ANNUAL REPORT 2024

PAK OMAN INVESTMENT COMPANY LIMITED

Vision

To make a tangible contribution to economic development in both sponsoring countries by supporting the industrial sector including agro-based, Infrastructure projects and the service sector, along with emphasis on promoting financial inclusion of small & medium enterprises in Pakistan.

Mission

Pak Oman will endeavor to provide cutting edge financial solutions to meet the requirements of its target customer base, with emphasis on customer satisfaction. Our focus will remain on supporting economic development in both sponsoring countries and on maximizing returns to all stakeholders. We will aim to be the employer of choice.

Code of Ethics / Business Practices

Pak Oman Investment Company Limited operates on the basis of honesty, integrity and fair play. All employees are strictly directed to adhere to the Company's Code of Business Practices and ensure that at all dealings be open and transparent. Management and employees are pledged to:

- Be an ethical role model
- Treat colleagues with respect and dignity
- Protect and enhance the Company's assets and reputation
- Make only factual and truthful statements about the Company's product
- Understand and comply with Company Laws, regulations and policies wherever applicable
- Comply with health, safety and environmental laws and policies
- Provide a work environment free from intimidation and harassment
- Comply with the Company's employees service rules
- Safeguard the privacy and confidentiality of customer data
- Protect confidential information and trade secrets

Pak Oman Investment Company Limited
Environmental, Social, and Governance (ESG)

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1. Introduction

Our Commitment to ESG

Pak Oman Investment Company Limited is dedicated to embedding sustainability into its core operations. As a leading Development Finance Institution (DFI), we align our business practices with the **United Nations Sustainable Development Goals (SDGs)** and **Securities and Exchange Commission of Pakistan (SECP) ESG Guidelines** to drive sustainable economic growth, environmental stewardship, and social responsibility.

Our ESG strategy focuses on **three pillars:**

1. **Environmental Responsibility** – Reducing carbon footprint and promoting green financing.
2. **Social Impact** – Enhancing workforce diversity, financial inclusion, and corporate social responsibility.
3. **Governance & Ethics** – Strengthening compliance, transparency, and ethical business practices.

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2. Environmental Initiatives (E)

Climate Action & Green Financing

- Commitment to **Net Zero Operational Carbon Emissions by 2030**.
- Increasing investments in **renewable energy** projects such as **solar and wind power**.
- Phasing out investments in **high carbon-emission industries**.

Resource Efficiency & Waste Reduction

- Transitioning to **paperless operations** by digitizing HR, finance, and compliance processes.
- Eliminating **single-use plastics** in corporate offices and meetings.

Sustainable Lending Practices

- Prioritizing **green financing** for eco-friendly businesses.

- Integrating ESG risk assessment into **investment and credit approval processes**.
- Supporting **sustainable agricultural projects** and water conservation initiatives.

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3. Social Initiatives (S)

Workforce Diversity & Inclusion

- **Targeting 20% female workforce representation by 2027**.
- Expanding maternity and paternity benefits, including **daycare support for employees**.
- Strengthening **anti-harassment policies** and gender equality programs.

Financial Inclusion & Community Support

- **SME Financing Program** aimed at empowering **women entrepreneurs and small businesses**.
- Conducting **financial literacy programs** in underserved communities.
- Introducing **agriculture financing** with preferential terms for small farmers.

Employee Well-being & Capacity Building

- Providing **mental health support programs**, including stress management workshops.
- Launching **flexible work policies** to promote work-life balance.
- Training employees in **ESG compliance and responsible investment strategies**.

Corporate Social Responsibility (CSR)

- Providing **scholarships and education support** for underprivileged students.
- Partnering with **healthcare institutions** for cancer treatment and thalassemia support.
- Collaborating with NGOs on **community welfare and environmental conservation projects**.

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4. Governance & Ethics (G)

ESG Governance Framework

- Establishing an **ESG Steering Committee** to oversee sustainability initiatives.

- Adopting **SBP Green Banking Guidelines** and **SECP ESG Disclosure Standards**.
- Conducting **annual ESG audits** for transparency and accountability.

Transparency & Risk Management

- Strengthening **ethical lending policies** to ensure responsible investment decisions.
- Implementing **anti-corruption frameworks** and **whistleblower protection mechanisms**.
- Enhancing **cybersecurity and customer data protection policies**.

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5. Future Roadmap

- **Achieve full SECP ESG reporting compliance by 2026**.
- Expand **sustainable investment portfolios** in **renewable energy and green infrastructure**.
- Develop **digital transformation strategies** to ensure **100% paperless banking** by 2027.
- Strengthen partnerships with **global ESG stakeholders** to enhance sustainability initiatives.

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6. Conclusion

Pak Oman Investment Company Limited is committed to integrating **ESG principles** into its operations to foster a more **sustainable, equitable, and responsible** financial ecosystem. Through strategic investments, inclusive policies, and transparent governance, we aim to contribute to a greener and more prosperous future for Pakistan.

Pak Oman Investment Company Limited
Driving Sustainability, Creating Impact

Board and Sub Committees

Board of Directors

H.H. Sayyid Juland Jaifar Salim Al Said
Chairman

Mr. Ayham Abdul Aziz Abdul Qadar Al Ghassani
Director

Mr. Faisal Ali Ibrahim Al Siyabi
Director

Mr. Mohammad Shabir Ahmed Khan
Director

Mr. Nauman Ansari
Managing Director & Chief Executive Officer

Audit Committee

Mr. Ayham Abdul Aziz Abdul Qadar Al Ghassani
Chairman

Mr. Faisal Ali Ibrahim Al Siyabi
Member

Mr. Mohammad Shabir Ahmed Khan
Chairman

Risk Committee

Mr. Mohammad Shabir Ahmed Khan
Chairman

Mr. Ayham Abdul Aziz Abdul Qadar Al Ghassani
Member

Mr. Faisal Ali Ibrahim Al Siyabi
Member

Executive Committee

H.H. Sayyid Juland Jaifar Salim Al Said
Chairman

Mr. Faisal Ali Ibrahim Al Siyabi
Member

Mr. Mohammad Shabir Ahmed Khan
Member

Mr. Nauman Ansari
Member

Remuneration & Compensation Committee

H.H. Sayyid Juland Jaifar Salim Al Said
Chairman

Mr. Ayham Abdul Aziz Abdul Qadar Al Ghassani
Member

Mr. Mohammad Shabir Ahmed Khan
Member

CHAIRMAN’S REVIEW

I feel privileged and honored to deliver Chairman’s review of the Board of Directors of Pak Oman Investment Company Limited (POICL).

The year 2024 was marked by geopolitical conflicts and tensions persisting in various regions with negative consequences for economies of the world. Uncertainties stemming from geopolitical tensions, trade disputes and climate related concerns have continued to impact financial markets worldwide. In this volatile environment, POICL remained vigilant, ensuring focus on business and following prudent risk management policies and practices to safeguard our stakeholders' interests.

POICL views high standards of corporate governance as a critical component for the long-term success of the company. The Board endeavors to maintain and strengthen the high level of corporate governance, improve corporate transparency, ensure the healthy development of the company and enhance its corporate values. The Board performs its statutory role and fulfils its objectives by ensuring that the company has a competent leadership and an effective executive management. The Board establishes significant policies, frameworks and the code of conduct, and delegates the authorities and responsibilities down the line for smooth operations.

The company continued to deliver resilient financial performance despite the elevated risk environment and significant external challenges being faced for the past period. Despite macroeconomic conditions, the Company posted Profit after tax of PKR 557 million. In terms of the overall Balance Sheet, our asset base has now surpassed the level of PKR 387 billion, with net assets of around PKR 10.07 billion at the end of the year. Our Capital position provides ample room for growth.

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 upgraded to CGR – 9+, which signifies very high level of corporate governance.

Outlook

Going forward, our strong leadership and capable management team, equipped with extensive experience and expertise, are fully geared to navigate challenges and capitalize on opportunities and are thus poised to continue our journey of delivering excellence in services, fostering innovation and generating sustainable long-term value for our shareholders, customers and communities. We remain optimistic about the prospects of POICL and are committed to upholding the highest standards of corporate governance and ethical conduct, ensuring sustainable growth and value creation for our stakeholders.

In my capacity as the Chairman of the Board, I express my gratitude to our shareholders for their loyal support, extend appreciation to the regulatory authorities for their valuable guidance, recognize the hard work and commitment of the management team and employees, and convey a heartfelt thanks to our customers for placing their trust in POICL.

Juland Jaifar Salim Al Said

Chairman

Karachi,
March 06, 2025

DIRECTORS' REPORT

We are pleased to present the Annual Report of Pak Oman Investment Company Limited (POICL) along with the audited accounts and auditors' report thereon for the year ended December 31, 2024.

Macroeconomic overview

Global Economic Performance

The global economy in 2024 experienced a year of cautious recovery and resilience, marked by a mix of slow but steady growth in many advanced economies, while emerging markets and developing economies showed varied performances. After the disruptions caused by the COVID-19 pandemic and the geopolitical tensions of the past few years, the world saw a continued process of adaptation to new economic realities.

The International Monetary Fund projected global economic growth at around 3.0% for 2024, slightly up from 2.9% in 2023. Growth was primarily driven by a rebound in consumption, a revival of international trade, and continued investment in technology and infrastructure. However, the pace of expansion was uneven, with some regions recovering faster than others.

Inflation remained a central theme in 2024, albeit at lower levels than in the previous two years. The inflationary pressures stemming from energy prices, supply chain disruptions, and the aftermath of stimulus measures from earlier years continued to affect global price levels, particularly in energy and food sectors. Geopolitical risks, particularly the ongoing conflict in Ukraine and tensions between the U.S. and China, continued to affect global trade flows and supply chains. The year saw efforts to recalibrate global trade relationships, with some nations moving towards greater regionalization of supply chains.

Pakistan Economic Performance

Pakistan economic landscape shifted towards stabilization during the year 2024. Positive feedback from IMF approval of US$1.1bn final tranche of Standby Arrangement in March 2024 and the subsequent approval of ~US $ 7 bn 37-month Extended Fund Facility were key highlights of the year. Current account surplus of US $ 1.2 bn in the second half and strong inflows in the form of remittances from overseas Pakistanis, kept the currency stable at PKR278/US$, reflecting 1% YoY average currency appreciation, after 3-consecutive years of double-digit currency depreciation.

Current account balance posted surpluses during October to December 2024, taking July - December 2024 (1HFY25) cumulative surplus to US$1.2bn. Key drivers behind this positive trend include increasing remittances (+33% YoY in 1HFY25) and lower trade deficits, which were naturally supported by lower imports (+9% YoY) and higher exports (+7% YoY).

Positive Current account and Capital account helped the Balance of Payments remain in positive territory for 1HFY25, despite loan repayments.

With stable currency, comfortable current account levels and support from development and bilateral lenders, State Bank foreign exchange reserves managed to reach ~US$11.7 bn as of December 2024 compared to US $ 8.2 bn in December 2023. Resultantly Pakistan's import cover improved from 1.9x in December 2023 to 2.8x in December 2024.

State Bank of Pakistan (SBP) moved toward monetary easing from June 2024 after which consecutive 5 cuts have been seen, bringing policy rate to 13% in December 2024 from 22% seen earlier this year. This was primarily led by a sharp drop in inflation which came down to 5% towards the year end compared to a high of 30%+ seen in CY23. Soft inflation figures were mainly fueled by the decline in food product prices, international and domestic oil prices and stable currency.

During the year, Moody's also upgraded Pakistan's sovereign rating to Caa2 from Caa3, marking the first upgrade in nine years. The agency cited improved macroeconomic conditions, liquidity, and external positions as key factors behind the rating increase.

Financial Performance

The company faced a challenging year in terms of interest income due to the delay in SBP's rate cuts but managed to offset some of that pressure with a significant reversal of credit loss provisions and strong non-interest income from capital gains on securities.

Profit After Tax: The company posted a profit after tax of PKR 557 million as compared to PKR 705 million last year primarily due to SBP's delayed rate cuts resulting in a negative spread on investments, particularly affecting the company's performance in the first half of 2024.

Credit Loss Allowance Reversal: The reversal of the credit loss allowance of PKR 163 million was a positive factor, especially when compared to the previous year's provision of PKR 1,048 million, which helped support the company's bottom line.

Non-Interest Income: Non-interest income saw a significant increase to PKR 1,080 million (from PKR 326 million in 2023), driven largely by capital gains on securities. This improvement contributed substantially to the overall result.

The company's ability to improve non-interest income and reverse credit loss provisions helped mitigate some of the negative effects from the interest rate scenario.

FY 24	FY 23		FY 24	FY 23
$ in millions			***PKR in millions***	
2.54	7.14	Profit before provision	708	1,989
0.59	(3.76)	Reversal / (Provision) and write offs - net	163	(1,048)
3.12	**3.38**	**Profit before taxation**	**871**	**941**
(1.13)	(0.85)	Taxation	(314)	(236)
2	**2.53**	**Profit after taxation**	**557**	**705**
0.0033	0.0041	Earnings per share	0.91	1.15

Financial Position

The company has shown notable changes in its financial position between December 2024 and December 2023.

Total Assets: The total assets increased by PKR 20 billion, rising from PKR 367 billion at the end of 2023 to PKR 387 billion as of December 31, 2024, indicating a growth in the company's overall financial base.

Advances: The company adopted a more cautious approach, which led to a decrease in advances, falling from PKR 16.18 billion at the end of 2023 to PKR 15.01 billion as at December 2024.

Non-Performing Loans (NPLs): There was a slight increase in non-performing loans, rising to PKR 2,909 million from PKR 2,536 million, showing a marginal increase in bad loans.

Infection Ratio: The infection ratio increased to 16% in December 2024 from 13% in the previous year. This is due to the drop in advances, which reflects the cautious approach taken in a risk-conscious environment.

Coverage Ratio: The coverage ratio remained at 89%, reflecting adequate provisions against non-performing loans.

Capital Adequacy Ratio: A major positive highlight is the significant improvement in the company's capital adequacy ratio, which rose sharply from 15.49% as at December 2023 to 33.50% as at December 2024 (minimum required regulatory benchmark is 11.50%). This improvement is attributed to unrealized gains on government securities, indicating that the company is now better positioned in terms of regulatory capital.

FY 24	FY 24		FY 24	FY 23
$ in millions			***PKR in millions***	
36.17	31.38	Shareholders' equity	10,072	8,739
53.91	58.09	Advances	15,014	16,180
1,269	1,205	Investments	353,410	335,736
1,390	1,318	Total Assets	387,117	367,003

Appropriation and Dividend

The board has recommended the following:

	PKR in '000
Transfer to statutory reserves	111,442
Cash Dividend PKR 0.45 per share	276,750

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

Your 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 upgraded to CGR – 9+, which signifies very high level of corporate governance.

Pak Oman Asset Management Company

During the year 2024 the average assets under management (AUMs) of Pak Oman Asset Management Company Limited (POAMCL) was PKR 8.18 billion, the AUMs' remains the same in comparison with the previous year due to rating constraint. PACRA (Credit Rating Agency) re-affirmed Credit Rating of POAMCL at AM3++ with stable outlook. POAMCL is one of the two asset management company which falls in AM3 rating.

During the year POAMCL launched new fund "Pak Oman Microfinance Fund" which was market demand and make a complete basket of investment solutions to cater the investments needs of its present and potential customers. The Company is committed to performing better and to improving the bottom line after obtaining a rating of AM2 in this competitive business environment.

Risk Management Framework

The Risk Management Framework serves as the guiding force for the risk management process at Pak Oman. The primary objective of the framework is to assess and measure the risks associated with business activities and routine operations, ensuring that these risks remain within defined parameters.

Our risk management structure is built upon the following key principles:

- Maximizing risk-adjusted returns in alignment with the business strategy.
- Establishing clear ownership of risks.
- Conducting prudent risk assessments through approved policies and procedures.
- Implementing robust risk control measures and reporting mechanisms.
- Validating the effectiveness of the framework and associated processes.

From the identification and prioritization of risks to their mitigation and ongoing monitoring, the management's emphasis is on fostering a culture of risk awareness throughout the organization as an integral aspect of risk governance.

Statement of Internal Control

The Board of Directors is pleased to endorse the statement made by management relating to internal controls including management's evaluation of Internal Control over Financial Reporting.

Statement on Corporate Governance and Financial Reporting

The Board of Directors are pleased to report that:

- These financial statements, prepared by the Management, present fairly its state of affairs, the result of its operations, cash flow, and changes in equity
- Proper books of account of the Company have been maintained
- Appropriate accounting policies have been consistently applied, except for the changes noted and explained in note 4 to the Financial Statements, in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure from them has been appropriately disclosed
- The system of internal control is sound in design and has been effectively implemented and monitored
- There are no doubts regarding the Company's ability to continue as a going concern
- There has been no material departure from the best practices of corporate governance.

Change in Accounting Policy

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognize minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognized as 'Income tax'.

The change in accounting policy has been accounted for retrospectively in accordance with the International Accounting Standard 8: "Accounting Policies, Changes in Accounting Estimates and Errors." There is, however, no material impact on the unconsolidated financial statements of the prior years.

Taxation – Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Levy

The amount calculated on taxable income using the notified tax rate is recognized as the current income tax expense for the period in Profit & loss account. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the period, is then recognized as a levy.

Meetings of the Board

	Board Meeting	
	Meeting held during the tenure	Attendance
H.H. Sayyid Juland Jaifar Salim Al Said	6	6
Mr. Ayham Abdul Aziz Abdul Qadar Al Ghassani	6	6
Mr. Faisal Ali Ibrahim Al Siyabi	6	6
Mr. Mohammad Shabbir Ahmed Khan	6	6
Mr. Nauman Ansari MD / CEO	6	6

Meetings of the Board Committees

	Board's Executive Committee		Board's Audit Committee	
	Meeting held during the tenure	Meeting attended	Meeting held during the tenure	Meeting attended
H.H. Sayyid Juland Jaifer Salim Al Said	3	3	N/A	N/A
Mr. Faisal Ali Ibrahim Al Siyabi	3	3	4	4
Mr. Mohammad Shabbir Ahmed Khan	3	3	4	4
Mr. Nauman Ansari MD / CEO	3	3	N/A	N/A
Mr. Ayham Abdul Aziz Abdul Qadar Al Ghassani	N/A	N/A	4	4

	Board's Remuneration & Compensation		Board's Risk Committee	
	Meeting held during the tenure	Meeting attended	Meeting held during the tenure	Meeting attended
H.H. Sayyid Juland Jaifer Salim Al Said	2	2	N/A	N/A
Mr. Ayham Abdul Aziz Abdul Qadar Al Ghassani	2	2	4	4
Mr. Faisal Ali Ibrahim Al Siyabi*	2	1	4	4
Mr. Mohammad Shabbir Ahmed Khan	2	2	4	4

*Not a member of the Remuneration & Compensation Committee w.e.f August 01, 2024 due to re-constitution of sub-committees

Process of Appointment and Nomination of Board members:

Pak Oman has two directors and the Chairman nominated by the Ministry of Finance- Government of Sultanate of Oman, while two directors and the Managing Director are nominated by the Ministry of Finance- Government of Pakistan.

Composition of the Board and Board Committees

The composition of the Board and details of Board Committees are given in the Statement of Compliance with the Code of Corporate Governance. The profile of the Board of Directors including the Chairman are available on the website of the Company. The Company does not have a Shariah Board.

The Board has the following committees for providing support in a strategic direction and enhanced oversight. The board committees function as per their respective Terms of Reference (TORs) approved by the Board. A brief description of the functions of each sub-committee is as follows:

Board Executive Committee (BEC): The BEC assists the board and sets upper limits and minimum criteria for exposures (funded and non-funded) in equities, mutual funds, CFS lending and debts Instruments including Term Finance Certificates, Sukuk Certificates and Commercial Papers. The committee also provides review and approvals of proposals provided by the management for credit lines, investments in shares, funds and debt instruments for customers, banks and financial institutions more than PKR 350 million. Moreover, the Committee reviews and provide approvals for loans rescheduling / restructuring and recommends write-offs for Board's considerations.

Board Audit Committee (BAC): The BAC facilitates the Board in setting the 'tone at the top' for a strong and effective system of internal controls. The Committee reviews the adequacy and effectiveness of internal control environment, including financial and operational controls, accounting systems, and reporting structure. The Committee provides oversight to Internal Audit function; approves and monitors the progress of the annual internal audit plan; and ensures that the Internal Audit Function has adequate resources and is appropriately placed within the organization structure to maintain its independence. As part of this process, the Committee also interacts with the External Auditors and recommends the appointment of the statutory auditors to the Board. The BAC is also responsible for monitoring the implementation of new accounting standards; in particular, the Board has designated the BAC as the committee responsible for oversight of the implementation of IFRS 9.

Board Remuneration & Compensation Committee: Board Remuneration & Compensation Committee (BRCC):

The Board of Directors has established the BRCC to oversee and monitor the compensation framework for Pak Oman Investment Company Limited employees, including the Managing Director/Chief Executive Officer (MD/CEO). The BRCC ensures the compensation system aligns with regulatory guidelines, risk management considerations, and affordability criteria.

The committee regularly reviews the total variable compensation to ensure compliance with regulatory limits and supports the Board in overseeing the identification process for Material Risk Takers. It also ensures that internal control functions and other relevant areas are appropriately involved in structuring the compensation framework.

The BRCC comprises three Board Members, including the Chairman of the Committee.

Board Risk Management Committee (BRMC): The Committee is responsible for oversight and advice to the Board on risk related matters, including governance, with respect to the risk appetite and profile. The BRMC also ensures the structure and completeness of the internal risk framework in relation to the risk profile, and the development and maintenance of an independent, supportive and proactive risk management culture. The Committee also takes a forward-looking approach to ensure that evolving risks are identified and mitigated.

Membership on the Board of Other Companies.

The Chairman of the Company is also member of the Board of Directors of Pak Oman Asset Management Company. The Managing Director / Chief Executive Officer of the Company is also member of the Board of Directors of Pak Oman Asset Management Company, Parwaaz Financial Services Limited, Orient Power Company Limited, Neo Holdings (Pvt) Limited & Shields REIT Management Company Limited.

Board Performance Evaluation.

The Board of Directors, while ensuring regulatory compliance is also vested with fiduciary responsibility on behalf of the shareholders to protect the Company's interests, provide strategic direction and monitor the execution of strategic objectives.

The Companies Act 2017, Banking Companies Ordinance 1962, SBP's Prudential Regulations and Code of Corporate Governance (the Code) describe the role of the Board of Directors along with its responsibilities and functions. The SBP vide BPRD Circular No. 11 dated August 22, 2016, issued detailed guidelines on performance evaluation of the Board of Directors. As per these guidelines, the Board of Directors decided to opt for in-house approach with quantitative techniques and evaluation by an external independent evaluator every three years.

The recent performance evaluation was carried in-house evaluation. The evaluation report was discussed by the Chairman with the Board of Directors in its 126th meeting held on August 12, 2024. The Board of Directors noted the contents of Board of Directors Annual Evaluation for the year 2023 along with recommendations and expressed its satisfaction on the results.

External Auditors

The current auditors, Messrs. BDO Ebrahim & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment at the Annual General Meeting. Accordingly, the Board of Directors, on the recommendation of the Board Audit Committee, recommends the appointment of Messrs. BDO Ebrahim & Co., Chartered Accountants, as the auditors of the Company for the financial year 2025.

Pattern of Shareholding

Government of Pakistan	
▪ Ministry of Finance	49.99%
▪ Secretary – Economic Affair Division	0.01%
Sultanate of Oman	
▪ Oman Investment Authority	49.99%
▪ Ministry of Commerce & Industry	0.01%

Value of Investments in Employee Retirement Benefits Funds.

Investments of Provident & Gratuity funds as at December 31, 2024 according to their un-audited financial statements were PKR 306 million and PKR 240 million respectively.

Appreciation and Acknowledgement

Sponsor

The Board is grateful to the respective Governments of Sultanate of Oman and the Islamic Republic of Pakistan for their commitment and support to the Company.

Regulators

The Board also takes this opportunity to express its gratitude to the State Bank of Pakistan and Securities and Exchange Commission of Pakistan for their continued guidance and support.

Management and Employees

The Board is pleased to extend its appreciation to the management and employees for their exemplary hard work, passion and relentless dedication. The Board also acknowledges the staff for their exceptional efforts in positioning the Company as a strong player in the financial sector. This is the result of collective teamwork, commitment and dedication towards achieving the Company's objectives.

On behalf of the Board

Nauman Ansari	**Juland Jaifar Salim Al Said**
Managing Director / Chief Executive Officer	**Chairman**

Karachi, March 06, 2025

ڈائریکٹرز کی رپورٹ

ہمیں 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے آڈٹ شدہ اکاؤنٹس اور آڈیٹرز کی رپورٹ کے ساتھ پاک عمان انویسٹمنٹ کمپنی لمیٹڈ (پی او آئی سی ایل) کی سالانہ رپورٹ پیش کرتے ہوئے خوشی ہے۔

میکرو اکنامک جائزہ
عالمی اقتصادی کارکردگی

2024 ء میں عالمی معیشت نے محتاط بحالی اور لچک کا تجربہ کیا ، جس میں بہت سی ترقی یافتہ معیشتوں میں سست لیکن مستحکم نمو کا امتزاج تھا ، جبکہ ابھرتی ہوئی مارکیٹوں اور ترقی پذیر معیشتوں نے مختلف کارکردگی کا مظاہرہ کیا۔ کوویڈ 19 وبائی امراض اور گزشتہ چند سالوں کے جغرافیائی سیاسی تناؤ کی وجہ سے پیدا ہونے والی رکاوٹوں کے بعد ، دنیا نے نئے معاشی حقائق کے مطابق ڈھلنے کا ایک مسلسل عمل دیکھا۔

بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) نے 2024 ء کے لئے عالمی اقتصادی نمو کا تخمینہ 3.0 فیصد لگایا ہے جو 2023 ء میں 2.9 فیصد سے تھوڑا زیادہ ہے۔ ترقی بنیادی طور پر کھپت میں بحالی، بین الاقوامی تجارت کی بحالی، اور ٹیکنالوجی اور بنیادی ڈھانچے میں مسلسل سرمایہ کاری کی وجہ سے تھی. تاہم ، توسیع کی رفتار ناہموار تھی ، کچھ علاقے دوسروں کے مقابلے میں تیزی سے بحال ہو رہے تھے۔

افراط زر 2024 میں مرکزی موضوع رہا ، اگرچہ پچھلے دو سالوں کے مقابلے میں کم سطح پر تھا۔ توانائی کی قیمتوں سے پیدا ہونے والے افراط زر کے دباؤ، سپلائی چین میں خلل، اور پچھلے سالوں کے محرک اقدامات کے نتیجے میں عالمی قیمتوں کی سطح، خاص طور پر توانائی اور خوراک کے شعبوں میں. جغرافیائی سیاسی خطرات ، خاص طور پر یوکرین میں جاری تنازعہ اور امریکہ اور چین کے مابین تناؤ نے عالمی تجارتی بہاؤ اور سپلائی چین کو متاثر کرنا جاری رکھا۔ اس سال عالمی تجارتی تعلقات کو از سر نو ترتیب دینے کی کوششیں دیکھنے میں آئیں، جس میں کچھ ممالک سپلائی چین کی زیادہ سے زیادہ علاقائیت کی طرف بڑھ رہے تھے۔

پاکستان کی اقتصادی کارکردگی

سال 2024 کے دوران پاکستان کا معاشی منظر نامہ استحکام کی طرف منتقل ہوا۔ آئی ایم ایف کی جانب سے مارچ 2024 میں 1.1 ارب ڈالر کی اسٹینڈ بائی معاہدے کی آخری قسط کی منظوری اور اس کے بعد 7 ارب ڈالر کی 37 ماہ کی توسیعی فنڈ سہولت کی منظوری سے مثبت آراء اس سال کی اہم خصوصیات تھیں۔ دوسری ششماہی میں کرنٹ اکاؤنٹ سرپلس 1.2 ارب ڈالر رہا اور بیرون ملک مقیم پاکستانیوں کی جانب سے ترسیلات زر کی صورت میں زبردست ترسیلات زر کی وجہ سے کرنسی 278 روپے فی ڈالر پر مستحکم رہی جو مسلسل 3 سال تک کرنسی کی قدر میں کمی کے بعد سال بہ سال اوسط کرنسی میں 1 فیصد اضافے کی عکاسی کرتی ہے۔

اکتوبر تا دسمبر 2024ء کے دوران کرنٹ اکاؤنٹ بیلنس میں سرپلس ریکارڈ کیا گیا جس سے جولائی تا دسمبر 2024ء (1 HY 25) مجموعی سرپلس 1.2 بلین امریکی ڈالر تک پہنچ گیا۔ اس مثبت رجحان کے پیچھے اہم محرکات میں ترسیلات زر میں اضافہ (+33% YoY in 1HFY25) اور کم تجارتی خسارہ شامل ہیں، جو قدرتی طور پر کم درآمدات (+9 فیصد سال بہ سال) اور اعلی برآمدات (+7 فیصد سال بہ سال) کی حمایت کرتے ہیں۔ مثبت کرنٹ اکاؤنٹ اور کیپٹل اکاؤنٹ نے قرض کی ادائیگی کے باوجود 1HFY25 کے لئے ادائیگیوں کے توازن کو مثبت علاقے میں برقرار رکھنے میں مدد کی۔

مستحکم کرنسی، آرام دہ کرنٹ اکاؤنٹ کی سطح اور ترقیاتی اور دوطرفہ قرض دہندگان کی حمایت کے ساتھ، اسٹیٹ بینک کے زرمبادلہ کے ذخائر دسمبر 2024 تک ~ 11.7 بلین امریکی ڈالر تک پہنچنے میں کامیاب رہے جو دسمبر 2023 میں 8.2 بلین امریکی ڈالر تھے۔ نتیجتا پاکستان کا درآمدی حجم دسمبر 2023 میں 1.9 گنا سے بڑھ کر دسمبر 2024 میں 2.8 گنا ہوگیا۔

اسٹیٹ بینک آف پاکستان (ایس بی پی) نے جون 2024 سے مالیاتی نرمی کی جانب پیش قدمی کی جس کے بعد مسلسل 5 کٹوتیاں دیکھنے میں آئیں، جس سے دسمبر 2024 میں پالیسی ریٹ رواں سال کے 22 فیصد سے 13 فیصد ہوگیا۔ اس کی بنیادی وجہ افراط زر میں تیزی سے کمی تھی جو سال 2023 میں 30 فیصد سے زیادہ کی بلند ترین سطح کے مقابلے میں سال کے آخر میں 5 فیصد تک گر گئی۔ نرم افراط زر کے اعداد و شمار بنیادی طور پر غذائی مصنوعات کی قیمتوں میں کمی، بین الاقوامی اور گھریلو تیل کی قیمتوں اور مستحکم کرنسی کی وجہ سے تھے.

رواں سال کے دوران موڈیز نے پاکستان کی خودمختار ریٹنگ کو سی اے اے 3 سے بڑھا کر سی اے اے 2 کر دیا، جو نو سال میں پہلی اپ گریڈ ہے۔ ایجنسی نے درجہ بندی میں اضافے کے پیچھے اہم عوامل کے طور پر بہتر میکرو اکنامک حالات، لیکویڈیٹی اور بیرونی پوزیشنوں کا حوالہ دیا۔

مالی کارکردگی

اسٹیٹ بینک کی جانب سے شرح سود میں کٹوتی میں تاخیر کی وجہ سے کمپنی کو سود کی آمدنی کے لحاظ سے ایک مشکل سال کا سامنا کرنا پڑا لیکن کریڈٹ لاس کی شقوں میں نمایاں تبدیلی اور سیکیورٹیز پر کیپٹل گین سے مضبوط غیر سود آمدنی کے ذریعے اس دباؤ کو کم کرنے میں کامیاب رہی۔

بعد از ٹیکس منافع: کمپنی نے گزشتہ سال کے 705 ملین روپے کے مقابلے میں 557 ملین روپے کا بعد از ٹیکس منافع کمایا جس کی بنیادی وجہ اسٹیٹ بینک کی جانب سے شرح سود میں کمی میں تاخیر ہے جس کے نتیجے میں سرمایہ کاری پر منفی اثر پڑا، خاص طور پر 2024 کی پہلی ششماہی میں کمپنی کی کارکردگی متاثر ہوئی۔

کریڈٹ لاس الاؤنس ریورسل: 163 ملین روپے کے کریڈٹ لاس الاؤنس کی واپسی ایک مثبت عنصر تھا ، خاص طور پر جب پچھلے سال کی 1،048 ملین روپے کی فراہمی کے مقابلے میں ، جس نے کمپنی کے منافع کو سہارا دینے میں مدد کی۔

غیر سود آمدنی: غیر سود آمدنی میں 1,080 ملین روپے (2023 میں 326 ملین روپے سے) نمایاں اضافہ دیکھا گیا، جس کی بڑی وجہ سیکیورٹیز پر سرمائے میں اضافہ ہے۔ اس بہتری نے مجموعی نتائج میں نمایاں کردار ادا کیا۔

غیر سود آمدنی اور ریورس کریڈٹ نقصان کی شقوں کو بہتر بنانے کی کمپنی کی صلاحیت نے شرح سود کے منظر نامے سے کچھ منفی اثرات کو کم کرنے میں مدد کی۔

مالی سال 24	مالی سال 23		مالی سال 24	مالی سال 23
$ in millions			*PKR in millions*	
2.54	7.14	منافع قبل از پروویژن	708	1,989
0.59	(3.76)	ریورسل / (پروویژن) اور رائٹ آف - نیٹ	163	(1,048)
3.12	**3.38**	**منافع قبل از محصول**	**871**	**941**
(1.13)	(0.85)	ٹیکس	(314)	(236)
2	**2.53**	**منافع بعد از محصول**	**557**	**705**
0.0033	0.0041	فی حصص آمدنی	0.91	1.15

مالی صورتحال

کمپنی نے دسمبر 2024 اور دسمبر 2023 کے درمیان اپنی مالی پوزیشن میں قابل ذکر تبدیلیاں ظاہر کی ہیں۔

مجموعی اثاثے: مجموعی اثاثوں میں 20 ارب روپے کا اضافہ ہوا جو 2023 کے اختتام پر 367 ارب روپے سے بڑھ کر 31 دسمبر 2024 تک 387 ارب روپے تک پہنچ گیا، جو کمپنی کی مجموعی مالی بنیاد میں اضافے کی نشاندہی کرتا ہے۔

ایڈوانسز: کمپنی نے زیادہ محتاط انداز اپنایا جس کی وجہ سے ایڈوانسز میں کمی واقع ہوئی جو 2023 کے اختتام پر 16.18 ارب روپے سے گر کر دسمبر 2024 تک 15.01 ارب روپے رہ گئی۔

نان پرفارمنگ لونز (این پی ایلز) : نان پرفارمنگ قرضوں میں معمولی اضافہ ہوا جو 2536 ملین روپے سے بڑھ کر 2909 ملین روپے تک پہنچ گیا، جو خراب قرضوں میں معمولی اضافے کو ظاہر کرتا ہے۔

انفیکشن کا تناسب: دسمبر 2024 میں انفیکشن کا تناسب پچھلے سال کے 13 فیصد سے بڑھ کر 16 فیصد ہوگیا۔ اس کی وجہ پیش رفت میں کمی ہے ، جو خطرے کے بارے میں شعور رکھنے والے ماحول میں اختیار کردہ محتاط نقطہ نظر کی عکاسی کرتی ہے۔

کوریج کا تناسب: کوریج کا تناسب 89 فیصد رہا جو غیر فعال قرضوں کے خلاف مناسب اہتماموں کی عکاسی کرتا ہے۔

کیپٹل ایڈیکوسی ریشو: ایک اہم مثبت بات کمپنی کے سرمائے کی مناسبت کے تناسب میں نمایاں بہتری ہے ، جو دسمبر 2023 میں 15.49 فیصد سے بڑھ کر دسمبر 2024 تک 33.50 فیصد ہوگئی (کم از کم مطلوبہ ریگولیٹری بینچ مارک 11.50 فیصد ہے)۔ اس بہتری کی وجہ سرکاری سیکورٹیز پر غیر حقیقی منافع ہے ، جس سے ظاہر ہوتا ہے کہ کمپنی اب ریگولیٹری سرمائے کے لحاظ سے بہتر پوزیشن میں ہے۔

مالی سال 23	**مالی سال 24**		**مالی سال 24**	**مالی سال 24**
PKR in millions			***$ in millions***	
8,739	10,072	حصص یافتگان کی ایکوئٹی	31.38	36.17
16,180	15,014	قرضہ جات	58.09	53.91
335,736	353,410	سرمایہ کاری	1,205	1,269
367,003	387,117	کل اثاثہ جات	1,318	1,390

تخصیص اور منافع

بورڈ نے مندرجہ ذیل سفارشات کی ہیں:

PKR in '000

قانونی ذخائر میں منتقلی	111,442
نقد منافع 0.45 روپیہ فی حصص	276,750

کریڈٹ کی درجہ بندی

کمپنی کی کریڈٹ ریٹنگ کو وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے طویل مدتی کے لئے اے اے + (ڈبل اے پلس) اور قلیل مدت کے لئے اے 1 + (اے ون پلس) پر دوبارہ تصدیق کی۔

تفویض کردہ درجہ بندی کمپنی کے متنوع آپریشنز، صحت مند مالیاتی رسک پروفائل، مضبوط سپانسرز، موجودہ مارکیٹ کی موجودگی اور ساتھی گروپ کے اداروں میں اس کی نسبتا پوزیشن کی عکاسی کرتی ہے۔ یہ درجہ بندی کریڈٹ رسک کی بہت کم توقع، طویل مدت میں مالی وعدوں کی بروقت ادائیگی کی مضبوط صلاحیت اور مختصر مدت میں بروقت ادائیگی کی سب سے زیادہ صلاحیت کی نشاندہی کرتی ہے۔

کارپوریٹ گورننس کی درجہ بندی

بورڈ اور مینجمنٹ کمیٹیوں کی مدد سے آپ کی کمپنی کے اچھی طرح سے قائم کارپوریٹ گورننس فریم ورک کو وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے تسلیم کیا ہے۔ نتیجتا کارپوریٹ گورننس ریٹنگ (سی جی آر) کو سی جی آر - 9+ میں اپ گریڈ کیا گیا ہے ، جو کارپوریٹ گورننس کی بہت اعلی سطح کی نشاندہی کرتا ہے۔

پاک عمان ایسٹ مینجمنٹ کمپنی

سال 2024 کے دوران پاک عمان ایسٹ مینجمنٹ کمپنی لمیٹڈ (پی او اے ایم سی ایل) کے زیر انتظام اوسط اثاثے 8.18 ارب روپے تھے، ریٹنگ کی کمی کی وجہ سے اے یو ایمز کے اثاثے گزشتہ سال کے مقابلے میں یکساں رہے۔ پی اے سی آر اے (کریڈٹ ریٹنگ ایجنسی) نے مستحکم نقطہ نظر کے ساتھ پی او اے ایم سی ایل کی کریڈٹ ریٹنگ کی اے ایم 3 ++ پر دوبارہ تصدیق کی۔ پی او اے ایم سی ایل دو اثاثہ مینجمنٹ کمپنیوں میں سے ایک ہے جو اے ایم ۳ درجہ بندی میں آتی ہے۔

سال کے دوران پی او اے ایم سی ایل نے نئے فنڈ "پاک عمان مائیکرو فنانس فنڈ" کا آغاز کیا جو مارکیٹ کی طلب تھی اور اپنے موجودہ اور ممکنہ صارفین کی سرمایہ کاری کی ضروریات کو پورا کرنے کے لئے سرمایہ کاری کے حل کی ایک مکمل ٹوکری تیار کرتی تھی۔ کمپنی اس مسابقتی کاروباری ماحول میں اے ایم 2 کی درجہ بندی حاصل کرنے کے بعد بہتر کارکردگی کا مظاہرہ کرنے اور نچلی سطح کو بہتر بنانے کے لئے پرعزم ہے۔

رسک مینجمنٹ فریم ورک

رسک مینجمنٹ فریم ورک پاک عمان میں رسک مینجمنٹ کے عمل کے لئے رہنما قوت کے طور پر کام کرتا ہے۔ فریم ورک کا بنیادی مقصد کاروباری سرگرمیوں اور معمول کے آپریشنز سے وابستہ خطرات کا جائزہ لینا اور ان کی پیمائش کرنا ہے ، اس بات کو یقینی بنانا ہے کہ یہ خطرات مقررہ پیرامیٹرز کے اندر رہیں۔

ہمارا رسک مینجمنٹ ڈھانچہ مندرجہ ذیل کلیدی اصولوں پر تعمیر کیا گیا ہے:

- کاروباری حکمت عملی کے مطابق رسک ایڈجسٹڈ ریٹرن کو زیادہ سے زیادہ کرنا۔
- خطرات کی واضح ملکیت قائم کرنا۔

- منظور شدہ پالیسیوں اور طریقہ کار کے ذریعے خطرے کا دانشمندانہ جائزہ لینا۔
- خطرے پر قابو پانے کے مضبوط اقدامات اور رپورٹنگ میکانزم کو نافذ کرنا۔
- فریم ورک اور متعلقہ عمل کی تاثیر کی توثیق.

خطرات کی نشاندہی اور ترجیحات سے لے کر ان کے خاتمے اور جاری نگرانی تک، انتظامیہ کا زور پورے ادارے میں خطرے کی آگاہی کے کلچر کو فروغ دینے پر ہے جو رسک گورننس کے لازمی پہلو کے طور پر ہے۔

داخلی کنٹرول کا بیان

بورڈ آف ڈائریکٹرز اندرونی کنٹرول سے متعلق انتظامیہ کی جانب سے دیئے گئے بیان کی توثیق کرتے ہوئے خوش ہے جس میں انتظامیہ کی جانب سے مالی رپورٹنگ پر داخلی کنٹرول کا جائزہ بھی شامل ہے۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ کے بارے میں بیان

بورڈ آف ڈائریکٹرز کو یہ اطلاع دیتے ہوئے خوشی ہے کہ:

- انتظامیہ کی جانب سے تیار کردہ یہ مالیاتی بیانات اس کے معاملات، اس کے آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی کے اکاؤنٹ کی مناسب کتابیں برقرار رکھی گئی ہیں
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے ، سوائے ان تبدیلیوں کے جو نوٹ 4 میں کی گئی ہیں اور وضاحت کی گئی ہیں ، مالی بیانات کی تیاری میں اور اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل کیا گیا ہے اور ان سے کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور مؤثر طریقے سے نافذ اور نگرانی کی گئی ہے
- کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت کے بارے میں کوئی شک نہیں ہے
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے۔

اکاؤنٹنگ پالیسی میں تبدیلی

سال کے دوران انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (آئی سی اے پی) نے ٹیکنیکل ریلیز 27 'آئی اے ایس 12، انکم ٹیکس (نظر ثانی شدہ 2012)' واپس لے لیا ہے اور 'آئی اے ایس 12 ایپلی کیشن گائیڈنس آن اکاؤنٹنگ فار کم از کم ٹیکسز اینڈ فائنل ٹیکسز' (گائیڈنس) جاری کی ہے۔ گائیڈنس کے مطابق کمپنی نے اپنی اکاؤنٹنگ پالیسی میں تبدیلی کرتے ہوئے آئی اے ایس 37 کے تحت کم از کم اور حتمی ٹیکسوں کو 'لیوی' کے طور پر تسلیم کیا ہے جو پہلے 'انکم ٹیکس' کے طور پر تسلیم کیے جاتے تھے۔

اکاؤنٹنگ پالیسی میں تبدیلی کو بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ 8 کے مطابق پیش کیا گیا ہے: "اکاؤنٹنگ پالیسیاں، اکاؤنٹنگ تخمینوں میں تبدیلی اور غلطیاں." تاہم، پچھلے سالوں کے غیر مربوط مالی بیانات پر کوئی مادی اثر نہیں ہے.

ٹیکس - موجودہ

موجودہ ٹیکس قابل ٹیکس منافع کی بنیاد پر سال کے لئے قابل ٹیکس آمدنی پر قابل ادائیگی متوقع ٹیکس ہے ، رپورٹنگ کی تاریخ پر نافذ کردہ یا ٹھوس طور پر نافذ کردہ ٹیکس کی شرحوں کا استعمال کرتے ہوئے ، اور پچھلے سالوں کے سلسلے میں قابل ادائیگی ٹیکس میں کسی بھی ایڈجسٹمنٹ کا استعمال کرتا ہے۔

محصول

نوٹیفائیڈ ٹیکس کی شرح کا استعمال کرتے ہوئے قابل ٹیکس آمدنی پر حساب کی جانے والی رقم کو منافع اور نقصان اکاؤنٹ میں مدت کے لئے موجودہ انکم ٹیکس اخراجات کے طور پر تسلیم کیا جاتا ہے۔ آرڈیننس کے تحت سال بھر کے لیے ادا کیے جانے والے یا قابل ادائیگی متوقع انکم ٹیکس سے زیادہ رقم اس مدت کے لیے موجودہ انکم ٹیکس کے طور پر مقرر کردہ رقم سے زیادہ ادا کی جاتی ہے تو اسے لیوی کے طور پر تسلیم کیا جاتا ہے۔

بورڈ کے اجلاس

	بورڈ کا اجلاس	
	مدت کار کے دوران ہونے والا اجلاس	حاضری
ایچ ۔ایچ۔ سید جلند جیفر سلم آل سعید	6	6
جناب ایہام عبد العزیز عبد القادر الغاسانی	6	6
جناب فیصل علی ابراہیم ا لسیابي	6	6
جناب محمد شبیر احمد خان	6	6
جناب نعمان انصاری ایم ڈی/ سی ای او	6	6

بورڈ کمیٹیوں کے اجلاس

	بورڈ کے ایگزیکٹو کمیٹی		بورڈ کی آڈٹ کمیٹی	
	مدت کار کے دوران ہونے والا اجلاس	اجلاس میں شرکت	مدت کار کے دوران ہونے والا اجلاس	اجلاس میں شرکت
ایچ ۔ایچ۔ سید جلند جیفر سلم آل سعید	3	3	N/A	N/A
جناب فیصل علی ابراہیم ا لسیابي	3	3	4	4
جناب محمد شبیر احمد خان	3	3	4	4
جناب نعمان انصاری ایم ڈی/ سی ای او	3	3	N/A	N/A
جناب ایہام عبد العزیز عبد القادر الغاسانی	N/A	N/A	4	4

بورڈ کی رسک کمیٹی		بورڈ کا معاوضہ اور معاوضہ		
اجلاس میں شرکت	مدت کار کے دوران ہونے والا اجلاس	اجلاس میں شرکت	مدت کار کے دوران ہونے والا اجلاس	
N/A	N/A	2	2	ایچ ۔ایچ- سید جلند جیفر سلم آل سعید
4	4	2	2	جناب ایہام عبد العزیز عبد القادر الغاسانی
4	4	1	2	جناب فیصل علی ابراہیم ا لسیابي*
4	4	2	2	جناب محمد شبیر احمد خان

*ذیلی کمیٹیوں کی دوبارہ تشکیل کی وجہ سے یکم اگست 2024 سے معاوضہ اور معاوضہ کمیٹی کا رکن نہیں ہوں گے۔

بورڈ ممبران کی تقرری اور نامزدگی کا عمل:

پاک اومان میں دو ڈائریکٹرز اور چیئرمین ہیں جو سلطنت عمان کی وزارت خزانہ کی جانب سے نامزد کیے جاتے ہیں جبکہ دو ڈائریکٹرز اور منیجنگ ڈائریکٹر حکومت پاکستان کی وزارت خزانہ کی جانب سے نامزد کیے جاتے ہیں۔

بورڈ اور بورڈ کمیٹیوں کی تشکیل

بورڈ کی تشکیل اور بورڈ کمیٹیوں کی تفصیلات کارپوریٹ گورننس کوڈ کی تعمیل کے بیان میں دی گئی ہیں۔ چیئرمین سمیت بورڈ آف ڈائریکٹرز کا پروفائل کمپنی کی ویب سائٹ پر دستیاب ہے۔ کمپنی کے پاس شریعہ بورڈ نہیں ہے۔

بورڈ کے پاس اسٹریٹجک سمت میں مدد فراہم کرنے اور بہتر نگرانی کے لئے مندرجہ ذیل کمیٹیاں ہیں۔ بورڈ کمیٹیاں بورڈ کی جانب سے منظور کردہ اپنے متعلقہ ٹرمز آف ریفرنس (ٹی او آرز) کے مطابق کام کرتی ہیں۔ ہر ذیلی کمیٹی کے افعال کی ایک مختصر وضاحت درج ذیل ہے:

بورڈ ایگزیکٹو کمیٹی (بی ای سی): بی ای سی بورڈ کی مدد کرتا ہے اور ایکویٹیز، میوچل فنڈز، سی ایف ایس قرضوں اور ڈیبٹ انسٹرومنٹس بشمول ٹرم فنانس سرٹیفکیٹس، سکوک سرٹیفکیٹس اور کمرشل پیپرز میں ایکسپوزر (فنڈڈ اور نان فنڈڈ) کے لئے اوپری حد اور کم سے کم معیار مقرر کرتا ہے۔ کمیٹی انتظامیہ کی جانب سے صارفین، بینکوں اور مالیاتی اداروں کے لیے 35 کروڑ روپے سے زائد کی کریڈٹ لائنز، شیئرز میں سرمایہ کاری، فنڈز اور ڈیٹ انسٹرومنٹس کے حوالے سے فراہم کردہ تجاویز کا جائزہ اور منظوری بھی فراہم کرتی ہے۔ مزید برآں، کمیٹی قرضوں کی ری شیڈولنگ / ری اسٹرکچرنگ کے لئے جائزہ لیتی ہے اور منظوری فراہم کرتی ہے اور بورڈ کے غور و فکر کے لئے اسے معاف کرنے کی سفارش کرتی ہے۔

بورڈ آڈٹ کمیٹی (بی اے سی): بی اے سی بورڈ کو داخلی کنٹرول کے ایک مضبوط اور موثر نظام کے لئے ' ٹون ایٹ دی ٹاپ' طے کرنے میں سہولت فراہم کرتا ہے۔ کمیٹی داخلی کنٹرول ماحول کی مناسبت اور تاثیر کا جائزہ لیتی ہے ، بشمول مالی اور آپریشنل کنٹرول ، اکاؤنٹنگ سسٹم ، اور رپورٹنگ ڈھانچہ۔ کمیٹی داخلی آڈٹ فنکشن کی نگرانی فراہم کرتی

ہے۔ سالانہ داخلی آڈٹ منصوبے کی پیشرفت کی منظوری اور نگرانی کرتا ہے۔ اور اس بات کو یقینی بناتا ہے کہ انٹرنل آڈٹ فنکشن کے پاس مناسب وسائل ہیں اور اس کی آزادی کو برقرار رکھنے کے لئے تنظیم کے ڈھانچے کے اندر مناسب طور پر رکھا گیا ہے. اس عمل کے ایک حصے کے طور پر، کمیٹی بیرونی آڈیٹرز کے ساتھ بھی بات چیت کرتی ہے اور بورڈ میں قانونی آڈیٹرز کی تقرری کی سفارش کرتی ہے۔ بی اے سی نئے اکاؤنٹنگ معیارات کے نفاذ کی نگرانی کے لئے بھی ذمہ دار ہے۔ خاص طور پر ، بورڈ نے بی اے سی کو آئی ایف آر ایس 9 کے نفاذ کی نگرانی کے لئے ذمہ دار کمیٹی کے طور پر نامزد کیا ہے۔

بورڈ معاوضہ اور معاوضہ کمیٹی: (بی آر سی سی):

بورڈ آف ڈائریکٹرز نے پاک عمان انویسٹمنٹ کمپنی لمیٹڈ کے ملازمین بشمول منیجنگ ڈائریکٹر/ چیف ایگزیکٹو آفیسر (ایم ڈی/سی ای او) کے لیے معاوضے کے فریم ورک کی نگرانی اور نگرانی کے لیے بی آر سی سی قائم کیا ہے۔ بی آر سی سی اس بات کو یقینی بناتا ہے کہ معاوضے کا نظام ریگولیٹری گائیڈ لائنز، رسک مینجمنٹ کے معاملات اور کفایت شعاری کے معیار کے مطابق ہو۔

کمیٹی باقاعدگی سے ریگولیٹری حدود کی تعمیل کو یقینی بنانے کے لئے کل متغیر معاوضے کا جائزہ لیتی ہے اور ماٹیرل ریسک ٹیکر کے شناخت کے عمل کی نگرانی میں بورڈ کی حمایت کرتی ہے۔ یہ اس بات کو بھی یقینی بناتا ہے کہ اندرونی کنٹرول افعال اور دیگر متعلقہ علاقے معاوضے کے فریم ورک کی تشکیل میں مناسب طور پر شامل ہیں۔

بی آر سی سی تین بورڈ ممبران پر مشتمل ہے جس میں کمیٹی کے چیئرمین بھی شامل ہیں۔

بورڈ رسک مینجمنٹ کمیٹی (بی آر ایم سی): کمیٹی خطرے کی خواہش اور پروفائل کے حوالے سے گورننس سمیت رسک سے متعلق معاملات پر بورڈ کو نگرانی اور مشورہ دینے کی ذمہ دار ہے۔ بی آر ایم سی خطرے کے پروفائل کے سلسلے میں اندرونی خطرے کے فریم ورک کی ساخت اور تکمیل کو بھی یقینی بناتا ہے ، اور ایک آزاد ، معاون اور فعال رسک مینجمنٹ کلچر کی ترقی اور دیکھ بھال کو بھی یقینی بناتا ہے۔ کمیٹی اس بات کو یقینی بنانے کے لئے ایک آگے بڑھنے والا نقطہ نظر بھی اختیار کرتی ہے کہ ابھرتے ہوئے خطرات کی نشاندہی کی جائے اور ان کو کم کیا جائے۔

دیگر کمپنیوں کے بورڈ میں رکنیت.

کمپنی کے چیئرمین پاک عمان ایسٹ مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کے رکن بھی ہیں۔ کمپنی کے منیجنگ ڈائریکٹر/ چیف ایگزیکٹو آفیسر پاک عمان ایسٹ مینجمنٹ کمپنی، پرواز فنانشل سروسز لمیٹڈ، اورینٹ پاور کمپنی لمیٹڈ، نیو ہولڈنگز (پرائیویٹ) لمیٹڈ اور شیلڈز آر ای آئی ٹی مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز کے ممبر بھی ہیں۔

بورڈ کی کارکردگی کا جائزہ۔

ریگولیٹری تعمیل کو یقینی بناتے ہوئے بورڈ آف ڈائریکٹرز کو شیئر ہولڈرز کی جانب سے کمپنی کے مفادات کے تحفظ، اسٹریٹجک سمت فراہم کرنے اور اسٹریٹجک مقاصد کے نفاذ کی نگرانی کرنے کی ذمہ داری بھی سونپی گئی ہے۔

کمپنیز ایکٹ 2017، بینکنگ کمپنیز آرڈیننس 1962، اسٹیٹ بینک کے پروڈینشل ریگولیشنز اور کوڈ آف کارپوریٹ گورننس (کوڈ) بورڈ آف ڈائریکٹرز کے کردار کے ساتھ ساتھ اس کی ذمہ داریوں اور افعال کی وضاحت کرتے ہیں۔ اسٹیٹ بینک نے 22 اگست 2016 کو بی پی آر ڈی سرکلر نمبر 11 کے تحت بورڈ آف ڈائریکٹرز کی کارکردگی کے جائزے کے حوالے

سے تفصیلی ہدایات جاری کیں۔ ان رہنما خطوط کے مطابق، بورڈ آف ڈائریکٹرز نے ہر تین سال بعد ایک بیرونی آزاد تشخیص کار کے ذریعہ مقداری تکنیک اور تشخیص کے ساتھ اندرونی نقطہ نظر کا انتخاب کرنے کا فیصلہ کیا۔

حالیہ کارکردگی کا جائزہ ان ہاؤس لیا گیا تھا۔ چیئرمین نے 12 اگست 2024 کو ہونے والے بورڈ آف ڈائریکٹرز کے 126 ویں اجلاس میں جائزہ رپورٹ پر تبادلہ خیال کیا۔ بورڈ آف ڈائریکٹرز نے بورڈ آف ڈائریکٹرز کی سالانہ تشخیص برائے سال 2023ء کے مندرجات اور سفارشات کا ذکر کیا اور نتائج پر اطمینان کا اظہار کیا۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز، میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ اور اہل ہونے کی وجہ سے سالانہ جنرل میٹنگ میں دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے بورڈ آڈٹ کمیٹی کی سفارش پر میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو مالی سال 2025 کے لیے کمپنی کا آڈیٹر مقرر کرنے کی سفارش کی ہے۔

حصص رکھنے کا نمونہ

حکومت پاکستان

- وزارت خزانہ %49.99
- سیکرٹری - اقتصادی امور ڈویژن %0.01

سلطنت عمان

- عمان انویسٹمنٹ اتھارٹی %49.99
- وزارت تجارت و صنعت %0.01

ملازمین کے ریٹائرمنٹ فوائد فنڈز میں سرمایہ کاری کی قیمت.

31 دسمبر 2024 ء تک غیر آڈٹ شدہ مالیاتی گوشواروں کے مطابق پروویڈنٹ اینڈ گریجویٹی فنڈز کی سرمایہ کاری بالترتیب 306 ملین روپے اور 240 ملین روپے تھی۔

تعریف اور اعتراف

اسپانسر

بورڈ سلطنت عمان اور اسلامی جمہوریہ پاکستان کی متعلقہ حکومتوں کا شکر گزار ہے جنھوں نے کمپنی کے ساتھ اپنے عزم اور تعاون کا اظہار کیا۔

ریگولیٹرز

بورڈ اس موقع پر اسٹیٹ بینک آف پاکستان اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مسلسل رہنمائی اور تعاون پر ان کا شکریہ ادا کرتا ہے۔

انتظامیہ اور ملازمین

بورڈ انتظامیہ اور ملازمین کو ان کی مثالی محنت، جذبے اور انتھک لگن پر خراج تحسین پیش کرتے ہوئے خوشی محسوس کرتا ہے۔ بورڈ مالی شعبے میں کمپنی کو ایک مضبوط کھلاڑی کے طور پر پیش کرنے میں عملے کی غیر معمولی کوششوں کا بھی اعتراف کرتا ہے۔ یہ کمپنی کے مقاصد کے حصول کے لئے اجتماعی ٹیم ورک، عزم اور لگن کا نتیجہ ہے۔

بورڈ کی جانب سے

نعمان انصاری
مینجنگ ڈائریکٹر اور چیف ایکزیکیوٹیو

جلند جیفر سلم آل سعید
چیئرمین

کراچی, 06 مارچ 2025

Pak Oman Investment Company Limited
Six Years Financial Summary

Rupees in '000

December 31	2024	2023	2022	2021	2020	2019
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Cash and balances with treasury banks	883,139	532,767	346,449	173,449	214,433	153,271
Balances with other banks	38,009	131,113	1,624,409	1,490,702	1,318,436	1,974,796
Lendings to financial institutions	3,287,200	-	5,135,762	1,953,578	3,600,000	8,132,475
Investments	353,409,569	335,736,123	125,710,845	101,787,711	68,217,290	59,375,922
Advances	15,014,830	16,179,969	19,420,996	19,720,493	20,935,305	20,024,133
Property and equipment	1,002,463	846,505	765,310	82,611	89,045	75,723
Right-of-use assets	160,647	87,089	94,936	112,382	130,194	125,488
Intangibles	8,938	-	-	-	-	5
Deferred tax assets - net	685,571	1,396,492	647,217	398,502	226,542	337,826
Other assets	12,626,148	12,092,961	3,954,452	2,155,949	2,074,831	1,883,175
Assets held-for-sale	-	-	-	384,708	-	-
Total assets	**387,116,514**	**367,003,019**	**157,700,376**	**128,260,085**	**96,806,076**	**92,082,814**
LIABILITIES						
Borrowings	349,587,965	340,891,244	132,900,975	103,997,150	70,551,769	73,681,026
Deposits and other accounts	16,164,282	12,218,415	13,520,897	14,353,682	15,869,130	8,576,392
Lease Liabilities	189,298	118,470	131,093	142,643	144,682	134,524
Other liabilities	11,102,459	5,035,417	2,447,733	1,010,756	1,157,462	1,337,411
Total Liabilities	**377,044,004**	**358,263,546**	**149,000,698**	**119,504,231**	**87,723,043**	**83,729,353**
NET ASSETS	**10,072,510**	**8,739,473**	**8,699,678**	**8,755,854**	**9,083,033**	**8,353,461**
REPRESENTED BY						
Share capital	6,150,000	6,150,000	6,150,000	6,150,000	6,150,000	6,150,000
Reserves	1,863,123	1,751,681	1,922,289	1,855,525	1,759,985	1,265,504
Surplus / (deficit) on revaluation of assets	1,523,773	407,448	(18,918)	(1,050)	348,498	161,727
Unappropriated profit	535,614	430,344	646,307	751,379	824,550	776,230
	10,072,510	**8,739,473**	**8,699,678**	**8,755,854**	**9,083,033**	**8,353,461**

Six Years Financial Summary

Rupees in '000

December 31	2024	2023	2022	2021	2020	2019
PROFITABILITY						
Mark-up/Return/Interest earned	72,323,575	67,477,562	17,487,556	8,016,889	8,993,366	7,521,051
Mark-up/Return/Interest expensed	(71,470,360)	(64,657,033)	(16,653,077)	(6,800,985)	(7,444,829)	(6,500,194)
Net mark-up/interest income	853,215	2,820,529	834,479	1,215,904	1,548,537	1,020,857
Fee, commission and brokerage income	85,817	46,534	96,397	76,168	44,241	41,637
Capital gain & dividend income	958,939	255,880	232,354	132,546	617,675	192,288
Other income	34,983	23,630	147,872	9,526	8,894	2,344
Total non markup/interest income	1,079,739	326,044	476,623	218,240	670,810	236,269
Gross Income	1,932,954	3,146,573	1,311,102	1,434,144	2,219,347	1,257,126
Operating expenses and other charges	(1,224,585)	(1,157,886)	(638,896)	(733,388)	(737,257)	(609,415)
Profit before provisions	**708,369**	**1,988,687**	**672,206**	**700,756**	**1,482,090**	**647,711**
Credit (loss) / reversal allowance and write offs - net	162,919	(1,048,174)	(171,686)	(49,316)	(144,952)	34,136
Profit before taxation	**871,288**	**940,513**	**500,520**	**651,440**	**1,337,138**	**681,847**
Taxation	(314,077)	(235,402)	(166,699)	(173,740)	(364,732)	(177,543)
Profit after taxation	**557,211**	**705,111**	**333,821**	**477,700**	**972,406**	**504,304**
CASH FLOW STATEMENT - SUMMARY						
Cash flow from operating activities	35,926,625	176,623,368	18,606,303	45,898,172	(40,873)	38,624,252
Cash flow from investing activities	(35,364,936)	(177,619,682)	(17,929,133)	(45,309,053)	(123,154)	(38,463,255)
Cash flow from financing activities	(303,805)	(309,437)	(370,463)	(457,837)	(431,171)	(431,123)
Cash and cash equivalents at the beginning of the year	665,107	1,970,858	1,664,151	1,532,869	2,128,067	2,398,193
Cash and cash equivalents at the end of the year	922,991	665,107	1,970,858	1,664,151	1,532,869	2,128,067

Financial Ratios

Return on Equity	5.9%	8.1%	3.8%	5.4%	11.2%	6.1%
Return on Assets	0.1%	0.3%	0.2%	0.4%	1.0%	0.7%
Profit before tax ratio	45.1%	29.9%	38.2%	45.4%	60.2%	54.2%
Gross spread ratio	1.2%	4.2%	4.8%	15.2%	17.2%	13.6%
Total Assets to shareholders' fund	38.43	41.99	18.13	14.65	10.66	11.02
Weighted average cost of debt	19.51%	20.38%	13.02%	7.38%	9.70%	11.92%
Capital adequacy ratio (CAR)	33.50%	15.49%	21.92%	16.47%	17.19%	15.57%

Share Information

Cash dividend per share	4.50%	5.50%	5.00%	6.00%	7.50%	7.00%
Basic and diluted earnings per share	0.91	1.15	0.54	0.78	1.58	0.82
Breakup value per shares	16.38	14.21	14.15	14.24	14.77	13.58

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Pakistan

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAK OMAN INVESTMENT COMPANY LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the best practices of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pak Oman Investment Company Limited (the Company) for the year ended December 31, 2024 in accordance with the requirements of the regulations as to the extent as adopted by the Company.

The responsibility for voluntary compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

It may be noted that Company has voluntarily adopted the Listed Companies Code of Corporate Governance Regulations, 2019.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2024.

KARACHI

DATED: 11 MAR 2025

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

UDIN:CR202410067xQkjbrtqC

STATEMENT OF BEST PRACTICES OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

SBP vide BPRD Circular No. 14 dated October 20, 2016 has advised that the requirement in terms of Prudential Regulation G-1 with regards to the applicability of Code of Corporate Governance (CCG) issued by the Securities and Exchange Commission of Pakistan shall not be applicable on DFIs. However, it is expected that all DFIs will continue to follow the best practices on corporate governance. Accordingly, this Statement is being presented voluntary to comply with the best practices of Corporate Governance i.e. Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Company nevertheless, has applied the principles considered to be the best practices in Corporate Governance in the following manner:

1. The total number of directors are __5**__ as per the following, -
a. Male:5
b. Female: NIL

2. The composition of the Board is as follows:

Committee	Name of Chairman / Members
Independent directors	Not Applicable*
Non-executive directors	H.H. Juland Jaifar Salim Al Said - Chairman Mr. Faisal Ali Ibrahim Al Siyabi - Member Mr. Ayham Abdul Aziz Abdul Qadar Al Ghassani - Member Mr. Mohammad Shabir Ahmed Khan – Member
Executive directors	Mr. Nauman Ansari – Member
Female directors	Nil**

* Waiver by SBP as per Regulation G-6, 1(b) of Corporate Governance Regulatory Framework 2021
** Nominations are received from Ministry of Finance (Pakistan) and Omani Authority

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. All five directors have completed Director' Training Program.

10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

Board/ Committees	Members
Board	1. H.H Juland Salim Al Said (Chairman) 2. Mr. Faisal Ali Ibrahim Al Siyabi 3. Mr. Mohammad Shabir Ahmed Khan 4. Mr. Al Ayham Al Ghassani 5. Mr. Nauman Ansari (Managing Director)
Audit	1. Mr. Al Ayham Al Ghassani (Chairman) 2. Mr. Mohammad Shabir Ahmed Khan 3. Mr. Faisal Ali Ibrahim Al Siyabi
Executive Committee	1. H.H Juland Salim Al Said (Chairman) 2. Mr. Mohammad Shabir Ahmed Khan 3. Mr. Faisal Ali Ibrahim Al Siyabi 4. Mr. Nauman Ansari (Managing Director)
Risk Committee	1. Mr. Mohammad Shabir Ahmed Khan (Chairman) 2. Mr. Al Ayham Al Ghassani 3. Mr. Faisal Ali Ibrahim Al Siyabi
HR Remuneration & Compensation Committee	1. H.H. Juland Jaifer Al Said (Chairman) 2. Mr. Mohammad Shabir Ahmed Khan 3. Mr. Al Ayham Al Ghassani

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committee were as per following, -

Committee	Meeting held during the year
Board of Directors	Six
Audit Committee	Four
Executive Committee	Three
HR Remuneration & Compensation Committee	Two
Risk Committee	Four

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

For and behalf of the Board

Juland Jaifar Salim Al Said
Chairman

Nauman Ansari
Managing Director
& Chief Executive Officer

Karachi: March 06, 2025

STATEMENT OF INTERNAL CONTROLS
For the year ended December 31, 2024

REPORTING ON INTERNAL CONTROL SYSTEM

It is the management's responsibility to establish and maintain an adequate and effective system of internal control that would help to attain a professional and efficient working environment. The internal control system comprises of control procedures and control environment.

The Management has taken steps to ensure that an efficient and effective internal control system is in place by identifying control objectives, reviewing pertinent policies / procedures and establishing relevant control procedures. All policies and procedures are reviewed on an ongoing basis and necessary amendments are made where needed.

Alongside this, appropriate test of transactions, observation of control environment, sharing of findings on internal control systems and ensuring relevant follow up / corrective actions are also carried out.

The Internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

EVALUATION OF EXISTING INTERNAL CONTROL SYSTEMS

The Company has made an effort to ensure that an effective and efficient internal control system is in place and no compromise is made in implementing desired procedures and maintaining a suitable control environment in general.

As per the SBP roadmap, the Company had completed all stages and is in compliance with SBP instructions and obtained exemption from the State Bank of Pakistan for submission of Long Form Report (LFR) certified by external auditors. An annual assessment on internal controls over financial reporting was conducted by the internal audit department of the company, which was duly endorsed by Audit Committee of the Board in compliance to the regulatory requirement. In addition to this, the Company also submitted the "Internal Audit Annual Assessment Report" for the year ended December 31, 2024 to Board Audit Committee (BAC).

The Management considers that the Company's existing Internal Control System is adequate and has been effectively implemented and monitored; based upon the results derived through ongoing testing of financial reporting controls and internal audits carried out during the year. However, the Management would be continuously evaluating processes to enhance and further strengthen the Internal Control System. Furthermore, due importance is given to the training needs of staff in order to ensure that their knowledge and skill levels are constantly enhanced and updated.

Muhammad Yousuf Amanullah	**Muhammad Sajjad Arif**	**S. Abdullah Jamal Ahmed**
Chief Financial Officer	Chief Compliance Officer	Chief Internal Auditor

Karachi: March 06, 2025

UNCONSOLIDATED FINANCIAL STATEMENTS OF PAK OMAN INVESTMENT COMPANY LIMITED FOR THE YEAR ENDED DECEMBER 31, 2024

BDO

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

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **PAK OMAN INVESTMENT COMPANY LIMITED** (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2024, the unconsolidated profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated cash flow statement for the year then ended and notes to the unconsolidated financial statements, including a material accounting policies information and other explanatory information, and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended December 31, 2024 but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

KARACHI

DATED: 1 1 MAR 2025

UDIN:AR2024100672f6oup54X

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

2024	2023		Note	2024	2023
(US Dollar in '000)				(Rupees in '000)	
		ASSETS			
3,170	1,913	Cash and balances with treasury banks	5	883,139	532,767
136	471	Balances with other banks	6	38,009	131,113
11,801	-	Lendings to financial institutions	7	3,287,200	-
1,268,747	1,205,299	Investments	8	353,409,569	335,736,123
53,904	58,086	Advances	9	15,014,830	16,179,969
3,599	3,039	Property and equipment	10	1,002,463	846,505
577	313	Right-of-use assets	11	160,647	87,089
32	-	Intangible assets	12	8,938	-
2,461	5,013	Deferred tax assets	13	685,571	1,396,492
45,328	43,414	Other assets	14	12,626,148	12,092,961
-	-	Assets held-for-sale		-	-
1,389,755	1,317,548			387,116,514	367,003,019
		LIABILITIES			
-	-	Bills payable		-	-
1,255,028	1,223,806	Borrowings	15	349,587,965	340,891,244
58,030	43,864	Deposits and other accounts	16	16,164,282	12,218,415
680	425	Lease Liabilities	17	189,298	118,470
-	-	Subordinated debt		-	-
-	-	Deferred tax liabilities		-	-
39,856	18,077	Other liabilities	18	11,102,459	5,035,417
1,353,594	1,286,172			377,044,004	358,263,546
36,161	31,376	**NET ASSETS**		10,072,510	8,739,473
		REPRESENTED BY			
22,079	22,079	Share capital	19	6,150,000	6,150,000
6,689	6,289	Reserves	20	1,863,123	1,751,681
5,470	1,463	Surplus / (Deficit) on revaluation of assets	21	1,523,773	407,448
1,923	1,545	Unappropriated profit		535,614	430,344
36,161	31,376			10,072,510	8,739,473
		CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Nauman Ansari	Muhammad Yousuf Amanullah	Ayham Abdul Aziz Qadar Al Ghassani	Mohammad Shabir Ahmed Khan	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	CHAIRMAN

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023		Note	2024	2023
(US Dollar in '000)				(Rupees in '000)	
259,643	242,246	Mark-up / return / interest earned	23	72,323,575	67,477,562
256,580	232,120	Mark-up / return / interest expensed	24	71,470,360	64,657,033
3,063	10,126	Net mark-up / interest income		853,215	2,820,529
		NON MARK-UP / INTEREST INCOME			
308	167	Fee and commission income	25	85,817	46,534
599	628	Dividend income		166,988	174,983
-	-	Foreign exchange income		-	-
-	-	Income / (loss) from derivatives		-	-
2,843	290	Gain on securities	26	791,951	80,897
126	85	Other income	27	34,983	23,630
3,876	1,170	Total non mark-up / interest income		1,079,739	326,044
6,939	11,296	**Total Income**		1,932,954	3,146,573
		NON MARK-UP / INTEREST EXPENSES			
3,905	3,287	Operating expenses	28	1,087,776	915,519
491	870	Other charges	29	136,809	242,367
4,396	4,157	Total non mark-up / interest expenses		1,224,585	1,157,886
2,543	7,139	**PROFIT BEFORE PROVISIONS**		708,369	1,988,687
585	(3,763)	Credit (loss) / reversal allowance and write offs - net	30	162,919	(1,048,174)
-	-	Extra ordinary / unusual items		-	-
3,128	3,376	**PROFIT BEFORE TAXATION**		871,288	940,513
(1,128)	(845)	Taxation	31	(314,077)	(235,402)
2,000	2,531	**PROFIT FOR THE YEAR**		557,211	705,111
(US $)				(Rupees)	
0.0033	0.0041	**BASIC AND DILUTED EARNINGS PER SHARE**	32	0.91	1.15

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Nauman Ansari	Muhammad Yousuf Amanullah	Ayham Abdul Aziz Qadar Al Ghassani	Mohammad Shabir Ahmed Khan	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	CHAIRMAN

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023		2024	2023
(US Dollar in '000)			(Rupees in '000)	
2,000	2,531	**PROFIT AFTER TAXATION FOR THE YEAR**	557,211	705,111
		OTHER COMPREHENSIVE INCOME		
		Items that may be reclassified to profit and loss account in subsequent periods:		
3,101	1,079	Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	863,903	300,546
		Items that will not be reclassified to profit and loss account in subsequent periods:		
(57)	(28)	Remeasurement loss on defined benefit obligations - net of tax	(15,875)	(7,714)
339	7	Movement in surplus / (deficit) on revaluation of investments in equity investments - net of tax	94,485	1,832
(49)	(156)	Movement in surplus on revaluation of property and equipments - net of tax	(13,626)	(43,452)
616	-	Movement in (deficit) / surplus on revaluation of non-banking assets - net of tax	171,563	-
849	(177)		236,547	(49,334)
5,950	3,433	**TOTAL COMPREHENSIVE INCOME**	1,657,661	956,323

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Nauman Ansari	Muhammad Yousuf Amanullah	Ayham Abdul Aziz Qadar Al Ghassani	Mohammad Shabir Ahmed Khan	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	CHAIRMAN

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Share capital	(Reserves)		Surplus / (deficit) on revaluation of		Unappropriated profit	Total
		Statutory reserve	General reserve	Investments	Property and equipments / Non-banking assets		
	(Rupees in '000)						
Balance as at January 01, 2023	6,150,000	1,610,659	311,630	(351,972)	333,054	646,307	8,699,678
Impact of adopting IFRS 9 - Note 4	-	-	-	167,440	-	(788,335)	(620,895)
Balance as at January 01, 2023 - Restated	6,150,000	1,610,659	311,630	(184,532)	333,054	(142,028)	8,078,783
Profit after taxation for the year ended 31 December 2023	-	-	-	-	-	705,111	705,111
Other comprehensive income - net of tax							
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	300,546	-	-	300,546
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	1,832	-	-	1,832
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	(7,714)	(7,714)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	(43,452)	-	(43,452)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-
	-	-	-	302,378	(43,452)	(7,714)	251,212
Transfer to statutory reserve	-	141,022	-	-	-	(141,022)	-
Transfer to general reserve	-	-	(311,630)	-	-	311,630	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	11,867	11,867
Transaction with owners, recorded directly in equity							
Final cash dividend - December 31, 2022 declared subsequent to the year end (Rs. 0.50 per share)	-	-	-	-	-	(307,500)	(307,500)
Balance as at December 31, 2023	6,150,000	1,751,681	-	117,846	289,602	430,344	8,739,473

	Share capital	(Reserves)		Surplus / (deficit) on revaluation of		Unappropriated profit	Total
		Statutory reserve	General reserve	Investments	Property and equipments / Non-banking assets		
	(Rupees in '000)						
Balance as at January 01, 2024	6,150,000	1,751,681	-	117,846	289,602	430,344	8,739,473
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	557,211	557,211
Other comprehensive income - net of tax							
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	863,903	-	-	863,903
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	94,485	-	-	94,485
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	(15,875)	(15,875)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	(13,626)	-	(13,626)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	171,563	-	171,563
	-	-	-	958,388	157,937	(15,875)	1,100,450
Transfer to statutory reserve	-	111,442	-	-	-	(111,442)	-
Transfer to general reserve	-	-	-	-	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	13,626	13,626
Transaction with owners, recorded directly in equity							
Final cash dividend - December 31, 2023 declared subsequent to the year end (Rs. 0.55 per share)	-	-	-	-	-	(338,250)	(338,250)
Balance as at December 31, 2024	6,150,000	1,863,123	-	1,076,234	447,539	535,614	10,072,510

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Nauman Ansari	Muhammad Yousuf Amanullah	Ayham Abdul Aziz Qadar Al Ghassani	Mohammad Shabir Ahmed Khan	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	CHAIRMAN

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023		Note	2024	2023
(US Dollar in '000)				(Rupees in '000)	
		CASH FLOW FROM OPERATING ACTIVITIES			
3,128	3,376	Profit before taxation		871,288	940,513
(599)	(628)	Less: Dividend income		(166,988)	(174,983)
2,529	2,748			704,300	765,530
		Adjustments:			
423	258	Depreciation	10.1	117,886	71,947
127	53	Depreciation on right-of-use assets	10.1	35,413	14,693
4	-	Amortization	12	1,126	-
(585)	3,763	Credit loss allowance and write-offs	30	(162,919)	1,048,174
(3)	(21)	(Gain) on sale / disposal of property and equipment		(729)	(5,711)
127	44	liability against right-of-use assets	24	35,350	12,309
4	4	Finance charges on leased assets	28	1,033	1,065
(1,013)	59	Unrealised loss / (gain) on held-for-trading securities	26	(282,156)	16,442
(916)	4,160			(254,996)	1,158,919
1,613	6,908			449,304	1,924,449
		(Increase) / Decrease in operating assets			
(11,801)	18,437	Lendings to financial institutions		(3,287,200)	5,135,762
69,316	(113,884)	Securities classified as FVPL		19,308,074	(31,722,329)
5,183	3,795	Advances		1,443,738	1,057,214
(239)	(22,634)	Other assets (excluding advance taxation)		(66,456)	(6,304,631)
62,459	(114,286)			17,398,156	(31,833,984)
		Increase / (decrease) in operating liabilities			
31,221	746,689	Borrowings		8,696,721	207,990,269
14,166	(4,676)	Deposits		3,945,867	(1,302,482)
21,240	9,175	Other liabilities (excluding current taxation)		5,916,566	2,554,762
66,627	751,188			18,559,154	209,242,549
130,699	643,810			36,406,614	179,333,014
(1,723)	(9,683)	Income tax paid		(479,989)	(2,697,337)
128,976	634,127	**Net cash flow generated from operating activities**		35,926,625	176,635,677
		CASH FLOW FROM INVESTING ACTIVITIES			
(126,183)	(637,500)	Net Investments in securities classified as FVOCI		(35,148,394)	(177,575,525)
-	-	Net Investments in amortized cost securities		-	-
(389)	58	Investments in associates		(108,340)	16,280
-	(287)	Investment in subsidiary		-	(80,000)
628	600	Dividend received		174,977	166,994
(1,009)	(600)	Investments in property and equipment		(281,163)	(167,029)
(36)	-	Intangible assets		(10,064)	-
29	70	Disposal of property and equipment		8,048	19,598
(126,960)	(637,659)	**Net cash flow used in investing activities**		(35,364,936)	(177,619,682)
		CASH FLOW FROM FINANCING ACTIVITIES			
124	(51)	Lease Liabilities		34,445	(14,246)
(1,214)	(1,104)	Dividend paid		(338,250)	(307,500)
(1,090)	(1,155)	**Net cash flow used in financing activities**		(303,805)	(321,746)
926	(4,687)	**Increase in cash and cash equivalents**		257,884	(1,305,751)
2,388	7,075	Cash and cash equivalents at beginning of the year	33	665,107	1,970,858
3,314	2,388	**Cash and cash equivalents at end of the year**	33	922,991	665,107

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.

Nauman Ansari	Muhammad Yousuf Amanullah	Ayham Abdul Aziz Qadar Al Ghassani	Mohammad Shabir Ahmed Khan	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	CHAIRMAN

PAK OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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 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 28 October 2003 issued by the State Bank of Pakistan.

2 BASIS OF PRESENTATION

These unconsolidated financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 02, dated February 09, 2023.

Separate financial statements

These unconsolidated 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.

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

2.1 STATEMENT OF COMPLIANCE

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are 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;

- Provisions of and directives issued under the Companies Act, 2017; and

- Directives issued by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IFRS, requirements of the Companies Act, 2017 and the said directives shall prevail.

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 26 August 2002 till further instructions.

Accordingly, the requirements of these standards have not been considered in preparation of these unconsolidated financial statements.

2.2 IFRS 10, 'Consolidated Financial Statements' was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633 (I) / 2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56 (I) / 2016 dated January 28, 2016 that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10, 'Consolidated Financial Statements' is not applicable incase of investment by companies in mutual funds established under trust structure.

2.3 US Dollar equivalent

The US Dollar amounts shown in the unconsolidated statement of financial position, unconsolidated profit and loss account, unconsolidated statement of comprehensive income and unconsolidated cash flow statement are stated as additional information solely for the convenience of readers. For the purpose of conversion to US Dollars, the rate of Rs. 278.55 to 1 US Dollar has been used for 2024 and 2023 as it was the prevalent rate as on December 31, 2024.

2.4 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2024

The following stantdards, amendments and interpretations are effective for the year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

2.5 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 financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026

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 18 'Presentation and Disclosures in Financial Statements' 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 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 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, 2026.

2.6 Critical accounting estimates and judgments

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and associated assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The judgments, estimates and associated assumptions are based on historical experiences, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. The estimates and judgments that have a significant effect on the unconsolidated financial statements are in respect of the following:

	Note
Classification and credit loss allowance against loans and advances	4.9 & 30
Classification and credit loss allowance against investments	4.9 & 30
Impairment	4.9 & 30
Current and deferred taxation	4.8, 13 & 31
Useful lives of fixed, right of use assets and intangible assets, depreciation, amortisation and revaluation	4.3, 10, 11 & 12
Determination of lease term and borrowing rate	4.3 & 17.1
Non - banking assets acquired in satisfaction of claims	4.17 & 14
Defined benefit plan related assumptions	4.4 & 35

a) Income taxes

In making the estimates for current and deferred income taxes, the management looks at the income tax law and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Company's view differs with the view taken by the income tax department and such amounts are shown as contingent liability.

b) Fixed assets, depreciation and amortization

In making estimates of the depreciation / amortization method, the management uses method which reflects the pattern in which economic benefits are expected to be consumed by the Company. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method would be changed to reflect the change in pattern.

c) Lease Term

The Company applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised and its recoverable amount which is determined as higher of value-in-use and fair value less cost to sell.

d) Non-banking assets acquired in satisfaction of claims

Non banking assets acquired in satisfaction of claims are initially measured at settlement amount and upon revaluation, are carried at revalued amounts less accumulated depreciation and impairment, if any. These assets are revalued as per requirement of SBP's DPS Regulation. Surplus arising on revaluation of property is credited to the "surplus on revaluation of assets" account and any deficit arising on revaluation is taken to profit and loss account directly. Legal fees, transfer cost and direct cost of acquiring title of property is charged to profit and loss account and not capitalised.

e) Defined benefit plan

The liabilities for employees' benefit plans are determined using actuarial valuations. The actuarial valuations involve assumptions about discount rates, expected rates of return on assets and future salary increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

f) Provisions against off - balance sheet obligations

The Company, in the ordinary course of business, issues guarantees. The commission against such contracts is recognised in the profit and loss account under "fees and commission income". The Company's liability under such contracts is measured at the higher of the amount representing unearned commission income at the reporting date and the best estimate of the amount expected to settle any financial obligation arising under such contracts.

3 BASIS OF MEASUREMENT

3.1 These unconsolidated financial statements have been prepared under the historical cost convention except for certain investments, derivative financial instruments, and non-banking assets acquired in satisfaction of claims, which have been marked to market revalued and are carried at fair value. Further, defined benefit plan as discussed in notes 4.4.1 and 35 to the unconsolidated financial statements have been carried at present values as determined under the International Accounting Standards (IAS) 19 (revised) 'Employee Benefits'.

3.2 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for change as mentioned below.

CHANGE IN ACCOUNTING POLICY

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance).Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The management belives that the new policy provides reliable and more relevant information to the user of the unconsolidated condensed interim financial statements.

The change in accounting policy has been accounted for retrospectively in accordance with the International Accounting Standard 8: "Accounting Policies, Changes in Accounting Estimates and Errors." There is, however, no material impact on the unconsolidated financial statements of the prior years.

Taxation - Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the period in Profit & loss account. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the period, is then recognized as a levy.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise cash and non-restricted balances with treasury banks, balances with other banks and placements with financial institutions having maturities of three (3) months or less.

4.2 Lendings to / borrowings from financial institutions

The Company enters into transactions of lendings and borrowings at contracted rates for a specified period of time. These are recorded as under:

Sale under repurchase obligation

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the statement of financial position and are measured in accordance with accounting policies for investments. Amounts received under these agreements are recorded as repurchase agreement borrowings. The difference between sale and repurchase price is amortised as expense over the term of the repo agreement.

Purchase under resale obligation

Securities purchased with a corresponding commitment to resale at a specified future date (reverse repos) are not recognised as investments in the statement of financial position. Amounts paid under these arrangements are included in repurchase agreement lendings. The difference between purchase and resale price is accrued as income over the term of the reverse repo agreement.

Bai Muajjal

In Bai Muajjal, the Company sells sukuk on credit to other financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period.

Borrowings / deposits

Borrowings / deposits are recorded at the amount of proceeds received. The cost of borrowings / deposits is recognised on an accrual basis as an expense in the period in which it is incurred.

4.3 Investment in subsidiary

Investment in subsidiary is initially recognised at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Such impairment losses or reversal of impairment losses are recognised in the unconsolidated statement of profit or loss. These are classified as long-term investment, in these unconsolidated financial statements.

4.4 Investment in Associate

Entities in which the Company has significant influence directly or indirectly but not control and which are neither subsidiaries nor joint venture of the Company are associates and areaccounted for under the equity method of accounting (equity accounted investees).

These investments are initially recognized at cost. The financial statements include theassociates' share of profit or loss and movements in other comprehensive income, afteradjustments, if any, to align the accounting policies with those of the Company, from the datethat significant influence commences until the date it ceases. Share of post acquisition profit/loss of associates is recognized in the statement of profit or loss. Distributions receivedfrom associates reduce the carrying amount of investment. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment(including any long-term interests that, in substance, form part of the Company's net investmentin the associate) is reduced to nil and the recognition of further losses is discontinued except tothe extent that the Company has an obligation or has made payments on behalf of the investee.

4.5 Fixed assets

Property

The Company follows the revaluation model as allowed under International Accounting Standard 16: 'Property, Plant and Equipment'. In accordance with the policy the Office premises of the Company shall be carried at revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluation of these assets shall be carried out with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of reporting period.

Surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. This account is shown equity in the Statement of Financial Position. Deficit arising on subsequent revaluation of fixed assets is adjusted against the balance in the above mentioned surplus account as allowed under the provisions of the Companies Ordinance, 1984. Any deficit in excess of the surplus previously recognised is charged to the profit and loss account. The surplus on revaluation of fixed assets to the extent of incremental depreciation charged on the related assets is transferred to the unappropriated profit.

4.5.1 Property and equipment – owned

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to profit and loss account applying the straight-line method at rates stated in note 10.1.

Residual values and useful lives are reviewed at each balance sheet date and adjusted if impact is considered significant.

Depreciation on additions and deletions of property and equipment during a year is charged in proportion to the period of use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate item of property and equipment, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Item of property and equipment is derecognised when disposed off or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are included in profit and loss account.

4.5.2 Property and equipment - leased

Assets held under finance lease are accounted for by recording the assets and related liabilities at the amounts determined on the basis of the lower of fair value of assets and the present value of minimum lease payments at inception of lease and subsequently stated net of accumulated depreciation. Finance charges are allocated over the period of lease term so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged on leased assets on a basis similar to that of owned assets.

4.5.3 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any. These are transferred to specific assets as and when assets are available for use.

4.5.4 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of Use Assets

At the commencement date of the lease, the right-of-use asset is initially measured at the present value of lease liability. Subsequently, right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

ii) Lease Liability

At the commencement date of the lease, the Company recognises lease liability measured at the present value of the consideration (lease payments) to be made over the lease term and is adjusted for lease prepayments. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. After the commencement date, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

4.5.5 Intangible assets

Expenditure incurred to acquire software licenses is capitalised as intangible assets and stated at cost less accumulated amortization and impairment losses, if any.

Intangible assets having a finite life are amortised using the straight-line method over their estimated useful lives, at the rate stated in note 11.

Amortization on additions and deletions of intangible assets during the year is charged in proportion to the period of use.

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

4.6 Staff retirement benefits

4.6.1 Defined benefit plan

The Company operates a funded-gratuity scheme for all its permanent employees. The scheme was established on November 91, 2002 and approved by the Commissioner of Income Tax with effect from January 31, 2003. Contribution to the fund is made every year based on actuarial valuation. The actuarial valuation is carried out using the Projected Unit Credit Method (PUCM). Under this method, the cost of providing gratuity is charged to the profit and loss account so as to spread the cost over the service lives of the employees in accordance with the actuarial valuation. All actuarial gains and losses are recognized in unconsolidated statement of comprehensive income in the periods in which they occur. The actuarial valuation was conducted as at December 31, 2024.

4.6.2 Defined contribution plan

The Company also operates a provident fund scheme for all its permanent employees. Equal monthly contributions at the rate of 8.33 percent per annum of salary are made by the Company and its employees. The scheme was established on November 01, 2002 and approved by the Commissioner of Income Tax with effect from January 31, 2003. Contributions from the Company are charged to profit and loss account for the year.

4.6.3 Compensated absences

Compensated absences (leaves) of employees are accounted for in the period in which these absences are earned.

4.7 Foreign currencies

4.7.1 Transactions and balances in foreign currencies

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the reporting date. Non - monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non - monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Exchange gains or losses are included in income currently.

4.8 Commitments

Commitments for outstanding forward foreign exchange contracts are translated at forward rates applicable to their respective maturities. Contingent liabilities / commitments for letter of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rates ruling on the reporting date.

Translation gains and losses are included in the profit and loss account.

4.9 Revenue recognition

Mark-up / return / interest income is recognised on a accrual basis taking into account effective yield on the asset, except where recovery is considered doubtful, the income is recognised on receipt basis. Interest / return / mark-up on rescheduled / restructured advances and investments is recognised as permitted by the Prudential Regulations issued by the SBP.

Premium or discount on acquisition of investments is capitalised and amortised through the profit and loss account over the remaining period through effective interest method.

Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease.

In case of advances including finance lease and debt security investments classified under the Prudential Regulations, interest / mark-up is recognized on receipt basis. Interest / mark-up on rescheduled / restructured advances and investments is recognized in accordance with the Prudential Regulations of SBP.

Dividend income on equity investments and mutual funds is recognized when the right to receive 'is established.

Gain and loss on disposal of securities are recognised in the profit and loss account in the year in which they arise.

Gain / loss on termination of lease contracts, documentation charges, front-end fees and other lease income are recognized as income on receipt basis.

Fee and commission income other than commission on letters of credit, guarantees and remuneration for trustee services are recognized upon performance of services.

Commission on letters of credit and guarantees is recognized on time proportion basis.

4.10 Taxation

Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemption available, if any, or minimum taxation as per the Income Tax Ordinance, 2001 whichever is higher. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The charge for the current tax also includes adjustments wherever considered necessary relating to prior year, arising from assessments framed during the year.

Deferred

The Company accounts for deferred taxation using the balance sheet liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the unconsolidated financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and any unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carry forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax related to gain / (loss) recognised in surplus / (deficit) on revaluation of assets is charged / credited to such account.

4.11 Forborne loans

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

4.12 Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.13 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the financial statement when there is a legally enforceable right to set off the recognised amounts and the Company intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.14 Dividend and reserves

Dividend declared and appropriations, except appropriations which are required by the law are recognised as liability and recorded as changes in reserves in the period in which these are approved by the directors / shareholders as appropriate.

4.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS, if any, is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares in issue at December 31, 2024.

4.16 Financial assets and financial liabilities

The Company classifies its financial assets into the following categories: amortised cost; fair value through other comprehensive income; and fair value through profit or loss. Financial liabilities are classified as amortised cost. Management determines the classification of its financial assets and liabilities at initial recognition of the instrument or, where applicable, at the time of reclassification.

Financial instruments – initial recognition

All financial assets are initially recognised on the trade date, i.e. the date at which the Company becomes a party to the contractual provisions of the instruments. This includes purchases or sale of financial assets that require delivery of asset within the time frame generally established by regulations in market conventions.

All financial assets and financial liabilities are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost is taken directly to the unconsolidated profit and loss account.

Classification and subsequent measurement of financial assets and liabilities

The Company classifies all of its financial assets other than equity instruments based on two criteria: a) the Company's business model for managing the assets; and b) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI test'), The financial assets are measured at either:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVPL)

a) Business model assessment

The Company determines its business model at the level that best reflects how it manages financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's board / board committees;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and

- the expected frequency, value and timing of sale which also form important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

b) The SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set.

The Company classifies and measures its derivatives and trading portfolio at FVPL . The Company may designate financial instruments at FVPL, if doing so eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

Financial assets at amortised cost

The Company classifies its financial assets at amortised cost only if both of the following conditions are met:

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding; and

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

After initial measurement, these financial instruments are subsequently measured at amortised cost using the effective interest rate (EIR), less impairment (if any).

Debt instruments at FVOCI

The Company classifies its financial instruments at FVOCI when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income (OCI). Interest income and foreign exchange gains and losses are recognised in the unconsolidated profit and loss account in the same manner as for financial assets measured at amortised cost.

The ECL for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the unconsolidated balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to unconsolidated statement of comprehensive income.

On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to unconsolidated profit and loss account.

Equity instruments at FVOCI

At initial recognition, the Company may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of 'equity' under IAS 32 'financial instruments: presentation' and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

FVOCI equity instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income (OCI), cumulative gains and losses previously recognised in OCI can never be recycled to the unconsolidated profit and loss account. Dividends are recognised in the unconsolidated profit and loss account as other operating income when the right of the payment has been established, (except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI). Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- the designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis, or

- the liabilities are part of a group of financial liabilities, which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or

- the liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the unconsolidated balance sheet at fair value. Changes in fair value are recorded in the unconsolidated profit and loss account. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount / premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVPL is recorded using contractual interest rate.

Financial liabilities at amortised cost

Financial liabilities that are not financial guarantees or loan commitments and that are not classified as financial liabilities held at fair value through profit or loss are classified as financial liabilities held at amortised cost.

Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

Derecognition of financial asset and financial liabilities

a) Financial assets

The Company derecognises a financial asset, such as a loan, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit impaired. If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both, transferred the financial asset and the transfer qualifies for derecognition.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of new liability, and the difference in the respective carrying amount is recognised in the unconsolidated profit and loss account.

Impairment of financial assets

Overview of the expected credit losses (ECL) principles

The Company is recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to ECL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, [the lifetime expected credit loss (LTECL)], unless there has been no significant increase in credit risk since initial recognition, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) .

The 12m ECL is the portion of LTECL that represent the ECL that result from default events on a financial instrument that are probable within the 12 months after the reporting date.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company groups its loans into stage 1, stage 2 and stage 3 as described below:

- stage 1: when loans are first recognised, the Company recognises an allowance based on 12mECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from stage 2.

- stage 2: when a loan has shown a significant increase in credit risk since initial recognition, the Company records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from stage 3.

- stage 3: loans considered credit-impaired (as outlined in note 46.1.2.1). The Company records an allowance for the LTECL.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a partial derecognition of the financial asset.

The calculation of ECL

The Company calculates ECL based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- EAD Exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- PD Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- LGD Loss given default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a

When estimating the ECL, the Company considers three scenarios (a base case, a best case and a worse case). Each of these is associated with different PD. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received by selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Company has the legal right to call it earlier.

The mechanics of the ECL method are summarised below:

- stage 1: the 12m ECL is calculated as the portion of LTECL that represent the ECL that result from default events on a financial instrument that are probable within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

- stage 2: when a loan has shown a significant increase in credit risk since initial recognition, the Company records an allowance for the LTECL. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

- stage 3: for loans considered credit-impaired , the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

- financial guarantee contracts: the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the unconsolidated profit and loss account, and the ECL provision. For this purpose, the Company estimates ECL based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three scenarios.

Forward looking information

The Company formulates a base case view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios and consideration of a variety of external actual and forecast information. This process involves developing three different economic scenarios, which represent a range of scenarios linked to various macro-economic factors.

Credit enhancements: collateral valuation and financial guarantees

To mitigate its credit risks on financial assets, the Company seeks to use collateral. The collateral comes in various forms, such as cash, securities, letters of credit / guarantees and demand promissory notes. To the extent possible, the Company uses active market data for valuing financial assets held as collateral.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount is reported in the unconsolidated financial statements when the Company currently has a legally enforceable right to set off the recognised amount and it intends either to settle on a net basis or to realise the asset and to settle the liability simultaneously.

4.17 Certificates of investment

Certificates of investment are initially recorded at the amount of proceeds received. Mark-up accrued is recognized separately as part of liabilities and is charged to profit and loss account on a time proportion basis.

4.18 Segment information

A segment is a distinguishable component of the Company that is engaged in either providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

4.18.1 Business segments

- **Investment banking**

  Investment banking includes services provided in connection with mergers and acquisitions, underwriting, privatization, securitization, research, debts (government, high yield), equity, syndication, Initial Public Offers (IPO) and secondary private placements.

- **Treasury**

  Involves the businesses of equity trading and fixed income securities.

- **Corporate banking**

  Corporate banking includes project finance, real estate, export finance, trade finance, factoring, leasing, lending, guarantees, bills of exchange and deposits.

4.19 Non- banking assets acquired in satisfaction of claims.

Non banking assets acquired in satisfaction of claims are initially measured at settlement amount and upon revaluation, are carried at revalued amounts less accumulated depreciation and impairment, if any. These assets are revalued as per requirement of SBP's DPS Regulation. Surplus arising on revaluation of property is credited to the "surplus on revaluation of assets" account and any deficit arising on revaluation is taken to profit and loss account directly. Legal fees, transfer cost and direct cost of acquiring title of property is charged to profit and loss account and not capitalised.

4.20 Statutory reserve

According to BPRD Circular No. 15 dated May 31, 2004 issued by the SBP, an amount not less than 20% of the after tax profits shall be transferred to create a reserve fund till such time the reserve fund equals the amount of the paid-up capital and after that a sum not less than 5% of profit after tax shall be credited to the statutory reserve.

	Note	2024	2023
		(Rupees in '000)	
5 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		120	120
Foreign currencies	5.1	398	403
		518	523
With State Bank of Pakistan in Local currency current account	5.2	882,508	532,146
With National Bank of Pakistan in Local currency current account		113	98
Less: Credit loss allowance held against cash and balances with treasury banks		-	-
Cash and balance with treasury banks - net of credit loss allowance		883,139	532,767

5.1 This includes foreign currency units amounting to OMR 550 (2023: 550)

5.2 This represents local currency current account maintained under the Cash Reserve Requirement of the SBP.

		Note	2024	2023
			(Rupees in '000)	
6	**BALANCES WITH OTHER BANKS**			
	In Pakistan:			
	In current accounts		12,759	111,059
	In deposit accounts		2,688	2,563
			15,447	113,622
	Outside Pakistan:			
	In current accounts		24,405	18,718
	Less: Credit loss allowance held against balances with other banks		(1,843)	(1,227)
	Balances with other banks - net of credit loss allowance		38,009	131,113

6.1 Credit loss allowance held against balances with other banks

	2024	2023
Opening balance	1,227	-
Impact of adopting IFRS 9	-	1,185
Charges / reversals		
Charge for the year	616	42
Reversals for the year	-	-
	616	42
Closing balance	1,843	1,227

7 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	2024	2023
Placements		1,900,000	-
Repurchase agreement lendings (Reverse Repo)	7.1	1,387,200	-
Less: Credit loss allowance held against lending to financial institutions		-	-
Lendings To Financial Institutions - net of credit loss allowance		3,287,200	-

7.1 These are short-term lendings to different financial institutions secured against government securities as disclosed in note 7.3 which are purchased under resale obligations. These carried mark-up rates ranges from 13.8% to 13.90% per annum and maturing from January 2025 to February 2025.

7.2 Particulars of lendings

	2024	2023
In local currency	3,287,200	-

7.3 Securities held as collateral against Lending to financial institutions

	Note	2024 Held by the Company	2024 Further given as collateral	2024 Total	2023 Held by the Company	2023 Further given as collateral	2023 Total
		(Rupees in '000)					
Market Treasury Bills		-	-	-	-	-	-
Pakistan Investment Bonds		-	1,387,200	1,387,200	-	-	-
Ijara sukuk		1,900,000		1,900,000			
	7.3.1	1,900,000	1,387,200	3,287,200	-	-	-

7.3.1 Market value of these securities amounted to Rs. 3,415 million in December 2024.

7.3.2 The Company does not hold overseas classified placements.

7.4 Lending to Fis - Particulars of credit loss allowance

		2024 Lending	2024 Credit loss allowance held	2023 Lending	2023 Credit loss allowance held
		Rupees in '000			
Domestic					
Performing	Stage 1	3,287,200	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		3,287,200	-	-	-

	2024 Stage 1	2024 Stage 2	2024 Stage 3	2024 Total
	Rupees in '000			
Balance at the start of the year	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	-	-	-	-
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	-	-	-	-
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	-	-	-	-

	2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
		Rupees in '000		
Balance at the start of the year	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	-	-	-	-
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	-	-	-	-
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	-	-	-	-

8 INVESTMENTS

8.1 Investments by type

	2024				2023			
	Cost / Amortised Cost	Credit loss allowance	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value
	(Rupees in '000)							
Debt Instruments								
Classified / Measured at FVTPL								
Federal Government securities	30,396,583	-	(4,423)	30,392,160	50,204,251	-	(12,403)	50,191,848
Non-Government debt securities	-	-	-	-	-	-	-	-
	30,396,583	-	(4,423)	30,392,160	50,204,251	-	(12,403)	50,191,848
Classified / Measured at FVOCI								
Federal Government securities	316,008,838	-	1,341,405	317,350,243	280,759,955	-	(78,846)	280,681,109
Non-Government debt securities	3,510,446	(536,912)	16,490	2,990,024	3,664,377	(437,328)	20,507	3,247,556
	319,519,284	(536,912)	1,357,895	320,340,267	284,424,332	(437,328)	(58,339)	283,928,665
Equity instruments								
Classified / Measured at FVTPL								
Listed shares	499,594	-	274,176	773,770	-	-	-	-
Classified / Measured at FVOCI								
Shares								
Listed shares	175,561	-	127,298	302,859	122,119	-	1,318	123,437
Unlisted shares	346,266	(111,717)	249,910	484,459	346,266	(111,717)	249,910	484,459
	521,827	(111,717)	377,208	787,318	468,385	(111,717)	251,228	607,896
Associates	791,407	(70,726)	-	720,681	683,067	(70,726)	-	612,341
Subsidiary	681,995	(286,622)	-	395,373	681,995	(286,622)	-	395,373
Total Investments	352,410,690	(1,005,977)	2,004,856	353,409,569	336,462,030	(906,393)	180,486	335,736,123

8.1.1 This includes 3,824 shares of Mari Petroleum Company Limited held in CDC freeze account.

8.2 Investments by segments

	2024				2023			
	Cost / Amortised Cost	Credit loss allowance	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value
	(Rupees in '000)							
Federal Government securities								
Market treasury bills	24,070,872	-	35,892	24,106,764	161,606,720	-	(177,570)	161,429,150
Pakistan Investment Bonds	322,334,549	-	1,301,090	323,635,639	163,311,165	-	97,242	163,408,407
Ijara Sukuk	-	-	-	-	6,046,321	-	(10,921)	6,035,400
	346,405,421	-	1,336,982	347,742,403	330,964,206	-	(91,249)	330,872,957
Shares								
- Listed companies	675,155	-	401,474	1,076,629	122,119	-	1,318	123,437
- Unlisted companies	346,266	(111,717)	249,910	484,459	346,266	(111,717)	249,910	484,459
	1,021,421	(111,717)	651,384	1,561,088	468,385	(111,717)	251,228	607,896
Non-Government debt securities								
- Term finance certificate - listed	216,783	(229,312)	(13,985)	(26,514)	216,783	(167,041)	110	49,852
- Term finance certificate - unlisted	2,527,446	(47,026)	18,499	2,498,919	2,553,599	(31,649)	13,003	2,534,953
- Sukuk certificates	766,217	(260,574)	11,976	517,619	893,995	(238,638)	7,394	662,751
- Commercial papers	-	-	-	-	-	-	-	-
	3,510,446	(536,912)	16,490	2,990,024	3,664,377	(437,328)	20,507	3,247,556
Associates								
Japan Power Generation Limited	70,726	(70,726)	-	-	70,726	(70,726)	-	-
Pak Oman Microfinance Bank Limited	-	-	-	-	-	-	-	-
Pak Oman Advantage Islamic Income Fund	34,107	-	-	34,107	32,266	-	-	32,266
Pak Oman Islamic Asset Allocation Fund	120,128	-	-	120,128	97,492	-	-	97,492
Pak Oman Advantage Asset Allocation Fund	133,455	-	-	133,455	100,579	-	-	100,579
Askari High Yield Scheme	116,408	-	-	116,408	105,357	-	-	105,357
Askari Cash Fund	138,496	-	-	138,496	118,370	-	-	118,370
Pak Oman Daily Dividend Fund	61,796	-	-	61,796	48,130	-	-	48,130
Pak Oman Government Securities Fund	116,291	-	-	116,291	110,147	-	-	110,147
	791,407	(70,726)	-	720,681	683,067	(70,726)	-	612,341
Subsidiary								
Pak Oman Asset Management Company Limited	681,995	(286,622)	-	395,373	681,995	(286,622)	-	395,373
Total investments	352,410,690	(1,005,977)	2,004,856	353,409,569	336,462,030	(906,393)	180,486	335,736,123

8.2.1 Investments given as collateral

	2024				2023			
	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								
Market treasury bills	4,768,445	-	22,599	4,791,044	160,747,511	-	(177,656)	160,569,855
Pakistan Investment Bonds	292,990,383	-	875,187	293,865,570	144,428,963	-	108,584	144,537,547
	297,758,828	-	897,786	298,656,614	305,176,474	-	(69,072)	305,107,402
Shares								
- Unlisted companies	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Associates								
Japan Power Generation Limited	70,726	(70,726)	-	-	70,726	(70,726)	-	-
Total investments	297,829,554	(70,726)	897,786	298,656,614	305,247,200	(70,726)	(69,072)	305,107,402

8.3 Credit loss allowance for diminution in value of investments

	2024	2023
	(Rupees in '000)	
8.3.1 Opening balance	906,393	868,319
Impact of adopting IFRS 9	-	20,072
Charges / reversals		
Charge for the year	99,919	32,018
Reversals for the year	(335)	(14,016)
	99,584	18,002
Transfers - net	-	-
Closing balance	1,005,977	906,393

8.3.2 Particulars of credit loss allowance against debt securities

		2024		2023	
		Outstanding amount	Credit loss allowance	NPI	Provision
		(Rupees in '000)			
Domestic					
Performing	**Stage 1**	2,808,424	8,863	2,999,855	4,118
Underperforming	**Stage 2**	107,500	7,012	219,850	8,986
Non-performing	**Stage 3**				
Other assets especially mentioned		-	-	-	-
Substandard		149,850	76,365	-	-
Doubtful		-	-	-	-
Loss		444,672	444,672	444,672	424,224
		3,510,446	536,912	3,664,377	437,328
Total		3,510,446	536,912	3,664,377	437,328

8.3.3 The Company does not hold overseas classified debt securities.

* NPI stands for Non-performing investments.

8.3.4 Particlurs of credit loss allowance

8.3.4.1 Investments - exposure

	2024			2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	------------ Rupees in '000 ------------					
Opening balance	2,999,855	219,850	444,672	2,980,734	119,851	444,971
New investments	100,000	-	-	350,000	-	-
Investments derecognised or repaid	(391,231)	(149,850)	-	(330,879)	(1)	(299)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	37,500	-	-	100,000	-
Transfer to stage 3	-	-	149,850	-	-	-
	(291,231)	(112,350)	149,850	19,121	99,999	(299)
Amounts written off / charged Off	-	-	-	-	-	-
Other changes (to be specific)	99,800	-	-	-	-	-
Closing balance	2,808,424	107,500	594,522	2,999,855	219,850	444,672

8.3.4.2 Investments - Credit loss allowance

	2024			2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	------------ Rupees in '000 ------------					
Gross carrying amount - Current year	4,118	8,986	424,224	-	-	399,254
Impact of adopting IFRS 9	-	-	-	5,720	14,352	-
New investments	391			2,122		
Investments derecognised or repaid	(404)	(4,343)	-	(3,724)	(9,597)	24,970
Transfer to stage 1						
Transfer to stage 2		718	-		4,231	
Transfer to stage 3			76,365			
	(13)	(3,625)	76,365	(1,602)	(5,366)	24,970
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	4,758	1,651	20,448	-	-	-
Changes (to be specific)	-	-	-	-	-	-
Closing balance - Current year	8,863	7,012	521,037	4,118	8,986	424,224

8.4 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model.

	Note	2024	2023
		Cost	
		(Rupees in '000)	
Federal Government securities - Government guaranteed			
Pakistan Investment Bonds	8.7	311,240,857	147,423,060
Market Treasury Bills	8.8	4,767,981	133,336,895
		316,008,838	280,759,955
Shares			
Listed companies			
Commercial Banks		62,447	41,559
Fertilizer		47,569	26,940
Power Generation & Distribution		-	8,885
Oil & Gas Exploration Companies		65,545	44,735
		175,561	122,119

	2024		2023	
	Cost	Carrying value	Cost	Carrying value
	(Rupees in '000)			
Unlisted companies				
Alhamra Avenue (Private) Limited	50,000	-	50,000	-
Pakistan Textile City Limited (Note 8.6.1)	50,000	-	50,000	-
Techlogix International Limited	20,266	8,549	20,266	8,549
Orient Power Company (Private) Limited	226,000	475,910	226,000	475,910
	346,266	484,459	346,266	484,459

	2024	2023
	Cost	
	(Rupees in '000)	
Non Government debt securities		
Categorization based on long-term rating by credit rating agency		
Listed		
- A+, A, A-	-	-
- B+, B, B-	49,851	49,851
- CCC and below	166,932	166,932
	216,783	216,783
Unlisted		
- AA+, AA, AA-	1,574,400	1,862,633
- A+, A, A-	1,341,523	1,207,221
- BB+, BB, BB-	-	-
- B+, B, B-	-	100,000
- CCC and below	377,740	277,740
	3,293,663	3,447,594
	3,510,446	3,664,377

8.5 Investment in associates

8.5.1 The Company holds investment in ordinary shares of Rs. 10 each in the following entities:

	2024	2023	2024	2023	Holding	Break-up value per share / unit / NAV	Latest available unaudited financial statements	Name of the chief executive
	Number of shares / units		(Rupees in '000)			(Rupees)		
8.5.2 Shares / Mutual Funds								
Japan Power Generation Limited (JPGL)	17,622,878	17,622,878	70,726	70,726	11.29%	(42.59)	30-June-17*	
Pak Oman Islamic Asset Allocation Fund	3,060,081	2,543,449	120,128	97,492	91.31%	53.27	31-Dec-24**	Ms. Sadaf Kazmi
Pak Oman Advantage Asset Allocation Fund	3,334,799	2,602,653	133,455	100,579	99.53%	54.84	31-Dec-24**	Ms. Sadaf Kazmi
Pak Oman Advantage Islamic Income Fund	639,728	611,264	34,107	32,266	27.74%	57.34	31-Dec-24**	Ms. Sadaf Kazmi
Askari High Yield Scheme	1,120,687	1,021,473	116,408	105,357	40.80%	111.74	31-Dec-24**	Ms. Sadaf Kazmi
Askari Cash Fund	1,345,482	1,158,301	138,496	118,370	29.73%	112.15	31-Dec-24**	Ms. Sadaf Kazmi
Pak Oman Daily Dividend Fund	6,043,523	6,043,523	61,796	48,130	98.08%	10.00	31-Dec-24**	Ms. Sadaf Kazmi
Pak Oman Government Securities Fund	6,744,445	10,196,704	116,291	110,147	47.96%	11.70	31-Dec-24**	Ms. Sadaf Kazmi
			791,407	683,067				

**Published Net Asset Value
* Unaudited financial statements

8.5.3 The above associates are incorporated in Pakistan.

8.6 Investment in subsidiary

	2024	2023	2024	2023				
	Number of shares		(Rupees in '000)		%	(Rupees)		
Pak Oman Asset Management Company Limited (note 8.6.2)	1,176,603,212	1,176,603,212	681,995	681,995	99.46%	0.19642	31-Dec-24	Ms. Sadaf Kazmi

8.6.1 Investment in these securities forms part of strategic investment of the Company and cannot be sold for a period of five years from the last date of purchase of securities.

8.6.2 Investment in Pak Oman Asset Management Company Limited is part of strategic investment of the Company. These shares are in the custody of CDC and cannot be sold without the prior approval of the SECP in accordance with Circular Letter No. 9 of 2006 dated June 15, 2006 in addition to mandatory holding period of five years from the last date purchase of these shares.

During the year, the management carried out the impairment testing of the above intangible assets in accordance with the requirements of International Accounting Standard (IAS) - 36 "Impairment of Assets", and no additional provision of impairment has been recognized for the year ended December 31, 2024. The key assumptions used for the purpose of the assessing the recoverable amounts are as under:

	2024
Terminal Growth	3.00%
Beta	1
Market premium	6.00%
10-yr PIB	12.18%
Alpha	0.00%
Cost of equity	18.18%

8.7 The investments in Pakistan investment bonds are maturing upto April 2034 (2023: November 2031) and the effective yield ranges from 9.78% to 20.9% (2023: 9.78% to 26.49%) per annum.

8.8 Market treasury bills carry yield ranging 11.85% to 14% (2023: 21.27% to 21.43%) per annum with maturities upto December 2025 (2023: October 2024).

9 ADVANCES

	Note	Performing		Non-performing		Total	
		2024	2023	2024	2023	2024	2023
		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	
Loans, cash credits, running finances, etc.	9.1 & 9.3	12,954,476	15,044,600	2,908,867	2,535,945	15,863,343	17,580,545
Margin trading		1,906,484	1,637,677	-	-	1,906,484	1,637,677
Advances - gross		14,860,960	16,682,277	2,908,867	2,535,945	17,769,827	19,218,222
Credit loss against advances							
Stage 1		34,712	10,443	-	-	34,712	10,443
Stage 2		122,487	676,586	-	-	122,487	676,586
Stage 3	9.8	-	-	2,597,798	2,351,224	2,597,798	2,351,224
		157,199	687,029	2,597,798	2,351,224	2,754,997	3,038,253
Advances - net of credit allowance		14,703,761	15,995,248	311,069	184,721	15,014,830	16,179,969

9.1 Includes Net investment in Finance Lease as disclosed below:

	2024			2023		
	Not later than one year	Later than one and less than five years	Total	Not later than one year	Later than one and less than five years	Total
	(Rupees in '000)					
Lease rentals receivable	619,638	417,987	1,037,625	136,383	105,888	242,271
Residual value	119,092	71,490	190,582	80,170	29,685	109,855
Minimum lease payments	738,730	489,477	1,228,207	216,553	135,573	352,126
Financial charges for future periods	(99,837)	(130,932)	(230,769)	(30,506)	(22,188)	(52,694)
Present value of minimum lease payments	638,893	358,545	997,438	186,047	113,385	299,432

9.1.1 In respect of the aforementioned finance leases the Company holds an aggregate sum of Rs. 190.582 million (2023: Rs. 109.855 million) as security deposits on behalf of the lessees which are included under 'other liabilities' (note 18).

9.2 Particulars of advances (Gross)

	2024	2023
	(Rupees in '000)	
In local currency	17,769,827	19,218,222

9.3 Staff loans include personal loans and house loans amounting to Rs. 197.48 million (2023: 145.45 million) given to employees in accordance with their terms of appointment. House loans carry mark-up at a rate of 5 (2023: 5) percent per annum, while no mark-up is charged on personal loans.

9.4 Advances - Exposure

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	13,489,847	3,192,430	2,535,945	19,218,222	13,349,705	4,700,610 20,27	2,225,121	5,436
New Advances	4,098,098	-	-	4,098,098	857,940	-	-	857,940
Advances derecognised or repaid	(4,447,167)	(2,391,356)	(396,262)	(7,234,785)	(1,375,537)	(1,508,180)	(154,381)	(3,038,098)
Transfer to stage 1	-	-	-	-	657,739	-	-	657,739
Transfer to stage 2	-	180,936	-	180,936	-	-	-	-
Transfer to stage 3	-	-	769,183	769,183	-	-	465,205	465,205
	(349,269)	(2,210,420)	372,921	(2,186,768)	140,142	(1,508,180)	310,824	(1,057,214)
Amounts written off / charged off	-	-	-	-	-		-	-
Changes in risk parameters	738,172	-	1	738,173	-		-	-
Other changes	-	-	-	-	-		-	-
Closing balance	13,878,950	982,010	2,908,867	17,769,827	13,489,847	3,192,430	2,535,945	19,218,222

9.5 Advances - Particulars of credit loss allowance

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	10,443	676,586	2,351,224	3,038,253	-	-	854,440	854,440
Impact of adopting IFRS 9	-	-	-	-	25,765	308,791	816,062	1,150,618
New Advances	13,316	-	-	13,316	477	-	-	477
Advances derecognised or repaid	(1,998)	(584,045)	(336,007)	(922,050)	(17,418)	367,795	308,557	658,934
Transfer to stage 1	-	-	-	-	1,619	-	-	1,619
Transfer to stage 2	-	23,462	-	23,462	-	-	-	-
Transfer to stage 3	-	-	582,581	582,581	-	-	372,165	372,165
	11,318	(560,583)	246,574	(302,691)	(15,322)	367,795	680,722	1,033,195
Amounts written off / charged off	-	-	-	-	-		-	-
Changes in risk parameters	12,951	6,484	-	19,435	-		-	-
Other changes	-	-	-	-	-		-	-
Closing balance	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253

9.6 Advances - Credit loss allowance details
Internal / Extrernal rating / stage clasification

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)				(Rupees in '000)			
Outstanding gross exposure								
Performing - Stage 1								
(to be specified)	13,878,950	-	-	13,878,950	13,489,847	-	-	13,489,847
Under Performing - Stage 2								
(to be specified)	-	982,010	-	982,010	-	3,192,430	-	3,192,430
Non-perfroming - Stage 3								
Other assets especially mentioned	-	-	-	-	-	-	188,425	188,425
Substandard	-	-	473,184	473,184	-	-	-	-
Doubtful	-	-	121,517	121,517	-	-	465,205	465,205
Loss	-	-	2,314,166	2,314,166	-	-	1,882,315	1,882,315
	-	-	2,908,867	2,908,867	-	-	2,535,945	2,535,945
Total	13,878,950	982,010	2,908,867	17,769,827	13,489,847	3,192,430	2,535,945	19,218,222
Corresponding ECL								
Stage 1 and stage 2								
(to be specified as shown above)	34,712	122,487	-	157,199	10,443	676,586	-	687,029
Stage 3	-	-	2,597,798	2,597,798	-	-	2,351,224	2,351,224
	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253

9.7 Advances include Rs. 2,654.309 million (2023: Rs2.535.945 million) which have been placed under non-performing status as detailed below:

	2024		2023	
Category of Classification	Non-performing loans	Credit loss allowance	Non-performing loans	Provision
	(Rupees in '000)			
Domestic				
Other assets especially mentioned	-		188,425	150,740
Substandard	473,184	344,707	-	-
Doubtful	121,517	97,214	465,205	372,165
Loss	2,314,166	2,155,877	1,882,315	1,828,319
	2,908,867	2,597,798	2,535,945	2,351,224

9.7.1 Provision is recorded net of security deposit of Rs. 6.393 million (2023: Rs. 4.068 million).

9.8 Particulars of credit loss allowance against advances

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	10,443	676,586	2,351,224	3,038,253	-	-	854,440	854,440
Impact of adopting IFRS 9	-	-	-	-	25,765	308,791	816,062	1,150,618
Charge for the year	26,267	29,946	582,581	638,794	2,570	442,721	798,314	1,243,605
Reversals	(1,998)	(584,045)	(331,350)	(917,393)	(17,892)	(74,926)	(117,592)	(210,410)
	24,269	(554,099)	251,231	(278,599)	(15,322)	367,795	680,722	1,033,195
Amounts written off	-	-	(4,657)	(4,657)	-	-	-	-
Closing balance	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253

9.8.1 Particulars of credit loss against advances

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
In local currency	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253
	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253

9.9 The Company does not hold overseas classified advances.

9.10 Particulars of write offs

		2024	2023
		(Rupees in '000)	
9.10.1 Against provisions			
Directly charged to profit and loss account	-	-	-

10 PROPERTY AND EOUIPMENTS

	Note	2024	2023
		(Rupees in '000)	
Property and equipments	10.1	847,413	846,505
Advance for capital expenditure		155,050	-
		1,002,463	846,505

10.1 Property and Equipments

	2024							
	Office premises*	Improvements	Office equipments	Computer equipments	Furniture and fixtures	Vehicles	Assets held under finance lease - Vehicle	Total
	(Rupees in '000)							
As at January 01, 2024								
Cost	752,427	34,855	12,207	29,734	13,009	182,109	5,608	1,029,949
Accumulated depreciation	(81,787)	(19,636)	(8,828)	(20,880)	(10,940)	(38,196)	(3,177)	(183,444)
Net book value	670,640	15,219	3,379	8,854	2,069	143,913	2,431	846,505
Year ended December 31, 2024								
Opening net book value	670,640	15,219	3,379	8,854	2,069	143,913	2,431	846,505
Additions	-	-	4,351	37,952	25,722	58,088	-	126,113
Movement in surplus on assets revalued during the year	-	-	-	-	-	-	-	-
Transfer from Non-banking assets	-	-	-	-	-	-	-	-
Disposals	-	-	-	(817)	(231)	(6,271)	-	(7,319)
Depreciation charge	(37,605)	(3,313)	(1,632)	(12,158)	(2,181)	(59,875)	(1,122)	(117,886)
Closing net book value	633,035	11,906	6,098	33,831	25,379	135,855	1,309	847,413
As at December 31, 2024								
Cost / Revalued amount	752,427	34,855	16,558	66,775	38,331	231,447	5,608	1,146,001
Accumulated depreciation	(119,392)	(22,949)	(10,460)	(32,944)	(12,952)	(95,592)	(4,299)	(298,588)
Net book value	633,035	11,906	6,098	33,831	25,379	135,855	1,309	847,413
Rate of depreciation (percentage)	5%	10%	20%	33.33%	20%	20%	20%	

	Note	Office premises *	Improvements	Office equipments	Computer equipments	Furniture and fixtures	Vehicles	Assets held under finance lease - Vehicle	Total
		2023							
		(Rupees in '000)							
As at January 01, 2023									
Cost		752,427	35,062	10,472	23,941	11,782	55,261	5,608	894,553
Accumulated depreciation		(44,182)	(17,270)	(8,020)	(17,324)	(10,693)	(29,698)	(2,056)	(129,243)
Net book value		708,245	17,792	2,452	6,617	1,089	25,563	3,552	765,310
Year ended December 31, 2023									
Opening net book value		708,245	17,792	2,452	6,617	1,089	25,563	3,552	765,310
Additions		-	3,803	1,888	5,793	1,875	153,670	-	167,029
Movement in surplus on assets revalued during the year		-	-	-	-	-	-	-	-
Transfer from Non-banking assets		-	-	-	-	-	-	-	-
Disposals		-	(3,047)	-	-	(174)	(10,666)	-	(13,887)
Depreciation charge		(37,605)	(3,329)	(961)	(3,556)	(721)	(24,654)	(1,121)	(71,947)
Closing net book value		670,640	15,219	3,379	8,854	2,069	143,913	2,431	846,505
As at December 31, 2023									
Cost / Revalued amount		752,427	34,855	12,207	29,734	13,009	182,109	5,608	1,029,949
Accumulated depreciation		(81,787)	(19,636)	(8,828)	(20,880)	(10,940)	(38,196)	(3,177)	(183,444)
Net book value		670,640	15,219	3,379	8,854	2,069	143,913	2,431	846,505
Rate of depreciation (percentage)		5%	10%	20%	33.33%	20%	20%	20%	

* The transfer of title of office premises in the Company's name is in process.

10.1.1 The properties has been revalued by an independent professional valuers as at December 31, 2022. The valuation was carried by M/s. KG Traders and M/s Oriental Engineering Services on the basis of current professional assessment of current market values.

10.2 Included in cost of property and equipments are fully depreciated items still in use having cost of:

	2024	2023
	(Rupees in '000)	
Improvements	1,704	1,704
Office equipments	7,155	6,894
Computer equipments	16,989	16,002
Furniture and fixtures	10,083	9,031
Vehicles	3,461	3,411
	39,392	37,042

10.3 Details of disposals of assets and property and equipments disposed off to the Chief Executive or to a director or to executives or to any other related party, irrespective of the values, are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of Purchaser
	(Rupees in '000)						
Vehicles							
Toyota Corolla	8,750	2,479	6,271	7,000	729	Negotiations	M/S Cars Qilla
	8,750	2,479	6,271	7,000	729		
Furniture and fixture	150	147	3	3	-	Company policy	Mr. Rehan Gayur (Former Executive)
Laptop	438	24	414	414	-	Company policy	Mr. Rehan Gayur (Former Executive)
Others	723	92	631	631	-		
	10,061	2,742	7,319	8,048	729		

	2024	2023
	(Rupees in '000)	

11 RIGHT-OF-USE-ASSETS

	2024	2023
As at January 01,		
Cost	160,286	156,112
Accumulated depreciation	(73,197)	(61,176)
Net Carrying amount at January 01,	87,089	94,936
Additions during the year	134,680	14,440
Deletions during the year		
Cost	(82,929)	(10,266)
Accumulated depreciation	57,220	2,672
	(25,709)	(7,594)
Depreciation Charge for the year	(35,413)	(14,693)
Net Carrying amount As at December 31,	160,647	87,089
As at December 31,		
Cost	212,037	160,286
Accumulated depreciation	(51,390)	(73,197)
Net Carrying amount As at December 31,	160,647	87,089
Rate of depreciation (percentage)	10%	10%

12 INTANGIBLE ASSETS

Computer Software

	2024	2023
As at January 01		
Cost	10,356	10,356
Accumulated amortisation	(10,356)	(10,356)
Net book value	-	-
Year ended December 31		
Opening net book value	-	-
Additions	10,064	-
Disposals	-	-
Amortisation charge	(1,126)	-
Closing net book value	8,938	-
As at December 31		
Cost	20,420	10,356
Accumulated amortisation	(11,482)	(10,356)
Net book value	8,938	-
Rate of amortisation	33%	33%

13 DEFERRED TAX ASSETS

	January 01, 2024	Recognized in		December 31, 2024
		Profit and loss account	Recognised in OCI	
	-----------------------------(Rupees in '000)-----------------------------			
Deductible Temporary Differences on				
Credit loss allowance against investments and others	327,044	45,114	-	372,158
Assets subject to finance lease	(64)	65	-	1
Amortisation of premium on Federal Government securities	2,777	(2,091)	-	686
Credit loss allowances against advances	1,184,919	(110,470)	-	1,074,449
Difference of Corporte tax & ACT & Minimum Tax	-	130,928	-	130,928
Accelerated tax depreciation allowances	29,745	15,040	-	44,785
	1,544,421	78,586	-	1,623,007
Taxable Temporary Differences on				
Net investment in finance lease	76,532	(33,666)	-	42,866
Revaluation on investments classified as FVTPL	4,837	(71,656)	-	(66,819)
Revaluation on investments classified as FVTOCI	(75,043)	-	(583,826)	(658,869)
Revaluation on fixed asset / non-banking assets	(152,258)	7,331	(109,687)	(254,614)
Dividend receivables	(1,997)	1,997	-	-
	(147,929)	(95,994)	(693,513)	(937,436)
	1,396,492	(17,408)	(693,513)	685,571

	January 01, 2023	Recognized in		December 31, 2023
		Profit and loss account	Recognised in OCI	
	--------------------------------(Rupees in '000)--------------------------------			
Deductible Temporary Differences on				
Credit loss allowance against investments and others	263,205	55,259	8,580	327,044
Assets subject to finance lease	(136)	72	-	(64)
Amortisation of premium on Federal Government securities	4,057	(1,280)	-	2,777
Credit loss allowances against advances	281,965	523,251	379,703	1,184,919
Difference of Corporte tax & ACT & Minimum Tax	-	-	-	-
Accelerated tax depreciation allowances	16,007	13,738	-	29,745
	565,098	591,040	388,283	1,544,421
Taxable Temporary Differences on				
Net investment in finance lease	45,130	31,402	-	76,532
Revaluation on investments classified as held-for-trading	(1,333)	6,170	-	4,837
Revaluation on investments classified as available-for-sale	173,359	-	(248,402)	(75,043)
Revaluation on fixed assets / non-banking assets	(135,037)	14,363	(31,584)	(152,258)
Dividend receivables	-	(1,997)	-	(1,997)
	82,119	49,938	(279,986)	(147,929)
	647,217	640,978	108,297	1,396,492

		Note	2024	2023
			(Rupees in '000)	
14	**OTHER ASSETS**			
	Income/ mark-up accrued in local currency		7,471,230	6,231,061
	Dividend income receivable		-	7,989
	Mark-up / profit receivable on purchase of securities		860,611	2,393,703
	Security deposits		14,724	4,824
	Prepayments		35,897	35,533
	Prepaid staff cost		54,738	-
	Receivable against sale of investments		-	215,768
	Advance taxation (payments less provisions)		3,359,667	3,166,197
	Non-banking assets acquired in satisfaction of claims	14.1	543,750	-
	Defined benefit plan	35.2	-	-
	Others		4,281	37,886
			12,344,898	12,092,961
	Less: Credit loss allowance held against other assets		-	-
	Other assets (net of credit loss allowance)		12,344,898	12,092,961
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	14.1	281,250	-
	Other assets - total		12,626,148	12,092,961

14.1 Non-banking assets acquired in satisfaction of claims

	2024	2023
Opening balance	-	-
Additions	543,750	-
Revaluation	281,250	-
Depreciation	-	-
Disposals	-	-
Transfer to fixed assets	-	-
Impairment	-	-
Closing balance	825,000	-

14.2 An independent valuation of the Company's non-banking assets was performed by an independent professional valuer to determine the fair value of the asset. The valuation was carried out by MYK Associates (Private Limited) on the basis of an assessment of present market values which resulted in an increase in surplus by Rs. 281.250 million (2023: Nil).

15 BORROWINGS

	Note	2024	2023
Secured			
Borrowings from the State Bank of Pakistan:	15.2		
- Long term financing facility (LTFF)		1,583,576	2,084,778
- Financing Scheme for Renewable Energy		197,756	235,204
- Financing facility for storage of agricultural produce (FFSAP)		21,154	28,846
- Temporary Economic Refinance Facility (TERF)		159,420	195,946

	Note	2024	2023
		(Rupees in '000)	
Repurchase agreement borrowings	15.3	-	292,639,130
Long term borrowings	15.4	3,091,768	3,950,000
Short term loan / running finance	15.5	275,036,921	15,000,000
Bai Muajjal	15.6	22,935,065	-
Total secured		303,025,660	314,133,904
Unsecured			
Placements	15.7	-	4,220,000
Murabaha financing	15.8	46,562,305	22,537,340
Total unsecured		46,562,305	26,757,340
		349,587,965	340,891,244

15.1 Particulars of borrowings with respect to currencies

	2024	2023
In local currency	349,587,965	340,891,244

15.2 The Company has entered into agreements for financing with the SBP of long term finance for export oriented projects to customers. According to the terms of the respective agreements, the SBP has the right to receive the outstanding amount from the Company at the date of maturity of the finances by directly debiting the current account maintained by the Company with the SBP. The mark up rates ranges from 1% to 8% (2023: 1% to 8%) per annum. These are repayable within 10 years (2023: 10 years). No securities have been pledged against this facilities.

15.3 The mark up rate on these repurchase agreement borrowings, maturing (2023: January 2024), ranges between (2023: 22% to 23%) per annum. Securities having cost of (2023: Rs 289.531 million) have been pledged against these borrowings.

15.4 These long-term borrowings carrying mark up at the rate of KIBOR plus spread negotiated with Bank. The above facilities are secured against advances receivable.

15.5 The mark up rate on these short-term loan / running finance facility is from 11.49% to 13.30% (2023: 21.65%). The above facility are secured against government securities and loans and advances receivables (2023: loan and advances receivable).

15.6 The mark up rate on these Bai Muajjal secured against government securities, maturing from January 2025 to February 2025 (2023: NIL) is 12% to 15.75% (2023: Nil) per annum.

15.7 The mark up rate on these placement financing maturing in (2023: January 2024) is (2023: 22.10% to 22.50% per annum). No securities have been pledged against this facilities.

15.8 The mark up rate on these murabaha financing, maturing from January 2025 to June 2025 (2023: January 2024 to May 2024) is from 11.50% to 15.05% (2023:20.95% to 22.05%) per annum. No securities have been pledged against this facilities.

16 DEPOSITS AND OTHER ACCOUNTS

	Note	2024 In local currency	2024 Total	2023 In local currency	2023 Total
		(Rupees in '000)			
Certificates of investment					
Financial institutions		179,500	179,500	705,500	705,500
Others		15,984,782	15,984,782	11,512,915	11,512,915
	16.1 &16.2	16,164,282	16,164,282	12,218,415	12,218,415

16.1 The rate of return on deposits maturing between January 2025 to December 2025 (2023: January 2024 to December 2024) ranges between 10.93% to 21% (2023: 16.15% to 23.25%) per annum.

	2024	2023
	(Rupees in '000)	
16.2 Composition of deposits		
Individuals	2,124,499	2,129,061
Government (Federal and Provincial)	4,677,739	5,700,843
Banking Companies	-	-
Non-Banking Financial Institutions	106,000	705,500
Private Sector	9,256,044	3,683,011
	16,164,282	12,218,415

17 LEASE LIABILITIES

	2024	2023
Lease liability against right-of-use assets	187,986	116,203
Liabilities against assets subject to finance lease	1,312	2,267
	189,298	118,470

17.1 Lease liability against right-of-use assets

	2024	2023
As at January 01,	116,203	127,954
Additions	134,680	14,441
Deletion	(50,069)	(9,228)
Finance charges	35,350	12,309
Payments	(48,178)	(29,273)
As at December 31,	187,986	116,203

Contactual maturity of lease laibilities

	2024	2023
Short-term lease liabilities - within one year	-	-
Long-term lease liabilities		
- 1 to 5 years	-	-
- 5 to 10 years	-	-
- More than 10 years	-	-
	-	-
Total lease liabilities	-	-

17.2 Liabilities against assets subject to finance lease

	2024			2023		
	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	76	1,048	1,124	169	955
Later than one year and upto five years	269	5	264	1,393	81	1,312
	1,393	81	1,312	2,517	250	2,267

The Company has entered into lease agreements with financial institutions 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% (2023: 9.17%) per annum.

18 OTHER LIABILITIES

	Note	2024	2023
		(Rupees in '000)	
Mark-up/ return/ interest payable in local currency		10,273,614	4,422,998
Accrued expenses		481,496	429,745
Defined benefit plan liabilities	35.2	28,008	15,062
Security deposits against investment in finance lease	9.1.1	190,582	109,855
Taxation		-	-
Payable against purchase of investments		-	-
Withholding tax and sales tax payable		12,271	10,957
Credit loss allowances against off-balance sheet obligations	18.1	17,159	1,679
Others		99,329	45,121
		11,102,459	5,035,417

18.1 Credit loss allowance against off-balance sheet obligations

	2024	2023
Opening balance	1,679	-
Exchange adjustment	-	-
Charge for the year	15,480	1,679
Reversals	-	-
	15,480	1,679
Amount written off	-	-
Closing balance	17,159	1,679

19 SHARE CAPITAL

19.1 Authorized Capital

2024	2023		2024	2023
(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

19.2 Issued, subscribed and paid-up

2024	2023		2024	2023
(Number of shares)			(Rupees in '000)	
		Ordinary shares of Rs. 10 each		
600,000,000	600,000,000	- Fully paid in cash	6,000,000	6,000,000
15,000,000	15,000,000	- Issued as bonus shares	150,000	150,000
615,000,000	615,000,000		6,150,000	6,150,000

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

20 RESERVES

	Note	2024	2023
		(Rupees in '000)	
Statutory reserve	20.1	1,863,123	1,751,681
General reserve		-	-
		1,863,123	1,751,681

20.1 According to BPRD Circular No. 15 dated May 31, 2004 issued by the SBP, an amount not less than 20% of the after tax profits shall be transferred to create a reserve fund till such time the reserve fund equals the amount of the paid-up capital and after that a sum not less than 5% of profit after tax shall be credited to the statutory reserve.

21 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

	Note	2024	2023
		(Rupees in '000)	
Surplus / (Deficit) on revaluation of:			
- Securities measured at FVOCI - Debt		1,357,895	(58,339)
- Securities measured at FVOCI - Equity		377,208	251,228
- Property and Equipment		452,420	474,758
- Non-banking assets acquired in satisfaction of claims	21.1	281,250	-
		2,468,773	667,647
Deferred tax (Liability) on surplus on revaluation of:			
- Securities measured at FVOCI - Debt		(529,579)	22,752
- Securities measured at FVOCI - Equity		(129,290)	(97,795)
- Property and Equipment		(176,444)	(185,156)
- Non-banking assets acquired in satisfaction of claims	21.1	(109,687)	-
		(945,000)	(260,199)
		1,523,773	407,448

21.1 Surplus on revaluation of non-banking assets acquired in satisfaction of claims

	2024	2023
Surplus on revaluation as at January 01	-	-
Recognised during the year	281,250	-
Realised on disposal during the year	-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	-	-
Transfer to fixed assets	-	-
	281,250	-
Less: related deferred tax liability on:		
Revaluation as at January 01	-	-
Revaluation recognised during the year	(109,687)	-
Incremental depreciation charged during the year	-	-
Transfer to fixed assets	-	-
	(109,687)	-
	171,563	-

	Note	2024	2023
		(Rupees in '000)	

21.2 Surplus on revaluation of fixed assets

		2024	2023
Surplus on revaluation as at January 01		474,758	497,095
Recognised during the year		-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(22,338)	(22,337)
Transfer from non-banking assets		-	-
		452,420	474,758
Less: related deferred tax liability on:			
Revaluation as at January 01,		(185,156)	(164,041)
Revaluation recognised during the year		-	-
Incremental depreciation charged during the year		8,712	(21,115)
Transfer from non-banking assets		-	-
		(176,444)	(185,156)
		275,976	289,602

22 CONTINGENCIES AND COMMITMENTS

	Note	2024	2023
Guarantees	22.1	3,898,167	988,645
Commitments	22.2	1,397,184	6,138,569
Other contingent liabilities	22.3	70,726	70,726
		5,366,077	7,197,940

22.1 Guarantees:

	2024	2023
Performance guarantees	3,066,250	-
Financial guarantees	831,917	988,645
	3,898,167	988,645

22.2 Commitments:

	2024	2023
Commitments in respect of:		
forward government securities transactions		
Purchase of Government securities	-	5,087,589
Sale of Government securities	-	450,282
	-	5,537,871
Commitments for:		
advances	853,434	600,698
Sale of non-banking assets	543,750	-
	1,397,184	6,138,569

	Note	2024	2023
		(Rupees in '000)	

22.3 Other contingent liabilities:

	Note	2024	2023
Pledge of shares on behalf of Japan Power Generation Limited	22.3.1	70,726	70,726
		70,726	70,726

22.3.1 This represents shares in Japan Power Generation Limited (JPGL) (an associate) aggregating 17,622,878 having a cost of Rs. 70.726 million (2023: 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).

23 MARK-UP / RETURN / INTEREST EARNED

	2024	2023
On:		
Loans and advances	2,330,964	3,394,179
Investments	69,053,471	62,634,680
Lendings to financial institutions	926,961	1,374,899
Balances with banks	12,179	73,804
	72,323,575	67,477,562

24 MARK-UP / RETURN / INTEREST EXPENSED

	2024	2023
Deposits	2,772,779	2,392,060
Borrowings	68,662,231	62,252,664
Lease liability against right-of-use assets	35,350	12,309
	71,470,360	64,657,033

25 FEE AND COMMISSION INCOME

	2024	2023
Credit related fees	26,827	18,145
Investment banking fees	34,591	25,299
Commission on guarantees	24,399	3,090
	85,817	46,534

26 GAIN/(LOSS) ON SECURITIES

	Note	2024	2023
Realised	26.1	509,795	97,339
Unrealised - FVTPL		282,156	(16,442)
		791,951	80,897

	Note	2024	2023
		(Rupees in '000)	

26.1 Realised gain on:

Federal Government securities		361,131	90,147
Non-Government debt securities		-	1,678
Mutual funds		109,026	1,482
Shares		39,638	4,032
		509,795	97,339

27 OTHER INCOME

Gain on sale of property and equipment - net		729	5,711
Gain on derecognition of right-of-use assets - net		24,360	-
Rental income		9,894	17,919
		34,983	23,630

28 OPERATING EXPENSES

	Note	2024	2023
Total compensation expense	28.1	665,532	640,932
Property expense			
Rent and taxes		-	-
Utilities cost		12,261	10,098
Security (including guards)		1,291	1,036
Repair and maintenance (including janitorial charges)		40,331	14,893
Depreciation on right-of-use assets	11	35,413	14,693
Depreciation on improvements	10.1	3,313	3,329
Depreciation on office premises	10.1	37,605	37,605
		130,214	81,654
Information technology expenses			
Software maintenance		976	1,248
Hardware maintenance		-	677
Depreciation on computer equipment	10.1	12,158	3,556
Amortisation	12	1,126	-
Network charges		4,655	3,286
Others		5,189	1,214
		24,104	9,981
Other operating expenses			
Directors' fees and allowances		27,075	32,250
Legal and professional charges		49,239	58,775
Travelling and conveyance		16,147	18,448
Depreciation		64,810	27,457
Training and development		3,349	1,532
Postage and courier charges		444	456

	Note	2024	2023
		(Rupees in '000)	
Communication		60,405	11,097
Stationery and printing		3,891	1,627
Marketing, advertisement & publicity		3,302	1,204
Donations	28.2	-	30
Auditors' remuneration	28.3	4,751	3,474
Membership and subscriptions		6,061	2,878
Transportation		7,180	5,783
Insurance		4,981	4,346
Finance charges on leased assets		1,033	1,065
Entertainment and canteen expenses		5,069	5,117
Maintenance charges - Non-banking assets		-	-
Others		10,189	7,413
		267,926	182,952
Total operating expenses		1,087,776	915,519

28.1 Total compensation expenses

	Note	2024	2023
Employees' remuneration			
i) Fixed		477,975	390,659
ii) Variable			
of which;			
Cash bonus / awards etc		76,891	168,920
Charge for defined benefit plan	35.6.1	27,344	20,602
Contribution to defined contribution plan		26,526	21,210
Utilities		4,688	2,997
Medical		20,463	12,620
Others		31,645	23,924
Grand total		665,532	640,932

28.2 Donations made in excess of Rs 0.5 million are as follows:

	2024	2023
Flood Affectees	-	-

28.2.1 No donations were made to donees where directors or their spouse had any interest at any time during the year.

	Note	2024	2023
		(Rupees in '000)	

28.3 Auditors' remuneration

Audit fee		2,216	2,000
Half yearly review		850	675
Special certifications and sundry advisory services		1,401	562
Out-of-pocket expenses		284	237
		4,751	3,474

29 OTHER CHARGES

Penalties imposed by State Bank of Pakistan		-	-
Minimum tax differential		60,399	-
Fees, commission and other brokerage charges		76,410	242,367
		136,809	242,367

30 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

Credit loss / (reversal) allowance for diminution in value of investments	8.3.1	99,584	18,002
Credit loss / (reversal) allowance against loans & advances	9.8	(278,599)	1,033,195
Credit loss / (reversal) allowance against balances with other banks		616	42
Credit loss / (reversal) allowance against lendings to Fis		-	-
Credit loss / (reversal) allowance against off-balance sheet items		15,480	(3,065)
		(162,919)	1,048,174

31 TAXATION

Current		296,669	805,300
Prior years		-	71,080
Deferred		17,408	(640,978)
		314,077	235,402

	2024	2023
	(Rupees in '000)	

31.1 Relationship between tax expense and accounting profit

	2024	2023
Profit before taxation	871,288	940,513
Tax at the applicable rate of 39%	339,802	366,800
Tax effect of income taxed at reduced rate	(38,178)	(48,030)
Prior year	-	71,080
Due to change in rate of tax from 33% to 39%	-	(117,739)
Others	12,453	(36,709)
	314,077	235,402

31.2 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 recent 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 no provision is required

32 BASIC AND DILUTED EARNINGS PER SHARE

	2024	2023
Profit for the year	557,211	705,111

	2024	2023
	Numbers in '000	
Weighted average number of ordinary shares in issue	615,000	615,000
Basic and diluted earnings per share	0.91	1.15

32.1 There were no convertible dilutive potential ordinary shares outstanding on December 31,2024 and 2023.

	Note	2024	2023
		Numbers in '000	

33 CASH AND CASH EQUIVALENTS

	Note	2024	2023
Cash and balances with treasury banks	5	883,139	532,767
Balances with other banks	6	39,852	132,340
		922,991	665,107

34 STAFF STRENGTH

	(Number)	
Permanent	100	89
Temporary / contractual	5	5
Total staff strength	105	94

35 DEFINED BENEFIT PLAN

35.1 General Description

The Company operates a funded-gratuity scheme for its permanent employees. The scheme was established on 01 November 2002 and approved by the Commissioner Income Tax with effect from January 31,2003. Contribution to the fund is made annually based on actuarial valuation, which is carried out using the Projected Unit Credit Method (PUCM) whereby, the cost of providing gratuity is charged to the profit and loss account so as to spread the cost over the service lives of the employees in accordance with the actuarial valuation. All actuarial (gains) / losses are recognized in Statement of Comprehensive Income in the period of occurrence.

Number of employees under the scheme

The number of employees covered under the following defined benefit schemes are:

	2024	2023
Gratuity fund	100	89

35.1.1 Principal actuarial assumptions

The latest actuarial valuation for defined benefit plan scheme was carried out as at 31 December 2024 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

	2024	2023
	(Number)	
Discount rate	12.25	15.50
Expected short term rate of increase in salary levels	15.50	12.00
Expected long term rate of increase in salary levels	15.00	15.50
Expected rate of return on plan assets	13.25	15.50

Mortality rates assumed were based on the SLIC 2001-2005 mortality table.

The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the Company, at the beginning of the period, for returns over the entire life of the related obligation.

	Note	2024	2023
		(Rupees in '000)	

35.2 Reconciliation of payable to / (receivable from) defined benefit plan

	Note	2024	2023
Present value of defined benefit obligation	35.3	268,071	187,483
Fair value of plan assets	35.4	(240,063)	(172,421)
(Receivable) / payable	35.5	28,008	15,062

35.3 Movement in defined benefit obligation

	2024	2023
Obligation at the beginning of the year	187,483	167,322
Current service cost	28,142	20,932
Interest cost	28,785	21,157
Benefits paid during the year	(3,545)	(42,830)
Remeasurement (gain) / loss	27,206	20,902
Obligation at the end of the year	268,071	187,483

35.4 Movement in fair value of plan assets

	Note	2024	2023
Fair value at the beginning of the year		172,421	153,679
Interest income on plan assets		29,583	21,486
Contribution by the Company		40,423	31,829
Benefits paid during the year		(3,545)	(42,830)
Remeasurement gain on plan assets		1,181	8,257
Fair value at the end of the year	35.7	240,063	172,421

	Note	2024	2023
		(Rupees in '000)	

35.5 Movement in receivable under defined benefit plan

	Note	2024	2023
Opening balance		15,062	13,643
Charge for the year	35.6.1	27,344	20,602
Re-measurement (gain) / loss recognised in other comprehensive income during the year		26,025	12,646
Contributions by the Company - net		(40,423)	(31,829)
Closing balance		28,008	15,062

35.6 Charge for defined benefit plans

35.6.1 Cost recognised in the profit and loss account

	2024	2023
Current service cost	28,142	20,932
Net interest on defined benefit asset	(798)	(330)
Expected return on plan assets	-	-
Actuarial loss	-	-
	27,344	20,602

35.6.2 Re-measurement recognised in OCI during the year

	2024	2023
Actuarial (gain) / loss on obligation	27,206	20,902
Actuarial gain on plan assets	(1,181)	(8,256)
Total re-measurements (gain) / loss recognised in OCI	26,025	12,646

35.7 Components of plan assets

Particulars	2024		2023	
	(Rupees in '000)	%	(Rupees in '000)	%
Cash and cash equivalents - net	2,314	0.96%	7	0.00%
Government securities	237,749	99.04%	172,414	100.00%
Certificate of investments	-	-	-	-
	240,063	100.00%	172,421	100.00%

	2024	2023
	(Rupees in '000)	

35.8 Sensitivity analysis

1% increase in discount rate	(16,065)	(11,356)
1% decrease in discount rate	17,940	12,652
1% increase in expected rate of salary increase	18,828	13,455
1% decrease in expected rate of salary increase	(17,146)	(12,262)

35.9 Maturity profile of defined benefit obligation

Benefit payments

The average duration of the benefit obligation as at December 31, 2024 is 6.34 years (2023: 6.4 years).

Distribution of timing of benefit payments

Years		
1	28,331	20,460
2	1,286	11,241
3	58,263	10,994
4	67,398	52,849
5	16,950	56,469
6 to 10	104,708	73,209
11 and above	481,305	557,657

35.10	Expected contributions to be paid to the funds in the next financial year	36,463	25,361
35.11	Expected charge for the next financial year	36,463	25,361

35.12 Funding policy

Funding levels are monitored on an annual basis and are based on actuarial recommendations. Expected Gratuity expense for the next year amounts to Rs. 36.463 million as per the actuarial valuation report of the Company as of December 31, 2025.

35.13 The significant risk associated with the staff retirement benefit schemes are as follows:

Asset volatility

The risk arises when the future earnings are lower than expectation. This risk is measured at a plan level over the obligation period of the current population. The company assets are either invested in fixed securities or cash. None of the investment is placed in equities.

The risk arises when the actual return on plan assets is lower than expectation.

Inflation risk

The most common type of retirement benefit is one where the benefit is linked with last drawn salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Life expectancy

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Withdrawal risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

Investment risk

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

36 DEFINED CONTRIBUTION PLAN

36.1 The Company operates a provident fund scheme for its permanent employees. The employer and employee both contribute 8.33% of the salary to the fund every month.

	2024	2023
	(Rupees in '000)	
36.2 Contribution made during the year		
Contribution by the Company	26,526	21,210
Contribution by employees	26,526	21,210
	53,052	42,420

The number of employees covered under the defined contribution plan as at December 31, 2024 are 100 (2023: 89).

37 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

37.1 Total Compensation Expenses

Items	2024				
	Directors		President / CEO	Key Management Personnel	Other Material Risk Takers/
	Chairman	Non-Executives			
Fees and allowances etc.	6,600	20,475	-	-	-
Managerial remuneration					
i) Fixed	-	-	70,000	135,358	38,738
ii) Total variable					
of which					
a) Cash bonus / awards	-	-	35,000	27,345	3,579
b) Bonus and awards in shares	-	-	-	-	-
Charge for defined benefit plan	-	-	3,771	8,518	2,622
Contribution to defined contribution plan	-	-	4,998	8,908	2,651
Utilities	-	-	2,994	-	-
Medical	-	-	1,062	-	-
Others	-	-	1,786	481	-
Total	6,600	20,475	119,611	180,610	47,590
Number of persons	1	3	1	11	7

Items	2023				
	Directors		President / CEO	Key Management Personnel	Other Material Risk Takers/
	Chairman	Non-Executives			
Fees and allowances etc.	8,400	23,850	-	-	-
Managerial remuneration					
i) Fixed	-	-	28,039	141,379	32,255
ii) Total variable					
of which					
a) Cash bonus / awards	-	-	-	56,643	2,345
b) Bonus and awards in shares	-	-	-	-	-
Charge for defined benefit plan	-	-	1,881	9,246	
Contribution to defined contribution plan	-	-	2,002	8,976	1,930
Utilities	-	-	1,759	650	1,797
Medical			260	-	-
Others	-	-	723	1,234	-
					-
Total	8,400	23,850	34,664	218,128	38,327
Number of persons	1	3	1	11	7

37.1.1 The managing director and certain executives are provided with free use of Company maintained cars.

37.2 Remuneration paid to Directors for participation in Board and Committee Meetings

Sr. No.	Name of Director	2024					
		Meeting Fees and Allowances Paid					
		For Board Meetings	For Board Committees				Total Amount Paid
			Executive Committee	Audit Committee	Risk Committee	Remuneration & Compensation Committee	
		Rs. in '000'					
1	H.H. Juland Jaifar Salim Al Said	3,600	1,800	-	-	1,200	6,600
2	Ayham Abdul Aziz Qadar Al Ghassani	2,250	1,125	1,500	1,500	375	6,750
3	Faisal Ali Ibrahim Al Siyabi	2,250	-	1,800	1,500	750	6,300
4	Mohammad Shabir Ahmed Khan	2,250	1,125	1,500	1,800	750	7,425
	Total	10,350	4,050	4,800	4,800	3,075	27,075

During the year, Mr. Omar Hamid Khan left and Mr. Mohammad Shabir Ahmed Khan joined the Board of Directors nominated by the Government of Pakistan.

Sr. No.	Name of Director	2023					
		Meeting Fees and Allowances Paid					
		For Board Meetings	For Board Committees				Total Amount Paid
			Executive Committee	Audit Committee	Risk Committee	Remuneration & Compensation Committee	
		Rs. in '000'					
1	H.H. Juland Jaifar Salim Al Said	4,200	3,000	-	-	1,200	8,400
2	Ayham Abdul Aziz Qadar Al Ghassani	2,625	1,875	1,500	1,500	1,200	8,700
3	Faisal Ali Ibrahim Al Siyabi	2,625	-	1,650	1,650	1,125	7,050
4	Mohammad Shabir Ahmed Khan	1,500	1,125	750	900	750	5,025
5	Omar Hamid Khan	1,125	375	450	750	375	3,075
	Total	12,075	6,375	4,350	4,800	4,650	32,250

During the year 2023, Mr. Omar Hamid Khan left and Mr. Mohammad Shabir Ahmed Khan joined the Board of Directors nominated by the Government of Pakistan.

38 FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices and has been disclosed in note 8. Unquoted equity investments, other than investments in associates and subsidiary, are determined on the basis of break-up value of these investments as per the latest available audited financial statements. The credit loss allowance / impairment of investments has been determined in accordance with the Company's accounting policy as stated in notes 4.9 to these unconsolidated financial statements.

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 as stated in note 4.9 and 4.10.

The re-pricing profile, effective rates and maturity are stated in notes 43.3, 43.5.1 and 43.5.2 respectively.

38.1 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.

On-balance sheet financial instruments

	2024		2023	
	Book value	Fair value	Book value	Fair value
	(Rupees in '000)			
Assets				
Cash and balances with treasury banks	883,139	883,139	532,767	532,767
Balances with other banks	38,009	38,009	131,113	131,113
Lendings to financial institutions	3,287,200	3,287,200	-	-
Investments	353,409,569	353,540,450	335,736,123	335,820,109
Advances	15,014,830	15,014,830	16,179,969	16,179,969
Other assets	8,405,584	8,405,584	8,891,231	8,891,231
Assets held-for-sale	-	-	-	-
	381,038,331	381,169,212	361,471,203	361,555,189

On-balance sheet financial instruments

	2024		2023	
	Book value	Fair value	Book value	Fair value
	(Rupees in '000)			
Liabilities				
Borrowings	349,587,965	349,587,965	340,891,244	340,891,244
Deposits and other accounts	16,164,282	16,164,282	12,218,415	12,218,415
Lease Liabilities	189,298	189,298	118,470	118,470
Other liabilities	11,074,451	11,074,451	5,136,558	5,136,558
	377,015,996	377,015,996	358,364,687	358,364,687
	4,022,335	4,153,216	3,106,516	3,190,502
Off-balance sheet financial instruments	-	-	-	-

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-Government Debt Securities	PKRV / PKFRV rates (MUFAP rates)
Listed securities	PSX rates
Mutual funds	Net asset values
Unlisted equity investments	Breakup value as per latest available audited financial statements.

Fair value of fixed term advances of over one year, staff loans and fixed term deposits of over one year cannot be calculated with sufficient reliability due to non - availability of relevant active market for similar assets and liabilities. The provision for impairment of debt securities and loans and advances has been calculated in accordance with the accounting policy of the Company.

38.2 The carrying value of all financial assets and liabilities in the unconsolidated financial statements approximate to their fair values except for certain investments.

38.3 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:

On balance sheet financial instruments

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	(Rupees in '000)			
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	347,742,403	-	347,742,403
Shares	1,076,629	-	-	1,076,629
Non-Government debt securities	-	2,990,024	-	2,990,024
Mutual funds	-	720,681	-	720,681
Financial assets - disclosed but not measured at fair value				
Investments	-	-	879,832	879,832
Fair value of non-financial assets				
Non-banking assets acquired in satisfaction of claims	-	-	-	-

	2023			
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	-	330,872,957	-	330,872,957
Shares	123,437	-	-	123,437
Non-Government debt securities	-	3,247,556	-	3,247,556
Mutual funds	-	612,341	-	612,341
Financial assets - disclosed but not measured at fair value				
Investments	-	-	879,832	879,832
Fair value of non-financial assets				
Non-banking assets acquired in satisfaction of claims	-	-	-	-

39 SEGMENT INFORMATION

39.1 Segment details with respect to business activities

	2024			
	Corporate Banking	**Investment Banking**	**Treasury**	**Total**
	(Rupees in '000)			
Profit & Loss				
Net mark-up/return/profit	20,910	(217,941)	1,050,246	853,215
Non mark-up / return / interest income	51,226	262,080	766,433	1,079,739
Total income	72,136	44,139	1,816,679	1,932,954
Segment direct expenses	563,811	100,755	499,620	1,164,186
Provisions / (reversals)	(263,119)	-	100,200	(162,919)
Profit before tax and minimum tax differential	(228,556)	(56,616)	1,216,859	931,687

	2024			
	Corporate Banking	**Investment Banking**	**Treasury**	**Total**
	(Rupees in '000)			
Balance sheet				
Cash & bank balances	-	-	921,148	921,148
Investments	-	2,677,142	350,732,427	353,409,569
Lendings to financial institutions			3,287,200	3,287,200
Advances - performing	12,797,277	-	1,906,484	14,703,761
non-performing	311,069	-		311,069
Others	2,499,409	90,422	11,893,936	14,483,767
Total assets	15,607,755	2,767,564	368,741,195	387,116,514
Borrowings	14,278,136	2,497,899	332,811,930	349,587,965
Subordinated debt	-	-	-	-
Deposits and other accounts	651,711	115,561	15,397,010	16,164,282
Others	638,159	79,364	10,574,234	11,291,757
Total liabilities	15,568,006	2,692,824	358,783,174	377,044,004
Equity	39,749	74,740	9,958,021	10,072,510
Total equity & liabilities	15,607,755	2,767,564	368,741,195	387,116,514
Contingencies & Commitments	5,295,351	70,726	-	5,366,077

	2023			
	Corporate Banking	Investment Banking	Treasury	Total
	(Rupees in '000)			
Profit & Loss				
Net mark-up/return/profit	137,118	(224,641)	2,908,052	2,820,529
Non mark-up / return / interest income	21,822	218,427	85,795	326,044
Total income	158,940	(6,214)	2,993,847	3,146,573
Segment direct expenses	618,395	85,888	453,603	1,157,886
Provisions / (reversals)	1,030,130	-	18,044	1,048,174
Profit before tax	(1,489,585)	(92,102)	2,522,200	940,513

	2023			
	Corporate Banking	Investment Banking	Treasury	Total
	(Rupees in '000)			
Balance sheet				
Cash & bank balances	-	-	663,880	663,880
Investments	-	1,492,173	334,243,950	335,736,123
Lendings to financial institutions	-	-	-	-
Advances - performing	14,357,571	-	1,637,677	15,995,248
non-performing	184,721	-	-	184,721
Others	2,020,088	73,909	12,329,050	14,423,047
Total assets	16,562,380	1,566,082	348,874,557	367,003,019
Borrowings	15,558,082	1,453,879	323,879,283	340,891,244
Subordinated debt	-	-	-	-
Deposits and other accounts	551,402	52,139	11,614,874	12,218,415
Others	337,486	21,524	4,794,877	5,153,887
Total liabilities	16,446,970	1,527,542	340,289,034	358,263,546
Equity	115,410	38,540	8,585,523	8,739,473
Total equity & liabilities	16,562,380	1,566,082	348,874,557	367,003,019
Contingencies & Commitments	1,589,343	70,726	5,537,871	7,197,940

40 TRUST ACTIVITIES

The Company is serving as the Trustee and/or Issue/Investment Agent for various Term Finance Certificates, Sukuks and Commercial Papers. The Company is holding the trust properties in fiduciary capacity on behalf of the relevant beneficiaries, and fulfilling all its obligations and duties in accordance with the provisions of the respective transaction documents. The combined value of debt securities as at December 31, 2024 amounted to Rs. 105.09 billion (December 31, 2023: Rs. 105.8 billion).

The Company undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Company and, therefore, are not included as such in the financial statements. Assets held under trust having Face Value of Rs 40.5 billion (2023: 41.6 billion).

41 RELATED PARTY TRANSACTIONS

The Company has related party relationship with its associates, subsidiary company, employee benefit plans, company having common directors and its key management personnel (including their associates). The details of investments in subsidiary company and associates are stated in note 8 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's Policy. Transactions with other related parties are carried out on commercial terms and as per market rates.

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

	2024						2023					
	Directors	Key manage-ment personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties	Directors	Key manage-ment 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	683,067	-	226,000	-	-	601,995	699,347	-	226,000
Investment made during the year	-	-	-	729,359	-	-	-	-	80,000	163,978	-	-
Investment redeemed / disposed off during the year	-	-	-	(621,019)	-	-	-	-	-	(180,258)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	681,995	791,407	-	226,000	-	-	681,995	683,067	-	226,000
Credit loss allowance for diminution in value of investments	-	-	286,622	70,726	-	-	-	-	286,622	70,726	-	-
Advances												
Opening balance	-	62,503	-	68,200	-	-	-	43,028	-	68,200	-	-
Addition during the year	-	70,107	-	-	-	-	-	52,473	-	-	-	-
Repaid during the year	-	(32,153)	-	-	-	-	-	(32,998)	-	-	-	-
Transfer in / (out) - net	-	6,391	-	-	-	-	-	-	-	-	-	-
Closing balance	-	106,848	-	68,200	-	-	-	62,503	-	68,200	-	-
Provision held against advances	-	-	-	68,200	-	-	-	-	-	68,200	-	-

	2024						2023					
	Directors	Key manage-ment personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties	Directors	Key manage-ment personnel	Subsidiaries	Associates	Retirement benefit funds	Other related parties
	(Rupees in '000)											
Other Assets												
Interest / mark-up accrued	-	-	-	-	-	-	-	-	-	-	-	-
Receivable from staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	**1,855**	-	-	-	-	7,989.00	-	-
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	-	40,872	-	-	-	-	-	20,600	-	-	-	-
Received during the year	-	262,111	-	-	-	-	-	220,957	-	-	-	-
Withdrawn during the year	-	(281,172)	-	-	-	-	-	(200,685)	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	21,811	-	-	-	-	-	40,872	-	-	-	-
Other Liabilities												
Interest / mark-up payable	-	343	-	-	-	-	-	741	-	-	-	-
Payable to staff retirement fund	-	-	-	-	28,008	-	-	-	-	-	15,062	-
Other liabilities												
Outright sale of securities	-	-	-	-	23,464,604	-			-	-	12,052,441	
Outright purchase of securities	-	-	-	-	22,834,353	-	-	-	-	-	12,063,180	-
Contingencies and Commitments												
Other contingencies	-	-	-	70,726	-	-	-	-	-	70,726	-	-

41.2 **Related party transactions**

	2024						2023					
	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	-	3,739	-	-	-	-	-	2,376	-	-	-	-
Fee and commission income	-	-	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	29,469	-	79,100	-	-	-	103,468	-	67,800
Net gain on sale of securities	-	-	-	109,190	2,022	-	-	-	-	1,482	740	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Expense												
Mark-up / return / interest paid	-	6,610	-	-	-	-	-	4,863	-	-	-	-
Operating expenses												
Non- Executive Directors' fees and allowances	27,075	-	-	-	-	-	32,250	-	-	-	-	-
Compensation expenses		300,221	-	-	-	-	-	252,792	-	-	-	-
Contribution to defined contribution plan	-	-	-	-	26,526	-	-	-	-	-	21,210	-
Charge for defined benefit plan	-	-	-	-	27,344	-	-	-	-	-	20,602	-
Legal and professional charges	-	-	-	-	-	-	-	-	20,116	-	-	-

	2024	2023
	(Rupees in '000)	

42 CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	2024	2023
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	8,025,371	6,366,217
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	8,025,371	6,366,217
Eligible Tier 2 Capital	249,634	-
Total Eligible Capital (Tier 1 + Tier 2)	8,275,005	6,366,217
Risk Weighted Assets (RWAs):		
Credit risk	18,004,994	18,295,884
Market risk	2,710,242	19,048,355
Operational risk	3,986,692	3,745,856
Total	24,701,928	41,090,095
Common Equity Tier 1 Capital Adequacy ratio	32.49%	15.49%
Tier 1 Capital Adequacy Ratio	32.49%	15.49%
Total Capital Adequacy Ratio	33.50%	15.49%
Capital requirements		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total Capital minimum ratio	10.00%	10.00%
Capital Conservation Buffer (CCB)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

Standardized Approach of Basel II is used for calculating Capital Adequacy for Credit and Market Risk while Basic indicator Approach is used for calculating Capital Adequacy for Operational Risk.

	2024	2023
Leverage Ratio (LR):		
Eligible Tier 1 Capital	8,025,371	6,366,217
Total Exposures	369,820,306	349,762,349
Leverage Ratio	2.17%	1.82%

	2024	2023
	(Rupees in '000)	
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	40,562,189	20,542,211
Total Net Cash Outflow	40,145,215	27,286,996
Liquidity Coverage Ratio	101.04%	75.28%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	62,867,362	22,861,964
Total Required Stable Funding	17,097,028	22,191,193
Net Stable Funding Ratio	367.71%	103.02%

42.1 The full disclosures on the Capital adequacy, Leverage ratio & Liquidity requirements as per SBP instructions issued from time to time shall be placed on the website. The link to the full disclosure is available at http://www.pakoman.com.

42.2 Capital management policies and procedures:

The Company’s objectives when managing capital are:

- to comply with the capital requirements set by the regulators of the Company;

- to safeguard the Company’s ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

- to acquire, develop and maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored frequently by the Company’s management, employing techniques based on the guidelines issued by State Bank of Pakistan (SBP).

SBP requires each development financial institution to: (a) hold the minimum level of the regulatory capital of Rs. 6 billion , and (b) maintain a ratio of total regulatory capital to the risk-weighted asset at the minimum prescribed level of 11.50% by SBP.

Capital Structure

The Company’s regulatory capital is divided into three tiers:

- Common Equity Tier 1 capital (CET1), which includes fully paid up capital (including the bonus shares), balance in share premium account, general reserves, statutory reserves as per the financial statements and net unappropriated profits after all regulatory adjustments applicable on CET1.

- Additional Tier 1 Capital (AT1), which includes perpetual non-cumulative preference shares and Share premium resulting from the issuance of preference shares balance in share premium account after all regulatory adjustments applicable on AT1.

- Tier 2 capital, which includes Subordinated debt/ Instruments, share premium of issuance of Subordinated debt/ Instruments, general provisions for loan losses (up to a maximum of 1.25 % of credit risk weighted assets), Net of tax reserves on revaluation of fixed assets and equity investments and foreign exchange translation reserves after all regulatory adjustments applicable on Tier 2.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The Company calculates capital requirement as per Basel III regulatory framework, using the following approaches:

- Credit risk	Standardized approach
- Market risk	Standardized approach
- Operational risk	Basic indicator approach

The table refer in note 42 summarizes the composition of regulatory capital and the ratios of the Company for the year ended December 31, 2024.

Scope of application

The Basel III Framework for capital adequacy is applicable to the Company both at the consolidated level (including subsidiaries) and also on standalone basis.

42.3 The Company's CAR as at December 31, 2024 is 33.50% (2023: 15.49%) of its risk weighted exposure.

The calculation of capital adequacy enables the Company to assess the long term soundness. The Company has successfully managed in the past and shall in the future its Capital requirements/ needs. Based on the directives of the Board, the Company has built a health portfolio of assets and liabilities focusing on quality. CAR of 33.50% demonstrates that the company is geared to absorb major risks / shocks in the present market scenario.

43 RISK MANAGEMENT

The Company has set up objectives and policies to manage the risks that arise in connection with financial instruments. The risk management framework and policies of the Company are guided by specific objectives to ensure that comprehensive and adequate risk management policies are established to mitigate the salient risk elements in operations of the Company. The establishment of the overall financial risk management objectives is consistent and in tandem with the strategy to create and enhance shareholders' value, whilst guided by a prudent and robust framework of risk management policies. In achieving the objective of maximizing returns to shareholders, the board of directors takes cognizance of the risk elements that the Company is confronted with in its operations. In view of the multi-faceted risks inherent in the financial sector, the Company places great emphasis on the importance of risk management and has put in place clear and comprehensive risk management mechanisms and strategies to identify, monitor, manage and control the relevant risk factors.

Risk management organisation

Risk Management Department ensures that risks remain within the boundaries as defined by the board, comply with the risk parameters and prudential limits, establish systems and procedures and work out remedial measures.

Credit Committee implements credit risk policy and monitors credit risk in light with credit policy and prudential regulations.

The Company's risk management, compliance and internal audit department support the risk management function. The compliance department ensures that all the directives and guidelines issued by SBP are being complied with. Internal audit department reviews the compliance of internal control procedures with internal and regulatory standards.

43.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Exposure to credit risks for the Company arises primarily from lending activities and investments in fixed income securities.

A multi-tiered approach is being followed in the management of credit risk with the organizational structure, roles and responsibilities clearly outlined in the Credit Policy Manual. The Board is responsible for final approval of overall risk tolerance, limits for sectors and pricing strategies. Business units responsible for undertaking risks are expected to comply with the credit policy and adhere to the independent risk management function. This is ensured through the implementation of a credit approval and documentation process adopted by the Company.

The risk management function regularly conducts assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. Stringent measures such as close monitoring, on-site visits and regular follow-ups are carried out for high risk customers. Moreover, POICL has also implemented Green Banking regulations and every project / credit proposal is reviewed as per the approved green banking procedures.

The Company uses both external and internal ratings to evaluate risk. The Company obtains external ratings from PACRA and JCR-VIS whereas a comprehensive risk assessment matrix model is used for internal ratings.

Types of exposures and ECAI's used

Exposures	JCR-VIS	PACRA
Corporate	Yes	Yes
Banks	Yes	Yes

Credit exposures subject to Standardised Approach

Exposures	Rating Category	2024 Amount Outstanding	2024 Deduction CRM*	2024 Net amount	2023 Amount Outstanding	2023 Deduction CRM*	2023 Net amount
		(Rupees in '000)					
Corporate	0	-	-	-	-	-	-
	1	2,570,532	-	2,570,532	2,402,752	-	2,402,752
	2	4,913,633	(64,385	4,849,248	7,517,972	(42,447)	7,475,525
	3-4	851,979	-	851,979	516,681	(130,000)	386,681
	5-6	-	-	-	-	-	-
	Unrated	5,288,901	(329,121)	4,959,780	6,280,576	(728,670)	5,551,906
		13,625,046	(393,507)	13,231,540	16,717,981	(901,117)	15,816,864
Banks	0	-	-	-	-	-	-
	1	3,736,304	-	3,736,304	131,211	-	131,211
	2-3	-	-	-	-	-	-
	4-5	24,356	-	24,356	-	-	-
	6	-	-	-	-	-	-
	Unrated	-	-	-	-	-	-
		3,760,660	-	3,760,660	131,211	-	131,211

Unrated
*CRM = Credit Risk Mitigation

The accounting policies and methods used by the Company are in accordance with the requirements of the Prudential Regulations of the SBP. These policies are disclosed in note 4 to these financial statements. Reconciliation in the provision against non-performing advances has been disclosed in note 9.5 to these unconsolidated financial statements.

Particulars of company's significant on-balance sheet and off-balance sheet credit risk in various sectors are analysed as follows:

43.1.1 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Credit loss allowance held							
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	Total 2024	Stage 1	Stage 2	Stage 3	Total 2023
	(Rupees in '000)'											
Public / Government	-	-	-	-	-	-	-	-				-
Private	3,287,200	-	-	-	3,287,200	-	-	-	-	-	-	-
	3,287,200	-	-	-	3,287,200	-	-	-				-

43.1.2 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance held							
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	Total 2024	Stage 1	Stage 2	Stage 3	Total 2023
	(Rupees in '000)'											
Agriculture, Forestry, Hunting and Fishing	-	-	-	-	-	-	-	-				-
Mining and Quarrying	-	-	-	-	-	-	-	-				-
Textile	118,590	156,090	81,090	81,090	-	717	81,090	81,807	70	-	60,641	60,711
Chemical and Pharmaceuticals	200,000	200,000	-	-	3,217	-	-	3,217	1,931	-	-	1,931
Cement	-	-	-	-	-	-	-	-	-	-	-	-
Sugar	-	-	-	-	-	-	-	-	-	-	-	-
Footwear and Leather garments	-	-	-	-	-	-	-	-	-	-	-	-
Automobile and transportation equipment	-	-	-	-	-	-	-	-	-	-	-	-
Electronics and electrical appliances	85,000	85,000	85,000	85,000	-	-	85,000	85,000	-	-	85,000	85,000
Construction	-	150,000	-	-	-	-	-	-	191	-	-	191
Power (electricity), gas, water, sanitary	275,000	375,000	-	-	402	-	-	402	177	-	-	177
Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-	-	-	-
Exports/Imports	-	-	-	-	-	-	-	-	-	-	-	-
Transport, storage and communication	201,655	229,433	166,932	166,932	461	-	166,932	167,393	483	-	166,932	167,415
Financial	348,939,376	333,336,814	165,254	15,404	4,783	6,295	91,769	102,847	1,266	8,986	15,404	25,656
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-	-	-	-
Others	96,246	96,246	96,246	96,246	-	-	96,246	96,246	-	-	96,247	96,247
	349,915,867	334,628,583	594,522	444,672	8,863	7,012	521,037	536,912	4,118	8,986	424,224	437,328

Credit risk by public / private sector

	Gross investments		Non-performing investments		Credit loss allowance held							
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	Total 2024	Stage 1	Stage 2	Stage 3	Total 2023
	(Rupees in '000)'											
Public / Government	347,004,822	331,463,806	-	-	1,378	-	-	1,378	312	-	-	312
Private	2,911,045	3,164,777	594,522	444,672	7,485	7,012	521,037	535,534	3,806	8,986	424,224	437,016
	349,915,867	334,628,583	594,522	444,672	8,863	7,012	521,037	536,912	4,118	8,986	424,224	437,328

43.1.3 Advances

Credit risk by industry sector

	Gross advances		Non-performing advances		Credit loss allowance held							
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	Total 2024	Stage 1	Stage 2	Stage 3	Total 2023
	(Rupees in '000)											
Agriculture, Forestry, Hunting and Fishing	-	-	-	-	-	-	-	-	-	-	-	-
Mining and Quarrying	-	-	-	-	-	-	-	-	-	-	-	-
Textile	2,635,676	3,781,811	271,098	288,985	5,742	-	269,704	275,446	2,062	-	284,916	286,978
Chemical and Pharmaceuticals	692,822	191,131	-	-	3,726	-	-	3,726	97	683	-	780
Cement	356,488	363,838	-	-	-	30,238	-	30,238	-	23,753	-	23,753
Sugar	304,980	372,859	224,000	226,000	203	-	224,000	224,203	84	-	226,000	226,084
Footwear and Leather garments	-	-	-	-	-	-	-	-	-	-	-	-
Automobile and transportation equipment	254,558	266,140	254,558	-	-	-	190,918	190,918	-	15,949	-	15,949
Electronics and electrical appliances	294,400	368,750	181,900	-	227	-	127,955	128,182	109	15,200	-	15,309
Construction	193,850	274,307	193,850	271,111	-	-	155,080	155,080	-	24	221,184	221,208
Power (electricity), Gas, Water, Sanitary	2,199,074	3,529,028	68,200	256,625	7,067	23,462	68,200	98,729	2,462	199,649	218,940	421,051
Wholesale and Retail Trade	54,165	81,819	9,165	-	105	-	6,447	6,552	65	632	-	697
Exports/Imports	325,000	-	-	-	746	-	-	746	-	-	-	-
Transport, Storage and Communication	1,996,515	2,367,473	-	-	4,774	-	-	4,774	1,891	-	-	1,891
Financial	2,366,747	1,792,839	5,161	5,161	1,025	-	5,161	6,186	150	-	5,161	5,311
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Services	1,187,605	1,284,815	27,560	-	1,928	16,042	19,387	37,357	591	90,925	-	91,516
Individuals	142,741	145,447	-	-	28	-	-	28	31	-	-	31
Others	4,765,206	4,397,965	1,673,375	1,488,063	9,141	52,745	1,530,946	1,592,832	2,901	329,771	1,395,023	1,727,695
	17,769,827	19,218,222	2,908,867	2,535,945	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253

Credit risk by public / private sector

	Gross advances		Non-performing advances		Credit loss allowance held							
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	Total 2024	Stage 1	Stage 2	Stage 3	Total 2023
	(Rupees in '000)											
Public/ Government	783,834	740,741	-	-	-	-	-	-	-	-	-	-
Private	16,985,993	18,477,481	2,908,867	2,535,945	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253
	17,769,827	19,218,222	2,908,867	2,535,945	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253

43.1.4 Contingencies and Commitments

	2024	2023
	(Rupees in '000)	
Credit risk by industry sector		
Textile	21,126	300,000
Chemical and Pharmaceuticals	19,783	225,000
Financial	174,899	-
Others	637,626	75,698
	853,434	600,698
Credit risk by public / private sector		
Public/ Government	-	-
Private	853,434	600,698
	853,434	600,698

43.1.5 Concentration of Advances

The Company's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs 5,570.913 million (2023: Rs 6,616.425 million) are as following:

	2024	2023
Funded	5,570,913	6,616,425
Non Funded	-	-
Total Exposure	5,570,913	6,616,425

The sanctioned limits against these top 10 exposures aggregated to Rs 8,136 million (2023: Rs 9,405 million)

Total funded classified therein	2024		2023	
	Amount	Credit loss allowance held	Amount	Provision held
	---------------------- (Rupees in '000)	----------------------		
Other assets especially mentioned	-	-	188,425	150,740
Substandard	473,184	344,707	-	-
Doubtful	121,517	97,214	465,205	372,165
Loss	2,314,166	2,155,877	1,882,315	1,828,319
Total	2,908,867	2,597,798	2,535,945	2,351,224

43.1.6 Advances - Province/Region-wise Disbursement & Utilization

2024

Province/Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Sindh	4,717,738	2,530,610	2,087,128	100,000	-	-	-

2023

Province/Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Sindh	3,135,278	688,071	1,397,207	-	-	1,050,000	-

43.2 Market Risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates and equity prices. The board of directors reviews and recommends all market risk policies.

The market risk management framework of the company comprises of business unit actually undertaking the risk, the Risk Management Department, Asset and Liability Committee and the Investment Committee.

Dealing activities of the Company include investment in government securities, term finance certificates, sukuks / bonds, shares and mutual funds, and money market transactions catering to the needs of its customers. All such activities are carried out within the prescribed limits. Stress testing is performed as per guidelines of SBP as well as Company's internal policy.

43.2.1 Statement of financial position split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	(Rupees in '000)					
Cash and balances with treasury banks	883,139	-	883,139	532,767	-	532,767
Balances with other banks	38,009	-	38,009	131,113	-	131,113
Lendings to financial institutions	3,287,200	-	3,287,200	-	-	-
Investments	322,243,639	31,165,930	353,409,569	4,863,166	330,872,957	335,736,123
Advances	15,014,830	-	15,014,830	16,179,969	-	16,179,969
Property and equipment	1,002,463	-	1,002,463	846,505	-	846,505
Right-of-use assets	160,647	-	160,647	87,089		87,089
Intangible assets	8,938	-	8,938	-	-	-
Deferred tax assets	685,571	-	685,571	1,396,492	-	1,396,492
Other assets	12,626,148	-	12,626,148	12,092,961	-	12,092,961
Assets held-for-sale	-		-	-		-
	355,950,584	31,165,930	387,116,514	36,130,062	330,872,957	367,003,019

43.2.2 Foreign Exchange Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to change in foreign currency rates. However, the Company is not exposed to major foreign currency risk as its assets and liabilities are primarily denominated in Pakistani rupees.

	2024		2023	
	Foreign Currency Assets	Net foreign currency exposure	Foreign Currency Assets	Net foreign currency exposure
United States Dollar	29	29	30	30
Omani Riyal	24,376	24,376	18,688	18,688
	24,405	24,405	18,718	18,718

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	------------------------------ (Rupees in '000) ------------------------------			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	(135)	-	(187)	-
- Other comprehensive	-	-	-	-

43.2.3 Equity position Risk

Equity position risk refers to the risk arising from taking long or short positions, in the trading book, in equities and all instruments that exhibit market behavior similar to equities. The Company is exposed to such risk due to investment activities undertaken on a day-to-day basis by some Asset Management Companies on bealf of POICL. As per Standardized Approach 8% charge has to be created on both Specific and General Equity Position Risk Management calculation.

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 5% change in equity prices on				
- Profit and loss account *	-	(38,689)	-	-
- Other comprehensive income	(59,135)	-	(159,635)	-

* Equity position includes Equity shares and Bank's TFC tier II

43.3 Interest rate risk

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The lending, funding and investment activities of the Company are exposed to interest rate risk. The Company is using a 16 band repricing model for measurement of interest rate risk. Furthermore, stress testing technique is also used to evaluate the potential effects on the financial condition of a specific event and movements in a set of financial variables.

Impact of 1% change in interest rates on:	2024 Banking book	2024 Trading book	2023 Banking book	2023 Trading book
	(Rupees in '000)			
Profit and loss account *	-	-	-	-
Other comprehensive income *	182,563	(220,693)	3,087,898	(234,933)

* Earning approach

43.3.1 Mismatch of interest rate sensitive assets and liabilities

	Effective yield / interest rate	2024										
			Exposed to yield / interest risk									
		Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-interest bearing financial
		(Rupees in '000)										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		883,139	-	-	-	-	-	-	-	-	-	883,139
Balances with other banks	5.00%	38,009	845	-	-	-	-	-	-	-	-	37,164
Lendings to financial institutions	13.86%	3,287,200	1,900,000	1,387,200	-	-	-	-	-	-	-	-
Investments	13.93%	353,409,569	10,555,519	33,358,655	289,172,261	10,939,954	177,387	1,436,253	5,092,398	-	-	2,677,142
Advances	14.68%	15,014,830	2,269,336	8,319,447	1,154,646	986,959	480,266	451,030	400,609	884,336	28,556	39,645
Assets held-for-sale		-	-	-	-	-	-	-	-	-	-	-
Other assets		8,405,584	-	-	-	-	-	-	-	-	-	8,405,584
		381,038,331	14,725,700	43,065,302	290,326,907	11,926,913	657,653	1,887,283	5,493,007	884,336	28,556	12,042,674
Liabilities												
Borrowings	12.63%	349,587,965	304,556,130	39,076,060	4,257,456	241,116	461,460	430,569	370,689	194,485	-	-
Deposits and other accounts	15.01%	16,164,282	8,726,011	1,937,204	1,950,298	3,550,769	-	-	-	-	-	-
Lease liabilities	9.17%	189,298	84	169	259	536	264	-	-	-	-	187,986
Other liabilities		11,074,451	-	-	-	-	-	-	-	-	-	11,074,451
		377,015,996	313,282,225	41,013,433	6,208,013	3,792,421	461,724	430,569	370,689	194,485	-	11,262,437
On-balance sheet gap		4,022,335	(298,556,525)	2,051,869	284,118,894	8,134,492	195,929	1,456,714	5,122,318	689,851	28,556	780,237
Non-Financial assets		6,078,183										
Non-Financial liabilities		28,008										
Total Net Assets		10,072,510										
Off-balance sheet financial instruments												
Commitments in respect of:												
- forward foreign exchange contracts		-	-	-	-	-	-	-	-	-	-	-
- forward Government securities transactions		-	-	-	-	-	-	-	-	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-
Total yield / interest risk sensitivity gap			(298,556,525)	2,051,869	284,118,894	8,134,492	195,929	1,456,714	5,122,318	689,851	28,556	780,237
Cumulative yield / interest risk sensitivity gap			(298,556,525)	(296,504,656)	(12,385,762)	(4,251,270)	(4,055,341)	(2,598,627)	2,523,691	3,213,542	3,242,098	4,022,335

Mismatch of interest rate sensitive assets and liabilities

	Effective yield / interest rate	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-interest bearing financial
		2023										
			Exposed to yield / interest risk									
		(Rupees in '000)										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		532,767	-	-	-	-	-	-	-	-	-	532,767
Balances with other banks	5.00%	131,113	1,336	-	-	-	-	-	-	-	-	129,777
Lendings to financial institutions	0.00%	-	-	-	-	-	-	-	-	-	-	-
Investments	22.21%	335,736,123	35,247,736	56,553,021	92,397,375	140,720,582	1,421,416	4,776,137	2,528,236	476,010	-	1,615,610
Advances	21.57%	16,179,969	4,071,028	8,281,491	1,425,930	291,263	520,324	477,334	683,727	378,273	28,065	22,534
Assets held-for-sale		-	-	-	-	-	-	-	-	-	-	-
Other assets		8,891,231	-	-	-	-	-	-	-	-	-	8,891,231
		361,471,203	39,320,100	64,834,512	93,823,305	141,011,845	1,941,740	5,253,471	3,211,963	854,283	28,065	11,191,919
Liabilities												
Borrowings	21.95%	340,891,244	315,242,639	2,734,729	20,667,326	288,208	504,265	460,678	658,017	335,382	-	-
Deposits and other accounts	21.93%	12,218,415	5,684,462	1,970,648	1,522,368	3,040,937	-	-	-	-	-	-
Lease liabilities	9.17%	118,470	76	154	236	489	1,047	265	-	-	-	116,203
Other liabilities		5,020,355	-	-	-	-	-	-	-	-	-	5,020,355
		358,248,484	320,927,177	4,705,531	22,189,930	3,329,634	505,312	460,943	658,017	335,382	-	5,136,558
On-balance sheet gap		3,222,719	(281,607,077)	60,128,981	71,633,375	137,682,211	1,436,428	4,792,528	2,553,946	518,901	28,065	6,055,361
Non - financial assets		5,531,816										
Non - financial liabilities		15,062										
Total Net Assets		8,739,473										
Off-balance sheet financial instruments												
Commitments in respect of:												
- forward foreign exchange contracts		-	-	-	-	-	-	-	-	-	-	-
- forward Government securities transactions		-	-	-	-	-	-	-	-	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-
Total yield / interest risk sensitivity gap			(281,607,077)	60,128,981	71,633,375	137,682,211	1,436,428	4,792,528	2,553,946	518,901	28,065	6,055,361
Cumulative yield / interest risk sensitivity gap			(281,607,077)	(221,478,096)	(149,844,721)	(12,162,510)	(10,726,082)	(5,933,554)	(3,379,608)	(2,860,707)	(2,832,642)	3,222,719

43.3.2 Yield risk is the risk of decline in earnings due to adverse movement of the yield curve.

43.3.3 Profit rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market profit rates.

43.4 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is inherent in the company's business and operational activities.

The Company has instituted sound internal controls through policies, plans and processes approved by the Board of Directors for controlling and mitigating potential operational risk. The system of internal controls include financial, operational and compliance controls and is performed on continuous basis by the senior management and all levels of employees within the Company.

The objectives of internal controls include the safeguarding of assets from inappropriate use or from loss and fraud, ensuring that liabilities are identified and managed and that the quality of internal and external reporting is maintained. The Company regularly monitors its Key Risk Indicators (KRI) and Loss Data inventory. The company has also formulated a disaster recovery plan and guidelines for information security, employee conduct and for prevention of fraud and forgery to ensure smooth functioning of the Company's operations.

Business Continuity Plan (BCP) has been rigorously tested. The Company has enhanced remote work capabilities in order to ensure seamless operations and provision of uninterrupted services to the customers. Related risks and control measures are regularly monitored to protect Company's information assets from emerging cyber threats.

43.5 Liquidity risk

Liquidity risk is the risk to earnings, capital and reputation due to its inability to meet obligations in a timely manner without incurring unacceptable cost or losses. Large off-balance sheet exposures or balance sheet build-up through unstable funding gives rise to relatively high level of liquidity risk.

Besides the Board which is responsible for formulation of over all policy, the following are involved in Liquidity Risk Management Process:

- Risk Management
- Finance
- Treasury
- Asset Liability Committee (ALCO)

The ALCO will be responsible for monitoring of the tolerance limits. The Asset and Liability Management (ALM) desk in Treasury manages the liquidity needs of the Company on a daily basis.

43.5.1 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Company

	2024														
	Total	Upto 1 day	Over 1 days to 7 days	Over 7 days to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	(Rupees in '000)														
Assets															
Cash and balances with treasury banks	883,139	-		883,139	-	-	-								
Balances with other banks	38,009	-	38,009	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	3,287,200	-	1,900,000	-	-	1,387,200	-	-	-	-	-	-	-	-	-
Investments	353,409,569	-	-	-	4,516,871	34,766	5,866,107	4,888,867	176,816	16,948,136	43,043,215	9,409,229	205,116,978	62,708,584	700,000
Advances	15,014,830	-	315,247	54,248	310,975	284,034	2,364,652	1,154,644	1,279,751	1,049,708	2,622,997	1,842,516	1,944,701	1,782,477	8,880
Property and equipment	1,002,463	-	-	-	10,631	10,635	10,635	31,903	47,939	47,940	94,377	87,202	84,200	361,923	215,078
Right of use assets	160,647	-	-	-	883	883	883	2,651	2,651	2,650	10,602	10,602	21,204	53,009	54,629
Intangible assets	8,938	-	-	-	567	567	567	1,701	1,702	1,702	2,132	-	-	-	-
Deferred tax assets	685,571	-	-	-	(29,947)	(39,363)	(39,362)	(15,024)	(199,316)	(199,315)	(59,376)	33,306	1,262,686	195,921	(224,639)
Other assets	12,626,148	-	111,441	34,802	403,255	63,820	1,669,776	6,124,862	15,743	3,358,498	-	829,227	14,724	-	-
Assets held-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	387,116,514	-	2,364,697	972,189	5,213,235	1,742,542	9,873,258	12,189,604	1,325,286	21,209,319	45,713,947	12,212,082	208,444,493	65,101,914	753,948
Liabilities															
Borrowings	349,587,965	-	13,247,004	9,775	15,966,017	86,763,368	256,349	154,459,548	836,655	75,308,645	1,269,827	905,603	370,689	194,485	-
Deposits and other accounts	16,164,282	-	872,368	2,372,220	4,647,423	1,141,466	795,738	1,950,298	2,113,266	2,271,503	-	-	-	-	-
Lease liabilities	189,298	-	-	-	84	84	85	259	264	272	264	-	187,986	-	-
Others liabilities	11,102,459	-	619,037	62,221	8,589,286	697,988	676,341	170,182	136,223	23,678	56,013	35,438	36,052	-	-
	377,044,004	-	14,738,409	2,444,216	29,202,810	88,602,906	1,728,513	156,580,287	3,086,408	77,604,098	1,326,104	941,041	594,727	194,485	-
Net assets	10,072,510	-	(12,373,712)	(1,472,027)	(23,989,575)	(86,860,364)	8,144,745	(144,390,683)	(1,761,122)	(56,394,779)	44,387,843	11,271,041	207,849,766	64,907,429	753,948

Share capital	6,150,000
Reserves	1,863,123
Unappropriated profit	535,614
Surplus on revaluation of assets	1,523,773
	10,072,510

	2023														
	Total	Upto 1 day	Over 1 days to 7 days	Over 7 days to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	(Rupees in '000)														
Assets															
Cash and balances with treasury banks	532,767	-		532,767	-	-	-								
Balances with other banks	131,113	-	131,113	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	335,736,123	-	17,381,900	-	70,793	311,051	20,423,395	6,125,779	2,070,434	140,972,997	22,504,484	27,768,588	53,421,219	44,085,483	600,000
Advances	16,179,969	-	42,233	89,244	443,848	526,779	1,939,530	1,393,366	864,519	877,452	3,168,363	2,495,137	2,549,100	1,738,968	51,430
Property and equipment	846,505	-	-	-	8,288	8,289	8,288	24,865	24,539	24,539	84,510	116,117	87,512	206,873	252,685
Right of use assets	87,089	-	-	-	668	668	668	2,004	2,004	2,004	8,014	8,014	16,028	40,071	6,946
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	1,396,492	-	-	-	(31,374)	(2,215)	(2,214)	(11,816)	11,077	11,077	(6,316)	26,675	1,414,151	70,841	(83,394)
Other assets	12,092,961	-	1,748,705	136,223	892,783	1,216,841	1,105,225	3,690,374	6,504	3,166,871	15,140	18,399	79,954	15,942	-
Assets held-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	367,003,019	-	19,303,951	758,234	1,385,006	2,061,413	23,474,892	11,224,572	2,979,077	145,054,940	25,774,195	30,432,930	57,567,964	46,158,178	827,667
Liabilities															
Borrowings	340,891,244	-	123,848,322	158,150,481	32,243,836	63,077	1,009,152	20,833,993	832,619	284,756	1,837,598	794,011	658,017	335,382	-
Deposits and other accounts	12,218,415	-	1,101,128	473,090	2,752,975	910,792	815,161	1,522,368	2,715,062	1,927,839	-	-	-	-	-
Lease liabilities	118,470	-	-	-	76	77	77	236	242	247	1,047	265	116,203	-	-
Others liabilities	5,035,417	-	1,169,257	1,646,623	459,490	80,020	614,413	840,835	182,209	12,885	16,028	6,013	7,644	-	-
	358,263,546	-	126,118,707	160,270,194	35,456,377	1,053,966	2,438,803	23,197,432	3,730,132	2,225,727	1,854,673	800,289	781,864	335,382	-
Net assets	8,739,473	-	(106,814,756)	(159,511,960)	(34,071,371)	1,007,447	21,036,089	(11,972,860)	(751,055)	142,829,213	23,919,522	29,632,641	56,786,100	45,822,796	827,667

Share capital	6,150,000
Reserves	1,751,681
Unappropriated profit	430,344
Surplus on revaluation of assets	407,448
	8,739,473

The contractual maturities of assets and liabilities do not significantly differ with the expected maturities except operating fixed assets and deferred tax assets which do not have any contractual maturities. The maturities of operating fixed assets and deferred tax assets have been reported based on their pattern of usage and recoverability of the underlying assets on which deferred tax asset has been recorded.

43.5.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Company

	2024									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	(Rupees in '000)									
Assets										
Cash and balances with treasury banks	883,139	883,139	-	-	-	-	-	-	-	-
Balances with other banks	38,009	38,009	-	-	-	-	-	-	-	-
Lendings to financial institutions	3,287,200	1,900,000	1,387,200	-	-	-	-	-	-	-
Investments	353,409,569	4,516,871	5,900,873	4,888,867	17,124,952	43,043,215	9,409,229	205,116,978	62,708,584	700,000
Advances	15,014,830	680,470	2,648,686	1,154,644	2,329,459	2,622,997	1,842,516	1,944,701	1,782,477	8,880
Property and equipment	1,002,463	10,631	21,270	31,903	95,879	94,377	87,202	84,200	361,923	215,078
Right of use assets	160,647	883	1,766	2,651	5,301	10,602	10,602	21,204	53,009	54,629
Intangible assets	8,938	567	1,134	1,701	3,404	2,132	-	-	-	-
Deferred tax assets	685,571	(29,947)	(78,725)	(15,024)	(398,631)	(59,376)	33,306	1,262,686	195,921	(224,639)
Other assets	12,626,148	549,498	1,733,596	6,124,862	3,374,241	-	829,227	14,724	-	-
Assets held-for-sale	-	-	-	-	-	-	-	-	-	-
	387,116,514	8,550,121	11,615,800	12,189,604	22,534,605	45,713,947	12,212,082	208,444,493	65,101,914	753,948
Liabilities										
Borrowings	349,587,965	29,222,796	87,019,717	154,459,548	76,145,300	1,269,827	905,603	370,689	194,485	-
Deposits and other accounts	16,164,282	7,892,011	1,937,204	1,950,298	4,384,769	-	-	-	-	-
Lease liabilities	189,298	84	169	259	536	264	-	187,986	-	-
Others liabilities	11,102,459	9,270,544	1,374,329	170,182	159,901	56,013	35,438	36,052	-	-
	377,044,004	46,385,435	90,331,419	156,580,287	80,690,506	1,326,104	941,041	594,727	194,485	-
Net assets	10,072,510	(37,835,314)	(78,715,619)	(144,390,683)	(58,155,901)	44,387,843	11,271,041	207,849,766	64,907,429	753,948

Share capital	6,150,000
Reserves	1,863,123
Unappropriated profit	535,614
Surplus on revaluation of assets	1,523,773
	10,072,510

	2023									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	(Rupees in '000)									
Assets										
Cash and balances with treasury banks	532,767	532,767	-	-	-	-	-	-	-	-
Balances with other banks	131,113	131,113	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	335,736,123	17,452,693	20,734,446	6,125,779	143,043,431	22,504,484	27,768,588	53,421,219	44,085,483	600,000
Advances	16,179,969	575,325	2,466,309	1,393,366	1,741,971	3,168,363	2,495,137	2,549,100	1,738,968	51,430
Property and equipment	846,505	8,288	16,577	24,865	49,078	84,510	116,117	87,512	206,873	252,685
Right of use assets	87,089	668	1,336	2,004	4,008	8,014	8,014	16,028	40,071	6,946
Intangible assets	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	1,396,492	(31,374)	(4,429)	(11,816)	22,154	(6,316)	26,675	1,414,151	70,841	(83,394)
Other assets	12,092,961	2,777,711	2,322,066	3,690,374	3,173,375	15,140	18,399	79,954	15,942	-
Assets held-for-sale	-	-	-	-	-	-	-	-	-	-
	367,003,019	21,447,191	25,536,305	11,224,572	148,034,017	25,774,195	30,432,930	57,567,964	46,158,178	827,667
Liabilities										
Borrowings	340,891,244	314,242,639	1,072,229	20,833,993	1,117,375	1,837,598	794,011	658,017	335,382	-
Deposits and other accounts	12,218,415	4,327,193	1,725,953	1,522,368	4,642,901	-	-	-	-	-
Lease liabilities	118,470	76	154	236	489	1,047	265	116,203	-	-
Others Liabilities	5,035,417	3,275,370	694,433	840,835	195,094	16,028	6,013	7,644	-	-
	358,263,546	321,845,278	3,492,769	23,197,432	5,955,859	1,854,673	800,289	781,864	335,382	-
Net assets	8,739,473	(300,398,087)	22,043,536	(11,972,860)	142,078,158	23,919,522	29,632,641	56,786,100	45,822,796	827,667
Share capital	6,150,000									
Reserves	1,751,681									
Unappropriated profit	430,344									
Surplus on revaluation of assets	407,448									
	8,739,473									

The contractual maturities of assets and liabilities do not significantly differ with the expected maturities except operating fixed assets and deferred tax assets which do not have any contractual maturities. The maturities of operating fixed assets and deferred tax assets have been reported based on their pattern of usage and recoverability of the underlying assets on which deferred tax asset has been recorded.

44 EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Company in their meeting held on 06 MAR 2025 have:

- proposed 4.5 % cash dividend amounting to Rs 276.75 million subject to the approval of the members at the annual general meeting.

These unconsolidated financial statements do not recognise the aforementioned appropriation as this has been proposed and approved subsequent to the statement of financial position date.

45 GENERAL

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

45.2 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.

46 CORRESPONDING FIGURE

46.1 Corresponding figures have been rearranged and reclassified where necessary to facilitate comparison, however no significant rearrangements / reclassifications have been made in these unconsolidated financial statements.

47 DATE OF AUTHORISATION

These unconsolidated financial statements were authorised for issue on 06 MAR 2025 by the Board of Directors of the Company.

Nauman Ansari	Muhammad Yousuf Amanullah	Ayham Abdul Aziz Qadar Al Ghassani	Mohammad Shabir Ahmed Khan	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	CHAIRMAN

Annexure I

STATEMENT SHOWING WRITTEN OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF RUPEES FIVE HUNDRED THOUSAND RUPEES OR ABOVE PROVIDED DURING THE YEAR ENDED DECEMBER 31, 2024

S. No.	Name and address of the borrower	Name of individuals /partners / directors with CNIC No.	Father's / Husband's name	Outstanding liabilities at beginning of year				Principal written-off	Interest / mark-up written off	Other financial relief provided	Total (9+10+11)
				Principal	Interest / mark-up	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				(Rupees in '000)							
1	**Name: Angora Textile Limited** Address: 15-KM , Multan Road, Shahpur, Lahore	Mr. Avais Mazhar Hussain / CNIC: 35202-3003329-7 Mr. Shahryar Hussain / CNIC: 35202-3003331-7 Mr. Muhammad Sajjad Khan / CNIC: 35201-6853583-3	Mr. Muhammad Mazhar Hussain Mr. Avais Mazhar Hussain Mr. Muhammad Siddiq Khan	12,812	7,902	162,376	183,090	4,657	7,902	162,431	174,990
				12,812	7,902	162,376	183,090	4,657	7,902	162,431	174,990

CONSOLIDATED FINANCIAL STATEMENTS OF PAK OMAN INVESTMENT COMPANY LIMITED FOR THE YEAR ENDED DECEMBER 31, 2024

BDO

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Sarwar Shaheed Road
Karachi-74200
Pakistan

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **PAK OMAN INVESTMENT COMPANY LIMITED** ("the Company or Holding Company") and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policies information and other explanatory information.

In our opinion, consolidated financial statement gives a true and fair view of the consolidated financial positon of the group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

KARACHI

DATE: 11 MAR 2025

UDIN: AR202410067RDZclCVKX

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

2024	2023		Note	2024	2023
(US Dollar in '000)				(Rupees in '000)	
		ASSETS			
3,171	1,913	Cash and balances with treasury banks	5	883,203	532,801
156	516	Balances with other banks	6	43,420	143,670
11,801	-	Lendings to financial institutions	7	3,287,200	-
1,267,993	1,204,452	Investments	8	353,199,504	335,499,968
53,904	58,086	Advances	9	15,014,830	16,179,969
3,625	3,068	Property and equipment	10	1,009,776	854,571
577	318	Right-of-use assets	11	160,647	88,596
378	346	Intangible assets	12	105,242	96,416
2,189	4,741	Deferred tax assets	13	609,674	1,320,595
45,851	43,882	Other assets	14	12,771,739	12,223,227
-	-	Assets held-for-sale		-	-
1,389,645	1,317,322			387,085,235	366,939,813
		LIABILITIES			
-	-	Bills payable		-	-
1,255,028	1,223,806	Borrowings	15	349,587,965	340,891,244
58,030	43,864	Deposits and other accounts	16	16,164,282	12,218,415
680	433	Lease Liabilities	17	189,298	120,557
-	-	Subordinated debt		-	-
-	-	Deferred tax liabilities		-	-
40,262	18,505	Other liabilities	18	11,215,078	5,154,484
1,354,000	1,286,608			377,156,623	358,384,700
35,645	30,714	**NET ASSETS**		9,928,612	8,555,113
		REPRESENTED BY			
22,079	22,079	Share capital	19	6,150,000	6,150,000
6,689	6,289	Reserves	20	1,863,123	1,751,681
5,470	1,463	Surplus on revaluation of assets	21	1,523,773	407,448
1,402	878	Unappropriated profit		390,452	244,685
35,640	30,709	Equity attributable to shareholder of Group		9,927,348	8,553,814
5	5	Non-controlling interest		1,264	1,299
35,645	30,714			9,928,612	8,555,113
		CONTINGENCIES AND COMMITMENTS	22		

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Nauman Ansari	Muhammad Yousuf Amanullah	Ayham Abdul Aziz Qadar Al Ghassani	Mohammad Shabir Ahmed Khan	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	CHAIRMAN

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023		Note	2024	2023
(US Dollar in '000)				(Rupees in '000)	
259,685	242,266	Mark-up / return / interest earned	23	72,335,119	67,483,135
256,580	232,121	Mark-up / return / interest expensed	24	71,470,390	64,657,425
3,105	10,145	Net mark-up / interest income		864,729	2,825,710
		NON MARK-UP / INTEREST INCOME			
521	420	Fee and commission income	25	145,245	117,018
494	257	Dividend income		137,520	71,514
-	-	Foreign exchange income		-	-
-	-	Income / (loss) from derivatives		-	-
2,452	288	Gain on securities	26	682,923	80,315
683	541	Share of profit from associates - net of tax		190,275	150,651
126	96	Other income	27	35,150	26,869
4,276	1,602	Total non mark-up / interest income		1,191,113	446,367
7,381	11,747	**Total Income**		2,055,842	3,272,077
		NON MARK-UP / INTEREST EXPENSES			
4,195	3,532	Operating expenses	28	1,168,561	983,700
-	-	Workers Welfare Fund		-	-
491	870	Other charges	29	136,809	242,367
4,686	4,402	Total non mark-up / interest expenses		1,305,370	1,226,067
2,695	7,345	**PROFIT BEFORE PROVISIONS**		750,472	2,046,010
585	(3,763)	Credit loss allowance and write offs - net	30	162,919	(1,048,174)
-	-	Extra ordinary / unusual items		-	-
3,280	3,582	**PROFIT BEFORE TAXATION**		913,391	997,836
(1,133)	(917)	Taxation	31	(315,718)	(255,421)
2,147	2,665	**PROFIT AFTER TAXATION**		597,673	742,415
		ATTRIBUTABLE TO:			
2,147	2,665	Shareholders of the Group		597,708	742,383
-	-	Non-controlling interest		(35)	32
2,147	2,665			597,673	742,415
(US $)				(Rupees)	
0.0035	0.0043	**BASIC AND DILUTED EARNINGS PER SHARE**	32	0.97	1.21

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Nauman Ansari	Muhammad Yousuf Amanullah	Ayham Abdul Aziz Qadar Al Ghassani	Mohammad Shabir Ahmed Khan	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	CHAIRMAN

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023		2024	2023
(US Dollar in '000)			(Rupees in '000)	
2,147	2,665	**PROFIT AFTER TAXATION FOR THE YEAR**	597,673	742,415
		OTHER COMPREHENSIVE INCOME		
		Items that may be reclassified to profit and loss account in subsequent periods:		
3,101	1,079	Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	863,903	300,546
		Items that will not be reclassified to profit and loss account in subsequent periods:		
(57)	(28)	Remeasurement loss on defined benefit obligations - net of tax	(15,875)	(7,714)
339	7	Movement in surplus / (deficit) on revaluation of investments in equity investments - net of tax	94,485	1,832
(49)	(156)	Movement in surplus on revaluation of property and equipments - net of tax	(13,626)	(43,452)
616	-	Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	171,563	-
849	(177)		236,547	(49,334)
6,097	3,567	**TOTAL COMPREHENSIVE INCOME**	1,698,123	993,627
		ATTRIBUTABLE TO:		
6,097	3,567	Shareholders of the Group	1,698,158	993,595
-	-	Non-controlling interest	(35)	32
6,097	3,567		1,698,123	993,627

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Nauman Ansari	Muhammad Yousuf Amanullah	Ayham Abdul Aziz Qadar Al Ghassani	Mohammad Shabir Ahmed Khan	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	CHAIRMAN

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Share capital	(Reserves)		Surplus / (deficit) on revaluation of		Unappropriated profit	Sub total	Non-controlling interest	Total
		Statutory reserve	General reserve	Investments	Property and equipments / Non-banking assets				
	(Rupees in '000)								
Balance as at January 01, 2023	6,150,000	1,610,659	311,630	(351,972)	333,054	423,376	8,476,747	1,267	8,478,014
Impact of adopting IFRS 9 - Note 4	-	-	-	167,440	-	(788,335)	(620,895)	-	(620,895)
Balance as at January 01, 2024 - Restated	6,150,000	1,610,659	311,630	(184,532)	333,054	(364,959)	7,855,852	1,267	7,857,119
Profit after taxation for the year ended December 31, 2023	-	-	-	-	-	742,383	742,383	32	742,415
Other comprehensive income - net of tax									
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	300,546	-	-	300,546	-	300,546
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	1,832	-	-	1,832	-	1,832
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	(7,714)	(7,714)	-	(7,714)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	(43,452)	-	(43,452)	-	(43,452)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
	-	-	-	302,378	(43,452)	(7,714)	251,212	-	251,212
Transfer to statutory reserve	-	141,022	-	-	-	(141,022)	-	-	-
Transfer to general reserve	-	-	(311,630)	-	-	311,630	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	11,867	11,867	-	11,867
Transaction with owners, recorded directly in equity									
Final cash dividend - December 31, 2022 declared subsequent to the year end (Rs. 0.50 per share)	-	-	-	-	-	(307,500)	(307,500)		(307,500)
Balance as at December 31, 2023	6,150,000	1,751,681	-	117,846	289,602	244,685	8,553,814	1,299	8,555,113
Balance as at January 01, 2024	6,150,000	1,751,681	-	117,846	289,602	244,685	8,553,814	1,299	8,555,113
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	597,708	597,708	(35)	597,673
Other comprehensive income - net of tax									
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	863,903	-	-	863,903	-	863,903
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	94,485	-	-	94,485	-	94,485
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	(15,875)	(15,875)	-	(15,875)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	157,937	-	157,937	-	157,937
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
	-	-	-	958,388	157,937	(15,875)	1,100,450	-	1,100,450
Transfer to statutory reserve	-	111,442	-	-	-	(111,442)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	13,626	13,626	-	13,626
Transaction with owners, recorded directly in equity									
Final cash dividend - December 31, 2023 declared subsequent to the year end (Rs. 0.55 per share)	-	-	-	-	-	(338,250)	(338,250)	-	(338,250)
Balance as at December 31, 2024	6,150,000	1,863,123	-	1,076,234	447,539	390,452	9,927,348	1,264	9,928,612

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Nauman Ansari	Muhammad Yousuf Amanullah	Ayham Abdul Aziz Qadar Al Ghassani	Mohammad Shabir Ahmed Khan	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	CHAIRMAN

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

2024	2023		Note	2024	2023
(US Dollar in '000)				(Rupees in '000)	
		CASH FLOW FROM OPERATING ACTIVITIES			
3,280	3,582	Profit before taxation		913,391	997,836
(494)	(257)	Less: Dividend income		(137,520)	(71,514)
2,786	3,325			775,871	926,322
		Adjustments:			
432	266	Depreciation	10.1	120,333	74,083
133	66	Depreciation on right-of-use assets	10.1	36,920	18,311
4	1	Amortization	12	1,238	143
(585)	3,763	Credit loss allowance and write-offs	30	(162,919)	1,048,174
(3)	(21)	Gain on sale / disposal of property and equipment		(896)	(5,711)
(683)	(541)	Share of profit from associates - net of tax		(190,275)	(150,651)
127	46	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	24	35,380	12,679
4	4	Finance charges on leased assets	28	1,033	1,065
(1,013)	56	Unrealised (gain) / loss on held-for-trading securities	26	(282,156)	15,542
(1,584)	3,640			(441,342)	1,013,635
1,202	6,965			334,529	1,939,957
		(Increase) / Decrease in operating assets			
(11,801)	18,437	Lendings to financial institutions		(3,287,200)	5,135,762
69,586	(114,150)	Securities classified as FVPL		19,383,044	(31,796,399)
5,183	3,795	Advances		1,443,738	1,057,214
(278)	(22,677)	Other assets (excluding advance taxation)		(77,435)	(6,316,555)
62,690	(114,595)			17,462,147	(31,919,978)
		Increase / (decrease) in operating liabilities			
31,221	746,689	Borrowings		8,696,721	207,990,269
14,166	(4,676)	Deposits		3,945,867	(1,302,482)
21,216	9,152	Other liabilities (excluding current taxation)		5,910,118	2,548,836
66,603	751,165			18,552,706	209,236,623
130,495	643,535			36,349,382	179,256,602
(1,745)	(9,699)	Income tax paid		(485,976)	(2,701,694)
128,750	633,836	Net cash flows generated from operating activities		35,863,406	176,554,908
		CASH FLOW FROM INVESTING ACTIVITIES			
(126,183)	(637,501)	Net Investments in securities classified as FVOCI		(35,148,394)	(177,575,790)
(69)	435	Investments in associates		(19,125)	121,231
522	228	Dividend received		145,509	63,525
(1,016)	(603)	Investments in property and equipment		(282,920)	(168,070)
(36)	-	Intangible assets		(10,064)	-
30	70	Disposal of property and equipment		8,278	19,598
(126,752)	(637,371)	Net cash flow used in investing activities		(35,306,716)	(177,539,506)
		CASH FLOW FROM FINANCING ACTIVITIES			
116	(7)	Lease Liabilities		32,328	(1,937)
(1,214)	(1,104)	Dividend paid		(338,250)	(307,500)
(1,098)	(1,111)	Net cash flow used in financing activities		(305,922)	(309,437)
900	(4,646)	Increase in cash and cash equivalents		250,768	(1,294,035)
2,433	7,079	Cash and cash equivalents at beginning of the year	33	677,698	1,971,733
3,333	2,433	Cash and cash equivalents at end of the year	33	928,466	677,698

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Nauman Ansari	Muhammad Yousuf Amanullah	Ayham Abdul Aziz Qadar Al Ghassani	Mohammad Shabir Ahmed Khan	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	CHAIRMAN

PAK OMAN INVESTMENT COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1 STATUS AND NATURE OF BUSINESS

The Group comprises of Pak-Oman Investment Company Limited - POICL (the "holding company" or "parent"), a subsidiary, Pak Oman Asset Management Company Limited (POAMCL) and associates. The Group is principally engaged in 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 bank, asset management and investment advisory services. Brief profile of the Group and its subsidiary is as follows:

1.1.1 Holding Company

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 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 28 October 2003 issued by the State Bank of Pakistan.

1.1.2 Subsidiary Company

Pak-Oman Asset Management Company Limited (the "subsidiary company" or "POAMCL") was incorporated in Pakistan under the repealed Companies Ordinance, 1984 on July 28, 2006 as an unlisted public limited company having its registered office at Icon House, 83-C, 12th Commercial street Phase- II Extension, DHA Karachi, Pakistan. POAMCL obtained certificate of commencement of business on October 31, 2006. The principal activities of the subsidiary company includes investment advisory and asset management services.

In 2017, the subsidiary company had purchased 100% shares of Askari Investment Management Limited and accordingly three funds of Askari Investment Management Limited are now under the management of the subsidiary company.

The subsidiary Company currently holds licenses of Asset Management Services and Investment Advisory Services; The prescribed minimum equity requirement for such license by the NBFC Regulations is Rs 200 million for Asset Management and Rs. 30 million for Investment Advisory i.e. aggregating to minimum capital maintenance of Rs. 230 million at any point in time during the reporting period. The subsidiary Company's equity as per NBFC regulations definition amounts to Rs 212.262 million. As such, the subsidiary Company is compliant in respect of minimum equity requirements for asset management services. However, renewal request for investment advisory services license, is pending with the Securities and Exchange Commission of Pakistan as of the reporting date.

The subsidiary Company is actively developing strategies to boost profitability, including reducing administrative expenses, which will help improve overall financial performance. The subsidiary Company is also in the process of raising additional capital from the investor(s) which will be completed in due course of time. Further, the Parent Company has provided unconditional financial support to the subsidiary Company. Accordingly, the subsidiary Company believes it will be able to remediate the minimum capital requirement deficiency and as such, there is no material uncertainty regarding the going concern assumption.

1.2 The Group's associates are as follows:

Entity	Country of Incorporation	Nature of business	Holding %	
			2024	2023
Pak Oman Advantage Islamic Income Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations,	27.74	14.78
Pak Oman Islamic Asset Allocation fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations,	91.31	93.22
Pak Oman Advantage Asset Allocation Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations,	99.53	99.60

Pak Oman Income Fund (Formerly Pak Oman Government Securities Fund)	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008	47.96	4.41
Askari High Yield Scheme	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008	40.80	25.12
Askari Cash Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	29.73	14.00
Pak Oman Daily Dividend Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations,	98.08	98.08
Askari Sovereign Yield Enhancer	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008	33.86	-
Japan Power Generation Limited	Pakistan	Incorporated under the repealed Companies Ordinance, 1984 and is engaged in generation of power and its supply to WAPDA.	11.29	11.29

2 BASIS OF PRESENTATION

These consolidated financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 02, dated February 09, 2023.

2.1 Consolidated financial statements

These consolidated financial statements have been prepared from the information available in the audited financial statements of the parent company for the year ended December 31, 2024 and the audited financial statements of the subsidiary (POAMCL) for the year ended December 31, 2024. The financial statements used for the equity accounting of associates are disclosed in Note 8.5.

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary.

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the subsidiaries have been changed to conform with accounting policies of the Group, where required.

All intra-Group balances, transactions and unrealised gains and losses resulting from intra-Group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in other comprehensive income, and recognises fair value of consideration received, any investment retained, surplus or deficit in consolidated profit or loss account, and reclassifies the Group’s share of components previously recognised in consolidated statement of other comprehensive income to consolidated profit or loss account.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in these consolidated financial statements.

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

2.2 STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are 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;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IFRS, requirements of the Companies Act, 2017 and the said directives shall prevail.

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 26 August 2002 till further instructions.

Accordingly, the requirements of these standards have not been considered in preparation of these consolidated financial statements.

2.3 IFRS 10, 'Consolidated Financial Statements' was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633 (I) / 2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56 (I) / 2016 dated January 28, 2016 that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10, 'Consolidated Financial Statements' is not applicable incase of investment by companies in mutual funds established under trust structure.

2.4 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, then the gain is recognised in consolidated profit or loss account.

2.5 US Dollar equivalent

The US Dollar amounts shown in the consolidated statement of financial position, consolidated profit and loss account, consolidated statement of comprehensive income and consolidated cash flow statement are stated as additional information solely for the convenience of readers. For the purpose of conversion to US Dollars, the rate of Rs. 278.55 to 1 US Dollar has been used for 2024 and 2023 as it was the prevalent rate as on December 31, 2024.

2.4 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2024

The following standards, amendments and interpretations are effective for the year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Group's operations or did not have significant impact on the consolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements.	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.	January 01, 2024
Amendmends to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants.	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements.	January 01, 2024

2.5 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 Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability.	January 01, 2025

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026

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 18 'Presentation and Disclosures in Financial Statements' 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 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 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, 2026.

2.6 Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and associated assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The judgments, estimates and associated assumptions are based on historical experiences, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. The estimates and judgments that have a significant effect on the consolidated financial statements are in respect of the following:

	Note
Classification and credit loss allowance against loans and advances	30
Classification and credit loss allowance against investments	30
Impairment	30
Current and deferred taxation	4.9, 13 & 31
Useful lives of fixed, right of use assets and intangible assets, depreciation, amortisation and revaluation	4.4, 10, 11 & 12
Determination of lease term and borrowing rate	4.4 & 17.1
Non - banking assets acquired in satisfaction of claims	4.17
Defined benefit plan related assumptions	4.5 & 35

a) Income taxes

In making the estimates for current and deferred income taxes, the Group management looks at the income tax law and the decisions of appellate authorities on certain issues in the past. There are certain matters where the Group's view differs with the view taken by the income tax department and such amounts are shown as contingent liability.

b) Fixed assets, depreciation and amortization

In making estimates of the depreciation / amortization method, the Group management uses method which reflects the pattern in which economic benefits are expected to be consumed by the Group. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method would be changed to reflect the change in pattern.

c) Lease Term

The Group applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised and its recoverable amount which is determined as higher of value-in-use and fair value less cost to sell.

d) Non-banking assets acquired in satisfaction of claims

Non banking assets acquired in satisfaction of claims are initially measured at settlement amount and upon revaluation, are carried at revalued amounts less accumulated depreciation and impairment, if any. These assets are revalued as per requirement of SBP's DPS Regulation. Surplus arising on revaluation of property is credited to the "surplus on revaluation of assets" account and any deficit arising on revaluation is taken to consolidated profit and loss account directly. Legal fees, transfer cost and direct cost of acquiring title of property is charged to consolidated profit and loss account and not capitalised

e) Defined benefit plan

The liabilities for employees' benefit plans are determined using actuarial valuations. The actuarial valuations involve assumptions about discount rates, expected rates of return on assets and future salary increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

f) Provisions against off - balance sheet obligations

The Holding Company, in the ordinary course of business, issues guarantees. The commission against such contracts is recognised in the consolidated profit and loss account under "fees and commission income". The Holding Company's liability under such contracts is measured at the higher of the amount representing unearned commission income at the reporting date and the best estimate of the amount expected to settle any financial obligation arising under such contracts.

3 BASIS OF MEASUREMENT

3.1 These consolidated financial statements have been prepared under the historical cost convention unless, otherwise stated elsewhere.

3.2 Functional and presentation currency

These consolidated financial statements are presented in Pak Rupees which is the Group's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except for change as mentioned below.

CHANGE IN ACCOUNTING POLICY

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 ‘IAS 12, Income Taxes (Revised 2012)’ and issued the ‘IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes’ (the Guidance). Accordingly, in accordance with the Guidance, the Group has changed its accounting policy to recognise minimum and final taxes as ‘Levy’ under IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” which were previously being recognised as ‘Income tax’.

The Group management belives that the new policy provides reliable and more relevant information to the user of the consolidated financial statements.

The change in accounting policy has been accounted for retrospectively in accordance with the International Accounting Standard 8: "Accounting Policies, Changes in Accounting Estimates and Errors." There is, however, no material impact on the consolidated financial statements of the prior years.

4.1 Taxation - Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the period in the consolidated profit and loss account. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the period, is then recognized as a levy.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash and non-restricted balances with treasury banks, balances with other banks and placements with financial institutions having maturities of three (3) months or less.

4.3 Lendings to / borrowings from financial institutions

The Group enters into transactions of lendings and borrowings at contracted rates for a specified period of time. These are recorded as under:

Sale under repurchase obligation

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the consolidated statement of financial position and are measured in accordance with accounting policies for investments. Amounts received under these agreements are recorded as repurchase agreement borrowings. The difference between sale and repurchase price is amortised as expense over the term of the repo agreement.

Purchase under resale obligation

Securities purchased with a corresponding commitment to resale at a specified future date (reverse repos) are not recognised as investments in the consolidated statement of financial position. Amounts paid under these arrangements are included in repurchase agreement lendings. The difference between purchase and resale price is accrued as income over the term of the reverse repo agreement.

Bai Muajjal

In Bai Muajjal, the Group sells sukuk on credit to other financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period.

Borrowings / deposits

Borrowings / deposits are recorded at the amount of proceeds received. The cost of borrowings / deposits is recognised on an accrual basis as an expense in the period in which it is incurred.

4.4 Fixed assets

Property

The Group follows the revaluation model as allowed under International Accounting Standard 16: 'Property, Plant and Equipment'. In accordance with the policy the Office premises of the Group shall be carried at revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluation of these assets shall be carried out with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of reporting period.

Surplus arising on revaluation is credited to the surplus on revaluation of fixed assets account. This account is shown equity in the consolidated statement of financial position. Deficit arising on subsequent revaluation of fixed assets is adjusted against the balance in the above mentioned surplus account as allowed under the provisions of the Companies Ordinance, 1984. Any deficit in excess of the surplus previously recognised is charged to the consolidated profit and loss account. The surplus on revaluation of fixed assets to the extent of incremental depreciation charged on the related assets is transferred to the unappropriated profit.

4.4.1 Property and equipment – owned

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to the consolidated profit and loss account applying the straight-line method at rates stated in note 10.1.

Residual values and useful lives are reviewed at each consolidated financial position date and adjusted if impact is considered significant.

Depreciation on additions and deletions of property and equipment during a year is charged in proportion to the period of use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate item of property and equipment, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Item of property and equipment is derecognised when disposed off or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are included in the consolidated profit and loss account.

4.4.2 Property and equipment - leased

Assets held under finance lease are accounted for by recording the assets and related liabilities at the amounts determined on the basis of the lower of fair value of assets and the present value of minimum lease payments at inception of lease and subsequently stated net of accumulated depreciation. Finance charges are allocated over the period of lease term so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged on leased assets on a basis similar to that of owned assets.

4.4.3 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any. These are transferred to specific assets as and when assets are available for use.

4.4.4 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of Use Assets

At the commencement date of the lease, the right-of-use asset is initially measured at the present value of lease liability. Subsequently, right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

ii) Lease Liability

At the commencement date of the lease, the Group recognises lease liability measured at the present value of the consideration (lease payments) to be made over the lease term and is adjusted for lease prepayments. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. After the commencement date, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

4.4.5 Intangible assets

Expenditure incurred to acquire software licenses is capitalised as intangible assets and stated at cost less accumulated amortization and impairment losses, if any.

Intangible assets having a finite life are amortised using the straight-line method over their estimated useful lives, at the rate stated in note 12.

Amortization on additions and deletions of intangible assets during the year is charged in proportion to the period of use.

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

4.5 Staff retirement benefits

4.5.1 Defined benefit plan

The Holding Company operates a funded-gratuity scheme for all its permanent employees. The scheme was established on November 91, 2002 and approved by the Commissioner of Income Tax with effect from January 31, 2003. Contribution to the fund is made every year based on actuarial valuation. The actuarial valuation is carried out using the Projected Unit Credit Method (PUCM). Under this method, the cost of providing gratuity is charged to the consolidated profit and loss account so as to spread the cost over the service lives of the employees in accordance with the actuarial valuation. All actuarial gains and losses are recognized in consolidated statement of comprehensive income in the periods in which they occur. The actuarial valuation was conducted as at December 31, 2024.

4.5.2 Defined contribution plan

The Holding Company also operates a provident fund scheme for all its permanent employees. Equal monthly contributions at the rate of 8.33 percent per annum of salary are made by the Group and its employees. The scheme was established on November 01, 2002 and approved by the Commissioner of Income Tax with effect from January 31, 2003. Contributions from the holding company are charged to the consolidated profit and loss account for the year.

4.5.3 Compensated absences

Compensated absences (leaves) of employees are accounted for in the period in which these absences are earned.

4.6 Foreign currencies

4.6.1 Transactions and balances in foreign currencies

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the reporting date. Non - monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non - monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Exchange gains or losses are included in income currently.

4.7 Commitments

Commitments for outstanding forward foreign exchange contracts are translated at forward rates applicable to their respective maturities. Contingent liabilities / commitments for letter of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rates ruling on the reporting date.

Translation gains and losses are included in the consolidated profit and loss account.

4.8 Revenue recognition

Mark-up / return / interest income is recognised on a accrual basis taking into account effective yield on the asset, except where recovery is considered doubtful, the income is recognised on receipt basis. Interest / return / mark-up on rescheduled / restructured advances and investments is recognised as permitted by the Prudential Regulations issued by the SBP.

Premium or discount on acquisition of investments is capitalised and amortised through the profit and loss account over the remaining period through effective interest method.

Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease.

In case of advances including finance lease and debt security investments classified under the Prudential Regulations, interest / mark-up is recognized on receipt basis. Interest / mark-up on rescheduled / restructured advances and investments is recognized in accordance with the Prudential Regulations of SBP.

Dividend income on equity investments and mutual funds is recognized when the right to receive is established.

Gain and loss on disposal of securities are recognised in the profit and loss account in the year in which they arise.

Gain / loss on termination of lease contracts, documentation charges, front-end fees and other lease income are recognized as income on receipt basis.

Fee and commission income other than commission on letters of credit, guarantees and remuneration for trustee services are recognized upon performance of services.

Commission on letters of credit and guarantees is recognized on time proportion basis.

4.9 Taxation

4.9.1 Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemption available, if any, or minimum taxation as per the Income Tax Ordinance, 2001 whichever is higher. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The charge for the current tax also includes adjustments wherever considered necessary relating to prior year, arising from assessments framed during the year.

4.9.2 Deferred

The Group accounts for deferred taxation using the balance sheet liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and any unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carry forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax related to gain / (loss) recognised in surplus / (deficit) on revaluation of assets is charged / credited to such account.

4.10 Provisions

Provisions are recognised when the Group has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.11 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the consolidated financial statement when there is a legally enforceable right to set off the recognised amounts and the Group intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.12 Dividend and reserves

Dividend declared and appropriations, except appropriations which are required by the law are recognised as liability and recorded as changes in reserves in the period in which these are approved by the directors / shareholders as appropriate.

4.13 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS, if any, is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares in issue at December 31,2023.

4.14 Financial assets and financial liabilities

The Group classifies its financial assets into the following categories: amortised cost; fair value through other comprehensive income; and fair value through profit and loss. Financial liabilities are classified as amortised cost. Group management determines the classification of its financial assets and liabilities at initial recognition of the instrument or, where applicable, at the time of reclassification.

Financial instruments – initial recognition

All financial assets are initially recognised on the trade date, i.e. the date at which the Group becomes a party to the contractual provisions of the instruments. This includes purchases or sale of financial assets that require delivery of asset within the time frame generally established by regulations in market conventions.

All financial assets and financial liabilities are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit and loss where transaction cost is taken directly to the consolidated profit and loss account.

Classification and subsequent measurement of financial assets and liabilities

The Group classifies all of its financial assets other than equity instruments based on two criteria: a) the Group's business model for managing the assets; and b) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI test'), The financial assets are measured at either:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit and loss (FVPL)

a) Business model assessment

The Group determines its business model at the level that best reflects how it manages financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's board / board committees;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and

- the expected frequency, value and timing of sale which also form important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

b) The SPPI test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set.

The Group classifies and measures its derivatives and trading portfolio at FVPL . The Group may designate financial instruments at FVPL, if doing so eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

Financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following conditions are met:

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding; and

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

After initial measurement, these financial instruments are subsequently measured at amortised cost using the effective interest rate (EIR), less impairment (if any).

Debt instruments at FVOCI

The Group classifies its financial instruments at FVOCI when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income (OCI). Interest income and foreign exchange gains and losses are recognised in the unconsolidated profit and loss account in the same manner as for financial assets measured at amortised cost.

The ECL for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the unconsolidated balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to consolidated statement of comprehensive income.

On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to consolidated profit and loss account.

Equity instruments at FVOCI

At initial recognition, the Group may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of 'equity' under IAS 32 'financial instruments: presentation' and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

FVOCI equity instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in consolidated statement of other comprehensive income (OCI), cumulative gains and losses previously recognised in OCI can never be recycled to the consolidated profit and loss account. Dividends are recognised in the consolidated profit and loss account as other operating income when the right of the payment has been established, (except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI). Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets and financial liabilities at fair value through profit and loss

Financial assets and financial liabilities in this category are those that are held for trading and have been either designated by the Group management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Group management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- the designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis, or

- the liabilities are part of a Group of financial liabilities, which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or

- the liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in the consolidated profit and loss account. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount / premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVPL is recorded using contractual interest rate.

Financial liabilities at amortised cost

Financial liabilities that are not financial guarantees or loan commitments and that are not classified as financial liabilities held at fair value through profit and loss are classified as financial liabilities held at amortised cost.

Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

Derecognition of financial asset and financial liabilities

a) Financial assets

The Group derecognises a financial asset, such as a loan, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit impaired. If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both, transferred the financial asset and the transfer qualifies for derecognition.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of new liability, and the difference in the respective carrying amount is recognised in the consolidated profit and loss account.

Impairment of financial assets

Overview of the expected credit losses (ECL) principles

The Group is recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as ‘financial instruments’. Equity instruments are not subject to ECL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, [the lifetime expected credit loss (LTECL)], unless there has been no significant increase in credit risk since initial recognition, in which case, the allowance is based on the 12 months’ expected credit loss (12mECL) .

The 12m ECL is the portion of LTECL that represent the ECL that result from default events on a financial instrument that are probable within the 12 months after the reporting date.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group Groups its loans into stage 1, stage 2 and stage 3 as described below:

- stage 1: when loans are first recognised, the Group recognises an allowance based on 12m ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from stage 2.

- stage 2: when a loan has shown a significant increase in credit risk since initial recognition, the Group records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from stage 3.

- stage 3: loans considered credit-impaired (as outlined in note 46.1.2.1). The Group records an allowance for the LTECL.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a partial derecognition of the financial asset.

The calculation of ECL

The Group calculates ECL based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- EAD Exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- PD Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- LGD Loss given default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECL, the Group considers three scenarios (a base case, a best case and a worse case). Each of these is associated with different PD. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received by selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier.

The mechanics of the ECL method are summarised below:

- stage 1: the 12m ECL is calculated as the portion of LTECL that represent the ECL that result from default events on a financial instrument that are probable within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

- stage 2: when a loan has shown a significant increase in credit risk since initial recognition, the Group records an allowance for the LTECL. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

- stage 3: for loans considered credit-impaired , the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

- financial guarantee contracts: the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the unconsolidated profit and loss account, and the ECL provision. For this purpose, the Group estimates ECL based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three scenarios.

Forward looking information

The Group formulates a base case view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios and consideration of a variety of external actual and forecast information. This process involves developing three different economic scenarios, which represent a range of scenarios linked to various macro-economic factors.

Credit enhancements: collateral valuation and financial guarantees

To mitigate its credit risks on financial assets, the Group seeks to use collateral. The collateral comes in various forms, such as cash, securities, letters of credit / guarantees and demand promissory notes. To the extent possible, the Group uses active market data for valuing financial assets held as collateral.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount is reported in the consolidated financial statements when the Group currently has a legally enforceable right to set off the recognised amount and it intends either to settle on a net basis or to realise the asset and to settle the liability simultaneously.

4.15 Certificates of investment

Certificates of investment are initially recorded at the amount of proceeds received. Mark-up accrued is recognized separately as part of liabilities and is charged to the consolidated profit and loss account on a time proportion basis.

4.16 Segment information

A segment is a distinguishable component of the Group that is engaged in either providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

4.16.1 Business segments

- **Investment banking**

  Investment banking includes services provided in connection with mergers and acquisitions, underwriting, privatization, securitization, research, debts (government, high yield), equity, syndication, Initial Public Offers (IPO) and secondary private placements.

- **Treasury**

  Involves the businesses of equity trading and fixed income securities.

- **Corporate banking**

  Corporate banking includes project finance, real estate, export finance, trade finance, factoring, leasing, lending, guarantees, bills of exchange and deposits.

4.17 Non- banking assets acquired in satisfaction of claims.

Non banking assets acquired in satisfaction of claims are initially measured at settlement amount and upon revaluation, are carried at revalued amounts less accumulated depreciation and impairment, if any. These assets are revalued as per requirement of SBP's DPS Regulation. Surplus arising on revaluation of property is credited to the "surplus on revaluation of assets" account and any deficit arising on revaluation is taken to the consolidated profit and loss account directly. Legal fees, transfer cost and direct cost of acquiring title of property is charged to the consolidated profit and loss account and not capitalised.

4.18 Statutory reserve

According to BPRD Circular No. 15 dated May 31, 2004 issued by the SBP, an amount not less than 20% of the after tax profits shall be transferred to create a reserve fund till such time the reserve fund equals the amount of the paid-up capital and after that a sum not less than 5% of profit after tax shall be credited to the statutory reserve.

5 CASH AND BALANCES WITH TREASURY BANKS

	Note	2024	2023
		(Rupees in '000)	
In hand			
Local currency		184	154
Foreign currencies	5.1	398	403
		582	557
With State Bank of Pakistan in			
Local currency current account	5.2	882,508	532,146
With National Bank of Pakistan in			
Local currency current account		113	98
Less: Credit loss allowance held against cash and balances with treasury banks		-	-
Cash and balance with treasury banks - net of credit loss allowance		883,203	532,801

5.1 This includes foreign currency amounting to OMR 550. (2023: OMR 550).

5.2 This represents local currency current account maintained under the Cash Reserve Requirement of the SBP.

	Note	2024	2023
		(Rupees in '000)	
6 BALANCES WITH OTHER BANKS			
In Pakistan:			
In current accounts		12,759	111,059
In deposit accounts		8,099	15,120
		20,858	126,179
Outside Pakistan:			
In current accounts		24,405	18,718
Less: Credit loss allowance held against balances with other banks	6.1	(1,843)	(1,227)
Balances with other banks - net of credit loss allowance		43,420	143,670

6.1 Credit loss allowance held against balances with other banks

Opening balance		1,227	-
Impact of adopting IFRS 9		-	1,185
Charges / reversals			
Charge for the year		616	42
Reversals for the year		-	-
		616	42
Closing balance		1,843	1,227

7 LENDINGS TO FINANCIAL INSTITUTIONS

Placements		1,900,000	-
Repurchase agreement lendings (Reverse Repo)	7.1	1,387,200	-
Less: Credit loss allowance held against lending to financial institutions		-	-
Lendings To Financial Institutions - net of credit loss allowance		3,287,200	-

7.1 These are short-term lendings to different financial institutions secured against government securities as disclosed in note 7.3 which are purchased under resale obligations. These carried mark-up rates ranges from 13.8% to 13.90% per annum and maturing from January 2025 to February 2025.

7.2 Particulars of lendings

In local currency		3,287,200	-

7.3 Securities held as collateral against Lending to financial institutions

	Note	2024 Held by the Company	2024 Further given as	2024 Total	2023 Held by the	2023 Further given as collateral	2023 Total
		(Rupees in '000)					
Market Treasury Bills		-	-	-	-	-	-
Pakistan Investment Bonds		-	1,387,200	1,387,200	-	-	-
Ijara sukuk		1,900,000					
	7.3.1	1,900,000	1,387,200	1,387,200	-	-	-

7.3.1 Market value of these securities amounted to Rs. 3,415 million in December 2024.

7.3.2 The Group does not hold overseas classified placements.

7.4 Lending to Fis - Particulars of credit loss allowance

		2024 Lending	2024 Credit loss allowance held	2023 Lending	2023 Credit loss allowance held
Domestic		Rupees in '000			
Performing	Stage 1	-	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		-	-	-	-

	2024 Stage 1	2024 Stage 2	2024 Stage 3	2024 Total
	Rupees in '000			
Balance at the start of the year	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	-	-	-	-
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	-	-	-	-
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	-	-	-	-

	2023			
	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000			
Balance at the start of the year	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	-	-	-	-
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	-	-	-	-
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	-	-	-	-

8 INVESTMENTS

	2024				2023			
	Cost / Amortised Cost	Credit loss allowance	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value
	(Rupees in '000)							
8.1 Investments by type								
Debt Instruments								
Classified / Measured at FVTPL								
Federal Government securities	30,396,583	-	(4,423)	30,392,160	50,278,321	-	(11,503)	50,266,818
Non-Government debt securities	-	-	-	-	-	-	-	-
	30,396,583	-	(4,423)	30,392,160	50,278,321	-	(11,503)	50,266,818
Classified / Measured at FVOCI								
Federal Government securities	316,008,838	-	1,341,405	317,350,243	280,759,955	-	(78,846)	280,681,109
Non-Government debt securities	3,510,446	(536,912)	16,490	2,990,024	3,664,377	(437,328)	20,507	3,247,556
	319,519,284	(536,912)	1,357,895	320,340,267	284,424,332	(437,328)	(58,339)	283,928,665
Equity instruments								
Classified / Measured at FVTPL								
Listed shares (Note 8.1.1)	499,594	-	274,176	773,770	-	-	-	-
Classified / Measured at FVOCI								
Shares								
Listed shares	175,826	-	127,298	303,124	122,384	-	1,318	123,702
Unlisted shares	346,266	(111,717)	249,910	484,459	346,266	(111,717)	249,910	484,459
	522,092	(111,717)	377,208	787,583	468,650	(111,717)	251,228	608,161
Associates	905,724	-	-	905,724	696,324	-	-	696,324
Total Investments	351,843,277	(648,629)	2,004,856	353,199,504	335,867,627	(549,045)	181,386	335,499,968

8.1.1 This includes 3,824 shares of Mari Petroleum Company Limited held in CDC freeze account.

8.2 Investments by segments

	2024				2023			
	Cost / Amortised Cost	Credit loss allowance	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Provision for diminution	Surplus / (deficit)	Carrying Value
	(Rupees in '000)							
Federal Government securities								
Market treasury bills	24,070,872	-	35,892	24,106,764	161,606,720	-	(177,570)	161,429,150
Pakistan Investment Bonds	322,334,549	-	1,301,090	323,635,639	163,311,165	-	97,242	163,408,407
Ijara Sukuk	-	-	-	-	6,120,391	-	(10,021)	6,110,370
	346,405,421	-	1,336,982	347,742,403	331,038,276	-	(90,349)	330,947,927
Shares								
- Listed companies	675,420	-	401,474	1,076,894	122,384	-	1,318	123,702
- Unlisted companies	346,266	(111,717)	249,910	484,459	346,266	(111,717)	249,910	484,459
	1,021,686	(111,717)	651,384	1,561,353	468,650	(111,717)	251,228	608,161
Non-Government debt securities								
- Term finance certificate - listed	216,783	(229,312)	(13,985)	(26,514)	216,783	(167,041)	110	49,852
- Term finance certificate - unlisted	2,527,446	(47,026)	18,499	2,498,919	2,553,599	(31,649)	13,003	2,534,953
- Sukuk certificates	766,217	(260,574)	11,976	517,619	893,995	(238,638)	7,394	662,751
- Commercial papers	-	-	-	-	-	-	-	-
	3,510,446	(536,912)	16,490	2,990,024	3,664,377	(437,328)	20,507	3,247,556
Associates								
Japan Power Generation Limited	-	-	-	-	-	-	-	-
Pak Oman Advantage Islamic Income Fund	36,686	-	-	36,686	32,586	-	-	32,586
Pak Oman Islamic Asset Allocation Fund	162,996	-	-	162,996	118,096	-	-	118,096
Pak Oman Advantage Asset Allocation Fund	182,884	-	-	182,884	130,191	-	-	130,191
Askari High Yield Scheme	125,230	-	-	125,230	111,581	-	-	111,581
Askari Cash Fund	150,900	-	-	150,900	132,583	-	-	132,583
Pak Oman Daily Dividend Fund	67,445	-	-	67,445	60,436	-	-	60,436
Askari Sovereign Yield Enhancer Fund	54,163	-	-	54,163	-			-
Pak Oman Income Fund (Formerly Pak Oman Government Securities Fund)	125,420	-	-	125,420	110,851	-	-	110,851
	905,724	-	-	905,724	696,324	-	-	696,324
Total investments	351,843,277	(648,629)	2,004,856	353,199,504	335,867,627	(549,045)	181,386	335,499,968

8.2.1 Investments given as collateral

	2024				2023			
	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								
Market treasury bills	4,768,445	-	22,599	4,791,044	160,747,511	-	(177,656)	160,569,855
Pakistan Investment Bonds	292,990,383	-	875,187	293,865,570	144,428,963	-	108,584	144,537,547
	297,758,828	-	897,786	298,656,614	305,176,474	-	(69,072)	305,107,402
Shares								
- Unlisted companies	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total investments	297,758,828	-	897,786	298,656,614	305,176,474	-	(69,072)	305,107,402

8.3 Credit loss allowance for diminution in value of investments

	2024	2023
	(Rupees in '000)	
8.3.1 Opening balance	549,045	510,971
Impact of adopting IFRS 9	-	20,072
Charges / reversals		
Charge for the year	99,919	32,018
Reversals for the year	(335)	(14,016)
	99,584	18,002
Transfers - net	-	-
Closing balance	648,629	549,045

8.3.2 Particulars of credit loss allowance against debt securities

		2024		2023	
		Outstanding amount	Credit loss allowance	NPI	Provision
		(Rupees in '000)			
Domestic					
Performing	**Stage 1**	2,808,424	8,863	2,999,855	4,118
Underperforming	**Stage 2**	107,500	7,012	219,850	8,986
Non-performing	**Stage 3**				
Other assets especially mentioned		-	-	-	-
Substandard		149,850	76,365	-	-
Doubtful		-	-	-	-
Loss		444,672	444,672	444,672	424,224
		3,510,446	536,912	3,664,377	437,328
Total		3,510,446	536,912	3,664,377	437,328

8.3.3 The Group does not hold overseas classified debt securities.

* NPI stands for Non-performing investments.

8.3.4 Particulars of credit loss allowance

8.3.4.1 Investments - exposure

	2024 Stage 1	2024 Stage 2	2024 Stage 3	2023 Stage 1	2023 Stage 2	2023 Stage 3
	Rupees in '000			Rupees in '000		
Opening balance	2,999,855	219,850	444,672	2,980,734	119,851	444,971
New investments	100,000	-	-	350,000	-	-
Investments derecognised or repaid	(391,231)	(149,850)	-	(330,879)	(1)	(299)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	37,500	-	-	100,000	-
Transfer to stage 3	-	-	149,850	-	-	-
	(291,231)	(112,350)	149,850	19,121	99,999	(299)
Amounts written off / charged Off	-	-	-	-	-	-
Other changes	99,800	-	-	-	-	-
Closing balance	2,808,424	107,500	594,522	2,999,855	219,850	444,672

8.3.4.2 Investments - Credit loss allowance

	2024 Stage 1	2024 Stage 2	2024 Stage 3	2023 Stage 1	2023 Stage 2	2023 Stage 3
	Rupees in '000			Rupees in '000		
Gross carrying amount - Current year	4,118	8,986	424,224	-	-	399,254
Impact of adopting IFRS 9	-	-	-	5,720	14,352	-
New investments	391			2,122	-	-
Investments derecognised or repaid	(404)	(4,343)	-	(3,724)	(9,597)	24,970
Transfer to stage 1				-	-	-
Transfer to stage 2		718	-	-	4,231	-
Transfer to stage 3			76,365	-	-	-
	(13)	(3,625)	76,365	(1,602)	(5,366)	24,970
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	4,758	1,651	20,448	-	-	-
Changes (to be specific)	-	-	-	-	-	-
Closing balance - Current year	8,863	7,012	521,037	4,118	8,986	424,224

8.4 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model.

	Note	2024	2023
		Cost (Rupees in '000)	
Federal Government securities - Government guaranteed			
Pakistan Investment Bonds		311,240,857	147,423,060
Market Treasury Bills		4,767,981	133,336,895
		316,008,838	280,759,955

	2024	2023
	Cost	
Shares:		
Listed Companies		
Commercial Banks	62,447	41,559
Fertilizer	47,569	26,940
Power Generation & Distribution	-	8,885
Oil & Gas Exploration Companies	65,545	44,735
Financial	265	265
	175,826	122,384

Unlisted companies	2024		2023	
	Cost	Carrying value	Cost	Carrying value
	(Rupees in '000)			
Alhamra Avenue (Private) Limited	50,000	-	50,000	-
Pakistan Textile City Limited (Note 8.6.1)	50,000	-	50,000	-
Techlogix International Limited	20,266	8,549	20,266	8,549
Orient Power Company (Private) Limited	226,000	475,910	226,000	475,910
	346,266	484,459	346,266	484,459

	2024	2023
	Cost (Rupees in '000)	
Non Government debt securities		
Categorization based on long-term rating by credit rating agency		
Listed		
- B+, B, B-	49,851	49,851
- CCC and below	166,932	166,932
	216,783	216,783
Unlisted		
- AA+, AA, AA-	1,574,400	1,862,633
- A+, A, A-	1,341,523	1,207,221
- BB+, BB, BB-	-	-
- B+, B, B-	-	100,000
- CCC and below	377,740	277,740
	3,293,663	3,447,594
	3,510,446	3,664,377

8.8 Investment in associates

8.8.1 The Group holds investment in ordinary shares of Rs. 10 each in the following entities:

	2024	2023	2024	2023	Holding	Break-up value per share / unit / NAV (Rupees)	Latest available unaudited financial statements	Name of the chief executive
	Number of shares / units		(Rupees in '000)					
8.8.2 Shares / Mutual Funds								
Japan Power Generation Limited	17,622,878	17,622,878	-	-	11.29%	(42.59)	30-June-17*	
Pak Oman Islamic Asset Allocation Fund	3,060,081	2,543,449	162,996	118,096	93.22%	53.27	31-Dec-24**	Ms. Sadaf Kazmi
Pak Oman Advantage Asset Allocation Fund	3,334,799	2,602,653	182,884	130,191	99.60%	54.84	31-Dec-24**	Ms. Sadaf Kazmi
Pak Oman Advantage Islamic Income Fund	639,728	611,264	36,686	32,586	14.78%	57.34	31-Dec-24**	Ms. Sadaf Kazmi
Askari High Yield Scheme	1,120,687	1,021,473	125,230	111,581	25.12%	111.74	31-Dec-24**	Ms. Sadaf Kazmi
Askari Cash Fund	1,345,482	1,158,301	150,900	132,583	14.00%	112.15	31-Dec-24**	Ms. Sadaf Kazmi
Pak Oman Daily Dividend Fund	6,744,445	6,043,523	67,445	60,436	98.08%	10.00	31-Dec-24**	Ms. Sadaf Kazmi
Askari Sovereign Yield Enhancer	480,980	-	54,163	-	33.86%	112.61	31-Dec-24**	Ms. Sadaf Kazmi
Pak Oman Income Fund (Formerly Pak Oman Government Securities Fund)	10,716,913	10,196,704	125,420	110,851	4.41%	11.70	31-Dec-24**	Ms. Sadaf Kazmi
			905,724	696,324				

**Published Net Asset Value
* Unaudited financial statements

8.8.3 The above associates are incorporated in Pakistan.

8.9 The investments in Pakistan investment bonds are maturing upto April 2034 (2023: November 2031) and the effective yield ranges from 9.78% to 20.9% (2023: 9.78% to 26.49%) per annum.

9 Market treasury bills carry yield ranging 11.85% to 14% (2023: 21.27% to 21.43%) per annum with maturities upto December 2025 (2023: October 2024).

9 ADVANCES

	Note	Performing		Non-performing		Total	
		2024	2023	2024	2023	2024	2023
		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	
Loans, cash credits, running finances, etc.	9.1 & 9.3	12,954,476	15,044,600	2,908,867	2,535,945	15,863,343	17,580,545
Margin trading		1,906,484	1,637,677	-	-	1,906,484	1,637,677
Advances - gross		14,860,960	16,682,277	2,908,867	2,535,945	17,769,827	19,218,222
Credit loss against advances							
Stage 1		34,712	10,443	-	-	34,712	10,443
Stage 2		122,487	676,586	-	-	122,487	676,586
Stage 3	9.8	-	-	2,597,798	2,351,224	2,597,798	2,351,224
		157,199	687,029	2,597,798	2,351,224	2,754,997	3,038,253
Advances - net of credit allowance		14,703,761	15,995,248	311,069	184,721	15,014,830	16,179,969

9.1 Includes Net investment in Finance Lease as disclosed below:

	2024			2023		
	Not later than one year	Later than one and less than five years	Total	Not later than one year	Later than one and less than five years	Total
	(Rupees in '000)					
Lease rentals receivable	619,638	417,987	1,037,625	136,383	105,888	242,271
Residual value	119,092	71,490	190,582	80,170	29,685	109,855
Minimum lease payments	738,730	489,477	1,228,207	216,553	135,573	352,126
Financial charges for future periods	(99,837)	(130,932)	(230,769)	(30,506)	(22,188)	(52,694)
Present value of minimum lease payments	638,893	358,545	997,438	186,047	113,385	299,432

9.1.1 In respect of the aforementioned finance leases the Group holds an aggregate sum of Rs. 190.582 million (2023: Rs. 109.855 million) as security deposits on behalf of the lessees which are included under 'other liabilities' (note 18).

9.2 Particulars of advances (Gross)

	2024	2023
	(Rupees in '000)	
In local currency	17,769,827	19,218,222

9.3 Staff loans include personal loans, car loans and house loans amounting to Rs. 197.48 million (2023: 145.45 million) given to employees in accordance with their terms of appointment. House loans carry mark-up at a rate of 5 (2023: 5) percent per annum, while no mark-up is charged on personal loans. Furthermore, subsidized staff loans are classified as per the requirements of IFRS 9.

9.4 Advances - Exposure

	2024 Stage 1	2024 Stage 2	2024 Stage 3	2024 Total	2023 Stage 1	2023 Stage 2	2023 Stage 3	2023 Total
	---- (Rupees in '000) ----							
Opening balance	13,489,847	3,192,430	2,535,945	19,218,222	13,349,705	4,700,610	2,225,121	20,275,436
Impact of adopting IFRS 9	-	-	-	-	-	-	-	-
New Advances	4,098,098	-	-	4,098,098	857,940	-	-	857,940
Advances derecognised or repaid	(4,447,167)	(2,391,356)	(396,262)	(7,234,785)	(1,375,537)	(1,508,180)	(154,381)	(3,038,098)
Transfer to stage 1	-	-	-	-	657,739	-	-	657,739
Transfer to stage 2	-	180,936	-	180,936	-	-	-	-
Transfer to stage 3	-	-	769,183	769,183	-	-	465,205	465,205
	(349,069)	(2,210,420)	372,921	(2,186,568)	140,142	(1,508,180)	310,824	(1,057,214)
Amounts written off / charged off	-	-	-	-	-	-	-	-
Changes in risk parameters	738,172	-	1	738,173	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Closing balance	13,878,950	982,010	2,908,867	17,769,827	13,489,847	3,192,430	2,535,945	19,218,222

9.5 Advances - Particulars of credit loss allowance

	2024 Stage 1	2024 Stage 2*	2024 Stage 3	2024 Total	2023 Stage 1	2023 Stage 2*	2023 Stage 3	2023 Total
	---- (Rupees in '000) ----							
Opening balance	10,443	676,586	2,351,224	3,038,253	-	-	854,440	854,440
Impact of adopting IFRS 9	-	-	-	-	25,765	308,791	816,062	1,150,618
New Advances	13,316	-	-	13,316	477	-	-	477
Advances derecognised or repaid	(1,998)	(584,045)	(336,007)	(922,050)	(17,418)	367,795	308,557	658,934
Transfer to stage 1	-	-	-	-	1,619	-	-	1,619
Transfer to stage 2	-	23,462	-	23,462	-	-	-	-
Transfer to stage 3	-	-	582,581	582,581	-	-	372,165	372,165
	11,318	(560,583)	246,574	(302,691)	(15,322)	367,795	680,722	1,033,195
Amounts written off / charged off	-	-	-	-	-	-	-	-
Changes in risk parameters	12,951	6,484	-	19,435	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Closing balance	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253

9.6 Advances - Credit loss allowance details

Internal / External rating / stage classification

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	---------------------------Rupees in '000------------------------							
Outstanding gross exposure								
Performing - Stage 1	13,878,950	-	-	13,878,950	13,489,847	-	-	13,489,847
Under Performing - Stage 2	-	982,010	-	982,010	-	3,192,430	-	3,192,430
Non-performing - Stage 3								
Other assets especially mentioned	-	-	-	-	-	-	188,425	188,425
Substandard	-	-	473,184	473,184	-	-	-	-
Doubtful	-	-	121,517	121,517	-	-	465,205	465,205
Loss	-	-	2,314,166	2,314,166	-	-	1,882,315	1,882,315
	-	-	2,908,867	2,908,867	-	-	2,535,945	2,535,945
Total	13,878,950	982,010	2,908,867	17,769,827	13,489,847	3,192,430	2,535,945	19,218,222
Corresponding ECL								
Stage 1 and stage 2	34,712	122,487	-	157,199	10,443	676,586	-	687,029
Stage 3	-	-	2,597,798	2,597,798	-	-	2,351,224	2,351,224
	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253

9.7 Advances include Rs.2,654.309 million (2023: Rs 2,535.945 million) which have been placed under non-performing status as detailed below:

Category of Classification	2024 Non-performing loans	2024 Credit loss allowance	2023 Non-performing loans	2023 Provision
	----------------------------------- (Rupees in '000)		-----------------------------------	
Domestic				
Other assets especially mentioned	-		188,425	150,740
Substandard	473,184	344,707	-	-
Doubtful	121,517	97,214	465,205	372,165
Loss	2,314,166	2,155,877	1,882,315	1,828,319
	2,908,867	2,597,798	2,535,945	2,351,224

9.7.1 Provision is recorded net of security deposit of Rs. 4.068million (2022: Rs. 4.397 million).

9.8 Particulars of credit loss allowance against advances

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	10,443	676,586	2,351,224	3,038,253	-	-	854,440	854,440
Impact of adopting IFRS 9	-	-	-	-	25,765	308,791	816,062	1,150,618
Charge for the year	26,267	29,946	582,581	638,794	2,570	442,721	798,314	1,243,605
Reversals	(1,998)	(584,045)	(331,350)	(917,393)	(17,892)	(74,926)	(117,592)	(210,410)
	24,269	(554,099)	251,231	(278,599)	(15,322)	367,795	680,722	1,033,195
Amounts written off	-	-	(4,657)	(4,657)	-	-	-	-
Closing balance	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253

9.8.1 Particulars of credit loss against advances

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
In local currency	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253
	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253

9.9 The Group does not hold overseas classified advances.

		2024	2023
		(Rupees in '000)	
9.10 Particulars of write offs			
9.10.1 Against provisions			
Directly charged to the consolidated profit and loss account	-	-	-

10 PROPERTY AND EQUIPMENTS

	Note	2024	2023
		'(Rupees in '000)	
Property and equipments	10.1	854,726	854,571
Advance for capital expenditure		155,050	-
		1,009,776	854,571

10.1 Property and Equipments

	2024							
	Office premises*	Improvements	Office equipments	Computer equipments	Furniture and fixtures	Vehicles	Assets held under finance lease - Vehicle	Total
	(Rupees in '000)							
As at January 01, 2024								
Cost	752,427	47,103	16,836	36,031	15,058	182,076	5,608	1,055,139
Accumulated depreciation	(81,787)	(26,476)	(12,226)	(26,347)	(12,394)	(38,161)	(3,177)	(200,568)
Net book value	670,640	20,627	4,610	9,684	2,664	143,915	2,431	854,571
Year ended December 31, 2024								
Opening net book value	670,640	20,627	4,610	9,684	2,664	143,915	2,431	854,571
Additions	-	-	5,433	38,627	25,722	58,088	-	127,870
Movement in surplus on assets revalued during the year	-	-	-	-	-	-	-	-
Transfer from Non-banking assets	-	-	-	-	-	-	-	-
Disposals	-	-	(63)	(817)	(231)	(6,271)	-	(7,382)
Depreciation charge	(37,605)	(4,541)	(2,165)	(12,666)	(2,359)	(59,875)	(1,122)	(120,333)
Closing net book value	633,035	16,086	7,815	34,828	25,796	135,857	1,309	854,726
As at December 31, 2024								
Cost / Revalued amount	752,427	47,103	22,206	73,747	40,380	231,414	5,608	1,172,885
Accumulated depreciation	(119,392)	(31,017)	(14,391)	(38,919)	(14,584)	(95,557)	(4,299)	(318,159)
Net book value	633,035	16,086	7,815	34,828	25,796	135,857	1,309	854,726
Rate of depreciation (percentage)	5%	10%	20%	33.33%	20%	20%	20%	

	Note	Office premises *	Improvements	Office equipments	Computer equipments	Furniture and fixtures	Vehicles	Assets held under finance lease - Vehicle	Total
		2023							
		(Rupees in '000)							
As at January 01, 2023									
Cost		752,427	47,310	15,101	29,197	13,831	55,228	5,608	918,702
Accumulated depreciation		(44,182)	(23,089)	(10,907)	(22,313)	(12,021)	(29,663)	(2,056)	(144,231)
Net book value		708,245	24,221	4,194	6,884	1,810	25,565	3,552	774,471
Year ended December 31, 2023									
Opening net book value		708,245	24,221	4,194	6,884	1,810	25,565	3,552	774,471
Additions		-	3,803	1,888	6,834	1,875	153,670	-	168,070
Movement in surplus on assets revalued during the year	10.1.1 & 10.1.2	-	-	-	-	-	-	-	-
Transfer from Non-banking assets		-	-	-	-	-	-	-	-
Disposals		-	(3,047)	-	-	(174)	(10,666)	-	(13,887)
Depreciation charge		(37,605)	(4,350)	(1,472)	(4,034)	(847)	(24,654)	(1,121)	(74,083)
Closing net book value		670,640	20,627	4,610	9,684	2,664	143,915	2,431	854,571
As at December 31, 2023									
Cost / Revalued amount		752,427	47,103	16,836	36,031	15,058	182,076	5,608	1,055,139
Accumulated depreciation		(81,787)	(26,476)	(12,226)	(26,347)	(12,394)	(38,161)	(3,177)	(200,568)
Net book value		670,640	20,627	4,610	9,684	2,664	143,915	2,431	854,571
Rate of depreciation (percentage)		5%	10%	20%	33.33%	20%	20%	20%	

* The transfer of title of office premises in the holding Company's name is in process.

10.1.1 The properties has been revalued by an independent professional valuers as at December 31, 2022. The valuation was carried by M/s. KG Traders and M/s Oriental Engineering Services on the basis of current professional assessment of current market values.

10.2 Included in cost of property and equipments are fully depreciated items still in use having cost of:

	2024	2023
	(Rupees in '000)	
Improvements	1,704	1,704
Office equipments	8,482	8,221
Computer equipments	17,888	20,702
Furniture and fixtures	10,355	9,303
Vehicles	3,461	3,411
	41,890	43,341

10.3 Details of disposals of property and equipments disposed off to the Chief Executive or to a director or to executives or to any other related party, irrespective of the values, are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of Purchaser
	(Rupees in '000)						
Vehicles							
Toyota Corolla	8,750	2,479	6,271	7,000	729	Negotiations	M/S Cars Qilla
	8,750	2,479	6,271	7,000	729		
Furniture and fixture	150	147	3	3	-	Holding company policy	Mr. Rehan Gayur (Former Executive)
Laptop	438	24	414	414	-	Holding company policy	Mr. Rehan Gayur (Former Executive)
Others	786	92	694	861	167		
	10,124	2,742	7,382	8,278	896		

11 RIGHT-OF-USE-ASSETS

	Note	2024	2023
		(Rupees in '000)	
As at January 01,			
Cost		169,935	176,476
Accumulated depreciation		(81,339)	(74,630)
Net Carrying amount at January 01,		88,596	101,846
Additions during the year		134,680	14,440
Deletions during the year			
Cost		(82,929)	(20,981)
Accumulated depreciation		57,220	11,602
		(25,709)	(9,379)
Depreciation Charge for the year		(36,920)	(18,311)
Net Carrying amount As at December 31,		160,647	88,596
As at December 31,			
Cost		221,686	169,935
Accumulated depreciation		(61,039)	(81,339)
Net Carrying amount As at December 31,		160,647	88,596
Rate of depreciation (percentage)		10%	10%

12 INTANGIBLE ASSETS

	Note	2024	2023
Computer software	12.1	8,938	112
Goodwill	12.2	96,304	96,304
		105,242	96,416

12.1 Computer Software

	2024	2023
As at January 01,		
Cost	19,121	19,121
Accumulated amortisation	(19,009)	(18,866)
Net book value	112	255
Year ended December 31		
Opening net book value	112	255
Additions	10,064	-
Disposals	-	-
Amortisation charge	(1,238)	(143)
Closing net book value	8,938	112
As at December 31,		
Cost	29,185	19,121
Accumulated amortisation	(20,247)	(19,009)
Net book value	8,938	112
Rate of amortisation	33%	33%

12.2 Goodwill

	2024	2023
	(Rupees in '000)	
Allocation of Goodwill		
Management rights value	195,750	195,750
Brand value	24,487	24,487
Goodwill	43,395	43,395
	263,632	263,632
Less: impairment	(167,328)	(167,328)
	96,304	96,304

13 DEFERRED TAX ASSETS

	January 01, 2024	Recognized in		December 31, 2024
		Consolidated profit and loss account	Consolidated statement of OCI	
	(Rupees in '000)			
Deductible Temporary Differences on				
Credit loss allowance against investments and others	215,261	45,114	-	260,375
Assets subject to finance lease	(64)	65	-	1
Amortisation of premium on Federal Government securities	2,777	(2,091)	-	686
Credit loss allowances against advances	1,184,919	(110,470)	-	1,074,449
Difference of Corporte tax & ACT & Minimum Tax	-			130,928
Accelerated tax depreciation allowances	29,745	15,040	-	44,785
Accumulated tax losses - POAMCL	35,886	-	-	35,886
	1,468,524	(52,342)	-	1,547,110
Taxable Temporary Differences on				
Net investment in finance lease	76,532	(33,666)	-	42,866
Revaluation on investments classified as FVTPL	4,837	(71,656)	-	(66,819)
Revaluation on investments classified as FVTOCI	(75,043)	-	(583,826)	(658,869)
Revaluation on fixed asset / non-banking assets	(152,258)	7,331	(109,687)	(254,614)
Dividend receivables	(1,997)	1,997	-	-
	(147,929)	(95,994)	(693,513)	(937,436)
	1,320,595	(148,336)	(693,513)	609,674

	January 01, 2023	Recognized in Consolidated profit and loss account	Recognized in Consolidated statement of OCI	December 31, 2023
	------(Rupees in '000)------			
Deductible Temporary Differences on				
Credit loss allowance against investments and others	168,620	38,061	8,580	215,261
Assets subject to finance lease	(136)	72	-	(64)
Amortisation of premium on Federal Government securities	4,057	(1,280)	-	2,777
Credit loss allowances against advances	281,965	523,251	379,703	1,184,919
Difference of Corporte tax & ACT & Minimum Tax				-
Accelerated tax depreciation allowances	16,007	13,738	-	29,745
Accumulated tax losses - POAMCL	35,886	-	-	35,886
	506,399	573,842	388,283	1,468,524
Taxable Temporary Differences on				
Net investment in finance lease	45,130	31,402	-	76,532
Revaluation on investments classified as held-for-trading	(1,333)	6,170	-	4,837
Revaluation on investments classified as available-for-sale	173,359	-	(248,402)	(75,043)
Revaluation on fixed assets / non-banking assets	(135,037)	14,363	(31,584)	(152,258)
Dividend receivables	-	(1,997)	-	(1,997)
	82,119	49,938	(279,986)	(147,929)
	588,518	623,780	108,297	1,320,595

		Note	2024	2023
14	**OTHER ASSETS**		**(Rupees in '000)**	
	Income/ mark-up accrued in local currency		7,471,230	6,231,061
	Dividend income receivable		-	7,989
	Mark-up / profit receivable on purchase of securities		860,611	2,393,703
	Security deposits		15,818	5,918
	Prepayments		46,838	26,680
	Prepaid staff cost		54,738	-
	Receivable against sale of investments		-	215,768
	Advance taxation (payments less provisions)		3,411,061	3,213,245
	Non-banking assets acquired in satisfaction of claims	14.1	543,750	-
	Receivable from funds under management and investment advisory clients		82,162	90,977
	Defined benefit plan	35.2	-	-
	Others		4,281	37,886
			12,490,489	12,223,227
	Less: Credit loss allowance held against other assets		-	-
	Other assets (net of credit loss allowance)		12,490,489	12,223,227
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	14.1	281,250	-
	Other assets - total		12,771,739	12,223,227

14.1 Non-banking assets acquired in satisfaction of claims

	2024	2023
Opening balance	-	-
Additions	543,750	-
Revaluation	281,250	-
Disposals	-	-
Depreciation	-	-
Transfer to fixed assets	-	-
Impairment	-	-
Closing balance	825,000	-

14.2 An independent valuation of the Group's non-banking assets was performed by an independent professional valuer to determine the fair value of the asset. The valuation was carried out by MYK Associates (Private Limited) on the basis of an assessment of present market values which resulted in an increase in surplus by Rs. 281.250 million (2023: Nil).

15 BORROWINGS

	Note	2024	2023
Secured			
Borrowings from the State Bank of Pakistan:	15.2		
- Long term financing facility (LTFF)		1,583,576	2,084,778
- Financing Scheme for Renewable Energy		197,756	235,204

	Note	2024	2023
		(Rupees in '000)	
- Financing facility for storage of agricultural produce (FFSAP)		21,154	28,846
- Temporary Economic Refinance Facility (TERF)		159,420	195,946
Repurchase agreement borrowings	15.3	-	292,639,130
Long term borrowings	15.4	3,091,768	3,950,000
Short term loan / running finance	15.5	275,036,921	15,000,000
Bai Muajjal	15.6	22,935,065	-
Total secured		303,025,660	314,133,904
Unsecured			
Placements	15.7	-	4,220,000
Murabaha financing	15.8	46,562,305	22,537,340
Total unsecured		46,562,305	26,757,340
		349,587,965	340,891,244

15.1 Particulars of borrowings with respect to currencies

In local currency	349,587,965	340,891,244

15.2 The holding company has entered into agreements for financing with the SBP of long term finance for export oriented projects to customers. According to the terms of the respective agreements, the SBP has the right to receive the outstanding amount from the holding company at the date of maturity of the finances by directly debiting the current account maintained by the Group with the SBP. The mark up rates ranges from 1% to 8% (2024: 1% to 8%) per annum. These are repayable within 10 years (2023: 10 years). No securities have been pledged against this facilities.

15.3 The mark up rate on these repurchase agreement borrowings, maturing (2023: January 2024), ranges between (2023: 22% to 23%) per annum. Securities having cost of nil (2023: Rs 289.531 million) have been pledged against these borrowings.

15.4 These long-term borrowings carrying mark up at the rate of KIBOR plus spread negotiated with Bank. The above facilities are secured against advances receivable.

15.5 The mark up rate on these short-term loan / running finance facility is from 11.49% to 13.30% (2023: 21.65%). The above facility are secured against government securities and loans and advances receivables (2023: loan and advances receivable).

15.6 The mark up rate on these Bai Muajjal secured against government securities, maturing from January 2025 to February 2025 (2023: NIL) is 12% to 15.75% (2023: Nil) per annum.

15.7 The mark up rate on these placement financing maturing in (2023: January 2024) is (2023: 22.10% to 22.50% per annum). No securities have been pledged against this facilities.

15.8 The mark up rate on these murabaha financing, maturing from January 2025 to June 2025 (2023: January 2024 to May 2024) is from 11.50% to 15.05% (2023:20.95% to 22.05%) per annum. No securities have been pledged against this facilities.

16 DEPOSITS AND OTHER ACCOUNTS

		2024		2023	
		In local currency	Total	In local currency	Total
	Note	(Rupees in '000)			
Certificates of investment					
Financial institutions	1,872,293	179,500	179,500	705,500	705,500
Others		15,984,782	15,984,782	11,512,915	11,512,915
	16.1 & 16.2	16,164,282	16,164,282	12,218,415	12,218,415

16.1 The rate of return on deposits maturing between January 2025 to December 2025 (2023: January 2024 to December 2024) ranges between 10.93% to 21% (2023: 16.15% to 23.25%) per annum.

16.2 Composition of deposits

	2024	2023
	(Rupees in '000)	
Individuals	2,124,499	2,129,061
Government (Federal and Provincial)	4,677,739	5,700,843
Public Sector Entities	-	-
Banking companies	-	-
Non-Banking Financial Institutions	106,000	705,500
Private sector	9,256,044	3,683,011
	16,164,282	12,218,415

17 LEASE LIABILITIES

Lease liability against right-of-use assets	187,986	118,290
Liabilities against assets subject to finance lease	1,312	2,267
	189,298	120,557

17.1 Lease liability against right-of-use assets

As at January 01,	118,290	137,894
Additions	134,680	14,440
Deletion	(50,069)	(12,368)
Finance charges	35,380	12,679
Payments	(50,295)	(34,355)
As at December 31,	187,986	118,290

	2024	2023
	(Rupees in '000)	

Contactual maturity of lease laibilities

Short-term lease liabilities - within one year		
Long-term lease liabilities		
- 1 to 5 years	155,462	77,184
- 5 to 10 years	13,741	23,980
- More than 10 years	-	-
	169,203	101,164
Total lease liabilities	187,986	118,290

17.2 Liabilities against assets subject to finance lease

	2024			2023		
	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	76	1,048	1,124	169	955
Later than one year and upto five years	269	5	264	1,393	81	1,312
	1,393	81	1,312	2,517	250	2,267

17.3 The holding company has entered into lease agreements with financial institutions 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% (2023: 9.17%) per annum.

18 OTHER LIABILITIES

	Note	2024	2023
		(Rupees in '000)	
Mark-up / return / interest payable in local currency		10,273,614	4,422,998
Accrued expenses		482,604	433,289
Defined benefit plan liabilities	35.2	28,008	15,062
Security deposits against investment in finance lease	9.1.1	190,582	109,855
Taxation		-	-
Payable against purchase of investments		-	-
Withholding tax and sales tax payable		19,074	16,763
Sales tax and federal excise duty payable		89,985	86,341
Credit loss allowances against off-balance sheet obligations		17,159	1,679
Others		114,052	68,497
		11,215,078	5,154,484

	Note	2024	2023
		(Rupees in '000)	

18.1 Credit loss allowance against off-balance sheet obligations

Opening balance	1,679	-
Exchange adjustment	-	-
Charge for the year	15,480	1,679
Reversals	-	-
	15,480	1,679
Amount written off	-	-
Closing balance	17,159	1,679

19 SHARE CAPITAL

19.1 Authorized Capital

2024	2023		2024	2023
(Number of shares)			(Rupees in '000)	
		Ordinary shares of Rs.10 each		
1,000,000,000	1,000,000,000		10,000,000	10,000,000

19.2 Issued, subscribed and paid-up

2024	2023		2024	2023
(Number of shares)			(Rupees in '000)	
		Ordinary shares of Rs. 10 each		
600,000,000	600,000,000	- Fully paid in cash	6,000,000	6,000,000
15,000,000	15,000,000	- Issued as bonus shares	150,000	150,000
615,000,000	615,000,000		6,150,000	6,150,000

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

20 RESERVES

	Note	2024	2023
		(Rupees in '000)	
Statutory reserve	20.1	1,863,123	1,751,681
General reserve		-	-
		1,863,123	1,751,681

20.1 According to BPRD Circular No. 15 dated May 31, 2004 issued by the SBP, an amount not less than 20% of the after tax profits shall be transferred to create a reserve fund till such time the reserve fund equals the amount of the paid-up capital and after that a sum not less than 5% of profit after tax shall be credited to the statutory reserve.

	Note	2024	2023
		(Rupees in '000)	
21 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
(Deficit) / Surplus on revaluation of:			
- Securities measured at FVOCI - Debt		1,357,895	(58,339)
- Securities measured at FVOCI - Equity		377,208	251,228
- Property and Equipment		452,420	474,758
- Non-banking assets acquired in satisfaction of claims	21.1	281,250	-
		2,468,773	667,647
Deferred tax (Liability) on surplus on revaluation			
- Securities measured at FVOCI - Debt		(529,579)	22,752
- Securities measured at FVOCI - Equity		(129,290)	(97,795)
- Property and Equipment		(176,444)	(185,156)
- Non-banking assets acquired in satisfaction of claims	21.1	(109,687)	-
		(945,000)	(260,199)
		1,523,773	407,448

21.1 Surplus on revaluation of non-banking assets acquired in satisfaction of claims

	2024	2023
Surplus on revaluation as at January 01,	-	-
Recognised during the year	281,250	-
Realised on disposal during the year	-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	-	-
Transfer to fixed assets	-	-
	281,250	-
Less: related deferred tax liability on:		
Revaluation as at January 01	-	-
Revaluation recognised during the year	(109,687)	-
Incremental depreciation charged during the year	-	-
Transfer to fixed assets	-	-
	(109,687)	-
	171,563	-

		Note	2024	2023
			(Rupees in '000)	
21.2	**Surplus on revaluation of fixed assets**			
	Surplus on revaluation as at January 01		474,758	497,095
	Recognised during the year		-	-
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(22,338)	(22,337)
	Transfer from non-banking assets		-	-
			452,420	474,758
	Less: related deferred tax liability on:			
	Revaluation as at January 01		(185,156)	(164,041)
	Revaluation recognised during the year		-	-
	Incremental depreciation charged during the year		8,712	(21,115)
	Transfer from non-banking assets		-	-
			(176,444)	(185,156)
			275,976	289,602
22	**CONTINGENCIES AND COMMITMENTS**			
	Guarantees	22.1	3,898,167	988,645
	Commitments	22.2	1,397,184	6,138,569
	Other contingent liabilities	22.3	70,726	70,726
			5,366,077	7,197,940
22.1	**Guarantees:**			
	Performance guarantees		3,066,250	-
	Financial guarantees		831,917	988,645
			3,898,167	988,645
22.2	**Commitments:**			
	Commitments in respect of: forward government securities transactions			
	Purchase of Government securities		-	5,087,589
	Sale of Government securities		-	450,282
			-	5,537,871
	Commitments for:			
	advances		853,434	600,698
	Sale of non-banking assets		543,750	-
			1,397,184	6,138,569
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 This represents shares in Japan Power Generation Limited (JPGL) (an associate) aggregating 17,622,878 having a cost of Rs. 70.726 million (2023: 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).

22.4 Pak Oman Asset Management Company Limited (the Subsidiary Company)

22.4.1 In year 2007, the Subsidiary Company had launched POBOP Advantage Plus Fund (the Fund) under the capital subscription and fee sharing agreement with The Bank of Punjab (BOP). BOP had subscribed five million core units and one million non-core units of the aggregate face value of Rs. 250 million and Rs. 500 million respectively. During year 2011 the management rights of the Fund were transferred to another asset management company.

In 2013, BOP filed a suit against the Subsidiary Company before the Honorable High Court of Sindh claiming damages of Rs. 100.4 million in respect of the alleged losses suffered by BOP due to non-honoring of its redemption requests by the Company in year 2009 allegedly violating the NBFC regulations and provisions of the trust deed.

The legal advisor of the Subsidiary Company has opined that the suit is based on factual inconsistencies and the Subsidiary Company has sound defense on legal grounds. Last year, the Subsidiary Company had also lodged a counter claim of Rs. 250 million against BOP for damaging the image and reputation of the Subsidiary Company.

22.4.2 During the years 2013 and 2014, two former employees of the merged entity served notices to the Subsidiary Company and its former Chief Executive Officer. The employees demanded Rs. 14.5 million for defamation and Rs. 0.723 million against settlement of outstanding dues. Later, the employees also filed cases in the Court of District Judge South at Karachi. The legal advisors of the Subsidiary Company are of the view that although the outcome of the case appears to be favourable, one of the case suit no. 34/2013 was dismissed of by District Court, South Karachi during the year in Subsidiary Company's favour, the Subsidiary Company's chances of success cannot currently be determined for other case due to the inherently uncertain nature of the litigation. Furthermore, the management expects that an insignificant amount will be required to settle these cases. No provision has been recognized in these consolidated financial statements for the year ended December 31, 2024.

		Note	2024	2023
			(Rupees in '000)	
23	**MARK-UP / RETURN / INTEREST EARNED**			
	On:			
	Loans and advances		2,330,964	3,394,179
	Investments		69,058,778	62,634,942
	Lendings to financial institutions		926,961	1,374,899
	Balances with banks		18,416	79,115
			72,335,119	67,483,135
24	**MARK-UP / RETURN / INTEREST EXPENSED**			
	Deposits		2,772,779	2,392,060
	Borrowings		68,662,231	62,252,686
	Lease liability against right-of-use assets		35,380	12,679
			71,470,390	64,657,425
25	**FEE AND COMMISSION INCOME**			
	Credit related fees		26,827	18,145
	Investment banking fees		34,591	25,299
	Commission on guarantees		24,399	3,090
	Underwriting commission of Government securities auction		-	-
	Remuneration from funds under management		59,428	70,484
	Professional fee		-	-
			145,245	117,018
26	**GAIN/(LOSS) ON SECURITIES**			
	Realised	26.1	400,767	95,857
	Unrealised - FVTPL		282,156	(15,542)
			682,923	80,315
26.1	**Realised gain on:**			
	Federal Government securities		361,129	90,147
	Non-Government debt securities		-	1,678
	Mutual funds		-	-
	Shares		39,638	4,032
			400,767	95,857
27	**OTHER INCOME**			
	Gain on sale of property and equipment-net		896	5,711
	Gain on derecognition of right-of-use assets - net		24,360	-
	Rental income		9,894	17,919
	Reversal of liabilities		-	1,805
	Others		-	1,434
			35,150	26,869

28 OPERATING EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Total compensation expense	28.1	723,599	665,186
Property expense			
Rent and taxes		-	-
Utilities cost		14,660	12,304
Security (including guards)		1,987	1,652
Repair and maintenance (including janitorial charges)		42,668	15,734
Depreciation on right-of-use assets	11	36,920	18,311
Depreciation on improvements	10.1	4,541	4,350
Depreciation on office premises	10.1	37,605	37,605
		138,381	89,956
Information technology expenses			
Software maintenance		976	2,896
Hardware maintenance		-	677
Depreciation on computer equipment	10.1	12,666	4,034
Amortisation	12	1,238	143
Network charges		4,655	4,454
Others		5,354	1,449
		24,889	13,653
Other operating expenses			
Directors' fees and allowances		27,075	32,250
Directors' fees and allowances - Subsidiary Company		1,485	-
Legal and professional charges		41,355	65,825
Travelling and conveyance		20,504	20,572
Depreciation		65,521	28,094
Training and development		3,349	1,532
Postage and courier charges		444	456
Communication		62,066	12,266
Stationery and printing		4,387	2,253
Marketing, advertisement & publicity		3,302	1,204
Donations	28.2	-	30
Auditors' remuneration	28.3	6,366	4,692
Membership and subscriptions		6,061	2,878
Transportation		7,180	5,783
Insurance		7,676	5,129
Finance charges on leased assets		1,033	1,065
Entertainment and canteen expenses		6,342	6,578
Maintenance charges - non-banking assets		-	-
Distribution commission		5,934	13,553
Others		11,612	10,745
		281,692	214,905
Total operating expenses		1,168,561	983,700

	Note	2023	2022
		(Rupees in '000)	

28.1 Total compensation expenses

	Note	2023	2022
Employees' remuneration			
i) Fixed		533,812	413,231
ii) Variable			
of which;			
Cash bonus / awards etc		76,891	168,920
Charge for defined benefit plan	35.6.1	27,344	20,602
Contribution to defined contribution plan		28,756	22,892
Utilities		4,688	2,997
Medical		20,463	12,620
Others		31,645	23,924
Grand total		723,599	665,186

28.2 Donations made in excess of Rs 0.5 million are as follows:

	-	-

28.2.1 No donations were made to donees where directors or their spouse had any interest at any time during the year.

28.3 Auditors' remuneration

	2023	2022
Audit fee	2,216	2,000
Half yearly review	850	675
Auditors' remuneration of Subsidiary Company	1,615	1,218
Special certifications and sundry advisory services	1,401	562
Out-of-pocket expenses	284	237
	6,366	4,692

29 OTHER CHARGES

	2023	2022
Penalties imposed by State Bank of Pakistan	-	-
Minimum tax differential	60,399	-
Fees, commission and other brokerage charges	76,410	242,367
	136,809	242,367

	Note	2024	2023
		(Rupees in '000)	

30 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

	Note	2024	2023
Credit loss allowance for diminution in value of investments	8.3.1	99,584	18,002
Credit (reversal) / loss allowance against loans & advances	9.8	(278,599)	1,033,195
Credit loss allowance against balances with other banks		616	42
Credit loss / (reversal) allowance against lendings to FIs		-	-
Credit loss / (reversal) allowance against off-balance sheet items		15,480	(3,065)
		(162,919)	1,048,174

31 TAXATION

	2024	2023
Current	298,310	808,121
Prior years	-	71,080
Deferred	17,408	(623,780)
	315,718	255,421

31.1 Relationship between tax expense and accounting profit

	2024	2023
Profit before taxation	913,391	997,836
Tax at the applicable rate of 39%	356,222	389,156
Tax effect of income taxed at reduced rate	(38,178)	(48,030)
Prior year	-	71,080
Due to change in rate of tax from 33% to 39%	-	(117,739)
Others	(2,326)	(39,046)
	315,718	255,421

31.2 Tax contingencies

31.2.1 Pak Oman Investment Company Limited (the Holding Company)

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 recent 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 no provision is required.

31.2.2 Pak Oman Asset Management Company Limited (the Subsidiary Company)

As per the requirement of Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of Subsidiary Company has been applied effective from June 13, 2013. The management is of the view that since the remuneration is already subject to provincial sales tax as explained in note 18.2, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been taken up collectively by the Mutual Fund Association of Pakistan and the Honorable High Court of Sindh has issued stay order against such levy.

During 2016, the Honorable Sindh High Court, in its judgment dated June 30, 2016, on the Constitutional Petition instituted by MUFAP declared that the provisions of the Federal Excise Act, 2005, insofar as they relate to providing or rendering of services, are ultra vires to the 18th amendment of the Constitution with effect from July 01, 2011, the date on which Sindh Sales Tax on Services Act, 2011 came into force. However, the Federal Board of Revenue (FBR) has right to challenge the decision in the Supreme Court of Pakistan within 90 days of the above decision of the Court, and the petition of the Subsidiary Company is still pending in the Court; therefore, as a matter of prudence, the Subsidiary Company has maintained the accumulated provision against FED amounting to Rs. 78.3 million as of December 31, 2024.

Through Finance Act 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn. Accordingly, no FED has been charged on the remuneration of the Subsidiary Company for period subsequent to June 30, 2016.

The tax charge for the current year represents minimum tax on gross management and advisory income under section 153(b), tax on dividend income under section 5 and tax on capital gain under section 37A of the Income Tax Ordinance, 2001 (the ordinance). The income tax assessments of the Subsidiary Company have been finalized upto the tax year ended December 31, 2021.

The Subsidiary Company has been selected for audit under section 214-C of the Ordinance for the tax year 2012. Tax authorities have passed orders under section 122(1) of the ordinance making certain additions amounted to the loss declared in the return filed by the Subsidiary Company. Further Taxation Officer has charged capital gain tax amounting to Rs. 1.514 million at 10%. As a result total tax payable for tax year 2012 increased by Rs. 1.05 million. Tax officer has also disallowed the total tax credit in respect of advance tax paid / collected during the tax year 2012 except for the tax collected under section 153 of the Ordinance amounted to Rs. 2.092 million. The Subsidiary Company has filed an appeal before the Commissioner Inland Revenue (Appeals) against the orders passed by the tax officer and the hearing on the case has been done. However, based on the opinion of the tax advisor, management is confident that the matter would be decided in favor of the Subsidiary Company.

	Note	2024	2023
		(Rupees in '000)	

32 BASIC AND DILUTED EARNINGS PER SHARE

		2024	2023
Profit for the year		597,673	742,415

	2024	2023
	Numbers in '000	
Weighted average number of ordinary shares in issue	615,000	615,000
Basic and diluted earnings per share	0.97	1.21

32.1 There were no convertible dilutive potential ordinary shares outstanding on December 31, 2024 and 2023.

33 CASH AND CASH EQUIVALENTS

	Note	2024	2023
Cash and balances with treasury banks	5	883,203	532,801
Balances with other banks	6	45,263	144,897
		928,466	677,698

34 STAFF STRENGTH

	2024	2023
	(Number)	
Permanent	115	104
Temporary / contractual	21	21
Total staff strength	136	125

35 DEFINED BENEFIT PLAN

35.1 General Description

The holding company operates a funded-gratuity scheme for its permanent employees. The scheme was established on 01 November 2002 and approved by the Commissioner Income Tax with effect from January 31,2003. Contribution to the fund is made annually based on actuarial valuation, which is carried out using the Projected Unit Credit Method (PUCM) whereby, the cost of providing gratuity is charged to the consolidated profit and loss account so as to spread the cost over the service lives of the employees in accordance with the actuarial valuation. All actuarial (gains) / losses are recognized in the consolidated Statement of Comprehensive Income in the period of occurrence.

	2024	2023
	(Number)	
Number of employees under the scheme		

The number of employees covered under the following defined benefit schemes are:

Gratuity fund	100	89

35.1.1 Principal actuarial assumptions

The latest actuarial valuation for defined benefit plan scheme was carried out as at 31 December 2024 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

	2024	2023
	(Number)	
Discount rate	12.25	15.50
Expected short term rate of increase in salary levels	15.50	12.00
Expected long term rate of increase in salary levels	15.00	15.50
Expected rate of return on plan assets	13.25	15.50

Mortality rates assumed were based on the SLIC 2001-2005 mortality table.

The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the holding company, at the beginning of the period, for returns over the entire life of the related obligation.

35.2 Reconciliation of payable to / (receivable from) defined benefit plan

	Note	2024	2023
		(Rupees in '000)	
Present value of defined benefit obligation	35.3	268,071	187,483
Fair value of plan assets	35.4	(172,421)	(172,421)
(Receivable) / payable	35.5	95,650	15,062

35.3 Movement in defined benefit obligation

	2024	2023
Obligation at the beginning of the year	187,483	167,322
Current service cost	28,142	20,932
Interest cost	28,785	21,157
Benefits paid during the year	(3,545)	(42,830)
Remeasurement (gain) / loss	27,206	20,902
Obligation at the end of the year	268,071	187,483

	Note	2023	2022
		(Rupees in '000)	

35.4 Movement in fair value of plan assets

Fair value at the beginning of the year		172,421	153,679
Interest income on plan assets		29,583	21,486
Contribution by the holding company		40,423	31,829
Benefits paid during the year		(3,545)	(42,830)
Remeasurement gain on plan assets		1,181	8,257
Fair value at the end of the year	35.7	240,063	172,421

35.5 Movement in receivable under defined benefit plan

Opening balance		15,062	13,643
Charge for the year	35.6.1	27,344	20,602
Re-measurement (gain) / loss recognised in other comprehensive income during the year		26,025	12,646
Contributions by the holding company - net		(40,423)	(31,829)
Closing balance		28,008	15,062

35.6 Charge for defined benefit plans

35.6.1 Cost recognised in the consolidated profit and loss account

Current service cost	28,142	20,932
Net interest on defined benefit asset	(798)	(330)
Expected return on plan assets	-	-
Actuarial loss	-	-
	27,344	20,602

35.6.2 Re-measurement recognised in OCI during the year

Actuarial (gain) / loss on obligation	27,206	20,902
Actuarial gain on plan assets	(1,181)	(8,256)
Total re-measurements (gain) / loss recognised in OCI	26,025	12,646

35.7 Components of plan assets

Particulars	2024		2023	
	(Rupees in '000)	%	(Rupees in '000)	%
Cash and cash equivalents - net	2,314	0.96%	7	0.00%
Government securities	237,749	99.04%	172,414	100.00%
Certificate of investments	-	-	-	-
	240,063	100.00%	172,421	100.00%

		Note	2024	2023
			(Rupees in '000)	
35.8	**Sensitivity analysis**			
	1% increase in discount rate		(16,065)	(11,356)
	1% decrease in discount rate		17,940	12,652
	1% increase in expected rate of salary increase		18,828	13,455
	1% decrease in expected rate of salary increase		(17,146)	(12,262)

35.9 Maturity profile of defined benefit obligation

Benefit payments

The average duration of the benefit obligation as at December 31, 2024 is 6.34 years (2023: 6.4 years).

Distribution of timing of benefit payments

Years	2024	2023
1	28,331	20,460
2	1,286	11,241
3	58,263	10,994
4	67,398	52,849
5	16,950	56,469
6 to 10	104,708	73,209
11 and above	481,305	557,657

		2024	2023
35.10	Expected contributions to be paid to the funds in the next financial year	36,463	25,361
35.11	Expected charge for the next financial year	36,463	25,361

35.12 Funding policy

Funding levels are monitored on an annual basis and are based on actuarial recommendations. Expected Gratuity expense for the next year amounts to Rs. 36.463 million as per the actuarial valuation report of the holding company as of December 31, 2025.

35.13 The significant risk associated with the staff retirement benefit schemes are as follows:

Asset volatility

The risk arises when the future earnings are lower than expectation. This risk is measured at a plan level over the obligation period of the current population. The holding company assets are either invested in fixed securities or cash. None of the investment is placed in equities.

The risk arises when the actual return on plan assets is lower than expectation.

Inflation risk

The most common type of retirement benefit is one where the benefit is linked with last drawn salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Life expectancy

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Withdrawal risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

Investment risk

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

36 DEFINED CONTRIBUTION PLAN

36.1 The Group operates a provident fund scheme for its permanent employees. The employer and employee both contribute 8.33% of the salary to the fund every month.

36.2 Contribution made during the year	**2024**	**2023**
	(Rupees in '000)	
Contribution by the Group	28,756	22,892
Contribution by employees	28,756	22,892
	57,512	45,784

The number of employees covered under the defined contribution plan as at December 31, 2024 are 100 (2023: 89).

37 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

37.1 Total Compensation Expenses

Items	2024				
	Directors		President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Non-Executives			
Fees and allowances etc.	6,600	20,475	-	-	-
Managerial remuneration					
i) Fixed	-	-	70,000	150,478	38,738
ii) Total variable					
of which					
a) Cash bonus / awards	-	-	35,000	27,345	3,579
b) Bonus and awards in shares	-	-	-	-	-
				-	
Charge for defined benefit plan	-	-	3,771	8,518	2,622
Contribution to defined contribution plan	-	-	4,998	8,908	2,651
Utilities	-	-	2,994	-	-
Medical	-	-	1,062	-	-
Others	-	-	1,786	481	-
Total	6,600	20,475	119,611	195,730	47,590
Number of persons	1	3	1	12	7

Items	2023				
	Directors		President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Non-Executives			
Fees and allowances etc.	6,600	25,650	-	-	-
Managerial remuneration					
i) Fixed	-	-	28,039	156,499	32,255
ii) Total variable					
of which					
a) Cash bonus / awards	-	-	-	56,643	2,345
b) Bonus and awards in shares	-	-	-	-	-
Charge for defined benefit plan	-	-	1,881	9,246	1,930
Contribution to defined contribution plan	-	-	2,002	8,976	1,797
Utilities	-	-	1,759	650	-
Medical			260	-	-
Others	-	-	723	1,234	-
Total	6,600	25,650	34,664	233,248	38,327
Number of persons	1	3	1	12	7

37.1.1 The managing director and certain executives are provided with free use of Group's maintained cars.

37.2 Remuneration paid to Directors for participation in Board and Committee Meetings

		2024					
		Meeting Fees and Allowances Paid					
			For Board Committees				
Sr. No.	Name of Director	For Board Meetings	Executive Committee	Audit Committee	Risk Committee	Remuneration & Compensation Committee	Total Amount Paid
		Rs. in '000'					
1	H.H. Juland Jaifar Salim Al Said	3,600	1,800	-	-	1,200	6,600
2	Ayham Abdul Aziz Qadar Al Ghassani	2,250	1,125	1,500	1,500	375	6,750
3	Faisal Ali Ibrahim Al Siyabi	2,250	-	1,800	1,500	750	6,300
4	Mohammad Shabir Ahmed Khan	2,250	1,125	1,500	1,800	750	7,425
	Total	10,350	4,050	4,800	4,800	3,075	27,075

		2023					
		Meeting Fees and Allowances Paid					
			For Board Committees				
Sr. No.	Name of Director	For Board Meetings	Executive Committee	Audit Committee	Risk Committee	Remuneration & Compensation Committee	Total Amount Paid
		Rs. in '000'					
1	H.H. Juland Jaifar Salim Al Said	4,200	3,000	-	-	1,200	8,400
2	Ayham Abdul Aziz Qadar Al Ghassani	2,625	1,875	1,500	1,500	1,200	8,700
3	Faisal Ali Ibrahim Al Siyabi	2,625	-	1,650	1,650	1,125	7,050
4	Mohammad Shabir Ahmed Khan	1,500	1,125	750	900	750	5,025
5	Omar Hamid Khan	1,125	375	450	750	375	3,075
	Total	12,075	6,375	4,350	4,800	4,650	32,250

During the year 2023, Mr. Omar Hamid Khan left and Mr. Mohammad Shabir Ahmed Khan joined the Board of Directors nominated by the Government of Pakistan.

38 FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices and has been disclosed in note 8. Unquoted equity investments, other than investments in associates and subsidiary, are determined on the basis of break-up value of these investments as per the latest available audited financial statements. The credit loss allowance / impairment of investments has been determined in accordance with the Group's accounting policy as stated in notes 4.10 to these consolidated financial statements.

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 Group's accounting policy as stated in note 4.10 and 4.11.

The re-pricing profile, effective rates and maturity are stated in notes 43.3, 43.5.1 and 43.5.2 respectively.

38.1 Fair value of financial assets

The Group 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 Group 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.

On-balance sheet financial instruments	**2024**		**2023**	
	Book value	**Fair value**	**Book value**	**Fair value**
	(Rupees in '000)			
Assets				
Cash and balances with treasury banks	883,203	883,203	532,801	532,801
Balances with other banks	43,420	43,420	143,670	143,670
Lendings to financial institutions	3,287,200	3,287,200	-	-
Investments	353,199,504	353,283,490	335,499,968	335,583,954
Advances	15,014,830	15,014,830	16,179,969	16,179,969
Other assets	8,488,840	8,488,840	8,983,302	8,983,302
Assets held-for-sale	-	-	-	-
	380,916,997	381,000,983	361,339,710	361,423,696

On-balance sheet financial instruments	2024		2023	
	Book value	Fair value	Book value	Fair value
	(Rupees in '000)			
Liabilities				
Borrowings	349,587,965	349,587,965	340,891,244	340,891,244
Deposits and other accounts	16,164,282	16,164,282	12,218,415	12,218,415
Lease liabilities	189,298	189,298	120,557	120,557
Other liabilities	11,187,070	11,187,070	5,139,422	5,139,422
	377,128,615	377,128,615	358,369,638	358,369,638
	3,788,382	3,872,368	2,970,072	3,054,058
Off-balance sheet financial instruments	-	-	-	-

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-Government Debt Securities	PKRV / PKFRV rates (MUFAP rates)
Listed securities	PSX rates
Mutual funds	Net asset values
Unlisted equity investments	Breakup value as per latest available audited financial statements.

Fair value of fixed term advances of over one year, staff loans and fixed term deposits of over one year cannot be calculated with sufficient reliability due to non - availability of relevant active market for similar assets and liabilities. The provision for impairment of debt securities and loans and advances has been calculated in accordance with the accounting policy of the Group.

38.2 The carrying value of all financial assets and liabilities in the consolidated financial statements approximate to their fair values except for certain investments.

38.3 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:

	2024			
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	-	347,742,403	-	347,742,403
Shares	1,076,894	-	-	1,076,894
Non-Government debt securities	-	2,990,024	-	2,990,024
Mutual funds	-	905,724	-	905,724
Financial assets - disclosed but not measured at fair value				
Investments	-	-	484,459	484,459
Fair value of non-financial assets				
Non-banking assets acquired in satisfaction of claims	-	-	-	-

	2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	330,947,927	-	330,947,927
Provincial Government Securities				-
Shares	123,702	-	-	123,702
Non-Government debt securities	-	3,247,556	-	3,247,556
Foreign Securities				-
Others				-
Mutual funds	-	696,324	-	696,324
Financial assets - disclosed but not measured at fair value				
Investments	-	-	484,459	484,459
Fair value of non-financial assets				
Non-banking assets acquired in satisfaction of claims	-	-	-	-

39 SEGMENT INFORMATION

39.1 Segment details with respect to business activities

	2024				
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	(Rupees in '000)				
Profit & Loss					
Net mark-up/return/profit	20,910	(217,941)	1,050,246	11,514	864,729
Non mark-up / return / interest income	51,226	313,859	766,433	79,845	1,211,363
Total income	72,136	95,918	1,816,679	91,359	2,076,092
Segment direct expenses	563,811	100,755	499,620	101,035	1,265,221
Provisions / (reversals)	(263,119)	-	100,200	-	(162,919)
Profit before tax and minimum tax differential	(228,556)	(4,837)	1,216,859	(9,676)	973,790

	2024				
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	(Rupees in '000)				
Balance sheet					
Cash & bank balances	-	-	914,032	12,591	926,623
Investments	-	1,390,183	351,754,893	54,428	353,199,504
Lendings to financial institutions			3,287,200		3,287,200
Advances - performing	12,797,277	-	1,906,484	-	14,703,761
Advances - non-performing	311,069	-		-	311,069
Others	2,499,860	(21,366)	11,893,490	285,094	14,657,078
Total assets	15,608,206	1,368,817	369,756,099	352,113	387,085,235
Borrowings	14,290,815	1,236,674	334,060,476	-	349,587,965
Subordinated debt	-	-	-	-	-
Deposits and other accounts	659,264	115,490	15,389,528	-	16,164,282
Others	638,159	79,364	10,574,234	112,619	11,404,376
Total liabilities	15,588,238	1,431,528	360,024,238	112,619	377,156,623
Equity	19,968	(62,711)	9,731,861	239,494	9,928,612
Total equity & liabilities	15,608,206	1,368,817	369,756,099	352,113	387,085,235
Contingencies & Commitments	5,295,351	70,726	-	-	5,366,077

	2023				
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	(Rupees in '000)				
Profit & Loss					
Net mark-up/return/profit	137,118	(224,641)	2,908,052	5,181	2,825,710
Non mark-up / return / interest income	21,822	264,127	85,795	74,623	446,367
Total income	158,940	39,486	2,993,847	79,804	3,272,077
Segment direct expenses	618,395	85,888	453,603	68,181	1,226,067
Provisions / (reversals)	1,030,130	-	18,044	-	1,048,174
Profit before tax	(1,489,585)	(46,402)	2,522,200	11,623	997,836

	2023				
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	(Rupees in '000)				
Balance sheet					
Cash & bank balances	-	-	663,880	12,591	676,471
Investments	-	1,180,783	334,243,950	75,235	335,499,968
Lendings to financial institutions	-	-	-		-
Advances - performing	14,357,571	-	1,637,677	-	15,995,248
Advances - non-performing	184,721	-	-	-	184,721
Others	2,020,088	(37,874)	12,329,050	272,141	14,583,405
Total assets	16,562,380	1,142,909	348,874,557	359,967	366,939,813
Borrowings	15,573,210	1,062,258	324,255,776	-	340,891,244
Subordinated debt	-	-	-	-	-
Deposits and other accounts	551,402	56,248	11,610,765	-	12,218,415
Others	337,486	23,220	4,793,181	121,154	5,275,041
Total liabilities	16,462,098	1,141,726	340,659,722	121,154	358,384,700
Equity	100,282	1,183	8,214,835	238,813	8,555,113
Total equity & liabilities	16,562,380	1,142,909	348,874,557	359,967	366,939,813
Contingencies & Commitments	1,589,343	70,726	5,537,871	-	7,197,940

40 TRUST ACTIVITIES

The holding company is serving as the Trustee and / or Issue / Investment Agent for various Term Finance Certificates, Sukuks and Commercial Papers. The Company is holding the trust properties in fiduciary capacity on behalf of the relevant beneficiaries, and fulfilling all its obligations and duties in accordance with the provisions of the respective transaction documents. The combined value of debt securities as at December 31, 2024 amounted to Rs. 105.8 billion (December 31, 2023: Rs. 105.8 billion).

The holding company undertakes Trustee and other fiduciary activities that result in the holding or placing of assets on behalf of individuals and other organisations. These are not assets of the Group and, therefore, are not included as such in the consolidated financial statements. Assets held under trust having Face Value of Rs 41.6 billion (2023: 41.6 billion).

41 RELATED PARTY TRANSACTIONS

The Group has related party relationship with its associates, subsidiary company, employee benefit plans, company having common directors and its key management personnel (including their associates). The details of investments in subsidiary company and associates are stated in note 8 to these consolidated 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 Group's key management personnel are in accordance with the terms of their employment. Advances are given to employees as per the Group's Policy. Transactions with other related parties are carried out on commercial terms and as per market rates.

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

	2024					2023				
	Directors	Key manage-ment personnel	Associates	Retirement benefit funds	Other related parties	Directors	Key manage-ment personnel	Associates	Retirement benefit funds	Other related parties
	(Rupees in '000)									
Balances with other banks										
In current accounts	-	-	-	-	-	-	-	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-	-	-
Investments										
Opening balance	-	-	696,324	-	226,000	-	-	666,904	-	226,000
Investment made during the year	-	-	907,000	-	-	-	-	163,978	-	-
Investment redeemed / disposed off during the year	-	-	(697,600)	-	-	-	-	(134,558)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	905,724	-	226,000	-	-	696,324	-	226,000
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	-	-	-
Advances										
Opening balance	-	62,503	68,200	-	-	-	43,028	68,200	-	-
Addition during the year	-	70,107	-	-	-	-	52,473	-	-	-
Repaid during the year	-	(32,153)	-	-	-	-	(32,998)	-	-	-
Transfer in / (out) - net	-	6,391	-	-	-	-	-	-	-	-
Closing balance	-	106,848	68,200	-	-	-	62,503	68,200	-	-
Provision held against advances	-	-	68,200	-	-	-	-	68,200	-	-

	2023					2023				
	Directors	Key manage-ment personnel	Associates	Retirement benefit funds	Other related parties	Directors	Key manage-ment personnel	Associates	Retirement benefit funds	Other related parties
	(Rupees in '000)									
Other Assets										
Interest / mark-up accrued	-	-	-	-	-	-	-	-	-	-
Receivable from staff retirement fund	-	-	-	-	-	-	-	-	-	-
Receivable from funds under management and investment advisory clients		-	82,162	-	-	-	-	90,977	-	-
Other receivable	-	-	-	1,855	-	-	-	7,989	-	-
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	-	40,872	-	-	-	-	20,600	-	-	-
Received during the year	-	262,111	-	-	-	-	220,957	-	-	-
Withdrawn during the year	-	(281,172)	-	-	-	-	(200,685)	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	21,811	-	-	-	-	40,872	-	-	-
Other Liabilities										
Interest / mark-up payable	-	343	-	-	-	-	741	-	-	-
Payable to staff retirement fund	-	-	-	28,008	-	-	-	-	15,062	-
Other liabilities										
Outright sale of securities	-	-	-	23,464,604			-	-	12,052,441	
Outright purchase of securities	-	-	-	22,834,353	-	-	-	-	12,063,180	-
Contingencies and Commitments										
Other contingencies	-	-	70,726	-	-	-	-	70,726	-	-

41.2 Related party transactions

	2024					2023				
	Directors	Key management personnel	Associates	Retirement benefit funds	Other related parties	Directors	Key management personnel	Associates	Retirement benefit funds	Other related parties
	(Rupees in '000)									
Income										
Mark-up / return / interest earned	-	3,739	-	-	-	-	2,376	-	-	-
Fee and commission income	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	29,469	-	79,100	-	-	103,468	-	67,800
Net gain on sale of securities	-	-	109,190	2,022	-	-	-	1,482	740	-
Other income	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Expense										
Mark-up / return / interest paid	-	6,610	-	-	-	-	4,863	-	-	-
Operating expenses										
Non- Executive Directors' fees and allowances	27,075	-	-	-	-	32,250	-	-	-	-
Compensation expenses		315,341	-	-	-	-	267,912	-	-	-
Contribution to defined contribution plan	-	-	-	28,756	-	-	-	-	22,892	-
Charge for defined benefit plan	-	-	-	27,344	-	-	-	-	20,602	-

	2024	2023
	(Rupees in '000)	

42 CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	2024	2023
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	7,875,724	6,019,477
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	7,875,724	6,019,477
Eligible Tier 2 Capital	239,850	-
Total Eligible Capital (Tier 1 + Tier 2)	8,115,574	6,019,477
Risk Weighted Assets (RWAs):		
Credit risk	17,735,983	17,715,086
Market risk	2,707,257	19,053,937
Operational risk	3,986,692	3,944,317
Total	24,429,932	40,713,340
Common Equity Tier 1 Capital Adequacy ratio	32.24%	14.79%
Tier 1 Capital Adequacy Ratio	32.24%	14.79%
Total Capital Adequacy Ratio	33.22%	14.79%
Capital requirements		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total Capital minimum ratio	10.00%	10.00%
Capital Conservation Buffer (CCB)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

Standardized Approach of Basel II is used for calculating Capital Adequacy for Credit and Market Risk while Basic indicator Approach is used for calculating Capital Adequacy for Operational Risk.

	2024	2023
Leverage Ratio (LR):		
Eligible Tier 1 Capital	7,875,724	6,019,477
Total Exposures	394,759,675	370,862,034
Leverage Ratio	2.00%	1.62%

	2024	2023
	(Rupees in '000)	
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	40,562,189	20,542,211
Total Net Cash Outflow	40,145,215	27,286,996
Liquidity Coverage Ratio	101.04%	75.28%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	62,867,362	22,861,964
Total Required Stable Funding	17,097,028	22,191,193
Net Stable Funding Ratio	367.71%	103.02%

42.1 The full disclosures on the CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS as per SBP instructions issued from time to time shall be placed on the website. The link to the full disclosure is available at http://www.pakoman.com.

42.2 Capital management policies and procedures:

The Group's objectives when managing capital are:

- to comply with the capital requirements set by the regulators of the holding company;

- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

- to acquire, develop and maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored frequently by the Group's management, employing techniques based on the guidelines issued by State Bank of Pakistan (SBP).

SBP requires each development financial institution to: (a) hold the minimum level of the regulatory capital of Rs. 6 billion , and (b) maintain a ratio of total regulatory capital to the risk-weighted asset at the minimum prescribed level of 11.50% by SBP.

Capital Structure

The Group's regulatory capital is divided into three tiers:

- Common Equity Tier 1 capital (CET1), which includes fully paid up capital (including the bonus shares), balance in share premium account, general reserves, statutory reserves as per the financial statements and net unappropriated profits after all regulatory adjustments applicable on CET1.

- Additional Tier 1 Capital (AT1), which includes perpetual non-cumulative preference shares and Share premium resulting from the issuance of preference shares balance in share premium account after all regulatory adjustments applicable on AT1.

- Tier 2 capital, which includes Subordinated debt/ Instruments, share premium of issuance of Subordinated debt/ Instruments, general provisions for loan losses (up to a maximum of 1.25 % of credit risk weighted assets), Net of tax reserves on revaluation of fixed assets and equity investments and foreign exchange translation reserves after all regulatory adjustments applicable on Tier 2.

The risk-weighted assets are measured by means of a hierarchy of five risk weights classified according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The Group calculates capital requirement as per Basel III regulatory framework, using the following approaches:

- Credit risk	Standardized approach
- Market risk	Standardized approach
- Operational risk	Basic indicator approach

The table refer in note 42 summarizes the composition of regulatory capital and the ratios of the Group for the year ended December 31, 2024.

Scope of application

The Basel III Framework for capital adequacy is applicable to the Company both at the consolidated level (including subsidiaries) and also on standalone basis.

42.3 The Group's CAR as at December 31, 2024 is 33.22% (2023: 14.79%) of its risk weighted exposure.

The calculation of capital adequacy enables the Group to assess the long term soundness. The Group has successfully managed in the past and shall in the future its Capital requirements/ needs. Based on the directives of the Board, the Group has built a health portfolio of assets and liabilities focusing on quality. CAR of 33.22% demonstrates that the Group is geared to absorb major risks / shocks in the present market scenario.

43 RISK MANAGEMENT

The Group has set up objectives and policies to manage the risks that arise in connection with financial instruments. The risk management framework and policies of the Group are guided by specific objectives to ensure that comprehensive and adequate risk management policies are established to mitigate the salient risk elements in operations of the Group. The establishment of the overall financial risk management objectives is consistent and in tandem with the strategy to create and enhance shareholders' value, whilst guided by a prudent and robust framework of risk management policies. In achieving the objective of maximizing returns to shareholders, the board of directors takes cognizance of the risk elements that the Group is confronted with in its operations. In view of the multi-faceted risks inherent in the financial sector, the Group places great emphasis on the importance of risk management and has put in place clear and comprehensive risk management mechanisms and strategies to identify, monitor, manage and control the relevant risk factors.

Risk management organisation

Risk Management Department ensures that risks remain within the boundaries as defined by the board, comply with the risk parameters and prudential limits, establish systems and procedures and work out remedial measures.

Credit Committee implements credit risk policy and monitors credit risk in light with credit policy and prudential regulations.

The Group's risk management, compliance and internal audit department support the risk management function. The compliance department ensures that all the directives and guidelines issued by SBP are being complied with. Internal audit department reviews the compliance of internal control procedures with internal and regulatory standards.

43.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Exposure to credit risks for the Group arises primarily from lending activities and investments in fixed income securities.

A multi-tiered approach is being followed in the management of credit risk with the organizational structure, roles and responsibilities clearly outlined in the Credit Policy Manual. The Board is responsible for final approval of overall risk tolerance, limits for sectors and pricing strategies. Business units responsible for undertaking risks are expected to comply with the credit policy and adhere to the independent risk management function. This is ensured through the implementation of a credit approval and documentation process adopted by the Group.

The risk management function regularly conducts assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. Stringent measures such as close monitoring, on-site visits and regular follow-ups are carried out for high risk customers. Moreover, POICL has also implemented Green Banking regulations and every project / credit proposal is reviewed as per the approved green banking procedures.

The Group uses both external and internal ratings to evaluate risk. The Group obtains external ratings from PACRA and JCR-VIS whereas a comprehensive risk assessment matrix model is used for internal ratings.

Types of exposures and ECAI's used

Exposures	JCR-VIS	PACRA
Corporate	Yes	Yes
Banks	Yes	Yes

Credit exposures subject to Standardised Approach

Exposures	Rating Category	2024 Amount Outstanding	2024 Deduction CRM*	2024 Net amount	2023 Amount Outstanding	2023 Deduction CRM*	2023 Net amount
		(Rupees in '000)					
Corporate	0	-	-	-	-	-	-
	1	2,570,532	-	2,570,532	2,402,752	-	2,402,752
	2	4,913,633	(64,385)	4,849,248	7,517,972	(42,447)	7,475,525
	3-4	851,979	-	851,979	516,681	(130,000)	386,681
	5-6	-	-	-	-	-	-
	Unrated	5,288,901	(329,121)	4,959,780	6,280,576	(728,670)	5,551,906
		13,625,046	(393,507)	13,231,540	16,717,981	(901,117)	15,816,864
Banks	0	-	-	-	-	-	-
	1	3,741,715	-	3,741,715	131,211	-	131,211
	2-3	-	-	-	-	-	-
	4-5	24,356	-	24,356	-	-	-
	6		-	-	-	-	-
	Unrated	-	-	-	-	-	-
		3,766,072	-	3,766,072	131,211	-	131,211

Unrated

*CRM = Credit Risk Mitigation

The accounting policies and methods used by the Group are in accordance with the requirements of the Prudential Regulations of the SBP. These policies are disclosed in note 4 to these consolidated financial statements. Reconciliation in the provision against non-performing advances has been disclosed in note 9.5 to these consolidated financial statements.

Particulars of Group's significant on-balance sheet and off-balance sheet credit risk in various sectors are analysed as follows:

43.1.1 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Credit loss allowance held							
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	Total 2024	Stage 1	Stage 2	Stage 3	Total 2023
	(Rupees in '000)											
Public / Government	-	-	-	-	-	-	-	-	-	-	-	-
Private	3,287,200	-	-	-	3,287,200	-	-	-	-	-	-	-
	3,287,200	-	-	-	3,287,200	-	-	-	-	-	-	-

43.1.2 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance held							
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	Total 2024	Stage 1	Stage 2	Stage 3	Total 2023
	(Rupees in '000)											
Agriculture, forestry, hunting and fishing	-	-	-	-	-	-	-	-				-
Mining and quarrying	-	-	-	-	-	-	-	-				-
Textile	118,590	156,090	81,090	81,090	-	717	81,090	81,807	70	-	60,641	60,711
Chemical and pharmaceuticals	200,000	200,000	-	-	3,217	-	-	3,217	1,931	-	-	1,931
Cement	-	-	-	-	-	-	-	-	-	-	-	-
Sugar	-	-	-	-	-	-	-	-	-	-	-	-
Footwear and leather garments	-	-	-	-	-	-	-	-	-	-	-	-
Automobile and transportation equipment	-	-	-	-	-	-	-	-	-	-	-	-
Electronics and electrical appliances	85,000	85,000	85,000	85,000	-	-	85,000	85,000	-	-	85,000	85,000
Construction	-	150,000	-	-	-	-	-	-	191	-	-	191
Power (electricity), gas, water, sanitary	275,000	375,000	-	-	402	-	-	402	177	-	-	177
Wholesale and retail trade	-	-	-	-	-	-	-	-	-	-	-	-
Exports / imports	-	-	-	-	-	-	-	-	-	-	-	-
Transport, storage and communication	201,655	229,433	166,932	166,932	461	-	166,932	167,393	483	-	166,932	167,415
Financial	348,939,376	333,410,884	165,254	15,404	4,783	6,295	91,769	102,847	1,266	8,986	15,404	25,656
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-	-	-	-
Others	96,246	96,246	96,246	96,246	-	-	96,246	96,246	-	-	96,247	96,247
	349,915,867	334,702,653	594,522	444,672	8,863	7,012	521,037	536,912	4,118	8,986	424,224	437,328

Credit risk by public / private sector

	Gross investments		Non-performing investments		Credit loss allowance held							
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	Total 2024	Stage 1	Stage 2	Stage 3	Total 2023
	(Rupees in '000)											
Public / Government	347,004,822	331,537,876	-	-	1,378	-	-	1,378	312	-	-	312
Private	2,911,045	3,164,777	594,522	444,672	7,485	7,012	521,037	535,534	3,806	8,986	424,224	437,016
	349,915,867	334,702,653	594,522	444,672	8,863	7,012	521,037	536,912	4,118	8,986	424,224	437,328

43.1.3 Advances

Credit risk by industry sector

	Gross advances		Non-performing advances		Credit loss allowance held							
	2024	2023	2024	2023	Stage 1	Stage 2	Stage 3	Total 2024	Stage 1	Stage 2	Stage 3	2023
	(Rupees in '000)											
Agriculture, forestry, hunting and fishing	-	-	-	-	-	-	-	-	-	-	-	-
Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-
Textile	2,635,676	3,781,811	271,098	288,985	5,742	-	269,704	275,446	2,062	-	284,916	286,978
Chemical and pharmaceuticals	692,822	191,131	-	-	3,726	-	-	3,726	97	683	-	780
Cement	356,488	363,838	-	-	-	30,238	-	30,238	-	23,753	-	23,753
Sugar	304,980	372,859	224,000	226,000	203	-	224,000	224,203	84	-	226,000	226,084
Footwear and leather garments	-	-	-	-	-	-	-	-	-	-	-	-
Automobile and transportation equipment	254,557	266,140	254,558	-	-	-	190,918	190,918	-	15,949	-	15,949
Electronics and electrical appliances	294,400	368,750	181,900	-	227	-	127,955	128,182	109	15,200	-	15,309
Construction	193,850	274,307	193,850	271,111	-	-	155,080	155,080	-	24	221,184	221,208
Power (electricity), gas, water, sanitary	2,199,074	3,529,028	68,200	256,625	7,067	23,462	68,200	98,729	2,462	199,649	218,940	421,051
Wholesale and retail trade	54,165	81,819	9,165	-	105	-	6,447	6,552	65	632	-	697
Exports / imports	325,000	-	-	-	746	-	-	746	-	-	-	-
Transport, storage and communication	1,996,515	2,367,473	-	-	4,774	-	-	4,774	1,891	-	-	1,891
Financial	2,366,747	1,792,839	5,161	5,161	1,025	-	5,161	6,186	150	-	5,161	5,311
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Services	1,187,605	1,284,815	27,560	-	1,928	16,042	19,387	37,357	591	90,925	-	91,516
Individuals	142,741	145,447	-	-	28	-	-	28	31	-	-	31
Others	4,765,207	4,397,965	1,673,375	1,488,063	9,141	52,745	1,530,946	1,592,832	2,901	329,771	1,395,023	1,727,695
	17,769,827	19,218,222	2,908,867	2,535,945	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253

Credit risk by public / private sector

	Gross advances		Non-performing advances		Credit loss allowance held							
	2023	2022	2023	2022	Stage 1	Stage 2	Stage 3	Total 2024	Stage 1	Stage 2	Stage 3	Total 2023
	(Rupees in '000)											
Public/ Government	783,834	740,741	-	-	-	-	-	-	-	-	-	-
Private	16,985,993	18,477,481	2,908,867	2,535,945	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253
	17,769,827	19,218,222	2,908,867	2,535,945	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253

43.1.4 Contingencies and Commitments

	2024	2023
	(Rupees in '000)	
Credit risk by industry sector		
Textile	21,126	300,000
Chemical and pharmaceuticals	19,783	225,000
Financial	174,899	
Others	637,626	75,698
	853,434	600,698
Credit risk by public / private sector		
Public/ Government	-	-
Private	853,434	600,698
	853,434	600,698

43.1.5 Concentration of Advances

The Group's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs 5,570.913 million (2023: Rs 6,616.425 million) are as following:

Funded	5,570,913	6,616,425
Non funded	-	-
Total exposure	5,570,913	6,616,425

The sanctioned limits against these top 10 exposures aggregated to Rs 9,405 million (2023: Rs 9,405 million)

Total funded classified therein	2023		2023	
	Amount	Credit loss allowance held	Amount	Credit loss allowance held
	------------------------------- (Rupees in '000)	-----------------------------------		
Other assets especially mentioned	-	-	188,425	150,740
Substandard	473,184	344,707	-	-
Doubtful	121,517	97,214	465,205	372,165
Loss	2,314,166	2,155,877	1,882,315	1,828,319
Total	2,908,867	2,597,798	2,535,945	2,351,224

43.1.6 Advances - Province / Region-wise disbursement & utilization

	2024						
	Disbursements	Utilization					
Province / Region		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Sindh	4,717,738	2,530,610	2,087,128	100,000	-	-	-

	2023						
	Disbursements	Utilization					
Province / Region		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Sindh	3,135,278	688,071	1,397,207	-	-	1,050,000	-

43.2 Market Risk

Market risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates and equity prices. The board of directors reviews and recommends all market risk policies.

The market risk management framework of the Group comprises of business unit actually undertaking the risk, the Risk Management Department, Asset and Liability Committee.

Dealing activities of the Group include investment in government securities, term finance certificates, sukuks / bonds, shares and mutual funds, and money market transactions catering to the needs of its customers. All such activities are carried out within the prescribed limits. Stress testing is performed as per guidelines of SBP as well as Group's internal policy.

43.2.1 Consolidated statement of financial position split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	(Rupees in '000)					
Cash and balances with treasury banks	883,203	-	883,203	532,801	-	532,801
Balances with other banks	43,420	-	43,420	143,670	-	143,670
Lendings to financial institutions	3,287,200	-	3,287,200	-	-	-
Investments	322,033,574	31,165,930	353,199,504	4,552,041	330,947,927	335,499,968
Advances	15,014,830	-	15,014,830	16,179,969	-	16,179,969
Property and equipment	1,009,776	-	1,009,776	854,571	-	854,571
Right-of-use assets	160,647	-	160,647	88,596	-	88,596
Intangible assets	105,242	-	105,242	96,416	-	96,416
Deferred tax assets	609,674	-	609,674	1,320,595	-	1,320,595
Other assets	12,771,739	-	12,771,739	12,223,227	-	12,223,227
Assets held-for-sale	-		-	-		-
	355,919,305	31,165,930	387,085,235	35,991,886	330,947,927	366,939,813

43.2.2 Foreign Exchange Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to change in foreign currency rates. However, the Group is not exposed to major foreign currency risk as its assets and liabilities are primarily denominated in Pakistani rupees.

	2024		2023	
	Foreign Currency Assets	Net foreign currency exposure	Foreign Currency Assets	Net foreign currency exposure
United States Dollar	29	29	30	30
Omani Riyal	24,376	24,376	18,688	18,688
	24,405	24,405	18,718	18,718

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	------------------------------ (Rupees in '000) ------------------------------			
Impact of 1% change in foreign exchange rates on				
- Consolidated profit and loss account	(135)	-	(187)	-
- Consolidated statement other comprehensive income	-	-	-	-

43.2.3 Equity position Risk

Equity position risk refers to the risk arising from taking long or short positions, in the trading book, in equities and all instruments that exhibit market behavior similar to equities. The Company is exposed to such risk due to investment activities undertaken on a day-to-day basis by some Asset Management Companies on behalf of POICL. As per Standardized Approach 8% charge has to be created on both Specific and General Equity Position Risk Management calculation.

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 5% change in equity prices on				
- Consolidated profit and loss account *	-	(38,689)	-	-
- Consolidated statement other comprehensive income	(59,135)	-	(159,635)	-

* Equity position includes Equity shares and Bank's TFC tier II

43.3 Interest rate risk

Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustment within a specified period. The lending, funding and investment activities of The Group are exposed to interest rate risk. The Group is using a 16 band repricing model for measurement of interest rate risk. Furthermore, stress testing technique is also used to evaluate the potential effects on the financial condition of a specific event and movements in a set of financial variables.

	2023 Banking book	2023 Trading book	2023 Banking book	2023 Trading book
	(Rupees in '000)			
Impact of 1% change in interest rates on:				
Profit and loss account *	-	-	-	-
Other comprehensive income *	182,563	(220,693)	3,087,898	(234,933)
* Earning approach				

43.3.1 Mismatch of interest rate sensitive assets and liabilities

	Effective yield / interest rate	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-interest bearing financial instruments
		2024										
		Exposed to yield / interest risk										
		(Rupees in '000)										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		883,203	-	-	-	-	-	-	-	-	-	883,203
Balances with other banks	5.00%	43,420	6,256	-	-	-	-	-	-	-	-	37,164
Lendings to financial institutions	13.86%	3,287,200	1,900,000	1,387,200	-	-	-	-	-	-	-	-
Investments	13.93%	353,199,504	10,555,519	33,358,655	289,172,261	10,939,954	177,387	1,436,253	5,092,398	-	-	2,467,077
Advances	14.68%	15,014,830	2,269,336	8,319,447	1,154,646	986,959	480,266	451,030	400,609	884,336	28,556	39,645
Assets held-for-sale		-	-	-	-	-	-	-	-	-	-	-
Other assets		8,488,840	-	-	-	-	-	-	-	-	-	8,488,840
		380,916,997	14,731,111	43,065,302	290,326,907	11,926,913	657,653	1,887,283	5,493,007	884,336	28,556	11,915,929
Liabilities												
Borrowings	21.95%	349,587,965	304,556,130	39,076,060	4,257,456	241,116	461,460	430,569	370,689	194,485	-	-
Deposits and other accounts	21.93%	16,164,282	8,726,011	1,937,204	1,950,298	3,550,769	-	-	-	-	-	-
Lease liabilities	9.17%	189,298	84	169	259	536	264	-	-	-	-	187,986
Other liabilities		11,187,070	-	-	-	-	-	-	-	-	-	11,187,070
		377,128,615	313,282,225	41,013,433	6,208,013	3,792,421	461,724	430,569	370,689	194,485	-	11,375,056
On-balance sheet gap		3,788,382	(298,551,114)	2,051,869	284,118,894	8,134,492	195,929	1,456,714	5,122,318	689,851	28,556	540,873
Non-financial assets		6,168,238										
Non-financial liabilities		28,008										
Total net assets		9,928,612										
Off-balance sheet financial instruments												
Commitments in respect of:												
- forward foreign exchange contracts		-	-	-	-	-	-	-	-	-	-	-
- forward Government securities transactions		-	-	-	-	-	-	-	-	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-
Total yield / interest risk sensitivity gap			(298,551,114)	2,051,869	284,118,894	8,134,492	195,929	1,456,714	5,122,318	689,851	28,556	540,873
Cumulative yield / interest risk sensitivity gap			(298,551,114)	(296,499,245)	(12,380,351)	(4,245,859)	(4,049,930)	(2,593,216)	2,529,102	3,218,953	3,247,509	3,788,382

Mismatch of interest rate sensitive assets and liabilities

	Effective yield / interest rate	2023										
		Exposed to yield / interest risk										
		Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-interest bearing financial instruments
		(Rupees in '000)										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		532,801	-	-	-	-	-	-	-	-	-	532,801
Balances with other banks	5.00%	143,670	13,893	-	-	-	-	-	-	-	-	129,777
Lendings to financial institutions	0.00%	-	-	-	-	-	-	-	-	-	-	-
Investments	22.21%	335,499,968	35,247,736	56,553,021	92,472,345	140,720,582	1,421,416	4,776,137	2,528,236	476,010	-	1,304,485
Advances	21.57%	16,179,969	4,071,028	8,281,491	1,425,930	291,263	520,324	477,334	683,727	378,273	28,065	22,534
Assets held-for-sale		-	-	-	-	-	-	-	-	-	-	-
Other assets		8,983,302	-	-	-	-	-	-	-	-	-	8,983,302
		361,339,710	39,332,657	64,834,512	93,898,275	141,011,845	1,941,740	5,253,471	3,211,963	854,283	28,065	10,972,899
Liabilities												
Borrowings	21.95%	340,891,244	315,242,639	2,734,729	20,667,326	288,208	504,265	460,678	658,017	335,382	-	-
Deposits and other accounts	21.93%	12,218,415	5,684,462	1,970,648	1,522,368	3,040,937	-	-	-	-	-	-
Lease liabilities	9.17%	120,557	76	154	236	489	1,047	265	-	-	-	118,290
Other liabilities		5,139,422	-	-	-	-	-	-	-	-	-	5,139,422
		358,369,638	320,927,177	4,705,531	22,189,930	3,329,634	505,312	460,943	658,017	335,382	-	5,257,712
On-balance sheet gap		2,970,072	(281,594,520)	60,128,981	71,708,345	137,682,211	1,436,428	4,792,528	2,553,946	518,901	28,065	5,715,187
Non - financial assets		5,600,103										
Non - financial liabilities		15,062										
Total net assets		8,555,113										
Off-balance sheet financial instruments												
Commitments in respect of:												
- forward foreign exchange contracts		-	-	-	-	-	-	-	-	-	-	-
- forward Government securities transactions		-	-	-	-	-	-	-	-	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-
Total yield / interest risk sensitivity gap			(281,594,520)	60,128,981	71,708,345	137,682,211	1,436,428	4,792,528	2,553,946	518,901	28,065	5,715,187
Cumulative yield / interest risk sensitivity gap			(281,594,520)	(221,465,539)	(149,757,194)	(12,074,983)	(10,638,555)	(5,846,027)	(3,292,081)	(2,773,180)	(2,745,115)	2,970,072

43.3.2 Yield risk is the risk of decline in earnings due to adverse movement of the yield curve.

43.3.3 Profit rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market profit rates.

43.4 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is inherent in the Group's business and operational activities.

The Group has instituted sound operational risk through policies, plans and processes approved by the board of directors for controlling and mitigating potential operational risk. The system of internal controls include financial, operational and compliance controls and is performed on continuous basis by the senior management and all levels of employees within the Group.

The objectives of operational risk include the safeguarding of assets from inappropriate use or from loss and fraud, ensuring that liabilities are identified and managed and that the quality of internal and external reporting is maintained. The Group regularly monitors its Key Risk Indicators (KRI) and Loss Data inventory. The Group has also formulated a disaster recovery plan and guidelines for information security, employee conduct and for prevention of fraud and forgery to ensure smooth functioning of the Group's operations.

Business Continuity Plan (BCP) has been rigorously tested. The Group has enhanced remote work capabilities in order to ensure seamless operations and provision of uninterrupted services to the customers. Related risks and control measures are regularly monitored to protect Group’s information assets from emerging cyber threats.

43.5 Liquidity risk

Liquidity risk is the risk to earnings, capital and reputation due to its inability to meet obligations in a timely manner without incurring unacceptable cost or losses. Large off-balance sheet exposures or balance sheet build-up through unstable funding gives rise to relatively high level of liquidity risk.

Besides the Board which is responsible for formulation of over all policy, the following are involved in Liquidity Risk Management Process:

- Risk Management
- Finance
- Treasury
- Asset Liability Committee (ALCO)

The ALCO will be responsible for monitoring of the tolerance limits. The Asset and Liability Management (ALM) desk in Treasury manages the liquidity needs of the Group on a daily basis.

43.5.1 Maturities of assets and liabilities - based on contractual maturity of the assets and liabilities of the Group

	2024														
	Total	Upto 1 day	Over 1 days to 7 days	Over 7 days to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	(Rupees in '000)														
Assets															
Cash and balances with treasury banks	883,203	-		883,203	-	-	-								
Balances with other banks	43,420	-	43,420	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	3,287,200	-	1,900,000	-	-	1,387,200	-	-	-	-	-	-	-	-	-
Investments	353,199,504	-	-	-	4,516,871	34,766	5,866,107	4,888,867	176,816	16,948,136	43,043,215	9,409,229	204,906,913	62,708,584	700,000
Advances	15,014,830	-	315,247	54,248	310,975	284,034	2,364,652	1,154,644	1,279,751	1,049,708	2,622,997	1,842,516	1,944,701	1,782,477	8,880
Property and equipment	1,009,776	-	-	-	10,631	10,635	10,635	31,903	47,939	47,940	94,377	87,202	91,513	361,923	215,078
Right of use assets	160,647	-	-	-	883	883	883	2,651	2,651	2,650	10,602	10,602	21,204	53,009	54,629
Intangible assets	105,242	-	-	-	567	567	567	1,701	1,702	1,702	2,132	-	-	-	96,304
Deferred tax assets	609,674	-	-	-	(29,947)	(39,363)	(39,362)	(15,024)	(199,316)	(199,315)	(59,376)	33,306	1,186,789	195,921	(224,639)
Other assets	12,771,739	-	111,441	34,802	403,255	63,820	1,669,776	6,124,862	15,743	3,504,089	-	829,227	14,724	-	-
Assets held-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	387,085,235	-	2,370,108	972,253	5,213,235	1,742,542	9,873,258	12,189,604	1,325,286	21,354,910	45,713,947	12,212,082	208,165,844	65,101,914	850,252
Liabilities													(75,897)		
Borrowings	349,587,965	-	13,247,004	9,775	15,966,017	86,763,368	256,349	154,459,548	836,655	75,308,645	1,269,827	905,603	370,689	194,485	-
Deposits and other accounts	16,164,282	-	872,368	2,372,220	4,647,423	1,141,466	795,738	1,950,298	2,113,266	2,271,503	-	-	-	-	-
Lease liabilities	189,298	-	-	-	84	84	85	259	264	272	264	-	187,986	-	-
Others liabilities	11,215,078	-	619,037	62,221	8,701,905	697,988	676,341	170,182	136,223	23,678	56,013	35,438	36,052	-	-
	377,156,623	-	14,738,409	2,444,216	29,315,429	88,602,906	1,728,513	156,580,287	3,086,408	77,604,098	1,326,104	941,041	594,727	194,485	-
Net assets	9,928,612	-	(12,368,301)	(1,471,963)	(24,102,194)	(86,860,364)	8,144,745	(144,390,683)	(1,761,122)	(56,249,188)	44,387,843	11,271,041	207,571,117	64,907,429	850,252
Share capital	6,150,000														
Reserves	1,863,123														
Unappropriated profit	390,452														
Surplus on revaluation of assets	1,523,773														
Non-controlling interest	1,264														
	9,928,612														

	2023														
	Total	Upto 1 day	Over 1 days to 7 days	Over 7 days to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	(Rupees in '000)														
Assets															
Cash and balances with treasury banks	532,801	-		532,801	-	-	-								
Balances with other banks	143,670	-	143,670	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	335,499,968	-	17,381,900	-	70,793	311,051	20,423,395	6,126,044	2,070,434	140,972,997	22,504,484	27,768,588	53,109,829	44,160,453	600,000
Advances	16,179,969	-	42,233	89,244	443,848	526,779	1,939,530	1,393,366	864,519	877,452	3,168,363	2,495,137	2,549,100	1,738,968	51,430
Property and equipment	854,571	-	-	-	8,288	8,289	8,288	24,865	24,539	24,539	84,510	116,117	95,578	206,873	252,685
Right of use assets	88,596	-	-	-	668	668	668	2,004	2,004	2,004	8,014	8,014	17,535	40,071	6,946
Intangible assets	96,416	-	-	-	-	-	-	-	-	-	-	-	96,416	-	-
Deferred tax assets	1,320,595	-	-	-	(31,374)	(2,215)	(2,214)	(11,816)	11,077	11,077	(6,316)	26,675	1,338,254	70,841	(83,394)
Other assets	12,223,227	-	1,748,705	136,223	892,783	1,216,841	1,105,225	3,820,640	6,504	3,166,871	15,140	18,399	79,954	15,942	-
Assets held-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	366,939,813	-	19,316,508	758,268	1,385,006	2,061,413	23,474,892	11,355,103	2,979,077	145,054,940	25,774,195	30,432,930	57,286,666	46,233,148	827,667
Liabilities															
Borrowings	340,891,244	-	123,848,322	158,150,481	32,243,836	63,077	1,009,152	20,833,993	832,619	284,756	1,837,598	794,011	658,017	335,382	-
Deposits and other accounts	12,218,415	-	1,101,128	473,090	2,752,975	910,792	815,161	1,522,368	2,715,062	1,927,839	-	-	-	-	-
Lease liabilities	120,557	-	-	-	76	77	77	236	242	247	1,047	265	118,290	-	-
Others liabilities	5,154,484	-	1,169,257	1,646,623	459,490	80,020	612,326	961,989	182,209	12,885	16,028	6,013	7,644	-	-
	358,384,700	-	126,118,707	160,270,194	35,456,377	1,053,966	2,436,716	23,318,586	3,730,132	2,225,727	1,854,673	800,289	783,951	335,382	-
Net assets	8,555,113	-	(106,802,199)	(159,511,926)	(34,071,371)	1,007,447	21,038,176	(11,963,483)	(751,055)	142,829,213	23,919,522	29,632,641	56,502,715	45,897,766	827,667
Share capital	6,150,000														
Reserves	1,751,681														
Unappropriated profit	244,685														
Surplus on revaluation of assets	407,448														
Non-controlling interest	1,299														
	8,555,113														

The contractual maturities of assets and liabilities do not significantly differ with the expected maturities except operating fixed assets and deferred tax assets which do not have any contractual maturities. The maturities of operating fixed assets and deferred tax assets have been reported based on their pattern of usage and recoverability of the underlying assets on which deferred tax asset has been recorded.

43.5.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Group

2024

	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	(Rupees in '000)									
Assets										
Cash and balances with treasury banks	883,203	883,203	-	-	-	-	-	-	-	-
Balances with other banks	43,420	43,420	-	-	-	-	-	-	-	-
Lendings to financial institutions	3,287,200	1,900,000	1,387,200	-	-	-	-	-	-	-
Investments	353,199,504	4,516,871	5,900,873	4,888,867	17,124,952	43,043,215	9,409,229	204,906,913	62,708,584	700,000
Advances	15,014,830	680,470	2,648,686	1,154,644	2,329,459	2,622,997	1,842,516	1,944,701	1,782,477	8,880
Property and equipment	1,009,776	10,631	21,270	31,903	95,879	94,377	87,202	91,513	361,923	215,078
Right of use assets	160,647	883	1,766	2,651	5,301	10,602	10,602	21,204	53,009	54,629
Intangible assets	105,242	567	1,134	1,701	3,404	2,132	-	-	-	96,304
Deferred tax assets	609,674	(29,947)	(78,725)	(15,024)	(398,631)	(59,376)	33,306	1,186,789	195,921	(224,639)
Other assets	12,771,739	549,498	1,733,596	6,124,862	3,519,832	-	829,227	14,724	-	-
Assets held-for-sale	-	-	-	-	-	-	-	-	-	-
	387,085,235	8,555,596	11,615,800	12,189,604	22,680,196	45,713,947	12,212,082	208,165,844	65,101,914	850,252
Liabilities										
Borrowings	349,587,965	29,222,796	87,019,717	154,459,548	76,145,300	1,269,827	905,603	370,689	194,485	-
Deposits and other accounts	16,164,282	7,892,011	1,937,204	1,950,298	4,384,769	-	-	-	-	-
Lease liabilities	189,298	84	169	259	536	264	-	187,986	-	-
Others liabilities	11,215,078	9,383,163	1,374,329	170,182	159,901	56,013	35,438	36,052	-	-
	377,156,623	46,498,054	90,331,419	156,580,287	80,690,506	1,326,104	941,041	594,727	194,485	-
Net assets	9,928,612	(37,942,458)	(78,715,619)	(144,390,683)	(58,010,310)	44,387,843	11,271,041	207,571,117	64,907,429	850,252
Share capital	6,150,000									
Reserves	1,863,123									
Unappropriated profit	390,452									
Surplus on revaluation of assets	1,523,773									
Non-controlling interest	1,264									
	9,928,612									

2023

	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	(Rupees in '000)									
Assets										
Cash and balances with treasury banks	532,801	532,801	-	-	-	-	-	-	-	-
Balances with other banks	143,670	143,670	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	335,499,968	17,452,693	20,734,446	6,126,044	143,043,431	22,504,484	27,768,588	53,109,829	44,160,453	600,000
Advances	16,179,969	575,325	2,466,309	1,393,366	1,741,971	3,168,363	2,495,137	2,549,100	1,738,968	51,430
Property and equipment	854,571	8,288	16,577	24,865	49,078	84,510	116,117	95,578	206,873	252,685
Right of use assets	88,596	668	1,336	2,004	4,008	8,014	8,014	17,535	40,071	6,946
Intangible assets	96,416	-	-	-	-	-	-	96,416	-	-
Deferred tax assets	1,320,595	(31,374)	(4,429)	(11,816)	22,154	(6,316)	26,675	1,338,254	70,841	(83,394)
Other assets	12,223,227	2,777,711	2,322,066	3,820,640	3,173,375	15,140	18,399	79,954	15,942	-
Assets held-for-sale	-	-	-	-	-	-	-	-	-	-
	366,939,813	21,459,782	25,536,305	11,355,103	148,034,017	25,774,195	30,432,930	57,286,666	46,233,148	827,667
Liabilities										
Borrowings	340,891,244	314,242,639	1,072,229	20,833,993	1,117,375	1,837,598	794,011	658,017	335,382	-
Deposits and other accounts	12,218,415	4,327,193	1,725,953	1,522,368	4,642,901	-	-	-	-	-
Lease liabilities	120,557	76	154	236	489	1,047	265	118,290	-	-
Others Liabilities	5,154,484	3,275,370	692,346	961,989	195,094	16,028	6,013	7,644	-	-
	358,384,700	321,845,278	3,490,682	23,318,586	5,955,859	1,854,673	800,289	783,951	335,382	-
Net assets	8,555,113	(300,385,496)	22,045,623	(11,963,483)	142,078,158	23,919,522	29,632,641	56,502,715	45,897,766	827,667
Share capital	6,150,000									
Reserves	1,751,681									
Unappropriated profit	244,685									
Surplus on revaluation of assets	407,448									
Non-controlling interest	1,299									
	8,555,113									

The contractual maturities of assets and liabilities do not significantly differ with the expected maturities except operating fixed assets and deferred tax assets which do not have any contractual maturities. The maturities of operating fixed assets and deferred tax assets have been reported based on their pattern of usage and recoverability of the underlying assets on which deferred tax asset has been recorded.

44 EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Group in their meeting held on 06 MAR 2025 have:

- proposed 4.5% cash dividend amounting to Rs 276.75 million subject to the approval of the members at the annual general meeting.

These consolidated financial statements do not recognise the aforementioned appropriation as this has been proposed and approved subsequent to the statement of financial position date.

45 GENERAL

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

45.2 The VIS Credit Rating Company Limited has maintained the Holding Company's rating of AA+ (Double A Plus) in the long term and A-1+ (A One Plus) for the short term.

45.3 The Pakistan Credit Rating Agency Limited (PACRA) has assigned asset management rating of AM3++ (Stable) to the Subsidiary Company in the medium and long term.

46 DATE OF AUTHORISATION

These consolidated financial statements were authorised for issue on 06 MAR 2025 by the Board of Directors of the Group.

Nauman Ansari	**Muhammad Yousuf Amanullah**	**Ayham Abdul Aziz Qadar Al Ghassani**	**Mohammad Shabir Ahmed Khan**	**Juland Jaifar Salim Al Said**
MANAGING DIRECTOR AND CHIEF EXECUTIVE	**CHIEF FINANCIAL OFFICER**	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

Annexure I

STATEMENT SHOWING WRITTEN OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF RUPEES FIVE HUNDRED THOUSAND RUPEES OR ABOVE PROVIDED DURING THE YEAR ENDED DECEMBER 31, 2024

S. No.	Name and address of the borrower	Name of individuals /partners / directors with CNIC No.	Father's / Husband's name	Outstanding liabilities at beginning of year				Principal written-off	Interest / mark-up written off	Other financial relief provided	Total (9+10+11)
				Principal	Interest / mark-up	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12
				------- (Rupees in '000) -------							
1	**Name: Angora Textile Limited** Address: 15-KM , Multan Road, Shahpur, Lahore	Mr. Avais Mazhar Hussain / CNIC: 35202-3003329-7 Mr. Shahryar Hussain / CNIC: 35202-3003331-7 Mr. Muhammad Sajjad Khan / CNIC: 35201-6853583-3	Mr. Muhammad Mazhar Hussain Mr. Avais Mazhar Hussain Mr. Muhammad Siddiq Khan	12,812	7,902	162,376	183,090	4,657	7,902	162,431	174,990
				12,812	7,902	162,376	183,090	4,657	7,902	162,431	174,990