DIRECTORS' REPORT

The Directors of Pak Oman Investment Company Limited (the Company) are pleased to present the Financial Statements for the half year ended June 30, 2026.

Macroeconomic overview

Global Economic Performance

The global economy and commodity markets remained subdued and volatile during 2QCY26, amid significant energy shocks stemming from escalating tensions in the Middle East. These developments triggered another spike in Brent crude prices after an earlier decline and disrupted global commodity flows.

Brent crude prices fell 20% MoM in Jun-2026 and 38% from their Mar-2026 peak, as easing Middle East tensions following the Islamabad MoU reduced geopolitical risk. However, the relief proved short-lived, with renewed US-Iran airstrikes reviving concerns over energy shipments through the Strait of Hormuz.

The International Monetary Fund (IMF) revised down its 2026 global growth forecast to 3.0%, citing persistent risks from the Middle East conflict, rising trade fragmentation, and potential corrections in AI-driven market expectations. The IMF had also raised its 2026 global inflation forecast by 0.3ppt to 4.7%, while expecting inflation to ease to 3.9% in 2027.

The U.S. government has initiated Section 301 (US Trade Act 1974) investigations which may entail tariffs of 10% or 12.5% on countries which cannot prove that no imports involve forced labour element. Pakistan, being among counties, like Canada, Mexico, Bangladesh, India and the United Kingdom, has pleaded its case effectively, therefore, it has no adverse effect for Pakistan's economy and trade.

Pakistan Economic Performance

Pakistan's macroeconomic environment during 2QCY26 was shaped by the surge in global energy prices, which affected several key macro indicators. Headline inflation accelerated to double-digit in Jun-2026, driven by higher energy and transportation costs and their second-round impact on food prices. In response to rising inflationary pressures, the State

Bank of Pakistan (SBP) raised the policy rate by 100bps to 11.5% in April and maintained it at that level in June, expecting inflation to gradually moderate as global oil prices ease.

Despite higher inflation, Pakistan's external position improved. The successful completion of the IMF's Extended Fund Facility (EFF) and Resilience and Sustainability Fund (RSF) reviews boosted SBP's foreign exchange reserves, which surpassed US$18 billion by the end of FY26.

Pakistan's current account recorded a modest FY26 deficit of US$139 million, compared with a US$1.84 billion surplus in FY25. While this represents a sharp 108% YoY deterioration, the deficit remains small in absolute terms. A 9% YoY increase in workers' remittances partially offset a 25% widening in the trade deficit, as exports declined by 5% YoY while imports increased by 9% YoY during FY26.

Pakistan presented a balanced Federal Budget 2026-27, showing primary surplus of 2.0% of GDP with nominal GDP of PKR 143,604 billion. Tax relief for salaried individuals, reductions in the corporate super tax, and incentives for exporters are expected to support household incomes, strengthen domestic demand, and improve corporate profitability.

Financial Performance

June 2026	June 2025		June 2026	June 2025
US$ in million			***PKR in million***	
3.449	14.156	Profit before provision	960	3,938
0.029	(1.373)	Reversal / (Provisions) and write offs - net	8	(382)
3.478	**12.783**	**Profit before taxation**	**968**	**3,556**
(1.581)	(5.085)	Taxation	(439)	(1,414)
1.901	**7.698**	**Profit after taxation**	**529**	**2,141**
0.0031	0.0125	Earnings per share	0.86	3.48

For the half year ended June 30, 2026, the Company delivered a steady performance in a changing operating environment, while maintaining focus on portfolio quality, disciplined balance sheet management and sustainable growth. The funding cost environment adjusted during the period compared to the favourable conditions prevailing in the corresponding period last year, resulting in profit before taxation of PKR 968 million (June 2025: PKR 3,556 million). Net interest income for the period stood at PKR 1,561 million (US$ 5.612 million) compared to PKR 3,874 million (US$ 13.929 million) in the corresponding period last year. The comparative period benefited from favourable market conditions and strategic treasury positioning, including investments in government securities, which contributed to higher returns amid declining interest rates. The current period reflects changing interest rate dynamics amid evolving macroeconomic conditions, with the Company continuing to focus on disciplined pricing, portfolio optimisation and efficient deployment of resources.

During the period, the Company recorded a net reversal of credit loss allowance and write-offs of PKR 8 million (US$ 0.029 million) compared to a net provision of PKR 382 million (US$ 1.373 million) in the corresponding period last year. This significant improvement reflects recoveries and reversals during the period, along with the continued strength of the Company's asset quality and the effectiveness of its credit risk management framework.

In addition, the Company recognized a provision of PKR 195 million against its investment in its subsidiary, Pak Oman Asset Management Company Limited, in line with the applicable accounting requirements and the Company's conservative provisioning approach. This provision impacted profit after taxation by approximately PKR 123 million; however, it further strengthened the Company's balance sheet and reflects the Board's commitment to maintaining a sound and resilient financial position.

Financial Position

June 2026	December 2025		June 2026	December 2025
US $ in million			***PKR in million***	
50	55	Shareholders' equity	13,972	15,204
74	72	Advances	20,683	20,166
979	916	Investments	272,267	254,686
1,096	1,030	Total Assets	304,837	286,568

The Company's financial position remained sound as of June 30, 2026, with total assets increasing to PKR 305 billion (US$ 1,096 million) from PKR 287 billion (US$ 1,030 million) as of December 31, 2025, reflecting a 6% increase. This growth was primarily driven by investments in government securities.

Advances increased modestly during the period to PKR 20.7 billion from PKR 20.2 billion as of December 31, 2025. During the period, the Company disbursed PKR 5.4 billion, while repayments of PKR 4.9 billion largely offset the new disbursements, resulting in a net addition of PKR 0.5 billion. The increase reflects selective financing activities and disciplined credit underwriting, consistent with the Company's prudent risk management approach. The financing portfolio continued to be managed cautiously in light of evolving macroeconomic conditions, including inflationary pressures, changing interest rate dynamics and global economic uncertainties. Notwithstanding these challenges, the Company remained focused on supporting creditworthy borrowers while preserving the overall strength and quality of its financing portfolio.

Shareholders' equity stood at PKR 14 billion as of June 30, 2026, compared to PKR 15.2 billion as of December 31, 2025. The decrease was primarily attributable to a reduction in the surplus on government securities arising from fluctuations in market yields and changes in interest rate conditions, which resulted in unrealized mark-to-market adjustments to the investment portfolio.

The Company’s capital adequacy ratio (CAR) stood at 31.37% as of June 30, 2026, well above the minimum domestic regulatory benchmark of 11.50%.

Credit Rating

The Company’s credit ratings were re-affirmed by VIS Credit Rating Company Limited at AA+(Double A plus) for long-term and A1+ (A one Plus) for short-term.

The assigned ratings reflect the Company’s diversified operations, healthy financial risk profile, strong sponsors, existing market presence and its relative position amongst peer group institutions. These ratings denote a very low expectation of credit risk, a strong capacity for timely payment of financial commitments in the long term and the highest capacity for timely repayment in the short term.

Corporate Governance Rating

The Company’s well-established Corporate Governance Framework supported by Board & Management Committees leading to a strong financial transparency has been acknowledged by VIS Credit Rating Company Limited. Resultantly, Corporate Governance Rating (CGR) has been re-affirmed to CGR – 9+, which signifies very high level of corporate governance.

Appreciation and Acknowledgement

The Board of Directors would like to express its sincere gratitude to the respective Governments of the Sultanate of Oman and Islamic Republic of Pakistan for their support, as well as the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their continued guidance and cooperation.

The Board would also like to extend its appreciation to the management and employees for their dedication, teamwork and commitment.

On behalf of the Board

Nauman Ansari
Managing Director / Chief Executive Officer

Juland Jaifar Salim Al Said
Chairman

Karachi, August 28, 2026

BDO

UNCONSOLIDATED FINANCIAL
STATEMENTS OF
PAK OMAN INVESTMENT COMPANY LIMITED
FOR THE HALF YEAR ENDED
JUNE 30, 2026

Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAK OMAN INVESTMENT COMPANY LIMITED

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Pak Oman Investment Company Limited ("the Company") as at June 30, 2026, the unconsolidated condensed interim statement of profit and loss account, the unconsolidated condensed interim statement of comprehensive income, the unconsolidated condensed interim statement of changes in equity, the unconsolidated condensed interim cash flow statement and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year ended, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the unconsolidated condensed interim statement of profit and loss and unconsolidated condensed interim statement of comprehensive income for the three months period ended June 30, 2026 have not been reviewed by us.

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

KARACHI

DATE: 28 AUG 2026

UDIN: RR202610067vRVGIQaZu

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Statement of Financial Position
As at June 30, 2026

(Un-audited) June 30, 2026	(Audited) December 31, 2025		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
(US Dollar in '000)				(Rupees in '000)	
		ASSETS			
3,700	5,229	Cash and balances with treasury banks	6	1,029,179	1,454,616
1,000	273	Balances with other banks	7	278,262	75,806
248	-	Lendings to financial institutions	8	69,000	-
978,810	915,606	Investments	9	272,267,134	254,686,366
74,358	72,498	Advances	10	20,683,425	20,166,090
4,486	3,365	Property and equipment	11	1,247,971	936,055
403	467	Right-of-use assets	12	112,074	129,858
117	128	Intangible assets	13	32,567	35,570
-	-	Deferred tax assets	14	-	-
32,778	32,657	Other assets	15	9,117,457	9,083,844
1,095,900	1,030,223	**Total Assets**		304,837,069	286,568,205
		LIABILITIES			
-	-	Bills payable		-	-
993,724	889,729	Borrowings	16	276,415,755	247,488,354
41,017	69,773	Deposits and other accounts	17	11,409,386	19,408,066
575	626	Lease liabilities	18	159,925	174,215
-	-	Subordinated debt		-	-
83	3,340	Deferred tax liabilities	14	23,132	929,086
10,271	12,097	Other liabilities	19	2,856,669	3,364,740
1,045,670	975,565	**Total Liabilities**		290,864,867	271,364,461
50,230	54,658	**NET ASSETS**		13,972,202	15,203,744
		REPRESENTED BY			
22,109	22,109	Share capital	20	6,150,000	6,150,000
9,395	9,015	Reserves		2,613,264	2,507,509
9,130	13,286	Surplus on revaluation of assets - net of tax	21	2,539,692	3,695,747
9,596	10,248	Unappropriated profit		2,669,246	2,850,488
50,230	54,658			13,972,202	15,203,744
		CONTINGENCIES AND COMMITMENTS	22		

The annexed notes from 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

Managing Director/ Chief Executive Officer | **Chief Financial Officer** | **Director** | **Director** | **Chairman**

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)
For the half year ended June 30, 2026

Half year ended June 30, 2026	Half year ended June 30, 2025		Note	Quarter ended June 30, 2026	Quarter ended June 30, 2025	Half year ended June 30, 2026	Half year ended June 30, 2025
(US Dollar in '000)				(Rupees in '000)			
61,428	78,537	Mark-up / return / interest earned	23	8,336,777	9,503,514	17,087,025	21,845,891
55,816	64,608	Mark-up / return / interest expensed	24	7,679,938	8,211,360	15,525,765	17,971,497
5,612	13,929	**Net mark-up / return / interest income**		656,839	1,292,154	1,561,260	3,874,394
		NON MARK-UP / INTEREST INCOME					
487	272	Fee and commission income	25	30,997	54,449	135,368	75,622
568	880	Dividend income		118,990	161,351	158,084	244,789
-	-	Foreign exchange income		-	-	-	-
-	-	Income from derivatives		-	-	-	-
(465)	1,817	Gain / (loss) on securities - net	26	208,586	1,532,728	(129,332)	505,358
-	-	Net gains on derecognition of financial assets measured at amortised cost		-	-	-	-
83	60	Other income	27	11,206	7,876	22,978	16,575
673	3,029	Total non mark-up / interest income		369,779	1,756,404	187,098	842,344
6,285	16,958	**Total income**		1,026,618	3,048,558	1,748,358	4,716,738
		NON MARK-UP / INTEREST EXPENSES					
2,600	2,314	Operating expenses	28	370,993	322,478	723,338	643,627
100	261	Workers' Welfare Fund		13,089	47,503	27,860	72,564
136	227	Other charges	29	16,738	50,060	37,698	63,011
2,836	2,802	Total non mark-up / interest expenses		400,820	420,041	788,896	779,202
3,449	14,156	**Profit before credit loss allowance**		625,798	2,628,517	959,462	3,937,536
29	(1,373)	Credit reversal / (loss) allowance and write offs - net	30	(131,253)	(260,454)	8,026	(381,899)
-	-	Extra ordinary / unusual items		-	-	-	-
3,478	12,783	**PROFIT BEFORE TAXATION**		494,545	2,368,063	967,488	3,555,637
(1,577)	(5,085)	Taxation	31	(239,835)	(942,382)	(438,714)	(1,414,322)
1,901	7,698	**PROFIT AFTER TAXATION**		254,710	1,425,681	528,774	2,141,315
(US $)				(Rupees)			
0.0031	0.0125	**Basic and diluted earnings per share**	32	0.41	2.32	0.86	3.48

The annexed notes from 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

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

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
For the half year ended June 30, 2026

Half year ended			Quarter ended		Half year ended	
June 30, 2026	**June 30, 2025**		**June 30, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
(US Dollar in '000)			**--------(Rupees in '000)--------**			
1,901	7,698	**Profit after taxation for the period**	254,710	1,425,681	528,774	2,141,315
		Items that may be reclassified to profit and loss account in subsequent periods :				
(4,844)	4,697	Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	859,833	1,148,675	(1,347,545)	1,306,511
		Items that will not be reclassified to profit and loss account in subsequent periods :				
649	-	Movement in surplus on revaluation of property and equipment - net of tax	-	-	180,522	-
58	19	Movement in surplus on revaluation of equity investments - net of tax	48,599	2,068	16,082	5,172
20	-	Movement in deferred tax relating to surplus on revaluation of non-banking assets	5,625	-	5,625	-
727	19		54,224	2,068	202,229	5,172
(2,216)	12,414	**Total comprehensive income / (loss)**	1,168,767	2,576,424	(616,542)	3,452,998

The annexed notes from 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

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 half year ended June 30, 2026

	Share capital	Statutory reserve	General reserve	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
				Investments	Property and equipment / Non-banking assets		
	---------- (Rupees in '000) ----------						
Opening balance as at January 01, 2025	6,150,000	1,863,123	-	1,076,234	447,539	535,614	10,072,510
Profit after taxation	-	-	-	-	-	2,141,315	2,141,315
Other comprehensive income - net of tax							-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	1,306,511	-	-	1,306,511
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	5,172	-	-	5,172
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-
Total comprehensive income - net of tax	-	-	-	1,311,683	-	-	1,311,683
Transfer from general reserve	-	-	-	-	-	-	-
Transfer to statutory reserve	-	428,263	-	-	-	(428,263)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(6,815)	6,815	-
Transaction with owners recorded directly in equity							
Final cash dividend - December 31, 2024 declared subsequent to the year end (Rs. 0.45 per share)	-	-	-	-	-	(276,750)	(276,750)
Opening balance as at July 01, 2025	**6,150,000**	**2,291,386**	**-**	**2,387,917**	**440,724**	**1,978,731**	**13,248,758**
Profit after taxation	-	-	-	-	-	1,080,616	1,080,616
Other comprehensive income - net of tax							
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	1,000,212	-	-	1,000,212
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-
Movement in (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	(126,287)	-	-	(126,287)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	445	445
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-
Total comprehensive income - net of tax	-	-	-	873,925	-	445	874,370
Transfer to statutory reserve	-	216,123	-	-	-	(216,123)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(6,819)	6,819	-
Opening balance as at January 01, 2026	**6,150,000**	**2,507,509**	**-**	**3,261,842**	**433,905**	**2,850,488**	**15,203,744**

	Share capital	Statutory reserve	General reserve	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
				Investments	Property and equipment / Non-banking assets		
	---- (Rupees in '000) ----						
Profit after taxation	-	-	-	-	-	528,774	528,774
Other comprehensive income / (loss) - net of tax							
Movement in (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	(1,347,545)	-	-	(1,347,545)
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	16,082	-	-	16,082
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	180,522	-	180,522
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	5,625	-	5,625
Total comprehensive income - net of tax	-	-	-	(1,331,463)	186,147	-	(1,145,316)
Transfer to statutory reserve	-	105,755	-	-	-	(105,755)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(10,739)	10,739	-
Transaction with owners recorded directly in equity							
Final cash dividend - December 31, 2025 declared subsequent to the year end (Rs. 1 per share)	-	-	-	-	-	(615,000)	(615,000)
Closing balance as at June 30, 2026	**6,150,000**	**2,613,264**	**-**	**1,930,379**	**609,313**	**2,669,246**	**13,972,202**

The annexed notes from 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

Managing Director/ Chief Executive Officer | **Chief Financial Officer** | **Director** | **Director** | **Chairman**

Pak Oman Investment Company Limited
Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)
For the half year ended June 30, 2026

June 30, 2026	June 30, 2025		Note	June 30, 2026	June 30, 2025
(US Dollar in '000)				(Rupees in '000)	
		CASH FLOW FROM OPERATING ACTIVITIES			
3,478	12,783	Profit before taxation		967,488	3,555,637
(568)	(880)	Less: Dividend income		(158,084)	(244,789)
2,910	11,903			809,404	3,310,848
		Adjustments:			
262	225	Depreciation		72,865	62,478
95	100	Depreciation on right-of-use assets & improvements		26,400	27,805
27	6	Amortization		7,553	1,677
(29)	1,373	Credit (reversal) / loss allowance and write offs - net	30	(8,026)	381,899
3	9	Loss on sale of property and equipment - net		737	2,484
62	89	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets		17,208	24,737
1	2	Finance charges on leased assets		223	485
956	(4,213)	Unrealised loss / (gain) on revaluation of investments measured at FVTPL		266,052	(1,171,887)
1,377	(2,409)			383,012	(670,322)
4,287	9,494			1,192,416	2,640,526
		(Increase) / decrease in operating assets			
(248)	11,818	Lendings to financial institutions		(69,000)	3,287,200
(47,699)	(63,215)	Securities classified as FVPL		(13,268,013)	(17,583,933)
(1,628)	(2,421)	Advances		(452,749)	(673,363)
114	8,572	Other assets (excluding advance taxation)		31,736	2,384,465
(49,461)	(45,246)			(13,758,026)	(12,585,631)
		Increase / (decrease) in operating liabilities			
-	-	Bills payable		-	-
103,995	(297,088)	Borrowings		28,927,401	(82,638,346)
(28,756)	(17,712)	Deposits		(7,998,680)	(4,926,928)
(1,545)	(24,488)	Other liabilities (excluding current taxation)		(430,043)	(6,811,520)
73,694	(339,288)			20,498,678	(94,376,794)
28,520	(375,040)			7,933,068	(104,321,899)
(1,631)	(411)	Income tax paid		(453,729)	(114,322)
26,889	(375,451)	**Net cash flow from / (used in) operating activities**		7,479,339	(104,436,221)
		CASH FLOW FROM INVESTING ACTIVITIES			
(25,085)	376,385	Net Investments in securities classified as FVOCI		(6,977,642)	104,695,660
(30)	-	Investments in associates		(8,337)	-
224	381	Dividend received		62,189	106,077
(481)	(336)	Investments in property and equipment & intangible asset		(133,710)	(93,426)
17	44	Disposal of property and equipment		4,861	12,352
(25,355)	376,474	**Net cash flow (used in) / generated from investing activities**		(7,052,639)	104,720,663
		CASH FLOW FROM FINANCING ACTIVITIES			
(114)	(106)	Payments of lease obligations		(31,721)	(29,439)
(2,211)	(995)	Dividend paid		(615,000)	(276,750)
(2,325)	(1,101)	**Net cash used in financing activities**		(646,721)	(306,189)
(791)	(78)	**Decrease in cash and cash equivalents**		(220,021)	(21,747)
5,506	3,318	Cash and cash equivalents at beginning of the period		1,531,687	922,991
4,715	3,240	**Cash and cash equivalents at end of the period**	33	1,311,666	901,244

The annexed notes from 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

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

PAK OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

1 STATUS AND NATURE OF BUSINESS

Pak Oman Investment Company Limited (the Company) was incorporated as a private limited company on July 23, 2001. Subsequently, on March 17, 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 interalia 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. With effect from October 01, 2024, the registered office of the Company is Office No.35-B, 35th Floor, Sky Tower-West Wing, Dolmen City, Block-4, Clifton, 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 No. 35 dated October 28, 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. The accounting and reporting standards as applicable in Pakistan 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;
- 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;
- 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 No. 2 of 2023 dated 09 February 2023 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 annual unconsolidated financial statements as at and for the year ended 31 December 2025.

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. The consolidated financial statement of company are being issued separately.

SBP has deferred the applicability of International Accounting Standards IAS 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions.

2.2 Functional and presentation currency

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 statement of profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim cash flow statement are stated as additional information solely for the convenience of readers and have not been subject to review by the external auditors. For this purpose the amounts in Pakistan rupees have been converted into US Dollars at a rate of Rs 278.1614 = 1 US dollar for the half year ended June 30, 2026.

2.3 Basis of Measurement

These unconsolidated condensed interim statement have been prepared under historical cost convention basis unless otherwise stated.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies information 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 annual unconsolidated financial statements of the Company as at and for the year ended December 31, 2025.

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the period ended June 30, 2026

There are certain amendments to the published accounting and reporting standards that became effective during the current period. However these do not have any significant impact on the Company’s financial reporting and, therefore, have not been detailed in these unconsolidated condensed interim financial information.

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated condensed interim financial statements.

	Effective date (annual periods beginning on or after)
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However, SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 annual unconsolidated financial statements as at and for the year ended December 31, 2025.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended December 31, 2025.

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in '000)	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		179	120
Foreign currency		398	460
		577	580
With State Bank of Pakistan in			
Local currency current account	6.1	1,028,529	1,453,969
With National Bank of Pakistan in			
Local currency current accounts		73	67
Less: Credit loss allowance held against cash and balances with treasury banks		-	-
Cash and balances with treasury banks - net of credit loss allowance		1,029,179	1,454,616

6.1 This represent the amount required to be maintained by the Company in accordance with the SBP's BSD Circular No. 04 dated May 22, 2004.

7 BALANCES WITH OTHER BANKS

In Pakistan:		
In current accounts	213,348	44,167
In deposit accounts	37,284	3,954
	250,632	48,121
Outside Pakistan:		
In current accounts	31,855	28,950
Less: Credit loss allowance held against balances with other banks	(4,225)	(1,265)
Balances with other banks - net of credit loss allowance	278,262	75,806

8 LENDINGS TO FINANCIAL INSTITUTIONS

Placements	69,000	-
Reverse repo agreements	-	-
Less: Credit loss allowance held against lending to financial institutions	-	-
Lendings to financial institutions - net of credit loss allowance	69,000	-

	(Un-audited) June 30, 2026				(Audited) December 31, 2025			
	Cost / Amortised cost	Credit loss allowance / Impairment	Surplus / (Deficit)	Carrying value	Cost / Amortised Cost	Credit loss allowance / Impairment	Surplus / (Deficit)	Carrying value
	(Rupees in '000)							
9.1 Investments by types:								
FVTPL								
Federal Government securities	80,686,938	-	732,831	81,419,769	68,170,472	-	994,625	69,165,097
Listed Shares	751,547	-	(4,258)	747,289	-	-	-	-
	81,438,485	-	728,573	82,167,058	68,170,472	-	994,625	69,165,097
FVOCI								
Federal Government securities	183,030,779	-	2,462,157	185,492,936	176,257,905	-	4,742,163	181,000,068
Listed shares	238,290	-	84,447	322,737	155,014	-	77,657	232,671
Unlisted shares	367,512	(132,963)	465,000	699,549	367,512	(132,963)	465,000	699,549
Non-Government debt securities	3,371,458	(549,345)	33,723	2,855,836	3,249,966	(621,678)	44,639	2,672,927
	187,008,039	(682,308)	3,045,327	189,371,058	180,030,397	(754,641)	5,329,459	184,605,215
Associates								
Japan Power Generation Limited	70,726	(70,726)	-	-	70,726	(70,726)	-	-
Pak Oman Advantage Islamic Income Fund	69,107	-	-	69,107	34,107	-	-	34,107
Pak Oman Islamic Asset Allocation Fund	120,128	-	-	120,128	120,128	-	-	120,128
Pak Oman Advantage Asset Allocation Fund	133,455	-	-	133,455	133,455	-	-	133,455
Askari High Yield Scheme	116,408	-	-	116,408	116,408	-	-	116,408
Askari Cash Fund	115,064	-	-	115,064	138,496	-	-	138,496
Pak Oman Daily Dividend Fund	20,043	-	-	20,043	61,796	-	-	61,796
Pak Oman Income Fund	106,827	-	-	106,827	116,291	-	-	116,291
Askari Sovereign Yield Enhancer	47,986	-	-	47,986	-	-	-	-
	799,744	(70,726)	-	729,018	791,407	(70,726)	-	720,681
Subsidiary								
Pak Oman Asset Management Company Limited	681,995	(681,995)	-	-	681,995	(486,622)	-	195,373
Total Investments	269,928,263	(1,435,029)	3,773,900	272,267,134	249,674,271	(1,311,989)	6,324,084	254,686,366

9.1.1 Detail of investment in Associates and Subsidiary

	As at June 30, 2026				For the year ended June 30, 2026		
	Country of incorporation	Percentage of holding %	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income
	------(Rupees in '000) ------						
Associates							
Japan Power Generation Limited	Pakistan	11.29%	-	-	-	-	-
Pak Oman Advantage Islamic Income Fund	Pakistan	63.02%	114,513	4,551	9,421	5,631	5,631
Pak Oman Islamic Asset Allocation Fund	Pakistan	96.30%	152,378	26,047	34,308	26,080	26,080
Pak Oman Advantage Asset Allocation Fund	Pakistan	99.87%	169,467	33,142	40,773	31,370	31,370
Askari High Yield Scheme	Pakistan	38.56%	372,775	68,849	57,144	45,874	45,874
Askari Cash Fund	Pakistan	30.00%	424,532	37,448	38,329	31,237	31,237
Pak Oman Daily Dividend Fund	Pakistan	98.83%	24,114	860	4,132	2,710	2,710
Pak Oman Income Fund (Formerly Pak Oman Government Securities Fund)	Pakistan	54.86%	205,608	9,521	20,568	15,635	15,635
Askari Sovereign Yield Enhancer	Pakistan	52.01%	105,166	12,640	9,833	7,479	7,479

	As at June 30, 2026				For the period ended June 30, 2026		
	Country of incorporation	Percentage of holding %	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income
	------(Rupees in '000) ------						
Subsidiary							
Pak Oman Asset Management Company Limited	Pakistan	99.46%	293,173	122,367	19,582	(31,651)	(31,651)

	As at December 31, 2025				For the year ended June 30, 2025		
	Country of incorporation	Percentage of holding %	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income
	------(Rupees in '000) ------						
Associates							
Japan Power Generation Limited	Pakistan	11.29%	-	-	-	-	-
Pak Oman Advantage Islamic Income Fund	Pakistan	37.99%	94,652	1,850	23,359	19,755	19,755
Pak Oman Islamic Asset Allocation Fund	Pakistan	96.75%	156,991	2,747	54,884	45,694	45,694
Pak Oman Advantage Asset Allocation Fund	Pakistan	99.47%	170,699	1,921	60,505	51,350	51,350
Askari High Yield Scheme	Pakistan	41.40%	336,436	44,035	65,794	55,068	55,068
Askari Cash Fund	Pakistan	35.36%	434,835	22,128	73,104	65,754	65,754
Pak Oman Daily Dividend Fund	Pakistan	99.62%	72,384	1,496	10,884	9,333	9,333
Pak Oman Income Fund (Formerly Pak Oman Government Securities Fund)	Pakistan	58.65%	208,894	1,757	56,923	49,379	49,379
Askari Sovereign Yield Enhancer	Pakistan	-	69,040	10,817	17,159	14,806	14,806

	As at December 31, 2025				For the period ended June 30, 2025		
	Country of incorporation	Percentage of holding %	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income
	------(Rupees in '000) ------						
Subsidiary							
Pak Oman Asset Management Company Limited	Pakistan	99.46%	318,772	116,315	44,007	(5,366)	(5,366)

9.1.2 **Investments given as collateral**

	Note	(Un-audited) June 30, 2026 Cost / Amortised cost	Credit loss allowances	Surplus / (Deficit)	Carrying value	(Audited) December 31, 2025 Cost / Amortised cost	Credit loss allowances	Surplus / (Deficit)	Carrying value
		---(Rupees in '000)---							
Federal Government Securities									
- Pakistan Investment Bonds		232,704,967	-	3,039,517	235,744,484	178,168,827	-	3,878,370	182,047,197
- Ijara Sukuk		-	-	-	-	-	-	-	-
- Market Treasury Bills		-	-	-	-	-	-	-	-
		232,704,967	-	3,039,517	235,744,484	178,168,827	-	3,878,370	182,047,197
Shares									
- Listed companies		-	-	-	-	-	-	-	-
- Unlisted companies		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
Associates									
Japan Power Generation Limited	22.3.1	70,726	(70,726)	-	-	70,726	(70,726)	-	-
Total investments		232,775,693	(70,726)	3,039,517	235,744,484	178,239,553	(70,726)	3,878,370	182,047,197

9.2 **Credit loss allowance for diminution in value of investments**

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in '000)	
9.2.1 **Opening balance**	1,311,989	1,005,977
Charge / (reversals)		
Charge for the period / year	198,294	308,807
Reversals for the period / year	(75,254)	(2,795)
	123,040	306,012
Closing balance	1,435,029	1,311,989

9.2.2 **Particulars of credit loss allowance against debt securities (excluding Government debt securities)**

Category of classification		(Un-audited) June 30, 2026 Outstanding amount	Credit loss allowance held	(Audited) December 31, 2025 Outstanding amount	Credit loss allowance held
		---(Rupees in '000)---			
Domestic					
Performing	**Stage 1**	2,793,436	32,675	2,586,857	29,754
Underperforming	**Stage 2**	70,000	8,648	89,833	18,648
Non-performing	**Stage 3**	-	-		
Other assets especially mentioned		-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		508,022	508,022	573,276	573,276
Total		3,371,458	549,345	3,249,966	621,678

9.2.3 The Company does not hold overseas classified debt securities.

10 ADVANCES

	Performing		Non-performing		Total	
	(Un-audited) June 30, 2026	(Audited) December 31, 2025	(Un-audited) June 30, 2026	(Audited) December 31, 2025	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	--------------------------------(Rupees in '000)--------------------------------					
Loans, cash credits, running finances, etc.	19,918,087	18,985,005	2,627,407	2,721,970	22,545,494	21,706,975
Margin trading	1,059,643	1,445,413	-	-	1,059,643	1,445,413
Advances - gross	20,977,730	20,430,418	2,627,407	2,721,970	23,605,137	23,152,388
Credit loss allowance against advances						
- Stage 1	176,737	146,418	-	-	176,737	146,418
- Stage 2	151,861	168,234	-	-	151,861	168,234
- Stage 3	-	-	2,593,114	2,671,646	2,593,114	2,671,646
	328,598	314,652	2,593,114	2,671,646	2,921,712	2,986,298
Advances - net of credit loss allowance	20,649,132	20,115,766	34,293	50,324	20,683,425	20,166,090

10.1 Particulars of advances (gross)

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in '000)	
In local currency	23,605,137	23,152,388
In foreign currencies	-	-
	23,605,137	23,152,388

10.2 Advances include Rs.2,627 million (2025: Rs 2,722 million) which have been placed under the non-performing / Stage 3 status as detailed below:

Category of Classification		(Un-audited) June 30, 2026 Non Performing Loans	Credit loss allowance	(Audited) December 31, 2025 Non Performing Loans	Credit loss allowance
		------------------------- (Rupees in '000) -------------------------			
Domestic					
Other Assets Especially Mentioned		-	-	-	
Substandard		-	-	-	-
Doubtful	Stage 3	139,500	111,600	153,500	122,800
Loss		2,487,907	2,481,514	2,568,470	2,548,846
Total		2,627,407	2,593,114	2,721,970	2,671,646

10.3 Particulars of credit loss allowance against advances

	(Un-audited) June 30, 2026				(Audited) December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	-- (Rupees in '000) --							
Opening balance	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997
Charge for the period / year	45,270	-	30,000	75,270	119,456	45,747	258,018	423,221
Reversals for the period / year	(14,951)	(16,373)	(108,532)	(139,856)	(7,750)	-	(184,170)	(191,920)
	30,319	(16,373)	(78,532)	(64,586)	111,706	45,747	73,848	231,301
Amounts written off	-	-	-	-	-	-	-	-
Closing balance	176,737	151,861	2,593,114	2,921,712	146,418	168,234	2,671,646	2,986,298

10.4 Advances - Particulars of credit loss allowance

	(Un-audited)				(Audited)			
	June 30, 2026				December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
10.4.1 Opening balance	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997
New Advances	40,952	-	30,000	70,952	119,457	-	-	119,457
Advances derecognised or repaid	(14,951)	-	(108,532)	(123,483)	(5,255)	-	(184,170)	(189,425)
Transfer to stage 1	4,318	(16,373)	-	(12,055)	-	-	-	-
Transfer to stage 2	-	-	-	-	(2,001)	2,001	-	-
Transfer to stage 3	-	-	-	-	(495)	-	495	-
	30,319	(16,373)	(78,532)	(64,586)	111,706	2,001	(183,675)	(69,968)
Amounts written off / charged off	-	-	-	-	-	-	-	-
Changes in risk parameters	-	-	-	-	-	43,746	257,523	301,269
Other changes	-	-	-	-	-	-	-	-
Closing balance	176,737	151,861	2,593,114	2,921,712	146,418	168,234	2,671,646	2,986,298

10.4.2 Category of classification

		(Un-audited) June 30, 2026		(Audited) December 31, 2025	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
		(Rupees in '000)			
Domestic					
Performing	Stage 1	20,331,959	176,737	19,398,703	146,418
Underperforming	Stage 2	645,771	151,861	1,031,715	168,234
Non-performing					
Other Assets Especially Mentioned		-	-	-	-
Substandard	Stage 3	-	-	-	-
Doubtful		139,500	111,600	153,500	122,800
Loss		2,487,907	2,481,514	2,568,470	2,548,846
Total		23,605,137	2,921,712	23,152,388	2,986,298

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			(Rupees in '000)	
11	**PROPERTY AND EQUIPMENT**			
	Capital work-in-progress	11.1	25,974	2,048
	Property and equipment		1,221,997	934,007
			1,247,971	936,055
11.1	**Capital work-in-progress**			
	Advance to suppliers		25,974	2,048
11.2	**Additions to property and equipment**			
	The following additions have been made to property and equipment during the period:			
	Capital work-in-progress - Advances to suppliers		23,926	43,688
	Vehicles, equipment & furniture and fixtures			
	Property and equipment			
	Improvements		415	11,273
	Office equipment		388	23,072
	Computer equipment		9,028	150
	Furniture and fixture		-	876
	Vehicles		95,403	14,367
			105,234	49,738
	Total		129,160	93,426

11.3 Disposal of property and equipments

The net book value of property and equipments disposed of during the period is as follows:

Computer equipments	-	635
Furniture and fixture	138	-
Office equipment	-	1,448
Improvements	-	6,617
Vehicles	5,460	6,136
Total	5,598	14,836

11.4 The Company has revalued it's office premises situated at FTC Building, Karachi and Pace Tower, Lahore on January 16, 2026 and January 15, 2026 as per report submitted by independent valuers KGT (Private) Limited and Oriental Engineering Services. The fair value measurement of office premises has been categorized as level 3 fair value hierarchy based on the inputs to the valuation techniques used.

11.5 The fair market value and forced sale value of the revalued assets are as follows:

	Market Value	Forced Sale Value
Pace Tower	413,909	351,822
FTC Building	451,350	383,648
Office premises	865,259	735,470

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in '000)	
12	**RIGHT-OF-USE-ASSETS**		
	As at January 01,		
	Cost	210,066	212,037
	Accumulated depreciation	(80,208)	(51,390)
	Net carrying amount	129,858	160,647
	Additions during the period / year	-	7,718
	Deletions during the period / year	-	(4,957)
	Depreciation charge for the period / year	(17,784)	(33,550)
	Net carrying amount at the end of period / year	112,074	129,858
13	**INTANGIBLE ASSETS**		
	Computer software	32,567	35,570

13.1 Additions to intangible assets

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

	June 30, 2026	December 31, 2025
Developed internally	-	-
Directly purchased	4,550	-
Through business combinations	-	-
Total	4,550	-

14 DEFERRED TAX ASSETS / (LIABILITIES)

	June 30, 2026	December 31, 2025
Deductible Temporary Differences on		
Credit loss allowance against investments and others	525,873	535,589
Amortisation of premium on Federal Government Securities	2,727	120
Credit loss allowance against advances	1,081,034	1,164,657
Accelerated tax depreciation	85,540	73,287
Assets subject to finance leases	-	30
Net investment in finance leases	28,736	32
	1,723,910	1,773,715
Taxable Temporary Differences on		
Revaluation on investments classified as FVTOCI	(1,114,949)	(2,067,617)
Revaluation on investments classified as FVTPL	(270,168)	(387,904)
Revaluation on property and equipments / non-banking assets	(330,610)	(247,280)
Dividend receivable	(31,315)	-
	(1,747,042)	(2,702,801)
	(23,132)	(929,086)

14.1 Deferred tax has been measured using the tax rates enacted or substantively enacted at the reporting date. The applicable tax rate used for measuring deferred tax is 37% (2025: 39%).

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in '000)	
15	**OTHER ASSETS**		
	Income / mark-up accrued in local currency	4,398,880	4,083,313
	Dividend income receivable	95,895	-
	Mark-up / profit receivable on purchase of securities	1,653,583	2,067,109
	Security deposits	15,567	15,567
	Advances, deposits, advance rent and other prepayments	54,890	43,129
	Prepaid staff cost	46,412	47,907
	Advance taxation	1,874,128	1,896,086
	Receivables against sale of investments	34,536	-
	Non-banking assets acquired in satisfaction of claims	543,750	543,750
	Defined contribution plan	-	-
	Defined benefit plan	-	1,731
	Deferred fair value loss	88,753	97,341
	Others	29,813	6,661
		8,836,207	8,802,594
	Less: Credit loss allowance held against other assets	-	-
	Other assets (net of credit loss allowance)	8,836,207	8,802,594
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	281,250	281,250
		9,117,457	9,083,844
16	**BORROWINGS**		
	Secured		
	Borrowings from the State Bank of Pakistan:		
	- Long term financing facility (LTFF)	918,077	1,162,786
	- Financing Power Plants Using Renewable Energy (REF)	74,123	168,577
	- Financing Facility for Storage of Agricultural Produce (FFSAP)	9,615	13,462
	- Temporary Economic Refinance Facility (TERF)	112,800	124,734
	Repurchase agreement borrowings	185,716,187	130,355,828
	Long term borrowings	863,198	1,316,662
	Short term borrowing	48,733,798	50,010,012
	Total secured	236,427,798	183,152,061
	Unsecured		
	Placements	5,500,000	4,000,000
	Murabaha financing	34,487,957	60,336,293
	Total unsecured	39,987,957	64,336,293
		276,415,755	247,488,354

17 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) June 30, 2026		(Audited) December 31, 2025	
	In local currency	Total	In local currency	Total
	---- (Rupees in '000) ----			
Certificates of investment				
Financial institutions	1,484,000	1,484,000	7,973,000	7,973,000
Others	9,925,386	9,925,386	11,435,066	11,435,066
	11,409,386	11,409,386	19,408,066	19,408,066

18 LEASE LIABILITIES

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in '000)	
Lease liability against right-of-use assets	159,925	173,951
Liabilities against assets subject to finance lease	-	264
	159,925	174,215

18.1 Lease liability against right-of-use assets

Outstanding amount at the start of the period / year	173,951	187,986
Additions during the period / year	-	7,718
Deletion during the period / year	-	(7,525)
Finance charges during the period / year	17,208	43,042
Payments during the period / year	(31,234)	(57,270)
Outstanding amount at end of period / year	159,925	173,951

18.2 Liabilities outstanding

Lease liability against right-of-use assets		
Not later than one year	34,282	28,148
Later than one year and upto five years	117,564	134,992
More than five years	8,079	10,811
	159,925	173,951
Liabilities against assets subject to finance lease		
Not later than one year	-	264
Later than one year and upto five years	-	-
	-	264

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			(Rupees in '000)	
19	**OTHER LIABILITIES**			
	Mark-up / return / interest payable in local currency		1,508,629	1,979,624
	Accrued expenses		611,734	766,474
	Dividend payable		-	-
	Staff gratuity		-	-
	Security deposits against lease	19.1	558,437	370,750
	Withholding tax and sales tax payable		2,631	7,651
	Payable against purchase of shares		-	-
	Credit loss allowance against off-balance sheet obligations	19.2	52,752	130,780
	Others		122,486	109,461
			2,856,669	3,364,740

19.1 This includes security deposits received against the Company's net investment in finance leases.

19.2 Credit loss allowance against off-balance sheet obligations

Opening balance	130,780	17,159
Charge for the period / year	-	113,621
Reversals for the period / year	(78,028)	-
	(78,028)	113,621
Amount written off	-	-
Closing balance	52,752	130,780

20 SHARE CAPITAL

20.1 Authorized Capital

(Unaudited) June 30, 2026	(Audited) December 31, 2025		(Unaudited) June 30, 2026	(Audited) December 31, 2025
(Number of shares)			(Rupees in '000)	
1,000,000,000	1,000,000,000	Ordinary shares of Rs.10 each	10,000,000	10,000,000

20.2 Issued, subscribed and paid-up

June 30, 2026	December 31, 2025		June 30, 2026	December 31, 2025
		Ordinary shares of Rs. 10 each		
600,000,000	600,000,000	- Fully paid in cash	6,000,000	6,000,000
15,000,000	15,000,000	- Issued as bonus shares	150,000	150,000
615,000,000	615,000,000		6,150,000	6,150,000

20.3 The Ministry of Finance on behalf of the Government of Pakistan and Sultanate of Oman through Oman Investment Authority each holds 307,495,900 (2025: 307,495,900) ordinary shares of the Company, while 4,100 (2025: 4,100) ordinary shares each are held by Secretary – Economic Affairs Division, Government of Pakistan and Ministry of Commerce and Industry, Sultanate of Oman.

		Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
			(Rupees in '000)	
21	**SURPLUS ON REVALUATION OF ASSETS - NET OF TAX**			
	Surplus on revaluation of			
	- Securities measured at FVOCI - debt		2,495,880	4,786,802
	- Securities measured at FVOCI - equity		549,447	542,657
	- Property and equipment		685,912	430,069
	- Non-banking assets acquired in satisfaction of claims		281,250	281,250
			4,012,489	6,040,778
	Deferred tax on surplus on revaluation of:			
	- Securities measured at FVOCI - debt		(923,476)	(1,866,853)
	- Securities measured at FVOCI - equity		(191,472)	(200,764)
	- Property and equipment		(253,787)	(167,727)
	- Non-banking assets acquired in satisfaction of claims		(104,062)	(109,687)
			(1,472,797)	(2,345,031)
	Surplus on revaluation of assets - net of tax		2,539,692	3,695,747
22	**CONTINGENCIES AND COMMITMENTS**			
	- Guarantees	22.1	2,047,678	4,279,582
	- Commitments	22.2	3,902,639	10,374,065
	- Other contingent liabilities	22.3	70,726	70,726
			6,021,043	14,724,373
22.1	**Guarantees**			
	Financial guarantees		2,047,678	1,191,332
	Performance guarantees		-	3,088,250
			2,047,678	4,279,582
22.2	**Commitments**			
	Commitments in respect of:			
	Forward Government securities transactions			
	Purchase of Government securities		-	5,083,020
			-	5,083,020
	Commitments for:			
	Advances		3,358,889	4,747,295
	Sale of non-banking assets		543,750	543,750
			3,902,639	10,374,065
22.3	**Other contingent liabilities:**			
	Pledge of shares on behalf of Japan Power Generation Limited	22.3.1	70,726	70,726
			70,726	70,726

22.3.1 Shares in Japan Power Generation Limited (JPGL) (an associate) aggregating 17,622,878 having a cost of Rs. 70.726 million (2025: 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).

		Note	(Unaudited) June 30, 2026	(Unaudited) June 30, 2025
			(Rupees in '000)	
23	**MARK-UP / RETURN / INTEREST EARNED**			
	On:			
	Loans and advances		1,168,090	904,607
	Investments		15,745,064	20,582,078
	Lendings to financial institutions		169,205	352,641
	Balances with banks		4,666	6,565
			17,087,025	21,845,891
23.1	**Interest income (calculated using effective interest rate method) recognised on:**			
	Financial assets measured at amortised cost		1,341,961	1,263,813
	Financial assets measured at FVTPL		5,492,883	3,057,348
	Financial assets measured at FVOCI		10,252,181	17,524,730
			17,087,025	21,845,891
24	**MARK-UP / RETURN / INTEREST EXPENSED**			
	On:			
	Deposits		689,385	851,863
	Borrowings		14,819,172	17,094,897
	Lease liability against right-of-use assets		17,208	24,737
			15,525,765	17,971,497
24.1	Interest expense calculated using effective interest rate method		15,525,765	17,971,497
25	**FEE AND COMMISSION INCOME**			
	Card related fees (debit and credit cards)		-	-
	Credit related fees		25,254	26,940
	Investment banking fees		86,217	17,119
	Commission on guarantees		23,897	31,563
			135,368	75,622
26	**GAIN / (LOSS) ON SECURITIES - NET**			
	Realised	26.1	136,720	(666,529)
	Unrealised - measured at FVTPL		(266,052)	1,171,887
			(129,332)	505,358
26.1	**Realised gain / (loss) on:**			
	Federal Government securities		160,038	(782,913)
	Non Government debt securities		(13,093)	-
	Associates		8,351	-
	Shares		(18,576)	116,384
			136,720	(666,529)
26.2	**Net gain / (loss) on financial assets / liabilities measured at:**			
	Designated upon initial recognition		-	-
	Mandatorily measured at FVPL		141,462	(591,486)
			141,462	(591,486)
	Net gain / (loss) on financial assets / liabilities measured at amortised cost		-	-
	Net (loss) on financial assets measured at FVOCI		(13,093)	(178,380)
	Net gain on investments in equity instruments designated at FVOCI		-	103,337
			(13,093)	(75,043)
			128,369	(666,529)

	(Unaudited) June 30, 2026	(Unaudited) June 30, 2025
	(Rupees in '000)	
27 OTHER INCOME		
Loss on sale of property and equipment - net	(737)	(2,484)
Rent on property	23,715	19,059
	22,978	16,575
28 OPERATING EXPENSES		
Total compensation expense	500,459	447,932
Property expense		
Utilities cost	3,136	3,449
Security (including guards)	712	641
Repair & maintenance (including janitorial charges)	21,548	20,017
Depreciation on right-of-use assets & improvements	26,400	27,805
Depreciation	21,626	18,803
	73,422	70,715
Information technology expenses		
Software maintenance	3,295	627
Hardware maintenance	-	111
Depreciation	11,120	7,806
Amortisation	7,553	1,677
Network charges	4,075	1,844
Others	2,522	2,820
	28,565	14,885
Other operating expenses		
Directors' fees and allowances	11,950	9,600
Legal & professional charges	11,831	16,111
Travelling & conveyance	4,504	8,163
Depreciation	40,119	35,869
Training & development	943	1,145
Postage & courier charges	314	274
Communication	16,879	10,819
Stationery & printing	3,005	2,442
Marketing, advertisement & publicity	4,440	3,491
Donations	1,680	2,060
Auditors' remuneration	3,267	2,592
Membership and subscriptions	4,141	4,148
Transportation	4,112	2,747
Insurance	3,633	3,266
Finance charges on leased assets	223	485
Entertainment and canteen expenses	4,891	3,590
Others	4,960	3,293
	120,892	110,095
Total operating expenses	723,338	643,627

		(Unaudited) June 30, 2026	(Unaudited) June 30, 2025
		(Rupees in '000)	

29 OTHER CHARGES

Penalties imposed by State Bank of Pakistan		-	174
Minimum tax differential		-	-
Fee, commission and others		37,698	62,837
Loss on sale of fixed assets		-	-
		37,698	63,011

30 CREDIT REVERSAL / (LOSS) ALLOWANCE AND WRITE OFFS - NET

Credit reversal / (loss) / reversal allowance for diminution in value of investments	9.2	(123,040)	(193,893)
Credit reversal / (loss) allowance against loans & advances	10.3	64,586	(110,961)
Credit (loss) / reversal allowance against balances with other banks	7	(2,960)	290
Credit (loss) / reversal allowance against lendings to FIs		-	-
Credit reversal / (loss) allowance against off-balance sheet items	19.2	78,028	(77,335)
Modification loss		(8,588)	-
		8,026	(381,899)

31 TAXATION

Current		475,687	958,298
Prior years		-	-
Deferred		(36,973)	456,024
		438,714	1,414,322

31.1 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 no provision is required.

			(Unaudited) June 30, 2026	(Unaudited) June 30, 2025
32	**BASIC AND DILUTED EARNINGS PER SHARE**			
	Profit after taxation	Rupees in '000	528,774	2,141,315
	Weighted average number of ordinary shares issued	Numbers in '000	615,000	615,000
	Basic and diluted earnings per share	Rupees	0.86	3.48

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

		(Rupees in '000)	
33	**CASH AND CASH EQUIVALENTS**		
	Cash and balances with treasury banks	1,029,179	817,790
	Balances with other banks	282,487	83,454
		1,311,666	901,244

34 FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices. Unquoted equity investments, other than investments in associates and subsidiary, are on the basis of the price earning method. The credit loss allowance / impairment of investments has been determined in accordance with the Company's accounting policy.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to the absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The credit loss allowance against advances has been calculated in accordance with the Company's accounting policy.

34.1 Fair value of financial assets

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

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

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

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

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

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

	(Un-audited)			
	As at June 30, 2026			
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	-	266,912,705	-	266,912,705
Shares	1,070,026	-	-	1,070,026
Non-Government debt securities	-	2,855,836	-	2,855,836
Mutual funds	-	739,275	-	739,275
Financial assets - disclosed but not measured at fair value				
Investments	-	-	699,549	699,549

	(Audited)			
	As at December 31, 2025			
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	-	250,165,165	-	250,165,165
Shares	232,671	-	-	232,671
Non-Government debt securities	-	2,672,927	-	2,672,927
Mutual funds	-	811,406	-	811,406
Financial assets - disclosed but not measured at fair value				
Investments	-	-	894,922	894,922

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Fair value of financial instruments is based on:

Federal Government Securities / Non-	PKRV / PKFRV rates (MUFAP rates)
Government Debt Securities	PKRV / PKFRV rates (MUFAP rates)
Listed securities	PSX rates
Mutual funds	Net asset values
Unquoted equity investments	Price Earning Method

35 SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

	(Un-audited)			
	Half year ended June 30, 2026			
	Corporate Banking	Investment Banking	Treasury	Total
	(Rupees in '000)			
Profit & loss				
Net mark-up / return / profit	207,057	(23,391)	1,377,594	1,561,260
Non mark-up / return / interest income	49,151	211,270	(73,323)	187,098
Total income	256,208	187,879	1,304,271	1,748,358
Segment direct expenses	339,099	107,143	342,654	788,896
Credit reversal / (loss) allowance and write offs - net	134,026	(123,040)	(2,960)	8,026
Profit before taxation	51,135	(42,304)	958,657	967,488

	(Un-audited)			
	As at June 30, 2026			
Statement of financial position				
Cash & bank balances	-	-	1,307,441	1,307,441
Investments	-	4,284,403	267,982,731	272,267,134
Lendings to financial institutions	-	-	69,000	69,000
Advances - performing	19,589,489	-	1,059,643	20,649,132
non- performing	34,293	-	-	34,293
Others	1,448,696	101,575	8,959,798	10,510,069
Total assets	21,072,478	4,385,978	279,378,613	304,837,069
Borrowings	19,204,889	3,975,553	253,235,313	276,415,755
Subordinated debt	-	-	-	-
Deposits & other accounts	788,697	164,158	10,456,531	11,409,386
Others	1,747,270	322,939	969,517	3,039,726
Total liabilities	21,740,856	4,462,650	264,661,361	290,864,867
Equity	(668,378)	(76,672)	14,717,252	13,972,202
Total equity & liabilities	21,072,478	4,385,978	279,378,613	304,837,069
Contingencies & commitments	5,950,317	70,726	-	6,021,043

	(Un-audited)			
	Half year ended June 30, 2025			
	Corporate Banking	Investment Banking	Treasury	Total
	(Rupees in '000)			
Profit & loss				
Net mark-up / return / profit	102,090	(34,414)	3,806,718	3,874,394
Non mark-up / return / interest income	58,503	226,356	557,485	842,344
Total income	160,593	191,942	4,364,203	4,716,738
Segment direct expenses	345,753	92,370	341,079	779,202
Credit (loss) / reversal allowance and write offs - net	(188,296)	(193,893)	290	(381,899)
Profit / (loss) before taxation	(373,456)	(94,321)	4,023,414	3,555,637

	(Audited)			
	As at December 31, 2025			
	Corporate Banking	Investment Banking	Treasury	Total
	(Rupees in '000)			
Statement of financial position				
Cash & bank balances	-	-	1,530,422	1,530,422
Investments	-	4,288,530	250,397,836	254,686,366
Lendings to financial institutions			-	-
Advances - performing	18,670,353	-	1,445,413	20,115,766
- non-performing	50,324	-		50,324
Others	1,384,340	77,167	8,723,820	10,185,327
Total assets	20,105,017	4,365,697	262,097,491	286,568,205
Borrowings	17,550,565	3,767,270	226,170,519	247,488,354
Subordinated debt	-	-	-	-
Deposits & other accounts	1,361,629	295,670	17,750,767	19,408,066
Others	(610,885)	(251,777)	5,330,703	4,468,041
Total liabilities	18,301,309	3,811,163	249,251,989	271,364,461
Equity	1,803,708	554,534	12,845,502	15,203,744
Total equity & liabilities	20,105,017	4,365,697	262,097,491	286,568,205
Contingencies & commitments	9,570,627	70,726	5,083,020	14,724,373

36 RELATED PARTY TRANSACTIONS

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

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

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

Subsidiary

Pak Oman Asset Management Company Limited

Associates

Japan Power Generation Limited
Pak Oman Advantage Islamic Income Fund
Pak Oman Islamic Asset Allocation Fund
Pak Oman Advantage Asset Allocation Fund
Askari High Yield Scheme
Askari Cash Fund
Pak Oman Daily Dividend Fund
Pak Oman Income Fund
Pak Oman Microfinance Fund
Askari Sovereign Yield Enhancer

Retirement benefit fund

Defined benefit plan
Defined contribution plan

Other related party

Orient Power Company (Private) Limited

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

	As at June 30, 2026 (Un-audited)						As at December 31, 2025 (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	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
Opening balance	-	-	681,995	791,407	-	226,000	-	-	681,995	791,407	-	226,000
Investment made during the period / year	-	-	-	82,986	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	(74,649)	-	-	-	-	-	-	-	-
Closing balance	-	-	681,995	799,744	-	226,000	-	-	681,995	791,407	-	226,000
Credit loss allowance for diminution in value of investments	-	-	681,995	70,726	-	-	-	-	486,622	70,726	-	-
Advances												
Opening balance	-	87,403	-	68,200	-	-	-	106,848	-	68,200	-	-
Addition during the period / year	-	3,200	-	-	-	-	-	900	-	-	-	-
Repaid during the period / year		(13,633)				-	-	(20,345)	-	-	-	-
Closing balance	-	76,970	-	68,200	-	-	-	87,403	-	68,200	-	-
Credit loss allowance held against advances	-	-	-	68,200	-	-	-	-	-	68,200	-	-
Other Assets												
Interest / mark-up accrued	-	-	-	-	-	-	-	-	-	-	-	-
Receivable from staff retirement fund	-	-	-	-	-	-	-	-	-	1,731	-	-
Prepaid fee for services	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	95,895	-	-	-	-	-	-	-	-
	-	-	-	95,895	-	-	-	-	-	1,731	-	-
Deposits and other accounts												
Opening balance	-	33,682	-	-	-	-	-	21,811	-	-	-	-
Received during the period / year	-	283,520	-	-	-	-	-	360,136	-	-	-	-
Withdrawn during the period / year	-	(235,295)	-	-	-	-	-	(348,265)	-	-	-	-
Closing balance	-	81,907	-	-	-	-	-	33,682	-	-	-	-
Other Liabilities												
Interest / mark-up payable	-	370	-	-	-	-	-	209	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	3,573	-	-	-
	-	370	-	-	-	-	-	209	3,573	-	-	-
Outright sale of Securities	-	-	-	-	7,158,695	-	-	-	-	-	39,114,535	
Outright purchase of Securities	-	-	-	-	6,830,255	-	-	-	-	-	38,186,731	-
Contingencies and Commitments												
Other contingencies	-	-	-	70,726	-	-	-	-	-	70,726	-	-

36.2 Related party transactions

	Half year ended June 30, 2026 (Un-audited)						Half year ended June 30, 2025 (Un-audited)					
	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties
	------ (Rupees in '000) ------											
Income												
Mark-up / return / interest earned	-	1,720	-	-	-	-	-	1,945	-	-	-	-
Dividend income	-	-	-	95,895	-	33,900	-	-	-	138,712	-	67,800
Net gain on sale of securities	-	-	-	8,351	(225)	-	-	-	-	-	479	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Expense												
Mark-up / return / interest paid	-	2,382	-	-	-	-	-	1,709	-	-	-	-
Operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Non- Executive Directors' fees and allowances	11,950	-	-	-	-	-	9,600	-	-	-	-	-
Compensation expenses	-	358,375	-	-	-	-	-	282,761	-	-	-	-
Contribution to defined contribution plan	-	-	-	-	18,067	-	-	-	-	-	16,602	-
Charge for defined benefit plan	-	-	-	-	18,275	-	-	-	-	-	18,232	-

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	6,150,000	6,150,000
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	10,920,919	11,278,745
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	10,920,919	11,278,745
Eligible Tier 2 Capital	1,395,331	2,785,781
Total Eligible Capital (Tier 1 + Tier 2)	12,316,250	14,064,526
Risk Weighted Assets (RWAs):		
Credit Risk	19,195,658	20,237,396
Market Risk	12,624,208	7,044,945
Operational Risk	7,439,603	7,428,866
Total	39,259,468	34,711,207
Common Equity Tier 1 Capital Adequacy ratio	27.82%	32.49%
Tier 1 Capital Adequacy Ratio	27.82%	32.49%
Total Capital Adequacy Ratio	31.37%	40.52%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	10,920,919	11,278,745
Total Exposures	310,464,684	286,517,685
Leverage Ratio	3.52%	3.94%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	84,234,144	68,609,403
Total Net Cash Outflow	66,897,731	59,287,415
Liquidity Coverage Ratio	125.91%	115.72%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	25,089,201	24,043,427
Total Required Stable Funding	20,680,787	19,459,873
Net Stable Funding Ratio	121.32%	123.55%

38 Pak Oman Investment Company Limited - Islamic Finance Department

The Company has commenced its Shariah compliant business through Islamic Finance Department from June 2026. Unconsolidated condensed interim financial statements are presented below:

Statement of Financial Position	Note	(Un-audited) June 30, 2026	December 31, 2025
		(Rupees in '000)	
ASSETS			
Balances with other banks		32,320	-
Due from financial institutions	38.1	69,000	-
Investments	38.2	271,457	-
Islamic financing and related assets - net	38.3	632,872	-
Property and equipment		-	-
Right-of-use assets		-	-
Intangible assets		-	-
Due from head office		-	-
Deferred tax assets		1,460	
Other assets		5,234	-
Total assets		1,012,343	-
LIABILITIES			
Bills payable		-	-
Due to financial institutions		-	-
Deposits and other accounts		-	-
Due to head office		5,780	-
Lease liabilities		-	-
Subordinated debt		-	-
Other liabilities		-	-
		5,780	-
NET ASSETS		1,006,563	-
REPRESENTED BY			
Islamic banking fund		1,000,000	-
Reserves		-	-
Surplus on revaluation of assets - net of tax		1,779	-
Unappropriated profit	38.4	4,784	-
		1,006,563	-
CONTINGENCIES AND COMMITMENTS	38.5		

	Note	(Un-audited) June 30, 2026	June 30, 2025
		(Rupees in '000)	
Profit and Loss Account			
Profit / return earned	38.6	10,335	-
Profit / return expensed		-	-
Net profit / return		10,335	-
Other income			
Fee and commission income		-	-
Dividend income		-	-
Foreign exchange income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		-	-
Other income		-	-
Total other income		-	-
Total income		10,335	-
Other expenses			
Operating expenses		2,674	-
Workers' Welfare Fund		-	-
Other charges		-	-
Total other expenses		2,674	-
Profit before credit loss allowance		7,661	-
Credit loss allowance and write offs - net		(67)	-
Profit before taxation		7,594	-
Taxation		(2,810)	-
Profit after taxation		4,784	-

	As at June 30, 2026			As at December 31, 2025		
38.1 Due from financial institutions	**In Local Currency**	**In Foreign currencies**	**Total**	**In Local Currency**	**In Foreign currencies**	**Total**
			Rupees in '000			
Secured	-	-	-	-	-	-
Unsecured	69,000	-	69,000	-	-	-
Bai Muajjal receivable from other financial institutions	-	-	-	-	-	-
Bai Muajjal receivable from State Bank of Pakistan	-	-	-	-	-	-
Others	-	-	-	-	-	-
	69,000	-	69,000	-	-	-
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
	-	-	-	-	-	-
Due from financial institutions - net of credit loss allowance	69,000	-	69,000	-	-	-

	As at June 30, 2026				As at December 31, 2025			
	Cost / Amortised cost	**Credit loss allowance for diminution**	**Surplus / (Deficit)**	**Carrying value**	**Cost / Amortised cost**	**Credit loss allowance for diminution**	**Surplus / (Deficit)**	**Carrying value**
				Rupees in '000				
38.2 Investments by segments:								
- Debt Instruments								
	-	-	-	-	-	-	-	-
Classified / Measured at FVOCI								
Non Government debt securities	270,455	(1,823)	2,825	271,457	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total investments	270,455	(1,823)	2,825	271,457	-	-	-	-

	As at June 30, 2026				As at December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
		Rupees in '000				Rupees in '000		

38.2.1 Particulars of credit loss allowance

Non Government debt securities	1,823	-	-	1,823	-	-	-	-
Others	-	-	-	-	-	-	-	-
	1,823	-	-	1,823	-	-	-	-

	Note	(Un-audited) June 30, 2026	(Un-audited) December 31, 2025
38.3 Islamic financing and related assets		(Rupees in '000)	
Musharaka		-	-
Diminishing Musharaka		637,473	-
Inventory related to Islamic financing		-	-
Gross Islamic financing and related assets		637,473	-
Less: Credit loss allowance against Islamic financings			
Stage 1		4,601	-
Stage 2		-	-
Stage 3		-	-
		4,601	-
Islamic financing and related assets - net of credit loss allowance		632,872	-
38.4 Islamic banking business unappropriated profit			
Opening balance		-	-
Add: Islamic banking profit for the period		7,594	-
Less: Taxation		(2,810)	-
Less: Reserves		-	-
Less: Transferred / Remitted to head office		-	-
Closing balance		4,784	-
38.5 Contingencies and commitments			
-Guarantees		-	-
-Commitments		-	-
-Other contingent liabilities		-	-
		-	-
38.6 Profit / return earned of financing, investments and placement			
Profit earned on:			
Financing		6,851	-
Investments		3,049	-
Placements		435	-
		10,335	-

39 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 vide its report dated June 30, 2026.

40 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

No subsequent events have occurred after the interim reporting period that require adjustment to or disclosure in these unconsolidated condensed interim financial statements.

41 GENERAL

41.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

41.2 The comparative figures have been re-arranged for comparison purposes.

42 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated interim financial statements were authorised for issue on 28 August 2026 by the Board of Directors of the Company.

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