

**PAK OMAN INVESTMENT  
COMPANY LIMITED**

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

**FOR THE NINE MONTHS  
ENDED 30 SEPTEMBER 2021**

**Pak Oman Investment Company Limited**  
**Unconsolidated Condensed Interim Statement of Financial Position**  
**As at 30 September 2021**

(Un-audited) 30 September 2021 (US Dollar in '000)	(Audited) 31 December 2020		(Un-audited) 30 September 2021 (Rupees in '000)	(Audited) 31 December 2020
			Note	
<b>ASSETS</b>				
1,003	1,257	Cash and balances with treasury banks	6	171,184
8,954	7,726	Balances with other banks	7	1,528,077
2,930	21,095	Lendings to financial institutions	8	500,000
501,693	399,732	Investments	9	85,617,649
116,331	122,674	Advances	10	19,852,782
1,203	1,285	Fixed assets	11	205,253
-	-	Intangible assets		-
1,659	1,327	Deferred tax assets	12	283,177
12,013	12,157	Other assets	13	2,050,357
<b>645,786</b>	<b>567,253</b>			<b>110,208,479</b>
<b>LIABILITIES</b>				
-	-	Bills payable		-
524,397	413,411	Borrowings	14	89,492,365
62,447	92,988	Deposits and other accounts	15	10,657,104
24	1	Liabilities against assets subject to finance lease	16	4,123
-	-	Subordinated debt		-
-	-	Deferred tax liabilities		-
6,203	7,629	Other liabilities	17	1,058,590
<b>593,071</b>	<b>514,029</b>			<b>101,212,182</b>
<b>52,715</b>	<b>53,224</b>	<b>NET ASSETS</b>		<b>8,996,297</b>
<b>REPRESENTED BY</b>				
36,037	36,037	Share capital	18	6,150,000
10,924	10,313	Reserves		1,864,276
1,169	2,042	Surplus on revaluation of assets	19	199,562
4,585	4,832	Unappropriated profit		782,459
<b>52,715</b>	<b>53,224</b>			<b>8,996,297</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**

Omar Hamid  
Khan

**Director**

Ayham Abdul Aziz  
Qadar Al Ghassani

**Director**

Sayyid Juland  
Jaifar Salim Al

**Chairman**

**Pak Oman Investment Company Limited**  
**Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)**  
**For the nine months ended 30 September 2021**

Nine months ended		Quarter ended		Nine months ended	
30 September	30 September	30 September	30 September	30 September	30 September
2021	2020	2021	2020	2021	2020
(US Dollar in '000)		------(Rupees in '000)-----			
33,239	44,714	2,080,669	2,125,657	5,672,505	7,630,753
27,136	36,663	1,744,303	1,619,768	4,630,989	6,256,848
6,103	8,051	336,366	505,889	1,041,516	1,373,905
<b>Net mark-up / return / interest income</b>					
<b>NON MARK-UP / INTEREST INCOME</b>					
325	134	10,954	11,627	55,523	22,895
68	320	-	-	11,678	54,550
-	-	-	-	-	-
-	-	-	-	-	-
630	1,695	43,598	62,291	107,522	289,341
37	12	2,917	407	6,286	2,065
1,060	2,161	57,469	74,325	181,009	368,851
7,163	10,212	393,835	580,214	1,222,525	1,742,756
<b>Total income</b>					
<b>NON MARK-UP / INTEREST EXPENSES</b>					
2,926	2,714	175,597	155,722	499,406	463,089
87	147	4,004	8,397	14,885	25,122
186	140	11,289	4,685	31,728	23,882
3,199	3,001	190,890	168,804	546,019	512,093
<b>Total non mark-up / interest expenses</b>					
3,964	7,211	202,945	411,410	676,506	1,230,663
310	2	(6,768)	-	52,836	295
-	-	-	-	-	-
4,274	7,213	196,177	411,410	729,342	1,230,958
(1,218)	(2,032)	(59,344)	(119,768)	(207,886)	(346,703)
3,056	5,181	136,833	291,642	521,456	884,255
<b>PROFIT BEFORE PROVISIONS</b>					
<b>Reversals / (Provisions) and write offs - net</b>					
<b>Extra ordinary / unusual items</b>					
<b>PROFIT BEFORE TAXATION</b>					
<b>Taxation</b>					
<b>PROFIT AFTER TAXATION</b>					
(US \$)		------(Rupees)-----			
0.0050	0.0084	0.22	0.47	0.85	1.44
<b>Basic and diluted earnings per share</b>					

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

Omar Hamid Khan  
 Director

Ayham Abdul Aziz Qadar Al  
 Ghassani  
 Director

Sayyid Juland  
 Jaifar Salim Al  
 Chairman

**Pak Oman Investment Company Limited**  
**Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)**  
**For the nine months ended 30 September 2021**

Nine months ended			Quarter ended		Nine months ended	
30 September	30 September		30 September	30 September	30 September	30 September
2021	2020		2021	2020	2021	2020
(US Dollar in '000)			------(Rupees in '000)-----			
3,056	5,181	<b>Profit after taxation for the period</b>	<b>136,833</b>	291,642	<b>521,456</b>	884,255
		<b>Other comprehensive income</b>				
		<b>Items that may be reclassified to profit and loss account in subsequent periods</b>				
(861)	1,871	Movements in (deficit) / surplus on revaluation of investments - net of tax	(36,522)	(454,238)	(146,942)	319,240
		<b>Items that will not be reclassified to profit and loss account in subsequent periods</b>				
(12)	(11)	Movement in deficit on revaluation of non-banking assets- net of tax	(665)	(652)	(1,994)	(1,956)
<b>2,183</b>	<b>7,041</b>	<b>Total comprehensive income</b>	<b>99,646</b>	<b>(163,248)</b>	<b>372,520</b>	<b>1,201,539</b>

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

Bahauddin Khan	Mohammad Jamal Nasir	Omar Hamid Khan	Ayham Abdul Aziz Qadar Al Ghassani	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 nine months ended 30 September 2021**

	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 2020	6,150,000	1,253,874	11,630	118,059	43,668	776,230	8,353,461
<b>Total comprehensive income</b>							
Profit after taxation	-	-	-	-	-	884,255	884,255
Other comprehensive income / (loss) - net of tax	-	-	-	319,240	(1,956)	-	317,284
Total comprehensive income for the nine months ended 30 September 2020	-	-	-	319,240	(1,956)	884,255	1,201,539
Transfer to statutory reserve	-	176,851	-	-	-	(176,851)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	1,956	1,956
<b>Transaction with owners recorded directly in equity</b>							
Final cash dividend - 31 December 2019 declared subsequent to the year end (Rs. 0.7 per share)	-	-	-	-	-	(430,500)	(430,500)
<b>Opening balance as at 01 October 2020</b>	<b>6,150,000</b>	<b>1,430,725</b>	<b>11,630</b>	<b>437,299</b>	<b>41,712</b>	<b>1,055,090</b>	<b>9,126,456</b>
<b>Total comprehensive income</b>							
Profit after taxation	-	-	-	-	-	88,151	88,151
Other comprehensive income / (loss) - net of tax	-	-	-	(187,402)	56,889	(1,712)	(132,225)
Total comprehensive income for the quarter ended 31 December 2020	-	-	-	(187,402)	56,889	86,439	(44,074)
Transfer to statutory reserve	-	17,630	-	-	-	(17,630)	-
Transfer to general reserve	-	-	300,000	-	-	(300,000)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	651	651
<b>Opening balance as at 01 January 2021</b>	<b>6,150,000</b>	<b>1,448,355</b>	<b>311,630</b>	<b>249,897</b>	<b>98,601</b>	<b>824,550</b>	<b>9,083,033</b>
<b>Total comprehensive income</b>							
Profit after taxation	-	-	-	-	-	521,456	521,456
Other comprehensive income / (loss) - net of tax	-	-	-	(146,942)	(1,994)	-	(148,936)
Total comprehensive income for the nine months ended 30 September 2021	-	-	-	(146,942)	(1,994)	521,456	372,520
Transfer to statutory reserve	-	104,291	-	-	-	(104,291)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	1,994	1,994
<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>Closing balance as at 30 September 2021</b>	<b>6,150,000</b>	<b>1,552,646</b>	<b>311,630</b>	<b>102,955</b>	<b>96,607</b>	<b>782,459</b>	<b>8,996,297</b>

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**

Omar Hamid Khan

**Director**

Ayham Abdul Aziz Qadar Al  
Ghassani

**Director**

Sayyid Juland Jaifar Salim Al Said

**Chairman**

**Pak Oman Investment Company Limited**  
**Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)**  
**For the nine months ended 30 September 2021**

30 September 2021 (US Dollar in '000)	30 September 2020		Note	30 September 2021 (Rupees in '000)	30 September 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
4,274	7,213	Profit before taxation		729,342	1,230,958
(68)	(320)	Less: Dividend income		(11,678)	(54,550)
<u>4,206</u>	<u>6,893</u>			<u>717,664</u>	<u>1,176,408</u>
<b>Adjustments:</b>					
185	176	Depreciation		31,587	30,065
94	107	Depreciation on right-of-use assets		15,957	18,314
-	-	Amortization		-	5
(310)	(2)	(Reversals) and write offs - net	28	(52,836)	(295)
(31)	(12)	Gain on sale of fixed assets		(5,328)	(2,065)
64	67	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		10,869	11,378
1	1	Finance charges on leased assets		203	196
29	(108)	Unrealised loss / (gain) on revaluation of investments classified as held-for-trading		4,893	(18,401)
<u>32</u>	<u>229</u>			<u>5,345</u>	<u>39,197</u>
<u>4,238</u>	<u>7,122</u>			<u>723,009</u>	<u>1,215,605</u>
<b>(Increase) / Decrease in operating assets</b>					
18,165	30,244	Lendings to financial institutions		3,100,000	5,161,446
85,177	21,431	Held-for-trading securities		14,536,154	3,657,422
6,367	(3,807)	Advances		1,086,566	(649,716)
865	1,661	Other assets (excluding advance taxation)		147,856	283,479
<u>110,574</u>	<u>49,529</u>			<u>18,870,576</u>	<u>8,452,631</u>
<b>Increase / (decrease) in operating liabilities</b>					
-	-	Bills payable		-	-
110,986	(142,185)	Borrowings		18,940,596	(24,265,017)
(30,541)	83,312	Deposits		(5,212,026)	14,217,748
(1,377)	556	Other liabilities (excluding current taxation)		(235,098)	94,841
<u>79,068</u>	<u>(58,317)</u>			<u>13,493,472</u>	<u>(9,952,428)</u>
<u>193,880</u>	<u>(1,666)</u>			<u>33,087,057</u>	<u>(284,192)</u>
(2,002)	(2,410)	Income tax paid		(341,589)	(411,274)
<u>191,878</u>	<u>(4,076)</u>	<b>Net cash flow generated from / (used in) operating activities</b>		<u>32,745,468</u>	<u>(695,466)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
(189,454)	4,212	Net investments in available-for-sale securities		(32,331,790)	718,808
1,373	(3)	Investments in associates		234,263	(506)
(14)	(586)	Investment in subsidiary		(2,445)	(100,000)
68	320	Dividend received		11,678	54,550
(81)	(183)	Investments in operating fixed assets		(13,875)	(31,297)
31	38	Proceeds from sale of fixed assets		5,356	6,450
<u>(188,077)</u>	<u>3,798</u>	<b>Net cash flow (used in) / generated from investing activities</b>		<u>(32,096,813)</u>	<u>648,005</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
(11)	(3)	Payments of lease obligations		(1,885)	(503)
(112)	(141)	Payments of lease liability against right-of-use assets		(19,128)	(24,012)
(2,703)	(2,523)	Dividend paid		(461,250)	(430,500)
<u>(2,826)</u>	<u>(2,667)</u>	<b>Net cash flow (used in) financing activities</b>		<u>(482,263)</u>	<u>(455,015)</u>
<u>975</u>	<u>(2,945)</u>	<b>Increase / (decrease) in cash and cash equivalents</b>		<u>166,392</u>	<u>(502,476)</u>
8,982	12,470	Cash and cash equivalents at beginning of the period		1,532,869	2,128,067
<u>9,957</u>	<u>9,525</u>	<b>Cash and cash equivalents at end of the period</b>	31	<u>1,699,261</u>	<u>1,625,591</u>

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

Bahauddin Khan

Mohammad Jamal Nasir

Omar Hamid Khan

Ayham Abdul Aziz  
Qadar Al Ghassani

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 nine months ended 30 September 2021**

**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 2020.

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 vide its BPRD Circular No. 04 of 2019 dated 23 October 2019 directed the Banks / DFIs in Pakistan to implement IFRS 9 with effect from 01 January 2021 and subsequently extend the date to January 01, 2022 vide BPRD Circular Letter No. 24 of 2021 date July 05, 2021. IFRS 9 replaces 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, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

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.170.6576 = 1 US dollar for the nine months ended 30 September 2021 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, 2021 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 standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

IFRS 9 'Financial Instruments'	January 01, 2022
Covid-19-Related Rent Concessions beyond 30 June 2021 - Amendment to IFRS 16	April 01, 2021
Reference to the Conceptual Framework – Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Annual improvement process IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	01 January 2022
Annual improvement process IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
Annual improvement process IAS 41 Agriculture – Taxation in fair value measurements	01 January 2022
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	January 01, 2023

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 2009
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 2020.

### **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 2020.

### **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, 2020.

		(Un-audited) 30 September 2021	(Audited) 31 December 2020
	Note	(Rupees in '000)	
<b>6 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
local currency		320	286
foreign currency		225	229
		545	515
With State Bank of Pakistan in			
Local currency current account	6.1	169,723	213,002
With National Bank of Pakistan in			
Local currency current account		916	916
		<u>171,184</u>	<u>214,433</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		9,983	4,107
In deposit accounts	7.1	1,515,510	1,307,024
		<u>1,525,493</u>	<u>1,311,131</u>
Outside Pakistan:			
In current accounts		2,584	7,305
		<u>1,528,077</u>	<u>1,318,436</u>
<b>7.1</b>	These include term deposit receipts (TDRs) of Rs. 1,500 million (2020: Rs. 1,300 million) maturing from October 2021 to December 2021 (2020: March 2021). These carry mark-up rates ranging from 8.50% to 9.50% (2020: 14.50% to 14.75%) per annum.		
<b>8 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Placements		500,000	-
Repurchase agreement lendings (Reverse Repo)		-	3,600,000
		<u>500,000</u>	<u>3,600,000</u>

## 9 INVESTMENTS

(Un-audited)				(Audited)			
30 September 2021				31 December 2020			
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	8,939,268	-	(1,190)	8,938,078	23,475,422	-	3,703	23,479,125
Shares	-	-	-	-	-	-	-	-
Non-Government debt securities	-	-	-	-	-	-	-	-
	<b>8,939,268</b>	<b>-</b>	<b>(1,190)</b>	<b>8,938,078</b>	23,475,422	-	3,703	23,479,125

**Available-for-sale securities**

Federal Government securities	71,572,569	-	105,062	71,677,631	39,349,987	-	354,442	39,704,429
Shares	600,958	(110,311)	2,030	492,677	346,266	(110,311)	-	235,955
Non-Government debt securities	3,507,821	(469,550)	37,516	3,075,787	3,653,305	(518,343)	(2,475)	3,132,487
	<b>75,681,348</b>	<b>(579,861)</b>	<b>144,608</b>	<b>75,246,095</b>	43,349,558	(628,654)	351,967	43,072,871

**Associates**

	1,060,832	(70,726)	-	990,106	1,295,095	(70,726)	-	1,224,369
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**Subsidiary**

	600,745	(157,375)	-	443,370	598,300	(157,375)	-	440,925
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**Total Investments**

	<b>86,282,193</b>	<b>(807,962)</b>	<b>143,418</b>	<b>85,617,649</b>	68,718,375	(856,755)	355,670	68,217,290
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## 9.1.1 Investments given as collateral

	(Un-audited)				(Audited)			
	30 September 2021				31 December 2020			
	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	36,269,683	-	150,338	36,420,021	34,974,450	-	325,567	35,300,017
- Market Treasury Bills	39,574,061	-	(39,048)	39,535,013	16,932,963	-	22,277	16,955,240
	75,843,744	-	111,290	75,955,034	51,907,413	-	347,844	52,255,257
<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>76,140,470</b>	<b>(70,726)</b>	<b>111,290</b>	<b>76,181,034</b>	<b>52,204,139</b>	<b>(70,726)</b>	<b>347,844</b>	<b>52,481,257</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

## Closing balance

	(Un-audited) 30 September 2021	(Audited) 31 December 2020
	856,755	811,844
	5,015	54,866
	(53,808)	(9,955)
	(48,793)	44,911
	807,962	856,755

## 9.2.2 Particulars of provision against debt securities

## Category of classification

## Domestic

Other assets especially mentioned  
Substandard  
Doubtful  
Loss  
Total

	(Un-audited)		(Audited)	
	30 September 2021		31 December 2020	
	NPI	Provision	NPI	Provision
(Rupees in '000)				
	-	-	-	-
	-	-	75,000	5,015
	75,000	10,030	-	-
	479,969	459,520	533,777	513,328
	554,969	469,550	608,777	518,343

9.2.3 In accordance with SBP Prudential Regulations for Corporate / Commercial Banking, Regulation R-8, the Company has availed the benefit of FSV against the non-performing investments. As of 30 September 2021, the Company has availed total accumulated FSV benefit amounting to Rs. 27.47 million (net of tax Rs. 19.50 million). Accordingly, accumulated profit of Rs 19.50 million (net of transfer to statutory reserves Rs. 15.60 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 Board in its meeting held on 15 July 2021 has approved sale of its entire shareholding in Pak Oman Microfinance Bank Limited to its Majority shareholder LOLC Private Limited subject to regulatory compliance.

9.2.5 The Company does not hold overseas classified debt securities.

\* NPI stands for Non-performing investments.

## 10 ADVANCES

	Performing		Non-performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	------(Rupees in '000)-----					
Loans, cash credits, running finances, etc.	18,016,112	19,200,645	1,728,232	1,527,219	19,744,344	20,727,864
Margin trading	756,305	859,351	-	-	756,305	859,351
Advances - Gross	18,772,417	20,059,996	1,728,232	1,527,219	20,500,649	21,587,215
Provision against advances						
Specific	-	-	647,651	651,697	647,651	651,697
General	216	213	-	-	216	213
	216	213	647,651	651,697	647,867	651,910
Advances - net of provision	18,772,201	20,059,783	1,080,581	875,522	19,852,782	20,935,305

## 10.1 Particulars of advances (Gross)

	(Un-audited) 30 September 2021	(Audited) 31 December 2020
	(Rupees in '000)	
In local currency	20,500,649	21,587,215
In foreign currencies	-	-
	20,500,649	21,587,215

## 10.2 Advances include Rs. 1,728 million (2020: Rs 1,527 million) which have been placed under the non-performing status as detailed below:

Category of Classification	(Un-audited) 30 September 2021		(Audited) 31 December 2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	------(Rupees in '000)-----			
<b>Domestic</b>				
Other Assets Especially Mentioned	-	-	-	-
Substandard	750,000	2,424	854,762	3,956
Doubtful	332,857	24,568	-	-
Loss	645,375	620,659	672,457	647,741
	1,728,232	647,651	1,527,219	651,697

## 10.3 Particulars of provision against advances

	(Un-audited) 30 September 2021			(Audited) 31 December 2020		
	Specific	General	Total	Specific	General	Total
	------(Rupees in '000)-----					
Opening balance	651,697	213	651,910	551,656	213	551,869
Charge for the year	23,036	3	23,039	100,336	-	100,336
Reversals	(27,082)	-	(27,082)	(295)	-	(295)
	(4,046)	3	(4,043)	100,041	-	100,041
Amounts written off	-	-	-	-	-	-
Closing balance	647,651	216	647,867	651,697	213	651,910

- 10.4** In accordance with BPRD Circular No. 6 dated 26 June 2014 issued by the SBP, the Company has availed the benefit of FSV against the non-performing advances. As of 30 September 2021, the Company has availed total accumulated FSV benefit amounting to Rs. 335 million (net of tax Rs. 238 million). Accordingly, accumulated profit of Rs 238 million (net of transfer to statutory reserves Rs. 190 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) 30 September 2021	(Audited) 31 December 2020
		(Rupees in '000)	
<b>11 FIXED ASSETS</b>			
Capital work-in-progress		-	5,505
Property and equipment	11.1 & 11.2	88,509	83,540
Right of use assets		116,744	130,194
		<u>205,253</u>	<u>219,239</u>

	(Un-audited) 30 September 2021	(Un-audited) 30 September 2020
	(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>	-	3,534
<b>Property and equipment</b>		
Improvements	1,410	908
Office equipments	469	1,151
Computer equipments	693	1,439
Furniture and fixture	350	1,049
Vehicles	16,561	23,216
	<u>19,483</u>	<u>27,763</u>
Total	<u>19,483</u>	<u>31,297</u>

**11.2 Disposal of fixed assets**

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

Improvements	28	-
Vehicles	-	735
Total	<u>28</u>	<u>735</u>

	(Un-audited) 30 September 2021	(Audited) 31 December 2020
	(Rupees in '000)	
<b>12 DEFERRED TAX ASSETS</b>		
<b>Deductible Temporary Differences on</b>		
Provision for diminution in the value of investments	213,799	227,948
Assets subject to finance leases	(214)	57
Amortisation of premium on Federal Government Securities	2,340	1,245
Provision against non-performing advances	187,881	189,054
Revaluation on investments classified as available-for-sale	(41,653)	(102,070)
Revaluation on investments classified as held-for-trading	345	(1,075)
Net investment in finance leases	(73,569)	(75,300)
	<b>288,929</b>	<b>239,859</b>
<b>Taxable Temporary Differences on</b>		
Accelerated tax depreciation allowances	11,877	8,400
Revaluation on non-banking assets	(17,629)	(21,717)
Dividend receivable	-	-
	<b>(5,752)</b>	<b>(13,317)</b>
	<b>283,177</b>	<b>226,542</b>
<b>13 OTHER ASSETS</b>		
Income / mark-up accrued in local currency - net of provision	1,143,668	1,079,773
Dividend income receivable	-	-
Mark-up / profit receivable on purchase of securities	218,077	443,144
Security deposits	4,100	4,486
Prepayments	15,255	9,528
Taxation	299,048	161,564
Non-banking assets acquired in satisfaction of claims	225,824	237,118
Others	8,320	345
	<b>1,914,292</b>	<b>1,935,958</b>
Less: Provision held against other assets	-	-
Other assets (net of provisions)	<b>1,914,292</b>	<b>1,935,958</b>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	<b>136,065</b>	<b>138,873</b>
	<b>2,050,357</b>	<b>2,074,831</b>

	(Un-audited) 30 September 2021	(Audited) 31 December 2020
	(Rupees in '000)	
<b>14 BORROWINGS</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan:		
- Long term financing facility (LTFF)	2,599,083	2,605,135
- Financing Power Plants Using Renewable Energy (REF)	267,062	139,508
- Financing Facility for Storage of Agricultural Produce (FFSAP)	46,154	50,000
- Temporary Economic Refinance Facility (TERF)	83,612	42,173
Repurchase agreement borrowings	62,918,832	43,334,174
Long term borrowings	3,915,000	3,471,293
Short term running finance	53,509	127,713
Bai Muajjal	13,164,594	12,040,769
<b>Total secured</b>	<b>83,047,846</b>	<b>61,810,765</b>
<b>Unsecured</b>		
Placements	-	-
Murabaha financing	6,444,519	8,741,004
<b>Total unsecured</b>	<b>6,444,519</b>	<b>8,741,004</b>
	<b>89,492,365</b>	<b>70,551,769</b>

**15 DEPOSITS AND OTHER ACCOUNTS**

	(Un-audited) 30 September 2021		(Audited) 31 December 2020	
	In local currency	Total	In local currency	Total
	(Rupees in '000)			
<b>Certificates of investment</b>				
Financial institutions	-	-	3,012,000	3,012,000
Others	10,657,104	10,657,104	12,857,130	12,857,130
	<b>10,657,104</b>	<b>10,657,104</b>	<b>15,869,130</b>	<b>15,869,130</b>

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

	(Un-audited) 30 September 2021			(Audited) 31 December 2020		
	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	346	778	197	-	197
Later than one year and upto five years	3,922	577	3,345	-	-	-
	<b>5,046</b>	<b>923</b>	<b>4,123</b>	<b>197</b>	<b>-</b>	<b>197</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% (2020: 7.90%) per annum. At the end of lease term, the Company has option to acquire the assets, subject to adjustment of security deposit.

			(Un-audited) 30 September 2021 (Rupees in '000)	(Audited) 31 December 2020
<b>17</b>	<b>OTHER LIABILITIES</b>			
	Mark-up/ Return/ Interest payable in local currency		455,023	543,562
	Accrued expenses		278,715	327,377
	Staff gratuity		-	3,333
	Security deposits against investment in finance leases		147,902	173,883
	Lease liability against right-of-use assets		136,225	144,485
	Withholding tax and sales tax payable		1,074	6,413
	Others		39,651	102,894
			<b>1,058,590</b>	<b>1,301,947</b>
<b>18</b>	<b>SHARE CAPITAL</b>			
<b>18.1</b>	<b>Authorized Capital</b>			
		(Unaudited) 30-Sep-21 (Number of shares)	(Audited) 31-Dec-20	(Unaudited) 30-Sep-21 (Rupees in '000)
		<b>1,000,000,000</b>	1,000,000,000	<b>10,000,000</b>
			Ordinary shares of Rs.10 each	<b>10,000,000</b>
<b>18.2</b>	<b>Issued, subscribed and paid-up</b>			
		30-Sep-21	31-Dec-20	30-Sep-21
				31-Dec-20
				Ordinary shares of Rs. 10 each
		<b>600,000,000</b>	600,000,000	<b>6,000,000</b>
		<b>15,000,000</b>	15,000,000	<b>150,000</b>
				- Fully paid in cash
				- Issued as bonus shares
		<b>615,000,000</b>	<b>615,000,000</b>	<b>6,150,000</b>
				<b>6,150,000</b>
<b>18.3</b>	The Ministry of Finance on behalf of the Government of Pakistan and Sultanate of Oman through Oman Investment Authority (2020: through Ministry of Finance) each holds 307,495,900 (2020: 307,495,900) ordinary shares of the Company, while 4,100 (2020: 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>18.4</b>	Subsequent to the issuance of Royal Degree of Sultanate of Oman for better management of Sultanate assets, 307,495,900 shares in the name of Ministry of Finance, Sultanate of Oman has been transferred in the name of Oman Investment Authority, Sultanate of Oman on October 04, 2021. The shareholding of Pak Oman Investment Company Limited remains equal to 50:50 between Government of Pakistan and Government of the Sultanate of Oman.			
<b>19</b>	<b>SURPLUS ON REVALUATION OF ASSETS</b>			
	Surplus on revaluation of			
	- Available for sale securities		144,608	351,967
	- Non-banking assets acquired in satisfaction of claims		136,065	138,873
			<b>280,673</b>	<b>490,840</b>
	Deferred tax on surplus on revaluation of:			
	- Available for sale securities		(41,653)	(102,070)
	- Non-banking assets acquired in satisfaction of claims		(39,458)	(40,272)
			<b>(81,111)</b>	<b>(142,342)</b>
			<b>199,562</b>	<b>348,498</b>

		(Unaudited) 30-Sep-21	(Audited) 31-Dec-20
(Rupees in '000)			
<b>20</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	<b>Transaction related contingent liability:</b>		
	Standby letter of credit	<b>667,080</b>	723,075
	Pledge of shares on behalf of Japan Power Generation Limited	20.1 <b>70,726</b>	70,726
	Pledge of shares on behalf of Orient Power Company (Private) Limited	20.2 <b>226,000</b>	226,000
	Commitments for:		
	Sale of Government securities	<b>78,535</b>	-
	Commitments for advances and net investment in finance leases	<b>1,530,707</b>	808,730
	Securities given as collateral against loan taken by Pak Oman Asset Management Company Limited	20.3 <b>36,000</b>	45,000
<b>20.1</b>	Shares in Japan Power Generation Limited (JPGL) (an associate) aggregating 17,622,878 having a cost of Rs. 70.726 million (2020: 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).		
<b>20.2</b>	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.		
<b>20.3</b>	PIBs having face value amounting to Rs. 36 million (2020: Rs 45 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) Nine months ended	
Note		30 September 2021	30 September 2020
(Rupees in '000)			
<b>21</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	On:		
	a) Loans and advances	1,223,285	1,761,908
	b) Investments	4,286,499	5,430,695
	c) Lendings to financial institutions	75,138	286,948
	d) Balances with banks	87,583	151,202
		<u>5,672,505</u>	<u>7,630,753</u>
<b>22</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	a) Deposits	665,955	1,052,313
	b) Borrowings	3,954,165	5,193,157
	c) Lease liability against right-of-use assets	10,869	11,378
		<u>4,630,989</u>	<u>6,256,848</u>
<b>23</b>	<b>FEE AND COMMISSION INCOME</b>		
	Credit related fees	41,838	13,498
	Investment banking fees	4,395	6,587
	Commission on guarantees	3,242	2,810
	Underwriting commission of Government securities auction	6,048	-
		<u>55,523</u>	<u>22,895</u>
<b>24</b>	<b>GAIN ON SECURITIES</b>		
	Realised	112,415	270,940
	Unrealised - held for trading	(4,893)	18,401
		<u>107,522</u>	<u>289,341</u>
<b>24.1</b>	<b>Realised gain/(loss) on:</b>		
	Federal Government Securities	96,035	265,072
	Non Government debt securities	1,322	5,362
	Mutual Funds	15,058	506
		<u>112,415</u>	<u>270,940</u>
<b>25</b>	<b>OTHER INCOME</b>		
	Gain on sale of fixed assets - net	5,328	2,065
	Rent on property	958	-
		<u>6,286</u>	<u>2,065</u>

## 26 OPERATING EXPENSES

	(Un-audited)	
	Nine months ended	
	30 September 2021	30 September 2020
	(Rupees in '000)	
Total compensation expense	355,236	337,375
<b>Property expense</b>		
Rent & taxes	-	638
Utilities cost	3,860	2,956
Security (including guards)	478	437
Repair & maintenance (including janitorial charges)	9,409	6,940
Depreciation on right-of-use assets & improvements	15,957	18,314
Depreciation	1,580	1,580
	<b>31,284</b>	<b>30,865</b>
<b>Information technology expenses</b>		
Software maintenance	880	880
Hardware maintenance	16	317
Depreciation	1,012	878
Amortisation	-	5
Network charges	2,091	1,941
Others	914	791
	<b>4,913</b>	<b>4,812</b>
<b>Other operating expenses</b>		
Directors' fees and allowances	26,550	20,014
Legal & professional charges	10,530	5,391
Travelling & conveyance	3,270	4,687
Depreciation	28,995	27,607
Training & development	2,374	177
Postage & courier charges	670	495
Communication	5,478	5,176
Stationery & printing	1,305	1,031
Marketing, advertisement & publicity	3,082	921
Donations	-	400
Auditors' remuneration	1,866	1,428
Membership and subscriptions	1,581	1,393
Transportation	7,309	6,833
Insurance	2,566	2,424
Finance charges on leased assets	203	196
Entertainment and canteen expenses	3,890	2,394
Maintenance charges - Non-banking assets	2,660	5,201
Others	5,644	4,269
	<b>107,973</b>	<b>90,037</b>
Total operating expenses	<b>499,406</b>	<b>463,089</b>

		(Un-audited)	
		Nine months ended	
		30 September 2021	30 September 2020
		(Rupees in '000)	
<b>27</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by State Bank of Pakistan	1,601	-
	Fee, commission and others	30,127	23,882
		<u>31,728</u>	<u>23,882</u>
<b>28</b>	<b>REVERSAL / (PROVISIONS) &amp; WRITE OFFS - NET</b>		
	Reversal of provision for diminution in value of investments - net	48,793	-
	Reversal of provision against loans & advances - net	4,043	295
		<u>52,836</u>	<u>295</u>
<b>29</b>	<b>TAXATION</b>		
	Current	204,105	270,399
	Prior years	-	-
	Deferred	3,781	76,304
		<u>207,886</u>	<u>346,703</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)	
		Nine months ended	
		30 September 2021	30 September 2020
		(Rupees in '000)	
<b>30</b>	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Profit after taxation	521,456	884,255
	Weighted average number of ordinary shares issued	615,000	615,000
	Basic and diluted earnings per share	0.85	1.44

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

		(Un-audited)	
		Nine months ended	
		30 September 2021	30 September 2020
		(Rupees in '000)	
<b>31</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and balances with treasury banks	171,184	280,555
	Balances with other banks	1,528,077	1,345,036
		<u>1,699,261</u>	<u>1,625,591</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 30 September 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	-	80,615,709	-	80,615,709
Shares	256,722	-	-	256,722
Non-Government debt securities	-	3,075,787	-	3,075,787
Mutual funds	-	625,142	-	625,142
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments	-	-	1,320,755	1,320,755
(Audited)				
As at 31 December 2020				
	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	-	63,183,554	-	63,183,554
Non-Government debt securities	-	3,132,487	-	3,132,487
Mutual funds	-	873,584	-	873,584
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments	-	-	1,061,588	1,061,588

### 32.2 Fair value of non-financial assets

(Un-audited)				
As at 30 September 2021				
	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 2020				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Non-banking assets acquired in satisfaction of claims	-	-	375,991	375,991

## 33 SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

	(Un-audited)			
	Nine months ended 30 September 2021			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
<b>Profit &amp; loss account</b>				
Net mark-up / return / profit	302,758	(87,157)	825,915	1,041,516
Non mark-up / return / interest income	45,080	32,089	103,840	181,009
Total income	347,838	(55,068)	929,755	1,222,525
Segment direct expenses	284,799	34,325	226,895	546,019
Reversals	4,043	-	48,793	52,836
Profit before tax	67,082	(89,393)	751,653	729,342
	(Un-audited)			
	As at 30 September 2021			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
<b>Statement of financial position</b>				
Cash & Bank balances	-	-	1,699,261	1,699,261
Investments	-	1,669,431	83,948,218	85,617,649
Lendings to financial institutions	-	-	500,000	500,000
Advances - performing	18,015,896	-	756,305	18,772,201
non- performing	1,080,581	-	-	1,080,581
Others	786,157	430,035	1,322,595	2,538,787
<b>Total assets</b>	19,882,634	2,099,466	88,226,379	110,208,479
Borrowings	16,619,702	1,693,797	71,178,866	89,492,365
Subordinated debt	-	-	-	-
Deposits & other accounts	1,922,641	203,017	8,531,446	10,657,104
Others	312,942	17,427	732,344	1,062,713
<b>Total liabilities</b>	18,855,285	1,914,241	80,442,656	101,212,182
Equity	1,027,349	185,225	7,783,723	8,996,297
<b>Total equity &amp; liabilities</b>	19,882,634	2,099,466	88,226,379	110,208,479
<b>Contingencies &amp; commitments</b>	2,197,787	332,726	78,535	2,609,048
	(Un-audited)			
	Nine months ended 30 September 2020			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
<b>Profit &amp; loss account</b>				
Net mark-up / return / profit	423,137	(120,097)	1,070,865	1,373,905
Non mark-up / return / interest income	16,634	61,381	290,836	368,851
Total income	439,771	(58,716)	1,361,701	1,742,756
Segment direct expenses	271,490	37,695	202,908	512,093
Reversals	295	-	-	295
Profit before tax	168,576	(96,411)	1,158,793	1,230,958
	(Audited)			
	As at 31 December 2020			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
<b>Statement of financial position</b>				
Cash & Bank balances	-	-	1,532,869	1,532,869
Investments	-	1,901,249	66,316,041	68,217,290
Lendings to financial institutions	-	-	3,600,000	3,600,000
Advances - performing	19,200,432	-	859,351	20,059,783
non-performing	875,522	-	-	875,522
Others	732,382	439,917	1,348,313	2,520,612
<b>Total assets</b>	20,808,336	2,341,166	73,656,574	96,806,076
Borrowings	15,787,228	1,687,062	53,077,479	70,551,769
Subordinated debt	-	-	-	-
Deposits & other accounts	3,411,048	383,780	12,074,302	15,869,130
Others	416,401	27,286	858,457	1,302,144
<b>Total liabilities</b>	19,614,677	2,098,128	66,010,238	87,723,043
Equity	1,193,659	243,038	7,646,336	9,083,033
<b>Total equity &amp; liabilities</b>	20,808,336	2,341,166	73,656,574	96,806,076
<b>Contingencies &amp; commitments</b>	1,531,805	341,726	-	1,873,531

## **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. The details of investments in subsidiary company and associates are stated in note 9 to these interim financial statements.

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:

### **34.1 Subsidiary**

Pak Oman Asset Management Company Limited

### **34.2 Associates**

Japan Power Generation Limited  
Pak Oman Microfinance Bank Limited  
Pak Oman Advantage Islamic Income Fund  
Pak Oman Islamic Asset Allocation Fund  
Pak Oman Advantage Asset Allocation Fund  
Askari High Yield Scheme  
Pak Oman Government Securities Fund

### **34.3 Retirement benefit fund**

Defined benefit plan  
Defined contribution plan

### **34.4 Other related party**

Orient Power Company (Private) Limited  
Ismail Industries Limited  
K- Electric  
Diamond Textile Mills (Pvt.) Limited

34.5 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 30 September 2021 (Un-audited)						As at 31 December 2020 (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)											
<b>Investments</b>												
Opening balance	-	-	598,300	1,295,095	-	726,000	-	-	498,300	1,045,951	-	726,000
Investment made during the year	-	-	2,445	995,031	-	-	-	-	100,000	395,000	-	-
Investment redeemed / disposed off during the year	-	-	-	(1,229,294)	-	-	-	-	-	(145,856)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	600,745	1,060,832	-	726,000	-	-	598,300	1,295,095	-	726,000
Provision for diminution in value of investments	-	-	157,375	70,726	-	-	-	-	157,375	70,726	-	-
<b>Advances</b>												
Opening balance	-	41,535	-	68,200	-	524,566	-	38,487	-	68,200	-	565,459
Addition during the year	-	8,297	-	-	-	-	-	12,577	-	-	-	-
Repaid during the year	-	(9,408)	-	-	-	(41,870)	-	(9,529)	-	-	-	(40,893)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	40,424	-	68,200	-	482,696	-	41,535	-	68,200	-	524,566
Provision held against advances	-	-	-	68,200	-	-	-	-	-	68,200	-	-
	As at 30 September 2021 (Un-audited)						As at 31 December 2020 (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)											
<b>Other Assets</b>												
Interest / mark-up accrued	-	-	-	-	-	1,472	-	-	-	-	-	8,725
Receivable from staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	1,472	-	-	-	-	-	8,725
Provision against other assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>												
Opening balance	-	5,532	-	-	6,871	-	-	4,082	-	-	-	-
Received during the year	-	32,828	-	-	3,923	-	-	89,090	-	-	18,297	-
Withdrawn during the year	-	(34,743)	-	-	(10,794)	-	-	(87,640)	-	-	(11,426)	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	3,617	-	-	-	-	-	5,532	-	-	6,871	-
<b>Other Liabilities</b>												
Interest / mark-up payable	-	2	-	-	-	-	-	23	-	-	16	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	3,333	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
	-	2	-	-	-	-	-	23	-	-	3,349	-
<b>Outright sale of Securities</b>	-	-	-	1,455,199	3,633,455	-	-	-	-	1,090,752	879,049	-
<b>Outright purchase of Securities</b>	-	-	-	155,884	3,233,167	-	-	-	-	406,109	906,989	-
<b>Contingencies and Commitments</b>												
Other contingencies	-	-	36,000	70,726	-	226,000	-	-	45,000	70,726	-	226,000

## 34.6 Related party transactions

	Nine months ended 30 September 2021 (Un-audited)					Nine months ended 30 September 2020 (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) -----												
<b>Income</b>												
Mark-up / return / interest earned	-	1,093	-	1,306	-	52,334	-	1,201	-	-	-	83,529
Fee and commission income	-	-	-	-	-	2,373	-	-	-	-	-	2,500
Dividend income	-	-	-	11,678	-	-	-	-	-	54,550	-	-
Net gain on sale of securities	-	-	-	15,598	(195)	-	-	-	-	602	6	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expense</b>												
Mark-up / return / interest paid	-	283	-	-	48	-	-	684	-	-	245	-
Operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Non- Executive Directors' fees and allowances	26,550	-	-	-	-	-	20,014	-	-	-	-	-
Compensation expenses	-	285,964	-	-	-	-	-	205,408	-	-	-	-
Contribution to defined contribution plan	-	-	-	-	14,428	-	-	-	-	-	13,787	-
Charge for defined benefit plan	-	-	-	-	14,654	-	-	-	-	-	11,729	-

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

	(Un-audited) 30 September 2021	(Audited) 31 December 2020
	(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>7,056,185</u>	6,765,747
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>7,056,185</u>	6,765,747
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	<u>7,056,185</u>	<u>6,765,747</u>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>23,470,309</u>	24,577,361
Market Risk	<u>14,047,291</u>	12,164,424
Operational Risk	<u>2,615,074</u>	2,615,074
Total	<u>40,132,674</u>	<u>39,356,859</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>17.58%</u>	17.19%
Tier 1 Capital Adequacy Ratio	<u>17.58%</u>	17.19%
Total Capital Adequacy Ratio	<u>17.58%</u>	17.19%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<u>7,056,185</u>	6,765,747
Total Exposures	<u>111,578,768</u>	90,371,275
Leverage Ratio	<u>6.32%</u>	7.49%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<u>11,618,240</u>	9,163,212
Total Net Cash Outflow	<u>16,655,783</u>	17,443,202
Liquidity Coverage Ratio	<u>69.75%</u>	52.53%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<u>20,685,887</u>	22,160,134
Total Required Stable Funding	<u>20,337,296</u>	21,830,106
Net Stable Funding Ratio	<u>101.71%</u>	101.51%

**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 October 27, 2021 by the Board of Directors of the Company.

Bahauddin Khan

Mohammad Jamal Nasir

Omar Hamid Khan

Ayham Abdul Aziz Qadar  
Al GhassaniSayyid 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**