies	-	-	70,726	-	226,000	-	-	70,726	-	226,000

35.2 Related party transactions

	Half year ended 30 June 2022 (Un-audited)					Half year ended 30 June 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	-	659	-	-	-	-	736	1,320	-	16,499
Fee and commission income	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-
Net gain on sale of securities	-	-	35,357	-	-	-	-	-	(195)	-
Other income	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Expense										
Mark-up / return / interest paid	-	176	-	-	-	-	209	-	48	-
Operating expenses	-	-	-	-	-	-	-	-	-	-
Non-Executive Directors' fees and allowances	13,875	-	-	-	-	16,500	-	-	-	-
Compensation expenses	-	207,757	-	-	-	-	237,003	-	-	-
Contribution to defined contribution plan	-	-	-	11,516	-	-	-	-	10,473	-
Charge for defined benefit plan	-	-	-	10,400	-	-	-	-	4,885	-

36 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-Audited) 30 June 2022 (Rupees in '000)	(Audited) 31 December 2021
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>6,539,160</u>	6,566,601
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>6,539,160</u>	6,566,601
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	<u>6,539,160</u>	6,566,601
Risk Weighted Assets (RWAs):		
Credit Risk	<u>23,593,588</u>	23,565,628
Market Risk	<u>14,196,629</u>	13,901,012
Operational Risk	<u>3,001,190</u>	3,001,190
Total	<u>40,791,407</u>	40,467,830
Common Equity Tier 1 Capital Adequacy ratio	<u>16.03%</u>	16.23%
Tier 1 Capital Adequacy Ratio	<u>16.03%</u>	16.23%
Total Capital Adequacy Ratio	<u>16.03%</u>	16.23%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>6,539,160</u>	6,566,601
Total Exposures	<u>139,677,183</u>	128,183,137
Leverage Ratio	<u>4.68%</u>	5.12%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>5,545,958</u>	10,987,504
Total Net Cash Outflow	<u>10,384,332</u>	16,181,833
Liquidity Coverage Ratio	<u>53.41%</u>	67.90%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>21,494,209</u>	21,726,820
Total Required Stable Funding	<u>20,612,166</u>	20,582,830
Net Stable Funding Ratio	<u>104.28%</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++ (Positive) to the subsidiary company in the medium and long term.




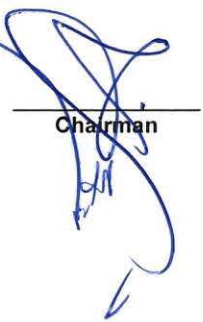
38. GENERAL

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 16 August 2022 by the Board of Directors of the holding company.

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