

**PAK OMAN INVESTMENT  
COMPANY LIMITED**

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

**FOR THE FIRST QUARTER  
ENDED 31 MARCH 2022**

**Pak Oman Investment Company Limited**  
**Unconsolidated Condensed Interim Statement of Financial Position**  
**As at 31 March 2022**

(Un-audited) 31 March 2022 (US Dollar in '000)	(Audited) 31 December 2021		(Un-audited) 31 March 2022 (Rupees in '000)	(Audited) 31 December 2021
		<b>ASSETS</b>		
1,810	1,016	Cash and balances with treasury banks	308,954	173,449
7,480	8,735	Balances with other banks	1,276,441	1,490,702
-	11,447	Lendings to financial institutions	-	1,953,578
572,870	596,444	Investments	97,764,553	101,787,711
115,533	115,556	Advances	19,716,543	19,720,493
1,114	1,143	Fixed assets	190,123	194,993
-	-	Intangible assets	-	-
2,202	2,335	Deferred tax assets	375,783	398,502
15,165	12,633	Other assets	2,588,011	2,155,949
-	2,254	Assets held-for-sale	-	384,708
<b>716,174</b>	<b>751,563</b>		<b>122,220,408</b>	<b>128,260,085</b>
		<b>LIABILITIES</b>		
-	-	Bills payable	-	-
582,008	609,391	Borrowings	99,324,022	103,997,150
76,284	84,108	Deposits and other accounts	13,018,515	14,353,682
22	23	Liabilities against assets subject to finance lease	3,737	3,935
-	-	Subordinated debt	-	-
-	-	Deferred tax liabilities	-	-
8,100	6,734	Other liabilities	1,382,181	1,149,464
<b>666,414</b>	<b>700,256</b>		<b>113,728,455</b>	<b>119,504,231</b>
<b>49,760</b>	<b>51,307</b>	<b>NET ASSETS</b>	<b>8,491,953</b>	<b>8,755,854</b>
		<b>REPRESENTED BY</b>		
36,037	36,037	Share capital	6,150,000	6,150,000
10,992	10,873	Reserves	1,875,889	1,855,525
9	(6)	Surplus on revaluation of assets	1,562	(1,050)
2,722	4,403	Unappropriated profit	464,502	751,379
<b>49,760</b>	<b>51,307</b>		<b>8,491,953</b>	<b>8,755,854</b>
		<b>CONTINGENCIES AND COMMITMENTS</b>		
				20

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

Bahauddin Khan

**Managing Director/  
Chief Executive Officer**

Mohammad Jamal Nasir

**Chief Financial Officer**

Ayham Abdul Aziz  
Qadar Al Ghassani

**Director**

Omar Hamid  
Khan

**Director**

Sayyid Juland  
Jaifar Salim Al

**Chairman**

**Pak Oman Investment Company Limited**  
**Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)**  
**For the first quarter ended 31 March 2022**

31 March 2022 (US Dollar in '000)	31 March 2021		Note	31 March 2022 (Rupees in '000)	31 March 2021
19,124	9,667	Mark-up / return / interest earned	21	3,263,670	1,649,791
<u>17,586</u>	<u>7,505</u>	Mark-up / return / interest expensed	22	<u>3,001,145</u>	<u>1,280,807</u>
<u>1,538</u>	<u>2,162</u>	<b>Net mark-up / return / interest income</b>		<u>262,525</u>	<u>368,984</u>
<b>NON MARK-UP / INTEREST INCOME</b>					
95	113	Fee and commission income	23	16,251	19,284
8	-	Dividend income		1,310	-
-	-	Foreign exchange income		-	-
-	-	Income / (loss) from derivatives		-	-
185	95	Gain on securities	24	31,601	16,290
13	-	Other income	25	2,274	-
<u>301</u>	<u>208</u>	Total non mark-up / interest income		<u>51,436</u>	<u>35,574</u>
<u>1,839</u>	<u>2,370</u>	<b>Total income</b>		<u>313,961</u>	<u>404,558</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>					
1,045	930	Operating expenses	26	178,395	158,691
17	33	Workers Welfare Fund		2,968	5,691
45	65	Other charges	27	7,601	11,154
<u>1,107</u>	<u>1,028</u>	Total non mark-up / interest expenses		<u>188,964</u>	<u>175,536</u>
<u>732</u>	<u>1,342</u>	<b>Profit before provisions</b>		<u>124,997</u>	<u>229,022</u>
120	292	Reversals / (Provisions) and write offs - net	28	20,445	49,851
-	-	Extra ordinary / unusual items		-	-
<u>852</u>	<u>1,634</u>	<b>PROFIT BEFORE TAXATION</b>		<u>145,442</u>	<u>278,873</u>
<u>(256)</u>	<u>(471)</u>	Taxation	29	<u>(43,621)</u>	<u>(80,446)</u>
<u>596</u>	<u>1,163</u>	<b>PROFIT AFTER TAXATION</b>		<u>101,821</u>	<u>198,427</u>
<b>(US \$)</b>				<b>(Rupees)</b>	
<u>0.0010</u>	<u>0.0019</u>	<b>Basic and diluted earnings per share</b>	30	<u>0.17</u>	<u>0.32</u>

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

Bahauddin Khan	Mohammad Jamal Nasir	Ayham Abdul Aziz Qadar Al Ghassani	Omar Hamid Khan	Sayyid Juland Jaifar Salim Al Said
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Managing Director/ Chief Executive Officer</b>	<b>Chief Financial Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

**Pak Oman Investment Company Limited**  
**Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)**  
**For the first quarter ended 31 March 2022**

31 March 2022 (US Dollar in '000)	31 March 2021		31 March 2022 (Rupees in '000)	31 March 2021
596	1,163	<b>Profit after taxation for the period</b>	<b>101,821</b>	198,427
		<b>Other comprehensive income</b>		
		<b>Items that may be reclassified to profit and loss account in subsequent periods</b>		
19	(685)	Movements in (deficit) / surplus on revaluation of investments - net of tax	<b>3,278</b>	(116,848)
		<b>Items that will not be reclassified to profit and loss account in subsequent periods</b>		
(4)	(4)	Movement in deficit on revaluation of non-banking assets- net of tax	<b>(666)</b>	(665)
<u>611</u>	<u>474</u>	<b>Total comprehensive income</b>	<u><b>104,433</b></u>	<u>80,914</u>

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Bahauddin Khan	Mohammad Jamal Nasir	Ayham Abdul Aziz Qadar Al Ghassani	Omar Hamid Khan	Sayyid Juland Jaifar Salim Al Said
<b>Managing Director/ Chief Executive Officer</b>	<b>Chief Financial Officer</b>	<b>Director</b>	<b>Director</b>	<b>Chairman</b>

**Pak Oman Investment Company Limited**  
**Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)**  
**For the first quarter ended 31 March 2022**

	Share capital	Statutory reserve	General reserve	Surplus / (deficit) on revaluation of		Unappropriated profit	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	824,550	9,083,033
<b>Total comprehensive income</b>							
Profit after taxation	-	-	-	-	-	198,427	198,427
Other comprehensive income / (loss) - net of tax	-	-	-	(116,848)	(665)	-	(117,513)
Total comprehensive income for the first quarter ended 31 March 2021	-	-	-	(116,848)	(665)	198,427	80,914
Transfer to statutory reserve	-	39,685	-	-	-	(39,685)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	665	665
<b>Transaction with owners recorded directly in equity</b>							
Final cash dividend - 31 December 2020 declared subsequent to the year end (Rs. 0.75 per share)	-	-	-	-	-	(461,250)	(461,250)
<b>Opening balance as at 01 April 2021</b>	<b>6,150,000</b>	<b>1,488,040</b>	<b>311,630</b>	<b>133,049</b>	<b>97,936</b>	<b>522,707</b>	<b>8,703,362</b>
<b>Total comprehensive income</b>							
Profit after taxation	-	-	-	-	-	279,273	279,273
Other comprehensive income / (loss) - net of tax	-	-	-	(230,041)	(1,994)	3,260	(228,775)
Total comprehensive income for the nine months ended 31 December 2021	-	-	-	(230,041)	(1,994)	282,533	50,498
Transfer to statutory reserve	-	55,855	-	-	-	(55,855)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	1,994	1,994
<b>Opening balance as at 01 January 2022</b>	<b>6,150,000</b>	<b>1,543,895</b>	<b>311,630</b>	<b>(96,992)</b>	<b>95,942</b>	<b>751,379</b>	<b>8,755,854</b>
<b>Total comprehensive income</b>							
Profit after taxation	-	-	-	-	-	101,821	101,821
Other comprehensive income / (loss) - net of tax	-	-	-	3,278	(666)	-	2,612
Total comprehensive income for the first quarter ended 31 March 2022	-	-	-	3,278	(666)	101,821	104,433
Transfer to statutory reserve	-	20,364	-	-	-	(20,364)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	666	666
<b>Transaction with owners recorded directly in equity</b>							
Final cash dividend - 31 December 2021 declared subsequent to the year end (Rs. 0.60 per share)	-	-	-	-	-	(369,000)	(369,000)
<b>Closing balance as at 31 March 2022</b>	<b>6,150,000</b>	<b>1,564,259</b>	<b>311,630</b>	<b>(93,714)</b>	<b>95,276</b>	<b>464,502</b>	<b>8,491,953</b>

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Bahauddin Khan

Managing Director/  
Chief Executive Officer

Mohammad Jamal Nasir

Chief Financial Officer

Ayham Abdul Aziz Qadar Al  
Ghassani

Director

Omar Hamid Khan

Director

Sayyid Juland Jaifair Salim Al Said

Chairman

**Pak Oman Investment Company Limited**  
**Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)**  
**For the first quarter ended 31 March 2022**

31 March 2022 (US Dollar in '000)	31 March 2021		Note	31 March 2022 (Rupees in '000)	31 March 2021 (Rupees in '000)
		<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
852	1,634	Profit before taxation		145,442	278,873
(8)	-	Less: Dividend income		(1,310)	-
844	1,634			144,132	278,873
		<b>Adjustments:</b>			
61	63	Depreciation		10,453	10,785
31	32	Depreciation on right-of-use assets		5,210	5,540
-	-	Amortization		-	-
(120)	(292)	(Reversals) and write offs - net	28	(20,445)	(49,851)
(2)	-	Gain on sale of fixed assets		(359)	-
20	21	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		3,468	3,668
1	-	Finance charges on leased assets		117	-
208	(34)	Unrealised loss / (gain) on revaluation of investments classified as held-for-trading		35,508	(5,769)
199	(210)			33,952	(35,627)
1,043	1,424			178,084	243,246
		<b>(Increase) / Decrease in operating assets</b>			
11,447	15,033	Lendings to financial institutions		1,953,578	2,565,497
(137,938)	(141,880)	Held-for-trading securities		(23,540,132)	(24,212,967)
75	4,768	Advances		12,716	813,636
(2,095)	1,572	Other assets (excluding advance taxation)		(357,607)	268,266
(128,511)	(120,507)			(21,931,445)	(20,565,568)
		<b>Increase / (decrease) in operating liabilities</b>			
-	-	Bills payable		-	-
(27,383)	114,545	Borrowings		(4,673,128)	19,547,901
(7,824)	(22,725)	Deposits		(1,335,167)	(3,878,239)
(807)	(1,727)	Other liabilities (excluding current taxation)		(137,898)	(294,774)
(36,014)	90,093			(6,146,193)	15,374,888
(163,482)	(28,990)			(27,899,554)	(4,947,434)
		Income tax paid		(152,669)	(123,049)
(895)	(721)	<b>Net cash flow (used in) operating activities</b>		(28,052,223)	(5,070,483)
(164,377)	(29,711)				
		<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
160,373	28,850	Net investments in available-for-sale securities		27,368,872	4,923,550
3,317	849	Investments in associates		565,986	144,819
273	-	Dividend received		46,510	-
(36)	(6)	Investments in operating fixed assets		(6,130)	(1,085)
2	-	Proceeds from sale of fixed assets		397	-
163,929	29,693	<b>Net cash flow generated from investing activities</b>		27,975,635	5,067,284
		<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
(2)	(8)	Payments of lease obligations		(315)	(1,319)
(11)	(4)	Payments of lease liability against right-of-use assets		(1,853)	(705)
-	(2,703)	Dividend paid		-	(461,250)
(13)	(2,715)	<b>Net cash flow (used in) financing activities</b>		(2,168)	(463,274)
(461)	(2,733)	<b>(Decrease) in cash and cash equivalents</b>		(78,756)	(466,473)
		Cash and cash equivalents at beginning of the period		1,664,151	1,532,869
9,751	8,982	<b>Cash and cash equivalents at end of the period</b>	31	1,585,395	1,066,396
9,290	6,249				

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Bahauddin Khan

Mohammad Jamal Nasir

Ayham Abdul Aziz  
Qadar Al Ghassani

Omar Hamid Khan

Sayyid Juland Jaifar Salim Al  
Said

**Managing Director/  
Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Pak Oman Investment Company Limited**  
**Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)**  
**For the first quarter ended 31 March 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**

**2.1 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.

These unconsolidated condensed interim financial statements are separate financial statements of the Company in which the investments in subsidiary and associates 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.

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.

As per State Bank of Pakistan's (SBP) BPRD Circular Letter No. 24 of 2021, IFRS 9 "Financial Instruments" is applicable to banks / DFIs in Pakistan effective January 1, 2022. The aforementioned circular letter required banks / DFIs to submit IFRS 9 compatible pro forma financial statements and perform parallel run of IFRS 9 on quarterly / periodic basis and the Company has been complying with these requirements. SBP has also issued guidelines for the application of IFRS 9 and as part of the consultative process the banking / DFI industry has provided comments and sought clarification on such guidelines which are critical in finalizing the impact of the standard on the Company. The impact of application of IFRS 9 on Company's condensed interim financial information is presently being assessed and the same will conclude subsequent to issuance of final application instruction by SBP.

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.183.4782 = 1 US dollar for the first quarter ended 31 March 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 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.

### 2.3 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.

<b>Standard</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
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.

### 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) 31 March 2022	(Audited) 31 December 2021
	Note	(Rupees in '000)	
<b>6 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
local currency		320	287
foreign currency		252	252
		572	539
With State Bank of Pakistan in			
Local currency current account	6.1	308,030	172,498
With National Bank of Pakistan in			
Local currency current account		352	412
		<u>308,954</u>	<u>173,449</u>
<b>6.1</b>	This represent the amount required to be maintained by the Company in accordance with the SBP's Regulations.		
<b>7 BALANCES WITH OTHER BANKS</b>			
In Pakistan:			
In current accounts		16,533	16,196
In deposit accounts	7.1	1,256,829	1,466,519
		1,273,362	1,482,715
Outside Pakistan:			
In current accounts		3,079	7,987
		<u>1,276,441</u>	<u>1,490,702</u>
<b>7.1</b>	These include term deposit receipts (TDRs) of Rs. 1,250 million (2021: Rs. 1,450 million) maturing from April 2022 to June 2022 (2021: January 2022 to March 2022). These carry mark-up rates ranging from 11.75% to 12.50% (2021: 10.50% to 12.50%) per annum.		
<b>8 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Placements		-	-
Repurchase agreement lendings (Reverse Repo)		-	1,953,578
		<u>-</u>	<u>1,953,578</u>

## 9 INVESTMENTS

(Un-audited)				(Audited)			
31 March 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	36,100,025	-	(32,409)	36,067,616	12,204,646	-	3,099	12,207,745
Shares	-	-	-	-	-	-	-	-
Non-Government debt securities	-	-	-	-	355,247	-	-	355,247
	<b>36,100,025</b>	<b>-</b>	<b>(32,409)</b>	<b>36,067,616</b>	12,559,893	-	3,099	12,562,992

**Available-for-sale securities**

Federal Government securities	57,046,212	-	(158,607)	56,887,605	84,909,793	-	(197,316)	84,712,477
Shares	646,174	(111,717)	(30,797)	503,660	346,266	(111,717)	-	234,549
Non-Government debt securities	3,631,875	(385,110)	63,484	3,310,249	3,437,074	(395,201)	60,707	3,102,580
	<b>61,324,261</b>	<b>(496,827)</b>	<b>(125,920)</b>	<b>60,701,514</b>	88,693,133	(506,918)	(136,609)	88,049,606

**Associates**

	694,846	(76,046)	-	618,800	876,124	(77,634)	-	798,490
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**Subsidiary**

	600,745	(224,122)	-	376,623	600,745	(224,122)	-	376,623
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**Total Investments**

	<b>98,719,877</b>	<b>(796,995)</b>	<b>(158,329)</b>	<b>97,764,553</b>	102,729,895	(808,674)	(133,510)	101,787,711
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## 9.1.1 Investments given as collateral

	(Un-audited)				(Audited)			
	31 March 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)							
<b>Federal Government Securities</b>								
- Pakistan Investment Bonds	40,265,437	-	(130,070)	40,135,367	44,863,617	-	(73,372)	44,790,245
- Market Treasury Bills	47,441,198	-	(61,491)	47,379,707	49,861,839	-	(115,693)	49,746,146
	87,706,635	-	(191,561)	87,515,074	94,725,456	-	(189,065)	94,536,391
<b>Shares</b>								
- Listed companies	-	-	-	-	-	-	-	-
- Unlisted companies	226,000	-	-	226,000	226,000	-	-	226,000
	226,000	-	-	226,000	226,000	-	-	226,000
<b>Associates</b>								
Japan Power Generation Limited	70,726	(70,726)	-	-	70,726	(70,726)	-	-
<b>Total investments</b>	<b>88,003,361</b>	<b>(70,726)</b>	<b>(191,561)</b>	<b>87,741,074</b>	<b>95,022,182</b>	<b>(70,726)</b>	<b>(189,065)</b>	<b>94,762,391</b>

## 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

	(Un-audited) 31 March 2022	(Audited) 31 December 2021
	(Rupees in '000)	
Opening balance	808,674	856,755
Charge / (reversal)		
Charge for the period / year	2,068	105,634
Reversals for the period / year	(13,747)	(153,715)
	(11,679)	(48,081)
Closing balance	796,995	808,674

## 9.2.2 Particulars of provision against debt securities

## Category of classification

## Domestic

Other assets especially mentioned  
Substandard  
Doubtful  
Loss  
Total

	(Un-audited)		(Audited)	
	31 March 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	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 Company has availed the benefit of FSV against the non-performing investments. As of 31 March 2022, the Company has availed total accumulated FSV benefit amounting to Rs. 39 million (net of tax Rs. 28 million). Accordingly, accumulated profit of Rs 28 million (net of transfer to statutory reserves Rs. 22 million) will not be available for the distribution as 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)
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	------(Rupees in '000)-----					
Loans, cash credits, running finances, etc.	18,096,803	17,672,076	1,970,828	1,919,000	20,067,631	19,591,076
Margin trading	389,453	878,724	-	-	389,453	878,724
Advances - Gross	18,486,256	18,550,800	1,970,828	1,919,000	20,457,084	20,469,800
Provision against advances						
Specific	-	-	740,331	749,097	740,331	749,097
General	210	210	-	-	210	210
	210	210	740,331	749,097	740,541	749,307
Advances - net of provision	18,486,046	18,550,590	1,230,497	1,169,903	19,716,543	19,720,493

(Un-audited)  
31 March  
2022  
(Audited)  
31 December  
2021  
(Rupees in '000)

## 10.1 Particulars of advances (Gross)

In local currency	20,457,084	20,469,800
In foreign currencies	-	-
	20,457,084	20,469,800

## 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	(Un-audited) 31 March 2022		(Audited) 31 December 2021	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	------(Rupees in '000)-----			
<b>Domestic</b>				
Other Assets Especially Mentioned	204,370	-	204,370	-
Substandard	814,217	48,463	750,000	44,840
Doubtful	-	-	-	-
Loss	952,241	691,868	964,630	704,257
	1,970,828	740,331	1,919,000	749,097

## 10.3 Particulars of provision against advances

	(Un-audited) 31 March 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	3,623	-	3,623	124,482	-	124,482
Reversals	(12,389)	-	(12,389)	(27,082)	(3)	(27,085)
	(8,766)	-	(8,766)	97,400	(3)	97,397
Amounts written off	-	-	-	-	-	-
Closing balance	740,331	210	740,541	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 31 March 2022, the Company has availed total accumulated FSV benefit amounting to Rs. 411 million (net of tax Rs. 292 million). Accordingly, accumulated profit of Rs 292 million (net of transfer to statutory reserves Rs. 234 million) will not be available for the distribution as cash or stock dividend to the shareholders / bonus to employees of the Company as required by the aforementioned SBP directives.

	Note	(Un-audited) 31 March 2022	(Audited) 31 December 2021
		(Rupees in '000)	
<b>11 FIXED ASSETS</b>			
Capital work-in-progress		5,100	-
Property and equipment	11.1 & 11.2	77,002	82,611
Right of use assets		108,021	112,382
		<u>190,123</u>	<u>194,993</u>

	(Un-audited) 31 March 2022	(Un-audited) 31 March 2021
	(Rupees in '000)	

**11.1 Additions to fixed assets**

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

<b>Capital work-in-progress</b>	5,100	418
<b>Property and equipment</b>		
Computer equipments	830	617
Furniture and fixture	200	150
Vehicles	-	5,508
	1,030	6,275
Total	<u>6,130</u>	<u>6,693</u>

**11.2 Disposal of fixed assets**

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

Furniture and fixture	38	-
-----------------------	----	---

	(Un-audited) 31 March 2022	(Audited) 31 December 2021
	(Rupees in '000)	
<b>12 DEFERRED TAX ASSETS</b>		
<b>Deductible Temporary Differences on</b>		
Provision for diminution in the value of investments	209,075	212,001
Assets subject to finance leases	(190)	(214)
Amortisation of premium on Federal Government Securities	2,878	2,556
Provision against non-performing advances	214,757	217,299
Revaluation on investments classified as available-for-sale	32,206	39,617
Revaluation on investments classified as held-for-trading	9,399	(899)
Net investment in finance leases	(92,716)	(65,829)
	<b>375,409</b>	404,531
<b>Taxable Temporary Differences on</b>		
Accelerated tax depreciation allowances	15,277	13,626
Revaluation on non-banking assets	(14,903)	(16,265)
Dividend receivable	-	(3,390)
	<b>374</b>	(6,029)
	<b>375,783</b>	398,502
<b>13 OTHER ASSETS</b>		
Income / mark-up accrued in local currency - net of provision	1,540,352	1,206,928
Dividend income receivable	-	45,200
Mark-up / profit receivable on purchase of securities	92,395	59,788
Security deposits	3,486	3,486
Prepayments	8,037	9,675
Taxation	583,651	459,295
Non-banking assets acquired in satisfaction of claims	218,300	222,064
Defined benefit plan	-	4,900
Others	7,598	9,484
	<b>2,453,819</b>	2,020,820
Less: Provision held against other assets	-	-
Other assets (net of provisions)	<b>2,453,819</b>	2,020,820
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	<b>134,192</b>	135,129
	<b>2,588,011</b>	2,155,949

	(Un-audited) 31 March 2022	(Audited) 31 December 2021
	(Rupees in '000)	
<b>14 BORROWINGS</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan:		
- Long term financing facility (LTFF)	2,467,068	2,499,104
- Financing Power Plants Using Renewable Energy (REF)	273,752	265,565
- Financing Facility for Storage of Agricultural Produce (FFSAP)	42,308	44,231
- Temporary Economic Refinance Facility (TERF)	90,402	87,975
Repurchase agreement borrowings	83,783,451	90,633,437
Long term borrowings	3,945,833	3,333,333
Short term running finance	185,152	153,816
Bai Muajjal	4,008,737	6,076,567
<b>Total secured</b>	<b>94,796,703</b>	<b>103,094,028</b>
<b>Unsecured</b>		
Placements	2,500,000	500,000
Murabaha financing	2,027,319	403,122
<b>Total unsecured</b>	<b>4,527,319</b>	<b>903,122</b>
	<b>99,324,022</b>	<b>103,997,150</b>

**15 DEPOSITS AND OTHER ACCOUNTS**

	(Un-audited) 31 March 2022		(Audited) 31 December 2021	
	In local currency	Total	In local currency	Total
	(Rupees in '000)			
<b>Certificates of investment</b>				
Financial institutions	2,160,000	2,160,000	3,500,000	3,500,000
Others	10,858,515	10,858,515	10,853,682	10,853,682
	<b>13,018,515</b>	<b>13,018,515</b>	<b>14,353,682</b>	<b>14,353,682</b>

**16 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

	(Un-audited) 31 March 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	310	814	1,124	328	796
Later than one year and upto five years	3,354	431	2,923	3,640	501	3,139
	<b>4,478</b>	<b>741</b>	<b>3,737</b>	<b>4,764</b>	<b>829</b>	<b>3,935</b>

**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) 31 March 2022 (Rupees in '000)	(Audited) 31 December 2021
<b>17</b>	<b>OTHER LIABILITIES</b>			
	Mark-up/ Return/ Interest payable in local currency		341,067	541,338
	Accrued expenses		243,698	304,512
	Dividend payable		369,000	-
	Security deposits against investment in finance leases		169,696	124,867
	Lease liability against right-of-use assets		136,711	138,708
	Withholding tax and sales tax payable		9,823	4,412
	Others		112,186	35,627
			<u>1,382,181</u>	<u>1,149,464</u>
<b>18</b>	<b>SHARE CAPITAL</b>			
<b>18.1</b>	<b>Authorized Capital</b>			
		(Unaudited) 31-Mar-22 (Number of shares)	(Audited) 31-Dec-21	
		<u>1,000,000,000</u>	1,000,000,000	Ordinary shares of Rs.10 each
			<u>10,000,000</u>	<u>10,000,000</u>
<b>18.2</b>	<b>Issued, subscribed and paid-up</b>			
		31-Mar-22	31-Dec-21	31-Mar-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>
<b>18.3</b>	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.			
<b>19</b>	<b>SURPLUS ON REVALUATION OF ASSETS</b>			
	Surplus on revaluation of			
	- Available for sale securities		(125,920)	(136,609)
	- Non-banking assets acquired in satisfaction of claims		134,192	135,129
			8,272	(1,480)
	Deferred tax on surplus on revaluation of:			
	- Available for sale securities		32,206	39,617
	- Non-banking assets acquired in satisfaction of claims		(38,916)	(39,187)
			(6,710)	430
			<u>1,562</u>	<u>(1,050)</u>

		(Unaudited) 31-Mar-22	(Audited) 31-Dec-21
		(Rupees in '000)	
<b>20</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	<b>Transaction related contingent liability:</b>		
	Standby letter of credit	712,318	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:		
	Commitments for advances and net investment in finance leases	1,197,056	1,226,443
	Securities given as collateral against loan taken by Pak Oman Asset Management Company Limited	20.3      36,000	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** PIBs having face value amounting to Rs. 36 million (2021: Rs 36 million) which have been collateralized against a loan sanctioned to Pak Oman Asset Management Company Limited from Habib Bank Limited for the acquisition of Askari Investment Management Limited (AIML).

		(Un-audited) First quarter ended	
Note		31 March 2022	31 March 2021
(Rupees in '000)			
<b>21</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	On:		
	a) Loans and advances	484,541	426,018
	b) Investments	2,614,021	1,168,139
	c) Lendings to financial institutions	122,444	30,615
	d) Balances with banks	42,664	25,019
		<u>3,263,670</u>	<u>1,649,791</u>
<b>22</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	a) Deposits	304,947	218,432
	b) Borrowings	2,692,730	1,058,707
	c) Lease liability against right-of-use assets	3,468	3,668
		<u>3,001,145</u>	<u>1,280,807</u>
<b>23</b>	<b>FEE AND COMMISSION INCOME</b>		
	Credit related fees	9,278	17,696
	Investment banking fees	5,675	750
	Commission on guarantees	1,298	838
		<u>16,251</u>	<u>19,284</u>
<b>24</b>	<b>GAIN ON SECURITIES</b>		
	Realised	67,109	10,521
	Unrealised - held for trading	(35,508)	5,769
		<u>31,601</u>	<u>16,290</u>
<b>24.1</b>	<b>Realised gain/(loss) on:</b>		
	Federal Government Securities	39,388	4,726
	Non Government debt securities	140	5,795
	Mutual Funds	7,087	-
	Shares	20,494	-
		<u>67,109</u>	<u>10,521</u>
<b>25</b>	<b>OTHER INCOME</b>		
	Gain on sale of fixed assets - net	359	-
	Rent on property	1,915	-
		<u>2,274</u>	<u>-</u>

**26 OPERATING EXPENSES**

	<b>(Un-audited)</b>	
	<b>First quarter ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2022</b>	<b>2021</b>
	<b>(Rupees in '000)</b>	
Total compensation expense	<b>125,952</b>	114,945
<b>Property expense</b>		
Utilities cost	1,281	932
Security (including guards)	175	159
Repair & maintenance (including janitorial charges)	2,282	2,220
Depreciation on right-of-use assets & improvements	5,210	5,540
Depreciation	527	527
	<b>9,475</b>	9,378
<b>Information technology expenses</b>		
Software maintenance	211	211
Hardware maintenance	287	16
Depreciation	304	352
Amortisation	-	-
Network charges	882	665
Others	400	230
	<b>2,084</b>	1,474
<b>Other operating expenses</b>		
Directors' fees and allowances	6,750	9,900
Legal & professional charges	2,464	1,405
Travelling & conveyance	8,623	577
Depreciation	9,622	9,906
Training & development	116	64
Postage & courier charges	260	240
Communication	2,048	1,749
Stationery & printing	496	492
Marketing, advertisement & publicity	821	45
Donations	130	-
Auditors' remuneration	646	790
Membership and subscriptions	496	525
Transportation	3,009	2,517
Insurance	744	848
Finance charges on leased assets	117	-
Entertainment and canteen expenses	1,709	1,108
Maintenance charges - Non-banking assets	505	1,040
Others	2,328	1,688
	<b>40,884</b>	32,894
Total operating expenses	<b>178,395</b>	158,691

		(Un-audited)	
		First quarter ended	
		31 March 2022	31 March 2021
		(Rupees in '000)	
<b>27</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by State Bank of Pakistan	-	1,601
	Fee, commission and others	7,601	9,553
		<u>7,601</u>	<u>11,154</u>
<b>28</b>	<b>REVERSAL / (PROVISIONS) &amp; WRITE OFFS - NET</b>		
	Reversal of provision for diminution in value of investments - net	11,679	49,851
	Reversal of provision against loans & advances - net	8,766	-
		<u>20,445</u>	<u>49,851</u>
<b>29</b>	<b>TAXATION</b>		
	Current	28,313	66,966
	Deferred	15,308	13,480
		<u>43,621</u>	<u>80,446</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.

		(Un-audited)	
		First quarter ended	
		31 March 2022	31 March 2021
		(Rupees in '000)	
<b>30</b>	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Profit after taxation	Rupees in '000	<u>101,821</u>
			<u>198,427</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>0.17</u>
			<u>0.32</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)	
		First quarter ended	
		31 March 2022	31 March 2021
		(Rupees in '000)	
<b>31</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and balances with treasury banks	308,954	165,535
	Balances with other banks	1,276,441	900,861
		<u>1,585,395</u>	<u>1,066,396</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.

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 31 March 2022				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
Federal Government securities	-	92,955,221	-	92,955,221
Shares	269,111	-	-	269,111
Non-Government debt securities	-	3,310,249	-	3,310,249
Mutual funds	-	653,940	-	653,940
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments	-	-	611,172	611,172
(Audited)				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
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
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments	-	-	611,172	611,172

### 32.2 Fair value of non-financial assets

(Un-audited)				
As at 31 March 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

## 33 SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

	(Un-audited)			
	First quarter ended 31 March 2022			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
<b>Profit &amp; loss account</b>				
Net mark-up / return / profit	136,147	(27,921)	154,299	262,525
Non mark-up / return / interest income	10,935	36,481	4,020	51,436
Total income	147,082	8,560	158,319	313,961
Segment direct expenses	98,548	9,297	81,119	188,964
Reversals	8,766	1,588	10,091	20,445
Profit before tax	57,300	851	87,291	145,442
	(Un-audited)			
	As at 31 March 2022			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
<b>Statement of financial position</b>				
Cash & Bank balances	-	-	1,585,395	1,585,395
Investments	-	1,229,972	96,534,581	97,764,553
Lendings to financial institutions	-	-	-	-
Advances - performing	18,096,593	-	389,453	18,486,046
non- performing	1,230,497	-	-	1,230,497
Others	828,893	443,140	1,881,884	3,153,917
<b>Total assets</b>	20,155,983	1,673,112	100,391,313	122,220,408
Borrowings	16,840,390	1,352,130	81,131,502	99,324,022
Subordinated debt	-	-	-	-
Deposits & other accounts	2,146,949	178,214	10,693,352	13,018,515
Others	370,269	16,649	999,000	1,385,918
<b>Total liabilities</b>	19,357,608	1,546,993	92,823,854	113,728,455
Equity	798,375	126,119	7,567,459	8,491,953
<b>Total equity &amp; liabilities</b>	20,155,983	1,673,112	100,391,313	122,220,408
<b>Contingencies &amp; commitments</b>	1,909,374	332,726	-	2,242,100
	(Un-audited)			
	First quarter ended 31 March 2021			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
<b>Profit &amp; loss account</b>				
Net mark-up / return / profit	133,847	(21,588)	256,725	368,984
Non mark-up / return / interest income	18,534	4,279	12,761	35,574
Total income	152,381	(17,309)	269,486	404,558
Segment direct expenses	90,508	11,796	73,232	175,536
Reversals	-	-	49,851	49,851
Profit before tax	61,873	(29,105)	246,105	278,873
	(Audited)			
	As at 31 December 2021			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
<b>Statement of financial position</b>				
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
<b>Total assets</b>	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
<b>Total liabilities</b>	18,880,732	2,072,748	98,550,751	119,504,231
Equity	760,268	164,702	7,830,884	8,755,854
<b>Total equity &amp; liabilities</b>	19,641,000	2,237,450	106,381,635	128,260,085
<b>Contingencies &amp; commitments</b>	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 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

	First quarter ended 31 March 2022 (Unaudited)					First quarter ended 31 March 2021 (Unaudited)						
	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) -----												
<b>Income</b>												
Mark-up / return / interest earned	-	310	-	-	-	-	-	372	-	15	-	16,499
Fee and commission income	-	-	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-
Net gain on sale of securities	-	-	-	27,579	-	-	-	-	4,069	(106)	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expense</b>												
Mark-up / return / interest paid	-	57	-	-	-	-	-	109	-	-	48	-
Operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Non- Executive Directors' fees and allowances	6,750	-	-	-	-	-	9,900	-	-	-	-	-
Compensation expenses	-	142,941	-	-	-	-	-	182,389	-	-	-	-
Contribution to defined contribution plan	-	-	-	-	5,209	-	-	-	-	4,841	-	-
Charge for defined benefit plan	-	-	-	-	5,200	-	-	-	-	4,885	-	-

## 35 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS

	(Un-audited) 31 March 2022	(Audited) 31 December 2021
	(Rupees in '000)	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>6,150,000</u>	<u>6,150,000</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>6,909,447</u>	6,658,230
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>6,909,447</u>	6,658,230
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	<u>6,909,447</u>	<u>6,658,230</u>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>23,349,374</u>	23,616,456
Market Risk	<u>13,458,694</u>	13,901,012
Operational Risk	<u>2,915,280</u>	2,915,280
Total	<u>39,723,348</u>	<u>40,432,748</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>17.39%</u>	16.47%
Tier 1 Capital Adequacy Ratio	<u>17.39%</u>	16.47%
Total Capital Adequacy Ratio	<u>17.39%</u>	16.47%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<u>6,909,447</u>	6,658,230
Total Exposures	<u>128,759,693</u>	119,057,544
Leverage Ratio	<u>5.37%</u>	5.59%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<u>5,299,711</u>	10,987,504
Total Net Cash Outflow	<u>9,625,123</u>	16,181,833
Liquidity Coverage Ratio	<u>55.06%</u>	67.90%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<u>21,250,534</u>	21,726,820
Total Required Stable Funding	<u>20,564,108</u>	20,582,830
Net Stable Funding Ratio	<u>103.34%</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 27 April 2022 by the Board of Directors of the Company.

Bahauddin Khan

Mohammad Jamal Nasir

Ayham Abdul Aziz Qadar  
Al Ghassani

Omar Hamid Khan

Sayyid Juland Jaifar  
Salim Al Said

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**Managing Director/  
Chief Executive Officer**

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**Chief Financial Officer**

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**Director**

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**Director**

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**Chairman**