

**PAK OMAN INVESTMENT
COMPANY LIMITED**

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

**FOR THE FIRST QUARTER
ENDED 31 MARCH 2021**

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Statement of Financial Position
As at 31 March 2021

(Un-audited) 31 March 2021 (US Dollar in '000)	(Audited) 31 December 2020		(Un-audited) 31 March 2021 (Rupees in '000)	(Audited) 31 December 2020 (Rupees in '000)
		Note		
ASSETS				
1,084	1,404	6	165,535	214,433
5,897	8,631	7	900,861	1,318,436
6,772	23,567	8	1,034,503	3,600,000
571,182	446,569	9	87,252,934	68,217,290
131,722	137,048	10	20,121,669	20,935,305
1,403	1,435	11	214,309	219,239
-	-	12	-	-
1,707	1,483	13	260,787	226,542
12,163	13,582	14	1,857,947	2,074,831
731,930	633,719		111,808,545	96,806,076
LIABILITIES				
-	-		-	-
589,817	461,851	15	90,099,670	70,551,769
78,496	103,884	16	11,990,891	15,869,130
29	1	17	4,486	197
-	-		-	-
-	-	13	-	-
6,613	8,523	18	1,010,136	1,301,947
674,955	574,259		103,105,183	87,723,043
56,975	59,460		8,703,362	9,083,033
NET ASSETS				
REPRESENTED BY				
40,260	40,260		6,150,000	6,150,000
11,781	11,521		1,799,670	1,759,985
1,512	2,281	19	230,985	348,498
3,422	5,398		522,707	824,550
56,975	59,460		8,703,362	9,083,033
CONTINGENCIES AND COMMITMENTS				
		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
Said

Chairman

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)
For the first quarter ended 31 March 2021

31 March 2021 (US Dollar in '000)	31 March 2020		Note	31 March 2021 (Rupees in '000)	31 March 2020
10,800	18,329	Mark-up / return / interest earned	21	1,649,791	2,799,848
8,385	16,441	Mark-up / return / interest expensed	22	1,280,807	2,511,560
<u>2,415</u>	<u>1,888</u>	Net mark-up / return / interest income		<u>368,984</u>	<u>288,288</u>
NON MARK-UP / INTEREST INCOME					
126	59	Fee and commission income	23	19,284	9,030
-	-	Dividend income		-	-
-	-	Foreign exchange income		-	-
-	-	Income / (loss) from derivatives		-	-
107	550	Gain on securities	24	16,290	84,071
-	9	Other income	25	-	1,332
<u>233</u>	<u>618</u>	Total non mark-up / interest income		<u>35,574</u>	<u>94,433</u>
<u>2,648</u>	<u>2,506</u>	Total income		<u>404,558</u>	<u>382,721</u>
NON MARK-UP / INTEREST EXPENSES					
1,039	992	Operating expenses	26	158,691	151,541
37	29	Workers Welfare Fund		5,691	4,476
73	50	Other charges	27	11,154	7,668
<u>1,149</u>	<u>1,071</u>	Total non mark-up / interest expenses		<u>175,536</u>	<u>163,685</u>
<u>1,499</u>	<u>1,435</u>	Profit before provisions		<u>229,022</u>	<u>219,036</u>
326	2	Reversals / (Provisions) and write offs - net	28	49,851	295
-	-	Extra ordinary / unusual items		-	-
<u>1,825</u>	<u>1,437</u>	PROFIT BEFORE TAXATION		<u>278,873</u>	<u>219,331</u>
(527)	(425)	Taxation	29	(80,446)	(64,904)
<u>1,298</u>	<u>1,012</u>	PROFIT AFTER TAXATION		<u>198,427</u>	<u>154,427</u>
(US \$)		(Rupees)			
<u>0.0021</u>	<u>0.0016</u>	Basic and diluted earnings per share	30	<u>0.32</u>	<u>0.25</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	_____ Chairman

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
For the first quarter ended 31 March 2021

31 March 2021 (US Dollar in '000)	31 March 2020		31 March 2021 (Rupees in '000)	31 March 2020 (Rupees in '000)
1,298	1,012	Profit after taxation for the period	198,427	154,427
		Other comprehensive income		
		Items that may be reclassified to profit and loss account in subsequent periods		
(765)	3,637	Movements in (deficit) / surplus on revaluation of investments - net of tax	(116,848)	555,511
		Items that will not be reclassified to profit and loss account in subsequent periods		
(4)	(4)	Movement in deficit on revaluation of non-banking assets- net of tax	(665)	(652)
<u>529</u>	<u>4,645</u>	Total comprehensive income	<u>80,914</u>	<u>709,286</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	Chairman

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)
For the first quarter ended 31 March 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
Total comprehensive income							
Profit after taxation	-	-	-	-	-	154,427	154,427
Other comprehensive income / (loss) - net of tax	-	-	-	555,511	(652)	-	554,859
Total comprehensive income for the first quarter ended 31 March 2020	-	-	-	555,511	(652)	154,427	709,286
Transfer to statutory reserve	-	30,885	-	-	-	(30,885)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	652	652
Transaction with owners recorded directly in equity							
Final cash dividend - 31 December 2019 declared subsequent to the year end (Rs. 0.7 per share)	-	-	-	-	-	(430,500)	(430,500)
Opening balance as at 01 April 2020	6,150,000	1,284,759	11,630	673,570	43,016	469,924	8,632,899
Total comprehensive income							
Profit after taxation	-	-	-	-	-	817,979	817,979
Other comprehensive income / (loss) - net of tax	-	-	-	(423,673)	55,585	(1,712)	(369,800)
Total comprehensive income for the nine months ended 31 December 2020	-	-	-	(423,673)	55,585	816,267	448,179
Transfer to statutory reserve	-	163,596	-	-	-	(163,596)	-
Transfer to general reserve	-	-	300,000	-	-	(300,000)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	1,955	1,955
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	-	-	-	-	-	198,427	198,427
Other comprehensive income / (loss) - net of tax	-	-	-	(116,848)	(665)	-	(117,513)
Total comprehensive income for the first quarter ended 31 March 2021	-	-	-	(116,848)	(665)	198,427	80,914
Transfer to statutory reserve	-	39,685	-	-	-	(39,685)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	665	665
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)
Closing balance as at 31 March 2021	6,150,000	1,488,040	311,630	133,049	97,936	522,707	8,703,362

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 first quarter ended 31 March 2021

31 March 2021 (US Dollar in '000)	31 March 2020		Note	31 March 2021 (Rupees in '000)	31 March 2020
		CASH FLOW FROM OPERATING ACTIVITIES			
1,825	1,437	Profit before taxation		278,873	219,331
-	-	Less: Dividend income		-	-
<u>1,825</u>	<u>1,437</u>			<u>278,873</u>	<u>219,331</u>
		Adjustments:			
71	65	Depreciation		10,785	9,930
36	40	Depreciation on right-of-use assets		5,540	6,105
-	-	Amortization		-	3
(326)	(2)	(Reversals) and write offs - net	28	(49,851)	(295)
-	(9)	Gain on sale of fixed assets		-	(1,332)
24	25	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		3,668	3,863
-	-	Finance charges on leased assets		-	37
(38)	(256)	Unrealised (gain) on revaluation of investments classified as held-for-trading		(5,769)	(39,055)
<u>(233)</u>	<u>(137)</u>			<u>(35,627)</u>	<u>(20,744)</u>
<u>1,592</u>	<u>1,300</u>			<u>243,246</u>	<u>198,587</u>
		(Increase) / Decrease in operating assets			
16,794	43,359	Lendings to financial institutions		2,565,497	6,623,478
(158,505)	57,684	Held-for-trading securities		(24,212,967)	8,811,756
5,326	(3,717)	Advances		813,636	(567,805)
1,756	1,572	Other assets (excluding advance taxation)		268,266	240,195
<u>(134,629)</u>	<u>98,898</u>			<u>(20,565,568)</u>	<u>15,107,624</u>
		Increase / (decrease) in operating liabilities			
-	-	Bills payable		-	-
127,966	29,829	Borrowings		19,547,901	4,556,651
(25,388)	9,673	Deposits		(3,878,239)	1,477,710
(1,928)	1,250	Other liabilities (excluding current taxation)		(294,774)	190,909
<u>100,650</u>	<u>40,752</u>			<u>15,374,888</u>	<u>6,225,270</u>
<u>(32,387)</u>	<u>140,950</u>			<u>(4,947,434)</u>	<u>21,531,481</u>
(806)	(1,096)	Income tax paid		(123,049)	(167,415)
<u>(33,193)</u>	<u>139,854</u>	Net cash flow (used in) / generated from operating activities		<u>(5,070,483)</u>	<u>21,364,066</u>
		CASH FLOW FROM INVESTING ACTIVITIES			
32,231	(137,995)	Net investments in available-for-sale securities		4,923,550	(21,079,929)
948	-	Investments in associates		144,819	-
-	(655)	Investment in subsidiary		-	(100,000)
-	-	Dividend received		-	-
(7)	(148)	Investments in operating fixed assets		(1,085)	(22,664)
-	14	Proceeds from sale of fixed assets		-	2,067
<u>33,172</u>	<u>(138,784)</u>	Net cash flow generated from / (used in) investing activities		<u>5,067,284</u>	<u>(21,200,526)</u>
		CASH FLOW FROM FINANCING ACTIVITIES			
(9)	(1)	Payments of lease obligations		(1,319)	(106)
(5)	(55)	Payments of lease liability against right-of-use assets		(705)	(8,431)
(3,019)	(2,818)	Dividend paid		(461,250)	(430,500)
<u>(3,033)</u>	<u>(2,874)</u>	Net cash flow (used in) financing activities		<u>(463,274)</u>	<u>(439,037)</u>
<u>(3,054)</u>	<u>(1,804)</u>	(Decrease) in cash and cash equivalents		<u>(466,473)</u>	<u>(275,497)</u>
10,035	13,931	Cash and cash equivalents at beginning of the period		1,532,869	2,128,067
<u>6,981</u>	<u>12,127</u>	Cash and cash equivalents at end of the period	31	<u>1,066,396</u>	<u>1,852,570</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

Chairman

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

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.152.7586 = 1 US dollar for the first quarter ended 31 March 2021 and the corresponding period.

The unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020.

2.2 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are effective in the current period

There are certain interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after 01 January 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 condensed interim financial statements other than IFRS 9 for which SBP's necessary guidance and instructions are awaited.

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 accounting periods beginning on or after January 01, 2022:

Classification of Liabilities as Current or Non-current - Amendments to IAS 1	01 January 2023
Reference to the Conceptual Framework – Amendments to IFRS 3	01 January 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
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture -Amendments to IFRS 10 and IAS 28	Not yet finalized

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	01 January 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 2019.

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.

The COVID – 19 pandemic has taken a toll on global economy, including Pakistan. To reduce the impact on businesses and economies in general, governments / regulators across the world have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan has also responded to the crisis by cutting the policy rate by 625 basis points since mid-March to 7% in June 2020. Since then, there have been no further adjustments in the policy rate.

5.1 Credit Risk Management

The Company has further strengthened its credit risk assessment in light of COVID – 19. The risk management function is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The detailed credit risk assessment has been carried out against each individual customer applying for principal deferment or rescheduling/restructuring.

5.2 Liquidity Risk Management

In view of the relaxation granted by SBP for deferral of principal and rescheduling / restructuring of loans, the originally expected cash inflows will face a lag. However, cash flows are being closely monitored by Asset and Liability Committee (ALCO) on a constant basis and the Company is confident that the liquidity buffer currently maintained is sufficient to cater to any adverse movement in the cash flow maturity profile.

5.3 Equity Risk Management

The Company has Nil carrying value in listed equity securities - classified as available for sale as of 31 March 2021. Therefore, there is no impact of COVID – 19 on the Company's financial position.

5.4 Operational Risk Management

The management is monitoring the situation and has taken various precautionary measures as notified by the Provincial and Federal Government to address the safety of Company's staff and visitors alike and ensure uninterrupted service to the customers. Such measures include:

- All employees / visitors are screened daily for temperature before entering the premises.
- Wearing a face mask is mandatory for all employees / visitors.
- Entire premises is disinfected on daily basis.
- All employees were tested for COVID – 19 with the Company bearing all testing-related medical costs.
- All employees are required to maintain safe distance while interacting with others with indicative spacing marks been placed around work terminals.

Business Continuity Plan (BCP) is in place and has been rigorously tested. Remote work capabilities were enabled for staff, where required and related risk and control measures were assessed to ensure that the Company's information assets are protected from emerging cyber threats and comply with the regulatory protocols required under the circumstances. Despite difficult working conditions due to outbreak of Covid-19, the Company has ensured that service levels are maintained and turnaround times are monitored so that the benefits of SBP's relief measures are timely forwarded to its customers.

5.5 Capital Adequacy Ratio (CAR)

SBP, vide its BPRD Circular Letter No. 12 of 2020, introduced following 2 measures:

- Capital Conversion Buffer (CCB) reduced from 2.50% to 1.50% which reduced CET1 and CAR requirements by 1.00%
- Regulatory retail portfolio limit was enhanced from Rs. 125 million to Rs. 180 million.

These measures were introduced to encourage banks / DFIs to continue lending, particularly to SME sector, despite anticipated pressure on profits and credit risk.

The Company has continued to fund the real economy while managing its risks. As of 31 March 2021, the Company's CAR stood at 17.10% which is well above the revised requirement of 11.50%.

5.6 Based on profitability of 2021, quality of loan book, solid capital base, resilient deposit based funding structure and availability of unutilized bank lines, management has concluded that there are no material implications of COVID – 19 that require specific disclosure in these financial statements.

		(Un-audited) 31 March 2021	(Audited) 31 December 2020
	Note	(Rupees in '000)	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
local currency		316	286
foreign currency		229	229
		545	515
With State Bank of Pakistan in			
Local currency current account	6.1	164,074	213,002
With National Bank of Pakistan in			
Local currency current account		916	916
		<u>165,535</u>	<u>214,433</u>
6.1	This represent the amount required to be maintained by the Company in accordance with the SBP's Regulations.		
7 BALANCES WITH OTHER BANKS			
In Pakistan:			
In current accounts		32,515	4,107
In deposit accounts	7.1	866,509	1,307,024
		899,024	1,311,131
Outside Pakistan:			
In current accounts		1,837	7,305
		<u>900,861</u>	<u>1,318,436</u>
7.1	These include term deposit receipts (TDRs) of Rs. 850 million (2020: Rs. 1,300 million) maturing in June 2021 (2020: March 2021). These carry mark-up rates ranging from 8.50% to 10.59% (2020: 14.50% to 14.75%) per annum.		
8 LENDINGS TO FINANCIAL INSTITUTIONS			
Placements		-	-
Repurchase agreement lendings (Reverse Repo)		1,034,503	3,600,000
		<u>1,034,503</u>	<u>3,600,000</u>

9 INVESTMENTS

(Un-audited)				(Audited)			
31 March 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	47,314,764	-	9,472	47,324,236	23,475,422	-	3,703	23,479,125
Shares	-	-	-	-	-	-	-	-
Non-Government debt securities	373,625	-	-	373,625	-	-	-	-
	47,688,389	-	9,472	47,697,861	23,475,422	-	3,703	23,479,125

Available-for-sale securities

Federal Government securities	34,694,999	-	190,196	34,885,195	39,349,987	-	354,442	39,704,429
Shares	346,266	(110,311)	-	235,955	346,266	(110,311)	-	235,955
Non-Government debt securities	3,384,743	(468,492)	(2,803)	2,913,448	3,653,305	(518,343)	(2,475)	3,132,487
	38,426,008	(578,803)	187,393	38,034,598	43,349,558	(628,654)	351,967	43,072,871

Associates

	1,150,276	(70,726)	-	1,079,550	1,295,095	(70,726)	-	1,224,369
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Subsidiary

	598,300	(157,375)	-	440,925	598,300	(157,375)	-	440,925
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Total Investments

	87,862,973	(806,904)	196,865	87,252,934	68,718,375	(856,755)	355,670	68,217,290
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9.1.1 Investments given as collateral

	(Un-audited)				(Audited)			
	31 March 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)-----								
Federal Government Securities								
- Pakistan Investment Bonds	36,335,989	-	175,241	36,511,230	34,974,450	-	325,567	35,300,017
- Market Treasury Bills	37,563,460	-	(4,281)	37,559,179	16,932,963	-	22,277	16,955,240
	73,899,449	-	170,960	74,070,409	51,907,413	-	347,844	52,255,257
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	74,196,175	(70,726)	170,960	74,296,409	52,204,139	(70,726)	347,844	52,481,257

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
Amounts written off

Closing balance

(Un-audited) (Audited)
31 March 31 December
2021 2020
(Rupees in '000)

856,755 811,844

-	54,866
(49,851)	(9,955)
(49,851)	44,911

- -
- -

806,904 856,755

9.2.2 Particulars of provision against debt securities

Category of classification

Domestic

Other assets especially mentioned
Substandard
Doubtful
Loss
Total

	(Un-audited)		(Audited)	
	31 March 2021	Provision	31 December 2020	Provision
------(Rupees in '000)-----				
	-	-	-	-
	75,000	5,015	75,000	5,015
	-	-	-	-
	483,926	463,477	533,777	513,328
	558,926	468,492	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 31 March 2021, the Company has availed total accumulated FSV benefit amounting to Rs. 13.73 million (net of tax Rs. 9.75 million). Accordingly, accumulated profit of Rs 9.75 million (net of transfer to statutory reserves Rs. 7.80 million) will not be available for the distribution as cash or stock dividend to the shareholders / bonus to employees of the Company as required by the aforementioned SBP directives.

9.2.4 The Company does not hold overseas classified debt securities.

* NPI stands for Non-performing investments.

10 ADVANCES

	Performing		Non-performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31 March 2021	31 December 2020	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	18,326,759	19,200,645	1,515,314	1,527,219	19,842,073	20,727,864
Margin trading	931,506	859,351	-	-	931,506	859,351
Advances - Gross	19,258,265	20,059,996	1,515,314	1,527,219	20,773,579	21,587,215
Provision against advances						
Specific	-	-	651,697	651,697	651,697	651,697
General	213	213	-	-	213	213
	213	213	651,697	651,697	651,910	651,910
Advances - net of provision	19,258,052	20,059,783	863,617	875,522	20,121,669	20,935,305

10.1 Particulars of advances (Gross)

	(Un-audited) 31 March 2021	(Audited) 31 December 2020
In local currency		
In foreign currencies	20,773,579	21,587,215
	-	-
	<u>20,773,579</u>	<u>21,587,215</u>

10.2 Advances include Rs. 1,515 million (2020: Rs 1,527 million) which have been placed under the non-performing status as detailed below:

Category of Classification	(Un-audited) 31 March 2021		(Audited) 31 December 2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	842,857	3,956	854,762	3,956
Doubtful	-	-	-	-
Loss	672,457	647,741	672,457	647,741
	<u>1,515,314</u>	<u>651,697</u>	<u>1,527,219</u>	<u>651,697</u>

10.3 Particulars of provision against advances

	(Un-audited) 31 March 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	-	-	-	100,336	-	100,336
Reversals	-	-	-	(295)	-	(295)
	-	-	-	100,041	-	100,041
Amounts written off	-	-	-	-	-	-
Closing balance	<u>651,697</u>	<u>213</u>	<u>651,910</u>	<u>651,697</u>	<u>213</u>	<u>651,910</u>

- 10.4** In accordance with BPRD Circular No. 6 dated 26 June 2014 issued by the SBP, the Company has availed the benefit of FSV against the non-performing advances. As of 31 March 2021, the Company has availed total accumulated FSV benefit amounting to Rs. 215.18 million (net of tax Rs. 152.78 million). Accordingly, accumulated profit of Rs 152.78 million (net of transfer to statutory reserves Rs. 122.22 million) will not be available for the distribution as cash or stock dividend to the shareholders / bonus to employees of the Company as required by the aforementioned SBP directives.

	Note	(Un-audited) 31 March 2021	(Audited) 31 December 2020
		(Rupees in '000)	
11 FIXED ASSETS			
Capital work-in-progress	11.1	418	5,505
Property and equipment	11.2 & 11.3	88,424	83,540
Right of use assets	11.2	125,467	130,194
		<u>214,309</u>	<u>219,239</u>

11.1 Capital work-in-progress

Advances to suppliers

<u>418</u>	<u>-</u>
------------	----------

(Un-audited) 31 March 2021	(Un-audited) 31 March 2020
(Rupees in '000)	

11.2 Additions to fixed assets

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

Capital work-in-progress	418	16,334
Property and equipment		
Improvements	-	698
Office equipments	-	256
Computer equipments	617	959
Furniture and fixture	150	850
Vehicles	5,508	3,567
	<u>6,275</u>	<u>6,330</u>
Right of use assets		
Leasehold buildings	-	-
Total	<u>6,693</u>	<u>22,664</u>

11.3 Disposal of fixed assets

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

Office equipment	-	-
Computer equipment	-	-
Furniture and fixture	-	-
Vehicles	-	735
Total	<u>-</u>	<u>735</u>

	Note	(Un-audited) 31 March 2021	(Audited) 31 December 2020
12 INTANGIBLE ASSETS			
Computer Software	12.1	-	-
		<u>-</u>	<u>-</u>

12.1 There were no additions to or disposals of intangible assets during the period.

	(Un-audited) 31 March 2021	(Audited) 31 December 2020
13 DEFERRED TAX ASSETS		
Deductible Temporary Differences on		
Provision for diminution in the value of investments	213,492	227,948
Assets subject to finance leases	(298)	57
Amortisation of premium on Federal Government Securities	1,922	1,245
Provision against non-performing advances	189,054	189,054
Revaluation on investments classified as available-for-sale	(54,344)	(102,070)
Revaluation on investments classified as held-for-trading	(2,747)	(1,075)
Net investment in finance leases	(77,161)	(75,300)
	<u>269,918</u>	<u>239,859</u>
Taxable Temporary Differences on		
Accelerated tax depreciation allowances	11,224	8,400
Revaluation on non-banking assets	(20,355)	(21,717)
	<u>(9,131)</u>	<u>(13,317)</u>
	<u>260,787</u>	<u>226,542</u>

14 OTHER ASSETS		
Income / mark-up accrued in local currency - net of provision	1,066,189	1,079,773
Mark-up / profit receivable on purchase of securities	190,426	443,144
Security deposits	4,100	4,486
Prepayments	8,058	9,528
Taxation	217,647	161,564
Non-banking assets acquired in satisfaction of claims	233,352	237,118
Staff gratuity	-	-
Others	237	345
	<u>1,720,009</u>	<u>1,935,958</u>
Less: Provision held against other assets	-	-
Other assets (net of provisions)	<u>1,720,009</u>	<u>1,935,958</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	137,938	138,873
	<u>1,857,947</u>	<u>2,074,831</u>

	(Un-audited) 31 March 2021	(Audited) 31 December 2020
	(Rupees in '000)	
15 BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan:		
- Long term financing facility (LTFF)	2,606,149	2,605,135
- Financing Power Plants Using Renewable Energy (REPP)	220,431	139,508
- Financing Facility for Storage of Agricultural Produce (FFSAP)	50,000	50,000
- Temporary Economic Refinance Facility (TERF)	56,266	42,173
Repurchase agreement borrowings	68,524,576	43,334,174
Long term borrowings	4,329,627	3,471,293
Short term running finance	249,501	127,713
Bai Muajjal	5,870,617	12,040,769
Total secured	81,907,167	61,810,765
Unsecured		
Placements	-	-
Murabaha financing	8,192,503	8,741,004
Total unsecured	8,192,503	8,741,004
	90,099,670	70,551,769

16 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) 31 March 2021		(Audited) 31 December 2020	
	In local currency	Total	In local currency	Total
	(Rupees in '000)			
Certificates of investment				
Financial institutions	2,323,500	2,323,500	3,012,000	3,012,000
Others	9,667,391	9,667,391	12,857,130	12,857,130
	11,990,891	11,990,891	15,869,130	15,869,130

17 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	(Un-audited) 31 March 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	381	743	197	-	197
Later than one year and upto five years	4,484	741	3,743	-	-	-
	5,608	1,122	4,486	197	-	197

17.1 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.

	Note	(Un-audited) 31 March 2021	(Audited) 31 December 2020
18 OTHER LIABILITIES			
Mark-up/ Return/ Interest payable in local currency		389,371	543,562
Accrued expenses		220,707	327,377
Dividend payable		-	-
Staff gratuity		-	3,333
Security deposits against investment in finance leases		164,271	173,883
Lease liability against right-of-use assets		147,063	144,485
Withholding tax and sales tax payable		2,024	6,413
Others		86,700	102,894
		1,010,136	1,301,947
19 SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of			
- Available for sale securities		187,393	351,967
- Non-banking assets acquired in satisfaction of claims		137,938	138,873
		325,331	490,840
Deferred tax on surplus on revaluation of:			
- Available for sale securities		(54,344)	(102,070)
- Non-banking assets acquired in satisfaction of claims		(40,002)	(40,272)
		(94,346)	(142,342)
		230,985	348,498
20 CONTINGENCIES AND COMMITMENTS			
Transaction related contingent liability:			
Standby letter of credit		704,508	723,075
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:			
Purchase of Government securities		9,614	-
Sale of Government securities		1,967,673	-
Commitments for advances and net investment in finance leases		1,433,176	808,730
Securities given as collateral against loan taken by Pak Oman Asset Management Company Limited	20.3	36,000	45,000
20.1	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).		
20.2	Investment in unlisted shares in Orient Power Company (Private) Limited (related party) aggregating 22,600,000 having a cost of Rs. 226 million are pledged as security against a syndicate finance facility obtained by Orient Power Company (Private) Limited.		
20.3	PIBs having face value amounting to Rs. 36 million (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) First quarter ended	
Note		31 March 2021	31 March 2020
(Rupees in '000)			
21	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) Loans and advances	426,018	680,084
	b) Investments	1,168,139	1,979,333
	c) Lendings to financial institutions	30,615	76,966
	d) Balances with banks	25,019	63,465
		<u>1,649,791</u>	<u>2,799,848</u>
22	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	a) Deposits	218,432	294,986
	b) Borrowings	1,058,707	2,212,711
	c) Lease liability against right-of-use assets	3,668	3,863
		<u>1,280,807</u>	<u>2,511,560</u>
23	FEE AND COMMISSION INCOME		
	Credit related fees	17,696	4,633
	Investment banking fees	750	3,000
	Commission on guarantees	838	1,397
	Underwriting commission of Government securities auction	-	-
		<u>19,284</u>	<u>9,030</u>
24	GAIN ON SECURITIES		
	Realised	10,521	45,016
	Unrealised - held for trading	5,769	39,055
		<u>16,290</u>	<u>84,071</u>
24.1	Realised gain/(loss) on:		
	Federal Government Securities	4,726	39,685
	Non Government debt securities	5,795	5,331
		<u>10,521</u>	<u>45,016</u>
25	OTHER INCOME		
	Gain on sale of fixed assets - net	-	1,332

	(Un-audited)	
	First quarter ended	
	31 March 2021	31 March 2020
	(Rupees in '000)	
26 OPERATING EXPENSES		
Total compensation expense	114,945	108,896
Property expense		
Rent & taxes	-	223
Utilities cost	932	738
Security (including guards)	159	152
Repair & maintenance (including janitorial charges)	2,220	2,095
Depreciation on right-of-use assets & improvements	5,540	6,105
Depreciation	527	527
	9,378	9,840
Information technology expenses		
Software maintenance	211	211
Hardware maintenance	16	317
Depreciation	352	290
Amortisation	-	3
Network charges	665	607
Others	230	285
	1,474	1,713
Other operating expenses		
Directors' fees and allowances	9,900	6,814
Legal & professional charges	1,405	1,227
Travelling & conveyance	577	4,213
Depreciation	9,906	9,113
Training & development	64	84
Postage & courier charges	240	247
Communication	1,749	1,660
Stationery & printing	492	324
Marketing, advertisement & publicity	45	283
Donations	-	300
Auditors' remuneration	790	434
Membership and subscriptions	525	442
Transportation	2,517	2,253
Insurance	848	765
Finance charges on leased assets	-	37
Entertainment and canteen expenses	1,108	1,409
Maintenance charges - Non-banking assets	1,040	-
Others	1,688	1,487
	32,894	31,092
Total operating expenses	158,691	151,541

		(Un-audited)	
		First quarter ended	
		31 March 2021	31 March 2020
		(Rupees in '000)	
27	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	1,601	-
	Fee, commission and others	9,553	7,668
		<u>11,154</u>	<u>7,668</u>
28	REVERSAL / (PROVISIONS) & WRITE OFFS - NET		
	Reversal of provision for diminution in value of investments	49,851	-
	Reversal of provision against loans & advances	-	295
		<u>49,851</u>	<u>295</u>
29	TAXATION		
	Current	66,966	38,047
	Prior years	-	-
	Deferred	13,480	26,857
		<u>80,446</u>	<u>64,904</u>

29.1 Tax contingencies

The Income tax Department has amended the deemed assessment orders for the tax years 2004, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018, wherein major issues raised by the authorities were related to applicability of Workers Welfare Fund (WWF), disallowance of allocation of common expenses and disallowance of losses claimed on early termination of leased assets. The Company's appeals are pending at various appellate forums. For the tax year 2005 and 2008, the Commissioner Inland Revenue (Appeals) [CIR(A)] has adjudicated that the proceeding initiated by the department under section 122(5A) for respective tax years were barred in time, thereby, the amended assessment order has been annulled. Thereafter, the department being aggravated by the CIR(A) decision, filed appeal before the Appellate Tribunal Inland Revenue for the respective tax years. Further, for the matter of WWF, Supreme Court (SC) in its decision has annulled the amendments made through Finance Act 2006 and 2008. However, Federal Board of Revenue (FBR) has now filed review petition in the SC against the SC decision in the matter of WWF. Management estimates that sufficient provisions have been made and no further provision is required.

		(Un-audited)	
		First quarter ended	
		31 March 2021	31 March 2020
		(Rupees in '000)	
30	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit after taxation	198,427	154,427
	Weighted average number of ordinary shares issued	615,000	615,000
	Basic and diluted earnings per share	0.32	0.25

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

		(Un-audited)	
		First quarter ended	
		31 March 2021	31 March 2020
		(Rupees in '000)	
31	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	165,535	198,090
	Balances with other banks	900,861	1,654,480
		<u>1,066,396</u>	<u>1,852,570</u>

32 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

Non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these condensed interim unconsolidated financial statement

32.1 Fair value of financial assets

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

In the opinion of management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or in the case of customer loans and deposits are frequently repriced.

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

(Un-audited)				
As at 31 March 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	-	82,209,431	-	82,209,431
Non-Government debt securities	-	3,287,073	-	3,287,073
Mutual funds	730,990	-	-	730,990
Financial assets - disclosed but not measured at fair value				
Investments	-	-	1,061,588	1,061,588
(Audited)				
As at 31 December 2020				
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	-	63,183,554	-	63,183,554
Non-Government debt securities	-	3,132,487	-	3,132,487
Mutual funds	873,584	-	-	873,584
Financial assets - disclosed but not measured at fair value				
Investments	-	-	1,061,588	1,061,588

32.2 Fair value of non-financial assets

(Un-audited)				
As at 31 March 2021				
Non-banking assets acquired in satisfaction of claims	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Non-banking assets acquired in satisfaction of claims	-	-	375,991	375,991
(Audited)				
As at 31 December 2020				
Non-banking assets acquired in satisfaction of claims	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Non-banking assets acquired in satisfaction of claims	-	-	375,991	375,991

33 SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

	(Un-audited)			
	First quarter ended 31 March 2021			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Profit & loss account				
Net mark-up / return / profit	116,656	(29,792)	282,120	368,984
Non mark-up / return / interest income	18,534	4,279	12,761	35,574
Total income	135,190	(25,513)	294,881	404,558
Segment direct expenses	90,508	11,796	73,232	175,536
Reversals	-	-	49,851	49,851
Profit before tax	44,682	(37,309)	271,500	278,873
	(Un-audited)			
	As at 31 March 2021			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Statement of financial position				
Cash & Bank balances	-	-	1,066,396	1,066,396
Investments	-	1,756,430	85,496,504	87,252,934
Lendings to financial institutions	-	-	1,034,503	1,034,503
Advances - performing	18,326,546	-	931,506	19,258,052
non-performing	863,617	-	-	863,617
Others	760,392	435,740	1,136,911	2,333,043
Total assets	19,950,555	2,192,170	89,665,820	111,808,545
Borrowings	16,557,371	1,755,070	71,787,229	90,099,670
Subordinated debt	-	-	-	-
Deposits & other accounts	2,139,594	235,099	9,616,198	11,990,891
Others	316,003	16,672	681,947	1,014,622
Total liabilities	19,012,968	2,006,841	82,085,374	103,105,183
Equity	937,587	185,329	7,580,446	8,703,362
Total equity & liabilities	19,950,555	2,192,170	89,665,820	111,808,545
Contingencies & commitments	2,137,684	332,726	1,977,287	4,447,697
	(Un-audited)			
	First quarter ended 31 March 2020			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Profit & loss account				
Net mark-up / return / profit	138,691	(47,781)	197,378	288,288
Non mark-up / return / interest income	6,030	3,000	85,403	94,433
Total income	144,721	(44,781)	282,781	382,721
Segment direct expenses	86,039	12,292	65,354	163,685
Reversals	295	-	-	295
Profit before tax	58,977	(57,073)	217,427	219,331
	(Audited)			
	As at 31 December 2020			
	Corporate Banking	Investment Banking	Treasury	Total
	----- (Rupees in '000) -----			
Statement of financial position				
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
Total assets	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
Total liabilities	19,614,677	2,098,128	66,010,238	87,723,043
Equity	1,193,659	243,038	7,646,336	9,083,033
Total equity & liabilities	20,808,336	2,341,166	73,656,574	96,806,076
Contingencies & commitments	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 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
Fisheries Development Board
PASSCO Board
Livestock Development Board

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 31 March 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)											
Balances with other banks												
In current accounts	-	-	-	-	-	-	-	-	-	-	-	-
In deposit accounts	-	-	-	50,000	-	-	-	-	-	-	-	-
Investments												
Opening balance	-	-	598,300	1,295,095	-	726,000	-	-	498,300	1,045,951	-	726,000
Investment made during the year	-	-	-	984,294	-	-	-	-	100,000	395,000	-	-
Investment redeemed / disposed off during the year	-	-	-	(1,129,113)	-	-	-	-	-	(145,856)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	598,300	1,150,276	-	726,000	-	-	598,300	1,295,095	-	726,000
Provision for diminution in value of investments	-	-	157,375	70,726	-	-	-	-	157,375	70,726	-	-
Advances												
Opening balance	-	41,535	-	68,200	-	524,566	-	38,487	-	68,200	-	565,459
Addition during the year	-	7,197	-	-	-	-	-	12,577	-	-	-	-
Repaid during the year	-	(5,363)	-	-	-	-	-	(9,529)	-	-	-	(40,893)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	43,369	-	68,200	-	524,566	-	41,535	-	68,200	-	524,566
Provision held against advances	-	-	-	68,200	-	-	-	-	-	68,200	-	-
	As at 31 March 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)											
Other Assets												
Interest / mark-up accrued	-	-	-	15	-	9,134	-	-	-	-	-	8,725
Receivable from staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-
Provision against other assets	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	-	5,532	-	-	6,871	-	-	4,082	-	-	-	-
Received during the year	-	10,992	-	-	3,923	-	-	89,090	-	-	18,297	-
Withdrawn during the year	-	(7,324)	-	-	(10,794)	-	-	(87,640)	-	-	(11,426)	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	9,200	-	-	-	-	-	5,532	-	-	6,871	-
Other Liabilities												
Interest / mark-up payable	-	46	-	-	-	-	-	23	-	-	16	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	3,333	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Outright sale of Securities	-	-	-	1,455,199	155,764	-	-	-	-	1,090,752	879,049	-
Outright purchase of Securities	-	-	-	155,884	4,555	-	-	-	-	406,109	906,989	-
Contingencies and Commitments												
Other contingencies	-	-	36,000	70,726	-	226,000	-	-	45,000	70,726	-	226,000

34.6 Related party transactions

	First quarter ended 31 March 2021 (Unaudited)					First quarter ended 31 March 2020 (Unaudited)						
	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties
----- (Rupees in '000) -----												
Income												
Mark-up / return / interest earned	-	372	-	15	-	16,499	-	412	-	-	-	28,891
Fee and commission income	-	-	-	-	-	-	-	-	-	-	-	2,500
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-
Net gain on sale of securities	-	-	-	4,069	(106)	-	-	-	-	59	5	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Expense												
Mark-up / return / interest paid	-	109	-	-	48	-	-	226	-	-	60	-
Operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Non- Executive Directors' fees and allowances	9,900	-	-	-	-	-	6,814	-	-	-	-	-
Compensation expenses	-	180,621	-	-	-	-	-	101,675	-	-	-	-
Contribution to defined contribution plan	-	-	-	-	4,841	-	-	-	-	-	3,910	-
Charge for defined benefit plan	-	-	-	-	4,885	-	-	-	-	-	4,574	-

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) 31 March 2021	(Audited) 31 December 2020
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>6,150,000</u>	<u>6,150,000</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>6,664,768</u>	6,765,747
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>6,664,768</u>	6,765,747
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	<u>6,664,768</u>	<u>6,765,747</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>24,058,383</u>	24,577,361
Market Risk	<u>12,303,625</u>	12,164,424
Operational Risk	<u>2,615,074</u>	2,615,074
Total	<u>38,977,082</u>	<u>39,356,859</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>17.10%</u>	17.19%
Tier 1 Capital Adequacy Ratio	<u>17.10%</u>	17.19%
Total Capital Adequacy Ratio	<u>17.10%</u>	17.19%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>6,664,768</u>	6,765,747
Total Exposures	<u>97,863,505</u>	90,371,275
Leverage Ratio	<u>6.81%</u>	7.49%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>9,326,529</u>	9,163,212
Total Net Cash Outflow	<u>16,204,370</u>	17,443,202
Liquidity Coverage Ratio	<u>57.56%</u>	52.53%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>21,822,059</u>	22,160,134
Total Required Stable Funding	<u>20,657,371</u>	21,830,106
Net Stable Funding Ratio	<u>105.64%</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 12 April 2021 by the Board of Directors of the Company.

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