



**CONDENSED INTERIM
REVIEW OF FINANCIAL INFORMATION
OF
PAK OMAN INVESTMENT COMPANY LIMITED
FOR THE SIX MONTHS PERIOD ENDED
JUNE 30, 2022**

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pak Oman Investment Company Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Pak Oman Investment Company Limited ("the Company") as at June 30, 2022 and the related unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



Other Matter

The figures of the unconsolidated condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended June 30, 2022 and June 30, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended June 30, 2022.

The financial statements of the Company for the year ended December 31, 2021 were audited and the condensed interim financial information for the half year ended June 30, 2021 were reviewed by another firm of chartered accountants who have expressed an unmodified opinion and conclusion thereon vide their report dated March 24, 2022 and August 26, 2021.

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATE: 16 AUG 2022


UDIN: RR2022100678V6rfCB3Q

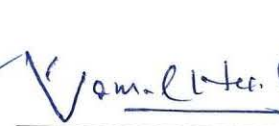
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS


PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022


(Un-audited) June 30, 2022 (US Dollar in '000)	(Audited) December 31, 2021		Note	(Un-audited) June 30, 2022 (Rupees in '000)	(Audited) December 31, 2021 (Rupees in '000)
ASSETS					
856	847	Cash and balances with treasury banks	6	175,415	173,449
4,934	7,277	Balances with other banks	7	1,010,710	1,490,702
16,818	9,537	Lendings to financial institutions	8	3,445,052	1,953,578
545,113	496,897	Investments	9	111,664,670	101,787,711
95,069	96,270	Advances	10	19,474,494	19,720,493
828	952	Fixed assets	11	169,605	194,993
-	-	Intangible assets		-	-
2,925	1,945	Deferred tax assets	12	599,146	398,502
14,586	10,525	Other assets	13	2,987,879	2,155,949
-	1,878	Assets held-for-sale		-	384,708
681,129	626,128			139,526,971	128,260,085
LIABILITIES					
-	-	Bills payable		-	-
566,659	507,683	Borrowings	14	116,078,274	103,997,150
64,644	70,070	Deposits and other accounts	15	13,242,118	14,353,682
17	19	Liabilities against assets subject to finance lease	16	3,534	3,935
-	-	Subordinated debt		-	-
-	-	Deferred tax liabilities		-	-
8,975	5,613	Other liabilities	17	1,838,366	1,149,464
640,295	583,385			131,162,292	119,504,231
40,834	42,743	NET ASSETS		8,364,679	8,755,854
REPRESENTED BY					
30,022	30,022	Share capital	18	6,150,000	6,150,000
9,083	9,058	Reserves		1,860,675	1,855,525
(241)	(5)	(Deficit) on revaluation of assets	19	(49,460)	(1,050)
1,970	3,668	Unappropriated profit		403,464	751,379
40,834	42,743			8,364,679	8,755,854
CONTINGENCIES AND COMMITMENTS					
20					


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


 Acting Managing Director/
 Chief Executive Officer


 Chief Financial Officer


 Director

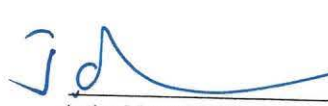

 Director

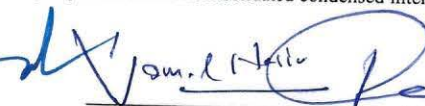

 Chairman

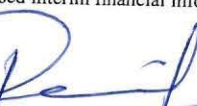
PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022


Half year ended			Quarter ended		Half year ended	
June 30, 2022	June 30, 2021		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
(US Dollar in '000)			(Rupees in '000)		(Rupees in '000)	
34,407	17,534	Mark-up / return / interest earned	3,784,409	1,942,045	7,048,079	3,591,836
33,224	14,092	Mark-up / return / interest expensed	3,804,613	1,605,879	6,805,758	2,886,686
1,183	3,442	Net mark-up / return / interest income	(20,204)	336,166	242,321	705,150
NON MARK-UP / INTEREST INCOME						
262	218	Fee and commission income	37,479	25,285	53,730	44,569
193	57	Dividend income	38,246	11,678	39,556	11,678
-	-	Foreign exchange income	-	-	-	-
-	-	Income / (loss) from derivatives	-	-	-	-
441	312	Gain on securities	58,781	47,634	90,382	63,924
23	16	Other income	2,531	3,369	4,805	3,369
919	603	Total non mark-up / interest income	137,037	87,966	188,473	123,540
2,102	4,045	Total income	116,833	424,132	430,794	828,690
NON MARK-UP / INTEREST EXPENSES						
1,489	1,581	Operating expenses	126,709	165,118	305,104	323,809
54	53	Workers' Welfare Fund	8,193	5,190	11,161	10,881
80	100	Other charges	8,825	9,285	16,426	20,439
1,623	1,734	Total non mark-up / interest expenses	143,727	179,593	332,691	355,129
479	2,311	Loss before provisions	(26,894)	244,539	98,103	473,561
(199)	291	(Provisions) / Reversals and write offs - net	(61,148)	9,753	(40,703)	59,604
-	-	Extra ordinary / unusual items	-	-	-	-
280	2,602	LOSS BEFORE TAXATION	(88,042)	254,292	57,400	533,165
(154)	(725)	Taxation	11,973	(68,096)	(31,648)	(148,542)
126	1,877	LOSS AFTER TAXATION	(76,069)	186,196	25,752	384,623
(US \$)			------(Rupees)-----			
0.0002	0.0031	Basic and diluted earnings / (loss) per share	(0.12)	0.30	0.04	0.63

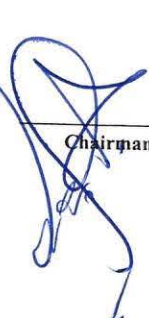
The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial information.


 Acting Managing Director/
 Chief Executive Officer


 Chief Financial Officer


 Director


 Director

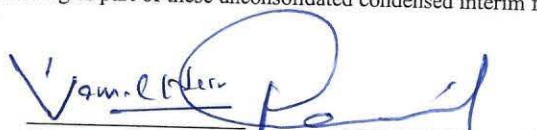

 Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2022

Half year ended			Quarter ended		Half year ended	
June 30, 2022 (US Dollar in '000)	June 30, 2021		June 30, 2022 (Rupees in '000)	June 30, 2021 (Rupees in '000)	June 30, 2022 (Rupees in '000)	June 30, 2021 (Rupees in '000)
126	1,877	Loss after taxation for the period	(76,069)	186,196	25,752	384,623
		Other comprehensive income				
		Items that may be reclassified to profit and loss account in subsequent periods				
(204)	(539)	Movements in (deficit) / surplus on revaluation of investments - net of tax	(45,027)	6,428	(41,749)	(110,420)
		Items that will not be reclassified to profit and loss account in subsequent periods				
(33)	(6)	Movement in deficit on revaluation of non-banking assets- net of tax	(5,995)	(664)	(6,661)	(1,329)
<u>(111)</u>	<u>1,332</u>	Total comprehensive loss	<u>(127,091)</u>	<u>191,960</u>	<u>(22,658)</u>	<u>272,874</u>

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


 Acting Managing Director/
 Chief Executive Officer


 Chief Financial Officer


 Director


 Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 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
Total comprehensive income							
Profit after taxation	-	-	-	-	-	384,623	384,623
Other comprehensive income / (loss) - net of tax	-	-	-	(110,420)	(1,329)	-	(111,749)
Total comprehensive income for the half year ended 30 June 2021	-	-	-	(110,420)	(1,329)	384,623	272,874
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
Transaction with owners recorded directly in equity							
Final cash dividend - 31 December 2020 declared subsequent to the year end (Rs. 0.75 per share)	-	-	-	-	-	(461,250)	(461,250)
Opening balance as at 01 July 2021	6,150,000	1,525,280	311,630	139,477	97,272	672,327	8,895,986
Total comprehensive income							
Profit after taxation	-	-	-	-	-	93,077	93,077
Other comprehensive income / (loss) - net of tax	-	-	-	(236,469)	(1,330)	3,260	(234,539)
Total comprehensive income for the half year ended 30 June 2021	-	-	-	(236,469)	(1,330)	96,337	(141,462)
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
Opening balance as at 01 January 2022	6,150,000	1,543,895	311,630	(96,992)	95,942	751,379	8,755,854


Share capital	Statutory reserve	General reserve	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
			Investments	Non-banking assets		

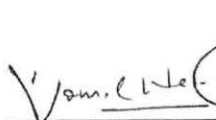
(Rupees in '000)


Total comprehensive income

Profit after taxation	-	-	-	-	-	25,752	25,752
Other comprehensive income / (loss) - net of tax	-	-	-	(41,749)	(6,661)	-	(48,410)
Total comprehensive loss for the half year ended June 30, 2022	-	-	-	(41,749)	(6,661)	25,752	(22,658)
Transfer to statutory reserve	-	5,150	-	-	-	(5,150)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	483	483
Transaction with owners recorded directly in equity							
Final cash dividend - December 31, 2021 declared subsequent to the year end (Rs. 0.60 per share)	-	-	-	-	-	(369,000)	(369,000)
Closing balance as at June 30, 2022	6,150,000	1,549,045	311,630	(138,741)	89,281	403,464	8,364,679

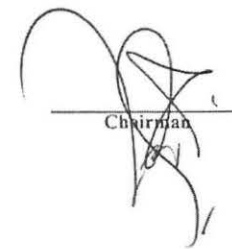
The annexed notes from 1 to 38 form an integral part of these unconsolidated condensed interim financial information.


Acting Managing Director/
Chief Executive Officer


Chief Financial Officer


Director


Director


Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

June 30, 2022 (US Dollar in '000)	June 30, 2021		Note	June 30, 2022 (Rupees in '000)	June 30, 2021
280	2,602	CASH FLOW FROM OPERATING ACTIVITIES			
(193)	(57)	Profit before taxation		57,400	533,165
87	2,545	Less: Dividend income		(39,556)	(11,678)
				17,844	521,487
		Adjustments:			
100	103	Depreciation		20,536	21,024
51	52	Depreciation on right-of-use assets		10,420	10,747
-	-	Amortization		-	-
199	(291)	Provisions / (Reversals) and write offs - net	28	40,703	(59,604)
(5)	(16)	Gain on sale of fixed assets		(974)	(3,369)
34	36	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		6,877	7,294
1	-	Finance charges on leased assets		251	97
24	4	Unrealised loss / (gain) on revaluation of investments classified as held-for-trading		4,925	830
404	(112)			82,738	(22,981)
491	2,433			100,582	498,506
		(Increase) / Decrease in operating assets			
(7,281)	17,574	Lendings to financial institutions		(1,491,474)	3,600,000
(18,725)	15,239	Held-for-trading securities		(3,835,656)	3,121,722
953	5,049	Advances		195,205	1,034,317
(3,343)	100	Other assets (excluding advance taxation)		(684,839)	20,398
(28,396)	37,962			(5,816,764)	7,776,437
		Increase / (decrease) in operating liabilities			
-	-	Bills payable		-	-
58,976	125,573	Borrowings		12,081,124	25,723,313
(5,426)	(15,123)	Deposits		(1,111,564)	(3,097,916)
3,317	(988)	Other liabilities (excluding current taxation)		679,378	(202,574)
56,867	109,462			11,648,938	22,422,823
28,962	149,857			5,932,756	30,697,766
(1,822)	(1,089)	Income tax paid		(373,200)	(223,098)
27,140	148,768	Net cash flow from operating activities		5,559,556	30,474,668
		CASH FLOW FROM INVESTING ACTIVITIES			
(30,666)	(141,267)	Net investments in available-for-sale securities		(6,281,759)	(28,937,993)
2,733	1,144	Investments in associates		559,863	234,263
227	-	Dividend received		46,511	-
(37)	(69)	Investments in operating fixed assets		(7,492)	(14,155)
60	17	Proceeds from sale of fixed assets		12,300	3,397
(27,683)	(140,187)	Net cash flow (used in) investing activities		(5,670,577)	(28,716,933)
		CASH FLOW FROM FINANCING ACTIVITIES			
(3)	(8)	Payments of lease obligations		(652)	(1,595)
(9)	(83)	Payments of lease liability against right-of-use assets		(1,853)	(17,044)
(1,779)	(2,252)	Dividend paid		(364,500)	(461,250)
(1,791)	(2,343)	Net cash flow (used in) financing activities		(367,005)	(479,889)
(2,334)	6,238	(Decrease) / increase in cash and cash equivalents		(478,026)	1,277,846
8,124	7,483	Cash and cash equivalents at beginning of the period		1,664,151	1,532,869
5,790	13,721	Cash and cash equivalents at end of the period	31	1,186,125	2,810,715

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

Acting Managing Director/
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

PAK OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

1 STATUS AND NATURE OF BUSINESS

Pak Oman Investment Company Limited (the Company) was incorporated as a private limited company on 23 July 2001. Subsequently, on 17 March 2004 the Company was converted into a public company. The Company is a joint venture between the Government of Pakistan and the Government of the Sultanate of Oman. The Company's objectives inter alia include promotion of the economic growth of Pakistan and Oman through industrial development and agro-based industries on commercial basis and to carry on the business of finance and / or investment company. The registered office of the Company is situated at 1st Floor, Block A, Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan. The Company operates a branch at Lahore and other representative offices at Islamabad, Gwadar and Muscat. The Company is designated as a Development Financial Institution (DFI) under the BPD Circular Letter No. 35 dated 28 October 2003 issued by the State Bank of Pakistan.

2 BASIS OF PREPARATION

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

Separate financial statements

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

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

2.1 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.

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 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.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

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.

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

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
local currency		120	287
foreign currency		293	252
		413	539
With State Bank of Pakistan in			
Local currency current account	6.1	174,559	172,498
With National Bank of Pakistan in			
Local currency current account		443	412
		175,415	173,449
6.1	This represent the amount required to be maintained by the Company in accordance with the SBP's Regulations.		

7 BALANCES WITH OTHER BANKS

In Pakistan:			
In current accounts		6,785	16,196
In deposit accounts	7.1	1,002,449	1,466,519
		1,009,234	1,482,715
Outside Pakistan:			
In current accounts		1,476	7,987
		1,010,710	1,490,702
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

Repurchase agreement lendings (Reverse Repo)		3,445,052	1,953,578
		3,445,052	1,953,578

9 INVESTMENTS

	(Un-audited)				(Audited)			
	June 30, 2022				December 31, 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	16,395,549	-	(1,826)	16,393,723	12,204,646	-	3,099	12,207,745
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	694,061	(70,726)	-	623,335	876,124	(77,634)	-	798,490
Subsidiary	600,745	(224,122)	-	376,623	600,745	(224,122)	-	376,623
Total Investments	112,665,247	(791,675)	(208,902)	111,664,670	102,729,895	(808,674)	(133,510)	101,787,711

9.1.1 Investments given as collateral

	(Un-audited)				(Audited)			
	June 30, 2022				December 31, 2021			
	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value
------(Rupees in '000)-----								
Federal Government Securities								
Pakistan Investment Bonds	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
Associates								
Japan Power Generation Limited	70,726	(70,726)	-	-	70,726	(70,726)	-	-
Total investments	<u>99,768,630</u>	<u>(70,726)</u>	<u>(260,482)</u>	<u>99,437,422</u>	<u>95,022,182</u>	<u>(70,726)</u>	<u>(189,065)</u>	<u>94,762,391</u>

9.2 Provision for diminution in value of investments

9.2.1 Opening balance

Charge / (reversal)

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

Transfers - net

Closing balance

(Un-audited) (Audited)
June 30, December 31,
2022 2021
(Rupees in '000)

808,674 856,755

-	105,634
(10,091)	(153,715)
(10,091)	(48,081)

(6,908) -

791,675 808,674

(Un-audited)		(Audited)	
June 30, 2022		December 31, 2021	
NPI	Provision	NPI	Provision

------(Rupees in '000)-----

9.2.2 Particulars of provision against debt securities

Category of classification

Domestic

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 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 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)
	June 30, 2022	December 31, 2021	June 30, 2022	December 2021	June 30, 2022	December 31, 2021
------(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
	210	210	799,891	749,097	800,101	749,307
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)

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
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. 1,963 million (2021: Rs 1,919 million) which have been placed under the non-performing status as detailed below:

Category of Classification	(Un-audited)		(Audited)	
	June 30, 2022		December 31, 2021	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	200,790	-	204,370	-
Substandard	750,000	44,840	750,000	44,840
Doubtful	64,217	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>

	(Un-audited)			(Audited)		
	June 30, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						

10.3 Particulars of provision against advances

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>

10.3.1 As per SME prudential regulations, banks/DFIs' are required to maintain general provision equivalent to 1% of their unsecured small entities portfolio to protect them from the risks associated with the economic and cyclical nature of this business. This requirement shall, however, be maintained only for the performing fund based small entities portfolio of the banks/DFIs'.

10.4 In accordance with BPRD Circular No. 6 dated 26 June 2014 issued by the SBP, the Company has availed the benefit of FSV against the non-performing advances. As of 30 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 Company as required by the aforementioned SBP directives.

	Note	(Un-audited) June 30, 2022 (Rupees in '000)	(Audited) December 31, 2021
11 FIXED ASSETS			
Capital work-in-progress		-	-
Property and equipment	11.1 & 11.2	65,946	82,611
Right of use assets		103,659	112,382
		<u>169,605</u>	<u>194,993</u>
		(Un-audited) June 30, 2022 (Rupees in '000)	(Un-audited) 31 March 2021

11.1 Additions to fixed assets

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

Capital work-in-progress	-	418
Property and equipment		
Computer equipments	3,642	617
Furniture and fixture	250	150
Vehicles	3,600	5,508
	<u>7,492</u>	<u>6,275</u>
Total	<u>7,492</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 follows:

Furniture and fixture	212	-
Office equipment	412	-
Vehicles	10,702	-

(Un-audited) (Audited)
June 30, **December 31,**
2022 **2021**
(Rupees in '000)

12 DEFERRED TAX ASSETS

Deductible Temporary Differences on

Provision for diminution in the value of investments	237,912	212,001
Assets subject to finance leases	(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)
	608,338	404,531

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)
	599,146	398,502

13 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	3,486	3,486
Prepayments	45,428	9,675
Taxation	622,743	459,295
Non-banking assets acquired in satisfaction of claims	214,536	222,064
Defined contribution plan	77,510	-
Defined benefit plan	40,036	4,900
Others	16,143	9,484
	2,854,624	2,020,820
Less: Provision held against other assets	-	-
Other assets (net of provisions)	2,854,624	2,020,820
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	133,255	135,129
	2,987,879	2,155,949

(Un-audited) (Audited)
June 30, **December 31,**
2022 **2021**
(Rupees in '000)

14 BORROWINGS

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	3,333,333
Short term running finance	42,132	153,816
Bai Muajjal	3,999,217	6,076,567
Total secured	109,219,888	103,094,028

Unsecured

Placements	686,000	500,000
Murabaha financing	6,172,386	403,122
Total unsecured	6,858,386	903,122
	116,078,274	103,997,150

15 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) June 30, 2022		(Audited) December 31, 2021	
	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

16 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	(Un-audited) June 30, 2022			(Audited) December 31, 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	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

- 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) (Audited)
June 30, December 31,
2022 2021
(Rupees in '000)

17 OTHER LIABILITIES

Mark-up/ Return/ Interest payable in local currency	1,338,587	541,338
Accrued expenses	193,140	304,512
Dividend payable	4,500	-
Security deposits against investment in finance leases	131,732	124,867
Lease liability against right-of-use assets	124,507	138,708
Withholding tax and sales tax payable	19,366	4,412
Others	26,534	35,627
	1,838,366	1,149,464

18 SHARE CAPITAL

18.1 Authorized Capital

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

18.2 Issued, subscribed and paid-up

30-June-22	31-Dec-21		30-Jun-22	31-Dec-21
(Number of shares)			(Rupees in '000)	
		Ordinary shares of Rs. 10 each		
600,000,000	600,000,000	- Fully paid in cash	6,000,000	6,000,000
15,000,000	15,000,000	- Issued as bonus shares	150,000	150,000
615,000,000	615,000,000		6,150,000	6,150,000

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

		(Un-audited)	(Audited)
		30 June	31 December
		2022	2021
		(Rupees in '000)	
19	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)
20	CONTINGENCIES AND COMMITMENTS		
	Transaction related contingent liability:		
	Standby letter of credit	740,829	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	1,433,062	1,226,443
	Securities given as collateral against loan taken by Pak Oman Asset Management Company Limited	-	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.		

		(Un-audited)	
		Half year ended	
		June 30, 2022	June 30, 2021
		(Rupees in '000)	
21	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) Loans and advances	926,296	806,004
	b) Investments	5,796,008	2,685,843
	c) Lendings to financial institutions	249,960	47,695
	d) Balances with banks	75,815	52,294
		<u>7,048,079</u>	<u>3,591,836</u>
22	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	a) Deposits	635,125	443,946
	b) Borrowings	6,163,756	2,435,446
	c) Lease liability against right-of-use assets	6,877	7,294
		<u>6,805,758</u>	<u>2,886,686</u>
23	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
		<u>53,730</u>	<u>44,569</u>
24	GAIN ON SECURITIES		
	Realised	95,307	64,754
	Unrealised - held for trading	(4,925)	(830)
		<u>90,382</u>	<u>63,924</u>
24.1	Realised gain/(loss) on:		
	Federal Government Securities	51,811	36,965
	Non Government debt securities	320	12,731
	Mutual Funds	14,865	15,058
	Shares	28,311	-
		<u>95,307</u>	<u>64,754</u>

		(Un-audited)	
		Half Year ended	
		June 30,	June 30,
		2022	2021
		(Rupees in '000)	
25	OTHER INCOME		
	Gain on sale of fixed assets - net	974	3,369
	Rent on property	3,831	-
		<u>4,805</u>	<u>3,369</u>
26	OPERATING EXPENSES		
	Total compensation expense	206,592	231,134
	Property expense		
	Utilities cost	2,415	2,283
	Security (including guards)	350	319
	Repair & maintenance (including janitorial charges)	4,472	7,126
	Depreciation on right-of-use assets & improvements	10,420	10,747
	Depreciation	1,053	1,053
		18,710	21,528
	Information technology expenses		
	Software maintenance	421	665
	Hardware maintenance	287	16
	Depreciation	883	691
	Amortisation	-	-
	Network charges	1,622	1,452
	Others	734	591
		3,947	3,415
	Other operating expenses		
	Directors' fees and allowances	13,875	16,500
	Legal & professional charges	5,811	6,126
	Travelling & conveyance	12,124	1,651
	Depreciation	18,600	19,280
	Training & development	501	209
	Postage & courier charges	419	430
	Communication	4,158	3,680
	Stationery & printing	861	913
	Marketing, advertisement & publicity	1,495	2,245
	Donations	130	-

	Note	Half Year ended	
		June 30, 2022	June 30, 2021
		(Rupees in '000)	
Auditors' remuneration		1,216	1,423
Membership and subscriptions		994	1,080
Transportation		6,080	4,624
Insurance		1,456	1,692
Finance charges on leased assets		251	97
Entertainment and canteen expenses		2,991	2,261
Maintenance charges - Non-banking assets		1,011	2,080
Others		3,882	3,441
		75,855	67,732
Total operating expenses		305,104	323,809
27 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		-	1,601
Fee, commission and others		16,426	18,838
		16,426	20,439
28 REVERSAL / (PROVISIONS) & WRITE OFFS - NET			
Reversal of provision for diminution in value of investments - net		10,091	44,836
(Provision) / Reversal of against loans & advances - net		(50,794)	14,768
		(40,703)	59,604
29 TAXATION			
Current		179,676	132,218
Prior years	29.2	30,076	-
Deferred		(178,104)	16,324
		31,648	148,542
29.1 Tax contingencies			

The Income tax Department has amended the deemed assessment orders for the tax years 2004, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018, wherein major issues raised by the authorities were related to applicability of Workers Welfare Fund (WWF), disallowance of allocation of common expenses and disallowance of losses claimed on early termination of leased assets. The Company's appeals are pending at various appellate forums.

For the tax year 2005 and 2008, the Commissioner Inland Revenue (Appeals) [CIR(A)] has adjudicated that the proceeding initiated by the department under section 122(5A) for respective tax years were barred in time, thereby, the amended assessment order has been annulled. Thereafter, the department being aggravated by the CIR(A) decision, filed appeal before the Appellate Tribunal Inland Revenue for the respective tax years. Further, for the matter of WWF, Supreme Court (SC) in its decision has annulled the amendments made through Finance Act 2006 and 2008. However, Federal Board of Revenue (FBR) has now filed review petition in the SC against the SC decision in the matter of WWF. Management estimates that sufficient provisions have been made and no further provision is required.

29.2 Taxation - prior

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

30 BASIC AND DILUTED EARNINGS PER SHARE

		(Un-audited)	
		Half year ended	
		June 30,	June 30,
		2022	2021
		(Rupees in '000)	
Profit after taxation	Rupees in '000	<u>25,752</u>	<u>384,623</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>0.04</u>	<u>0.63</u>

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

		Half Year ended	
		June 30,	June 30,
		2022	2021
		(Rupees in '000)	
	Note		
31 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks		175,415	225,745
Balances with other banks		<u>1,010,710</u>	<u>2,584,970</u>
		<u>1,186,125</u>	<u>2,810,715</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 June 30, 2022				
On balance sheet financial instruments	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	107,178,205	-	107,178,205
Shares	-	-	-	-
Non-Government debt securities	-	3,251,958	-	3,251,958
Mutual funds	-	625,113	-	625,113
Financial assets - disclosed but not measured at fair value				
Investments	-	-	611,172	611,172
(Audited)				
As at December 31, 2021				
On balance sheet financial instruments	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	96,920,222	-	96,920,222
Non-Government debt securities	-	3,457,827	-	3,457,827
Mutual funds	-	829,921	-	829,921
Financial assets - disclosed but not measured at fair value				
Investments	-	-	611,172	611,172

32.2 Fair value of non-financial assets

(Un-audited)				
As at June 30, 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 December 31, 2021				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Non-banking assets acquired in satisfaction of claims	-	-	375,991	375,991

	(Un-audited)			
	Half year ended June 30, 2021			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Profit & loss account				
Net mark-up / return / profit	210,281	(45,940)	540,809	705,150
Non mark-up / return / interest income	35,267	30,086	58,187	123,540
Total income	245,548	(15,854)	598,996	828,690
Segment direct expenses	184,936	22,784	147,409	355,129
Reversals	14,768	-	44,836	59,604
Profit before tax	75,380	(38,638)	496,423	533,165
	(Audited)			
	As at December 31, 2021			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Statement of financial position				
Cash & Bank balances	-	-	1,664,151	1,664,151
Investments	-	1,409,662	100,378,049	101,787,711
Lendings to financial institutions			1,953,578	1,953,578
Advances - performing	17,671,866	-	878,724	18,550,590
- non-performing	1,169,903	-		1,169,903
Others	799,231	827,788	1,507,133	3,134,152
Total assets	19,641,000	2,237,450	106,381,635	128,260,085
Borrowings	16,400,323	1,804,411	85,792,416	103,997,150
Subordinated debt	-	-	-	-
Deposits & other accounts	2,198,039	250,395	11,905,248	14,353,682
Others	282,370	17,942	853,087	1,153,399
Total liabilities	18,880,732	2,072,748	98,550,751	119,504,231
Equity	760,268	164,702	7,830,884	8,755,854
Total equity & liabilities	19,641,000	2,237,450	106,381,635	128,260,085
Contingencies & commitments	1,928,963	332,726	-	2,261,689

34 RELATED PARTY TRANSACTIONS

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

Contributions to the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation / terms of the contribution plan. Remuneration of the key management personnel are in accordance with the terms of their employment. Advances are given to employees as per the Company Policy. Transactions with other related parties are carried out on commercial terms and as per market rates.

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

Subsidiary

Pak Oman Asset Management Company Limited

Associates

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

Retirement benefit fund

Defined benefit plan
Defined contribution plan

Other related party

Orient Power Company (Private) Limited

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

	As at June 30, 2022 (Un-audited)					As at December 31, 2021 (Audited)						
	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties
	(Rupees in '000)											
Balances with other banks												
In current accounts	-	-	-	-	-	-	-	-	-	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-	200,000	-	-	-
Investments												
Opening balance	-	-	600,745	1,260,832	-	226,000	-	-	598,300	1,295,095	-	726,000
Investment made during the year	-	-	-	491,350	-	-	-	-	2,445	1,195,031	-	-
Investment redeemed / disposed off during the year	-	-	-	(1,058,121)	-	-	-	-	-	(1,229,294)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	(500,000)
Closing balance	-	-	600,745	694,061	-	226,000	-	-	600,745	1,260,832	-	226,000
Provision for diminution in value of investments	-	-	224,122	70,726	-	-	-	-	224,122	70,726	-	-
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	-	-
Other Assets												
Interest / mark-up accrued	-	-	-	-	-	-	-	-	-	1,052	-	-
Receivable from staff retirement fund	-	-	-	-	117,546	-	-	-	-	-	4,900	-
Prepaid fee for services	-	-	22,500	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	38,246	-	-	-	-	-	-	-	-
	-	-	22,500	38,246	117,546	-	-	-	-	1,052	4,900	-
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	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
	-	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	-	-	36,000	70,726	-	226,000

34.2 Related party transactions

	Half year ended June 30, 2022 (Un-audited)						Half year ended June 30, 2021 (Un-audited)					
	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties
----- (Rupees in '000) -----												
Income												
Mark-up / return / interest earned	-	659	-	-	-	-	-	736	-	1,320	-	16,499
Fee and commission income	-	-	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	38,246	-	-	-	-	-	11,678	-	-
Net gain on sale of securities	-	-	-	35,357	1	-	-	-	-	15,598	(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	-	201,997	-	-	-	-	-	235,235	-	-	-	-
Contribution to defined contribution plan	-	-	-	-	10,346	-	-	-	-	-	9,645	-
Charge for defined benefit plan	-	-	-	-	10,400	-	-	-	-	-	9,770	-

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	6,150,000	6,150,000
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	6,823,956	6,658,230
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	6,823,956	6,658,230
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	6,823,956	6,658,230
Risk Weighted Assets (RWAs):		
Credit Risk	24,140,429	23,616,456
Market Risk	14,196,629	13,901,012
Operational Risk	2,915,280	2,915,280
Total	41,252,338	40,432,748
Common Equity Tier 1 Capital Adequacy ratio	16.54%	16.47%
Tier 1 Capital Adequacy Ratio	16.54%	16.47%
Total Capital Adequacy Ratio	16.54%	16.47%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	6,823,956	6,658,230
Total Exposures	128,759,693	119,057,544
Leverage Ratio	5.30%	5.59%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	5,545,958	10,987,504
Total Net Cash Outflow	10,384,332	16,181,833
Liquidity Coverage Ratio	53.41%	67.90%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	21,494,209	21,726,820
Total Required Stable Funding	20,612,166	20,582,830
Net Stable Funding Ratio	104.28%	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 16 AUG 2022 by the Board of Directors of the Company.


Acting Managing Director/
Chief Executive Officer


Chief Financial Officer


Director


Chairman