ANNUAL REPORT 2025

PAK OMAN INVESTMENT COMPANY LIMITED

VISION

To strengthen the bilateral partnership between Pakistan and Oman by fostering sustainable and inclusive investments that drive economic growth, create opportunities, and ensure shared prosperity.

MISSION

Pak Oman supports sustainable development by fostering mutually beneficial partnerships and enabling impactful investments across diverse sectors. We strive to deliver long-term value to all stakeholders, including employees, partners, and the communities.

ENTITY RATING

Assigned by JCR - VIS

Medium to Long Term

AA+ (Double A plus)
This denotes a very high credit quality, with strong protection factors and a low level of risk, which may vary slightly due to changing economic conditions.

Short Term

A1+ (A One Plus)
This denotes that obligations are supported by the highest capacity for timely repayments.

CORE VALUES

- Integrity & Transparency– Upholding ethical practices and accountability in all financial dealings.

- Sustainability & Impact – Prioritizing investments that generate long-term economic and social value.

- Innovation & Excellence - Encouraging modern financial solutions, digital transformation, and operational efficiency.

- Inclusivity & Collaboration – Promoting financial access, gender diversity, and community-driven investments.

- Commitment to Stakeholders - Delivering value to employees, partners, and communities while driving economic growth.

Environmental, Social and Governance (ESG)

1. ESG Overview

Pak Oman Investment Company Limited is committed to integrating Environmental, Social and Governance (ESG) considerations into strategy, decision-making and risk management, consistent with our role as a Development Finance Institution (DFI). Our ESG approach is informed by the United Nations Sustainable Development Goals and evolving national guidance on ESG, climate risk and sustainable finance issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan, as well as emerging international sustainability reporting frameworks.

The Company's ESG strategy is structured around three pillars:

1. **Environmental Responsibility** - reducing operational footprint and supporting climate-aligned financing.
2. **Social Impact** - investing in our people, inclusion and developmental outcomes.
3. **Governance & Ethics** - strengthening oversight, compliance, transparency and accountability.

2. ESG Governance and Accountability

ESG and sustainability matters fall under the oversight of senior management and relevant Board committees, as part of the Company's governance, risk management and strategic planning processes, . Responsibilities are distributed across relevant functions (including business, risk, compliance, HR, and operations), in line with their respective mandates. At this stage, Pak Oman is strengthening coordination, documentation and reporting of ESG responsibilities and is progressing toward a more formalised ESG governance and reporting framework.

Key elements include:

- **Management oversight through existing forums:** ESG-related matters are taken up through prevailing management processes and decision forums as needed, including those relevant to business, risk, compliance, HR and operations.

- **Policy and control environment:** governance, ethics and compliance requirements are addressed through existing policies, delegated authorities and internal control frameworks.

- **Progressive strengthening:** the Company aims to enhance ESG governance clarity through documented roles, internal reporting cadence and improved ESG data ownership as part of its roadmap.

3. Integrating ESG into Risk Management and Financing Decisions

Pak Oman follows a risk-based approach to incorporate relevant ESG considerations into financing and investment decisions, consistent with prudent credit/investment governance. The Company recognises the increasing relevance of climate-related risks, including physical and transition risks, to financial institutions and is working to strengthen the identification, assessment and monitoring of material environmental and social risks within its financing and investment activities. This includes the continued enhancement of:

- transaction-level screening and due diligence practices proportionate to the nature of the exposure;
- documentation of environmental and social considerations where material; and
- monitoring and escalation practices for higher-risk or sensitive transactions.

4. Environmental (E)

4.1 Environment Impact and Operational Footprint

As a Development Finance Institution, the Company's most significant environment impact arises from its financing and investment activities. At the same time, Pak Oman aims to reduce its operational environmental footprint through efficiency and responsible consumption, supported by digitization and process improvements. Key focus areas include:

- reducing paper usage through digitization of workflows across HR, finance and compliance
- improving resource efficiency in offices (energy, utilities and procurement practices); and
- reducing waste and discouraging single-use plastics in office operations and corporate events.

4.2 Climate and Green Financing

In line with its developmental mandate, Pak Oman supports financing and investment initiatives that contribute to renewable energy, resource efficiency, climate resilience and sustainable economic development, subject to risk appetite and due diligence. Over time, the Company aims to enhance its ability to consistently identify, classify, and report such activities.

Emissions and targets:

Pak Oman intends to progressively strengthen the measurement and management of its operational environmental footprint by improving data availability, establishing internal baselines and identifying opportunities to reduce costs through efficiency and responsible procurement.

5. Social (S)

5.1 People, Inclusion, and Culture

Pak Oman is committed to a respectful and inclusive workplace supported by fair employment practices and equal opportunity. Our social priorities include:

- workforce development through structured learning and capability building.
- diversity and inclusion through measurable hiring and progression practices; and
- robust workplaces conduct standards, including anti-harassment measures and grievance mechanisms.

5.2 Employee Wellbeing and Capacity Building

We promote employee well-being through initiatives such as health and wellness awareness, support programs, and policies that strengthen work-life balance, all aligned with operational needs.

5.3 Developmental Impact and Financial Inclusion

As a DFI, our social contribution is closely linked to how we finance and invest. The Company seeks to support:

- SMEs and productive sectors that contribute to jobs and economic activity; and
- responsible, inclusive access to finance where feasible, supported by transparency and appropriate customer outcomes.

5.4 Community Investment (CSR)

Community investment initiatives are pursued in line with approved internal processes and may include education, health, and community welfare programs. We aim to disclose key CSR initiatives and outcomes annually.

6. Governance (G)

6.1 Ethics, Compliance, and Transparency

Strong governance and ethical conduct are essential to our sustainability agenda. Pak Oman maintains governance and compliance frameworks that operate in line with applicable regulatory requirements, including prudential regulations, AML/CFT obligations and internal control standards that support:

- integrity and responsible business conduct, including anti-corruption measures.
- reporting channels to encourage speaking up in good faith, with protections against retaliation; and
- compliance monitoring and periodic internal reviews.

6.2 Risk Management and Control Environment

We continuously strengthen our risk management and internal control environment, including credit/investment governance and controls over sensitive and material processes.

6.3 Cybersecurity and Data Protection

Information security and customer data protection are core governance priorities. We maintain policies, controls and awareness initiatives to strengthen cyber resilience and safeguard information assets.

7. Reporting Approach and Roadmap

7.1 ESG Reporting

Pak Oman aims to progressively enhance ESG disclosures in its annual reporting, supported by improved ESG data governance, including clearer definitions, ownership and controls over ESG-related information. The Company is monitoring the evolution of sustainability and climate-related disclosure requirements issued by regulators and international standard setters, including the IFRS Sustainability Disclosure Standards (ISSB), and expects to strengthen alignment over time.

7.2 Forward Priorities

Over the next reporting cycle(s), Pak Oman will prioritize:

- formalizing ESG governance roles and internal reporting cadence;
- strengthening ESG data governance to improve reporting reliability;
- enhancing the integration of environmental and social risk considerations within risk management and financing processes;
- improving consistency in identifying and reporting sustainable and green financing activities; and
- improving transparency through clearer reporting of initiatives, milestones and outcomes.

8. Conclusion

Pak Oman Investment Company Limited recognises that ESG and climate considerations are evolving areas for the financial sector and remains committed to advancing ESG integration in a practical and progressive manner. Through strengthened governance, prudent risk management and initiatives across environmental and social priorities, we aim to contribute to a more sustainable and inclusive financial ecosystem and deliver long-term value for stakeholders.

Pak Oman Investment Company Limited
Driving Sustainability, Creating Impact

Board of Directors

H.H. Sayyid Juland Jaifar Salim Al Said	Chairman
Mr. Al Ayham Al Ghassani	Director
Mr. Al-Fadhal Abdallah Al-Omairi	Director
Mr. Mohammad Shabir Ahmed Khan	Director
Mr. Muhammad Asif	Director
Mr. Nauman Ansari	MD/CEO

Board Executive Committee

H.H. Sayyid Juland Jaifar Salim Al Said	Chairman
Mr. Al-Fadhal Abdallah Al-Omairi	Member
Mr. Mohammad Shabir Ahmed Khan	Member
Mr. Muhammad Asif	Member
Mr. Nauman Ansari	Member
Company Secretary	Secretary

Board Audit Committee

Mr. Al Ayham Al Ghassani	Chairman
Mr. Mohammad Shabbir Ahmed Khan	Member
Mr. Muhammad Asif	Member
Company Secretary	Secretary

Board Risk Management Committee

Mr. Mohammad Shabbir Ahmed Khan	Chairman
Mr. Muhammad Asif	Member
Mr. Al-Fadhal Abdallah Al-Omairi	Member
Chief Risk Officer	Secretary

Board Remuneration & Compensation Committee

H.H. Sayyid Juland Jaifar Salim Al Said	Chairman
Mr. Al Ayham Al Ghassani	Member
Mr. Mohammad Shabbir Ahmed Khan	Member
Company Secretary	Secretary

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 2025 was marked by global uncertainty arising from geopolitical tensions, shifting policy priorities, and evolving trade dynamics, which continued to influence financial markets worldwide. Despite these challenges, easing inflation and improving liquidity supported market sentiment, while Pakistan's economy remained on a recovery path supported by IMF program progress and monetary easing. In this environment, POICL remained focused on its core business and continued to follow prudent risk management practices to safeguard 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 governance framework, 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 formulates significant policies, frameworks and the code of conduct, and delegates the authorities and responsibilities down the line for smooth operations.

The Company delivered a strong financial performance during the year, marked by a significant improvement in profitability and balance sheet resilience. Despite a declining interest rate environment, profit after tax increased to PKR 3,222 million, driven by effective strategic positioning and diversified income streams. Total assets stood at PKR 286,568 million following a deliberate balance sheet optimization, while advances grew alongside improved asset quality. The Company remains well positioned to support sustainable growth amid evolving economic conditions.

Credit Rating

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

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

Corporate Governance Rating

The Company's well-established Corporate Governance Framework supported by Board & Management Committees leading to a strong financial transparency has been acknowledged by

VIS Credit Rating Company Limited. Resultantly, Corporate Governance Rating (CGR) has been re-affirmed to CGR – 9+, which signifies very high level of corporate governance.

Outlook

As we look to the future, POICL stands ready to embrace both challenges and opportunities with confidence and clarity. Guided by a capable leadership team and a dedicated management workforce, the Company will continue to strengthen its core operations, explore strategic growth avenues, and pursue innovative solutions that create lasting value.

Our focus will remain on sustainable growth, disciplined risk management, and operational excellence, ensuring that every decision contributes to long-term stability and resilience. With a commitment to the highest standards of corporate governance, we aim to deliver exceptional outcomes for our shareholders, customers, employees, and communities. POICL's vision remains steadfast: to lead with integrity, innovate with purpose, and generate sustainable impact for all 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,
February 13, 2026

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, 2025.

Macroeconomic overview

Global Economic Performance

Global growth was moderate in the outgoing year, with advanced economies benefiting from resilient consumption and labor markets, while emerging markets faced a more complex mix of external financing constraints, commodity price volatility, and domestic reform challenges. Financial markets, however, largely looked through near-term macro uncertainty, supported by improving liquidity conditions and expectations of easing.

2025 was marked by heightened volatility, with global dynamics largely shaped by a reordering of policy priorities by the United States and the subsequent recalibration of policies across other major economies to adapt to evolving realities. Developments on the trade front remained at the lead, consistently dominating global headlines and influencing market sentiment. Precious metal increased in value as investors sought safe haven assets amid rising geopolitical uncertainty and central banks increased gold reserves.

According to the International Monetary Fund (IMF), global real GDP growth was projected at about 3.2% for 2025, slightly lower than 2024 but still indicating resilience despite risks. Advanced economies are forecast to grow more slowly than emerging markets, as structural constraints and tighter financial conditions persist. Global inflation moderated to around 4.2% in 2025, with the IMF projecting a further decline to approximately 3.7% in 2026, despite persistent trade-related cost pressures. We highlight that Geopolitical instability continues to pose challenges to global economic integration.

Pakistan Economic Performance

Pakistan's economy stayed on a recovery path during CY25. Positive feedback from IMF followed by disbursements of US$2.2bn during the year, a cumulative 450bps cut in the policy rate, stable external flows and currency, and improved Pakistan–US diplomatic relations were key highlights for the calendar year. The IMF issued positive feedback on progress across key macroeconomic indicators and structural reforms, as Pakistan met most quantitative, indicative, and structural benchmarks during the year. Pakistan also saw sovereign credit rating upgrades from Fitch, Moody's and S&P during 2025.

In a surprise move toward the end of the year, the SBP cut the policy rate by a further 50bps to 10.5%, supported by benign global commodity prices and well-anchored inflation expectations under a prudent monetary policy stance.

Pakistan recorded a current account surplus for the first time in 14 years in FY25. During 1HFY26, CAD stood at US$1.2bn versus a surplus of US$957mn in the same period last year. Remittances continued to play a pivotal role in stabilizing Pakistan's external account by consistently offsetting the trade deficit.

Notably, the US announced reciprocal tariffs on its trading partners in April 2025, which became effective in August 2025. Tariffs on Pakistan were revised downward from 29% to 19% following successful bilateral negotiations. However, the imposition of higher tariffs on key trading partners such as China and India weakened overall global demand for consumer goods, adversely impacting Pakistan's exports in the latter part of the year.

The successful bidding for a 75% stake in the national carrier, PIA, in December 2025 marked a key milestone during the year. Meanwhile, Pakistan's equity market delivered a strong performance, with the KSE-100 Index posting a 51% YoY return, ranking as the second-best performing market in the region.

Financial Performance

The Company delivered a commendable financial performance during the year ended 31 December 2025, marked by a significant improvement in profitability and overall financial strength. Improved earnings, lower funding costs, and diversified income streams collectively contributed to a stronger and more sustainable performance.

Profit After Tax: The company achieved a notable improvement in profit after tax, which increased significantly to PKR 3,222 million, compared to PKR 557 million in the preceding year, highlighting the strength of the company's operational performance. This favourable outcome underscores the effectiveness of management's strategic approach, particularly in optimizing the investment portfolio in a declining interest rate environment.

Net Interest Income: Despite a sharp decline in the policy rate, the company successfully generated net interest income of PKR 6,072 million (US $21.676 million), driven by timely repositioning and repricing strategies, sustained volumetric growth, and a strategically optimized funding and placement mix. These results reflect the company's ability to navigate macroeconomic fluctuations while maintaining strong profitability. The reason for this turnaround is perfect interest rate view taken by the management on OMO transactions conducted by SBP. As a result of the view taken, actual spreads (net interest margin) were higher than anticipated which ultimately resulted in increased interest income for the company.

Credit Loss / Reversal Allowance: The Company recognized a net credit loss and write-offs of PKR 667.5 million, compared to a net reversal of PKR 162.9 million in the previous year. This reflects a prudent and conservative approach to provisioning, aligned with management's objective of strengthening asset quality and maintaining balance sheet resilience.

Non-Interest Income: Non-mark-up income increased by 42.4% year-on-year to PKR 1,537 million from PKR 1,080 million, driven mainly by higher fee and commission income and strong gains on the sale of securities. The impact was further supported by a notable rise in dividend income, resulting in improved diversification of the company's revenue streams beyond core lending activities.

FY 25	FY 24		FY 25	FY 24
$ in millions			***PKR in millions***	
21.17	2.53	Profit before provision	5,931	708
(2.38)	0.58	Reversal / (Provision) and write offs - net	(668)	163
18.79	**3.11**	**Profit before taxation**	**5,263**	**871**
(7.29)	(1.12)	Taxation	(2,041)	(314)
11.50	**1.99**	**Profit after taxation**	**3,222**	**557**
0.0187	0.0032	Earnings per share	5.24	0.91

Financial Position

This year, the Company optimized its balance sheet, maintaining a strong capital position and sound liquidity, which contributed to a solid financial foundation despite a reduction in total assets.

Total Assets: The Company's total assets declined by PKR 100,548 million and came to a close of PKR 286,568 million (US$ 1,023 million) as against PKR 387,117 million (US$ 1,382 million) of total assets as of December 2024, reflecting a decline of 26%. This decrease was primarily driven by a reduction in investments in government securities.

Advances: The company has strategically increased its advances by PKR 5,151 million, reflecting growing confidence in the operating environment. This increase in advances demonstrates a measured approach, capitalizing on opportunities within strong growth potential sectors, while maintaining a strong focus on asset quality and prudent risk management.

Non-Performing Loans (NPLs): The company successfully reduced its NPLs to PKR 2,722 million in 2025, compared to PKR 2,909 million in the previous year. This improvement reflects effective credit risk management and improved recoveries, underscoring the company's commitment to maintaining a high-quality advances portfolio.

Infection Ratio: The company's infection ratio decreased to 11.8% during the year, down from 16.4% in the previous year. This improvement was achieved alongside growth in total advances to PKR 20,166 million, reflecting the company's ability to expand its lending portfolio while maintaining asset quality. The decline in the infection ratio demonstrates effective credit monitoring and recovery efforts, supporting a healthier and more resilient loan portfolio.

Coverage Ratio: The coverage ratio increased from 89% to 98%, reflecting adequate provisions against non-performing loans.

Capital Adequacy Ratio: The Company's Capital Adequacy Ratio (CAR) increased to 40.52% as of December 31, 2025 (2024: 33.50%), remaining well above the regulatory minimum of 11.50%. This improvement was primarily driven by a strong increase in Eligible Capital. The growth in capital was largely supported by a substantial gain on government securities.

FY 25	FY 24		FY 25	FY 24
$ in millions			***PKR in millions***	
54	36	Shareholders' equity	15,204	10,073
72	54	Advances	20,166	15,015
909	1,262	Investments	254,686	353,410
1,023	1,382	Total Assets	286,568	387,117

Appropriation and Dividend

The board has recommended the following:

	PKR in millions
Transfer to statutory reserves	644.386
Cash Dividend PKR 0.75 per share	461.250

Credit Rating

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

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

Corporate Governance Rating

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

Pak Oman Asset Management Company

During the year 2025, the average Assets Under Management (AUMs) of Pak Oman Asset Management Company Limited (POAMCL) stood at PKR 6.61 billion. The decline in AUMs compared to the previous year was primarily attributable to rating constraints. However, the Company's AUMs showed noticeable improvement during the second half of the year, with average AUMs during the last quarter of 2025 reaching PKR 9.25 billion. The overall decline in average AUMs for the year was mainly due to lower fund sizes during the first six months of the year.

During the year, PACRA (Pakistan Credit Rating Agency) re-affirmed the credit rating of POAMCL at AM3++ with a Stable Outlook. POAMCL is currently one of only two asset management companies operating under the AM3 rating category.

The Company is actively engaged in initiatives to enhance its minimum equity by attracting potential investors, which is expected to support the attainment of an AM2 rating. Improvement in the rating profile is anticipated to strengthen the Company's market position, enhance business performance, and positively impact the bottom line in the prevailing competitive environment.

Risk Management Framework

The Risk Management Framework constitutes the cornerstone of POICL's approach to identifying, assessing, and managing risk. Its primary objective is to ensure that risks arising from business activities and routine operations are systematically identified, measured, and managed within defined and approved risk appetite.

The framework is underpinned by the following core principles:

- Optimizing risk-adjusted returns in alignment with the institution's strategic objectives.
- Establishing clear ownership and accountability for all material risks.
- Undertaking prudent and structured risk assessments in accordance with approved policies and procedures.
- Implementing robust risk control, monitoring, and reporting mechanisms.
- Validating the effectiveness of the framework and associated processes.

From the identification and prioritization of risks to their mitigation and continuous monitoring, management places strong emphasis on embedding a culture of risk awareness across the organization. This culture forms an integral component of POICL's overall risk governance architecture and supports informed decision-making at all levels.

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 is 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.

Meetings of the Board

	Board Meeting	
	Meeting held during the tenure	Attendance
H.H. Sayyid Juland Jaifar Salim Al Said	5	5
Mr. Al Ayham Al Ghassani	5	5
Mr. Faisal Ali Ibrahim Al Siyabi	3	3
Mr. Al-Fadhal Abdallah Al-Omairi	2	2
Mr. Mohammad Shabir Ahmed Khan	5	5
Mr. Muhammad Asif	3	3
Mr. Nauman Ansari MD / CEO	5	5

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	2	2	N/A *	N/A *
Mr. Faisal Ali Ibrahim Al Siyabi	1	1	2	2
Mr. Mohammad Shabbir Ahmed Khan	2	2	4	4
Mr. Al-Fadhal Abdallah Al-Omairi	1	1	N/A *	N/A *
Mr. Muhammad Asif	2	2	2	2
Mr. Nauman Ansari MD / CEO	2	2	N/A *	N/A *
Mr. Al Ayham 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. Al Ayham Al Ghassani	2	2	2	2
Mr. Faisal Ali Ibrahim Al Siyabi	N/A *	N/A *	3	3
Mr. Mohammad Shabbir Ahmed Khan	2	2	4	4
Mr. Muhammad Asif	N/A *	N/A *	2	2
Mr. Al-Fadhal Abdallah Al-Omairi	N/A *	N/A *	1	1

*Not a member

Process of Appointment and Nomination of Board members:

Pak Oman has two directors and the Chairman nominated by the Oman Investment Authority, 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 as per risk appetite policy. Moreover, the Committee reviews and provides 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: (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, 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 133rd meeting held on October 24, 2025. The Board of Directors noted the contents of Board of Directors Annual Evaluation for the year 2024 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 2026.

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, 2025 according to their un-audited financial statements were PKR 338 million and PKR 283 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
Managing Director /
Chief Executive Officer

Juland Jaifar Salim Al Said
Chairman

Karachi, February 13, 2026

ڈائریکٹرز رپورٹ

ہمیں 31 دسمبر 2025 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

گزشتہ سال میں عالمی ترقی معتدل رہی، ترقی یافتہ معیشتیں مضبوط کھپت اور مزدور منڈیوں سے فائدہ اٹھا رہی تھیں، جبکہ ابھرتی ہوئی مارکیٹوں کو بیرونی مالیاتی رکاوٹوں، اجناس کی قیمتوں میں اتار چڑھاؤ اور ملکی اصلاحات کے چیلنجز کا سامنا تھا۔ تاہم، مالیاتی مارکیٹس نے زیادہ تر قریبی مدت کی میکرو غیر یقینی صورتحال کو دیکھا، جس کی مدد لیکویڈیٹی کی بہتر حالت اور نرمی کی توقعات سے ہوئی۔

2025 میں اتار چڑھاؤ میں اضافہ ہوا، جس میں عالمی حرکیات زیادہ تر امریکہ کی پالیسی ترجیحات کی ترتیب نو اور دیگر بڑی معیشتوں کی پالیسیوں کی بدلتی ہوئی حقیقتوں کے مطابق ڈھالنے سے متاثر ہوئیں۔ تجارتی محاذ پر ہونے والی پیش رفت قیادت میں رہی، جو مسلسل عالمی سرخیوں پر حاوی رہی اور مارکیٹ کے جذبات کو متاثر کرتی رہی۔ قیمتی دھاتوں کی قدر میں اضافہ ہوا کیونکہ سرمایہ کاروں نے بڑھتی ہوئی جغرافیائی سیاسی غیر یقینی صورتحال کے درمیان محفوظ اثاثے تلاش کیے اور مرکزی بینکوں نے سونے کے ذخائر میں اضافہ کیا۔

بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے مطابق، 2025 کے لیے عالمی حقیقی جی ڈی پی کی شرح نمو تقریبا 3.2٪ متوقع تھی، جو 2024 کے مقابلے میں تھوڑی کم ہے لیکن خطرات کے باوجود لچک کی نشاندہی کرتی ہے۔ ترقی یافتہ معیشتیں ابھرتی ہوئی منڈیوں کے مقابلے میں سست ترقی کی پیش گوئی کی جا رہی ہیں، کیونکہ ساختی پابندیاں اور سخت مالی حالات برقرار ہیں۔ عالمی مہنگائی 2025 میں تقریبا 4.2٪ تک کم ہو گئی، جبکہ آئی ایم ایف نے 2026 میں مزید کمی سے تقریبا 3.7٪ تک پہنچنے کی پیش گوئی کی ہے، باوجود اس کے کہ تجارت سے متعلق مسلسل اخراجات کا دباؤ تھا۔ ہم اس بات کو اجاگر کرتے ہیں کہ جغرافیائی سیاسی عدم استحکام عالمی اقتصادی انضمام کے لیے چیلنجز کا باعث بنے ہوئے ہے۔

پاکستان کی معاشی کارکردگی

پاکستان کی معیشت سال 2025 کے دوران بحالی کے راستے پر رہی۔ آئی ایم ایف کی مثبت تاثرات کے بعد سال کے دوران 2.2 ارب امریکی ڈالر کی ادائیگی، پالیسی ریٹ میں مجموعی طور پر 450 بی پی ایس کمی، بیرونی بہاؤ اور کرنسی میں مستحکم، اور پاکستان-امریکہ سفارتی تعلقات میں بہتری کیلنڈر سال کی اہم جھلکیاں تھیں۔ آئی ایم ایف نے اہم میکرو اکنامک اشاریوں اور ساختی اصلاحات میں پیش رفت پر مثبت رائے دی، کیونکہ پاکستان نے سال کے دوران زیادہ تر مقداری، اشاری، اور ساختی معیار پورے کیے۔ پاکستان نے 2025 کے دوران فچ، موڈیز اور ایس اینڈ پی سے خود مختار کریڈٹ ریٹنگ میں بھی بہتری دیکھی۔

سال کے آخر کی طرف ایک حیران کن اقدام میں، ایس بی پی نے پالیسی شرح سود کو مزید 50 بیس پوائنٹس کم کر کے 10.5٪ کر دیا، جس کی حمایت عالمی کموڈیٹی قیمتوں میں خوشگوار قیمتوں اور محتاط مالیاتی پالیسی کے تحت مہنگائی کی توقعات پر مبنی تھی۔

پاکستان نے مالی سال 25 میں 14 سال بعد پہلی بار کرنٹ اکاؤنٹ سرپلس ریکارڈ کیا۔ 1HFY26 کے دوران، CAD US$1.2bn تھا جبکہ پچھلے سال اسی عرصے میں US$957 ملین کا سرپلس تھا۔ ترسیلات زر نے پاکستان کے بیرونی حساب کو مستحکم کرنے میں اہم کردار ادا کیا اور مسلسل تجارتی خسارے کو پورا کیا۔

خاص طور پر، امریکہ نے اپریل 2025 میں اپنے تجارتی شراکت داروں پر باہمی محصولات کا اعلان کیا، جو اگست 2025 میں نافذ العمل ہوئے۔ کامیاب دو طرفہ مذاکرات کے بعد پاکستان پر محصولات کو 29٪ سے کم کر کے 19٪ کر دیا گیا۔ تاہم، چین اور بھارت جیسے اہم تجارتی شراکت داروں پر زیادہ ٹیرف عائد کرنے سے صارفین کی اشیاء کی مجموعی عالمی طلب کمزور ہو گئی، جس سے سال کے آخر میں پاکستان کی برآمدات پر منفی اثر پڑا۔

دسمبر 2025 میں قومی کیریئر، PIA میں 75٪ حصص کے لیے کامیاب بولی سال کے دوران ایک اہم سنگ میل تھی۔ دوسری طرف، پاکستان کی ایکویٹی مارکیٹ نے مضبوط کارکردگی دکھائی، KSE-100 انڈیکس نے سالانہ 51٪ منافع حاصل کیا، جو خطے کی دوسری بہترین کارکردگی دکھانے والی مارکیٹ ہے۔

مالی کارکردگی

کمپنی نے 31 دسمبر 2025 کو ختم ہونے والے سال کے دوران قابل تعریف مالی کارکردگی دکھائی، جس میں منافع اور مجموعی مالی مضبوطی میں نمایاں بہتری آئی۔ بہتر آمدنی، کم فنڈنگ لاگت، اور متنوع آمدنی کے ذرائع نے مجموعی طور پر مضبوط اور پائیدار کارکردگی میں مدد دی۔

ٹیکس کے بعد منافع: کمپنی نے ٹیکس کے بعد منافع میں نمایاں بہتری حاصل کی، جو پچھلے سال کے 557 ملین روپے کے مقابلے میں نمایاں طور پر 3,222 ملین روپے تک پہنچ گیا، جو کمپنی کی آپریشنل کارکردگی کی مضبوطی کو ظاہر کرتا ہے۔ یہ سازگار نتیجہ انتظامیہ کے اسٹریٹجک طریقہ کار کی مؤثریت کو اجاگر کرتا ہے، خاص طور پر کم ہوتی شرح سود کے ماحول میں سرمایہ کاری کے پورٹ فولیو کو بہتر بنانے میں۔

خالص سود کی آمدنی: پالیسی شرح میں تیزی سے کمی کے باوجود، کمپنی نے کامیابی سے 6,072 ملین روپے (امریکی ڈالر 21.676 ملین) کی خالص سود کی آمدنی حاصل کی، جو بروقت ری پوزیشننگ اور ری پرائسنگ حکمت عملیوں، مسلسل حجم کی ترقی، اور اسٹریٹجک طور پر بہتر فنڈنگ اور پلیسمنٹ مکس کی بدولت ممکن ہوئی۔ یہ نتائج کمپنی کی اس صلاحیت کی عکاسی کرتے ہیں کہ وہ میکرو اکنامک اتار چڑھاؤ کو سنبھال سکتی ہے اور ساتھ ہی مضبوط منافع بھی برقرار رکھتی ہے۔ اس تبدیلی کی وجہ SBP کی جانب سے OMO لین دین پر انتظامیہ کی جانب سے کی گئی بہترین شرح سود کا نقطہ نظر ہے۔ اس نقطہ نظر کے نتیجے میں، اصل اسپریڈز (خالص سود کا مارجن) توقع سے زیادہ تھا جس کے نتیجے میں کمپنی کے لیے سود کی آمدنی میں اضافہ ہوا۔

کریڈٹ لاس / ریورسل الاؤنس: کمپنی نے 667.5 ملین روپے کے خالص کریڈٹ نقصان اور رائٹ آف کو تسلیم کیا، جبکہ پچھلے سال 162.9 ملین روپے کی خالص واپسی تھی۔ یہ فراہمی کے حوالے سے ایک محتاط اور محتاط نقطہ نظر کی عکاسی کرتا ہے، جو انتظامیہ کے اثاثہ جات کے معیار کو مضبوط بنانے اور بیلنس شیٹ کی مضبوطی برقرار رکھنے کے مقصد کے مطابق ہے۔

غیر سود کی آمدنی: غیر مارک اپ آمدنی سال بہ سال 42.4٪ کا اضافہ ہوا، 1,080 ملین روپے سے بڑھ کر 1,537 ملین روپے ہو گئی، جس کی بنیادی وجہ زیادہ فیس اور کمیشن آمدنی اور سیکیورٹیز کی فروخت پر مضبوط منافع ہے۔ اس اثر کی مزید حمایت ڈیویڈنڈ آمدنی میں نمایاں اضافے سے ہوئی، جس کے نتیجے میں کمپنی کی آمدنی کے ذرائع میں بنیادی قرض دینے کی سرگرمیوں سے آگے تنوع میں بہتری آئی۔

مالی سال 25	مالی سال 24		مالی سال 25	مالی سال 24
$ in millions			***PKR in millions***	
21.17	2.53	منافع قبل از پروویژن	5,931	708
(2.38)	0.58	ریورسل / (پروویژن) اور رائٹ آف - نیٹ	(668)	163
18.79	**3.11**	**منافع قبل از محصول**	**5,263**	**871**
(7.29)	(1.12)	ٹیکس	(2,041)	(314)
11.50	**1.99**	**منافع بعد از محصول**	**3,222**	**557**
0.0187	0.0032	فی حصص آمدنی	5.24	0.91

مالی صورتحال

اس سال، کمپنی نے اپنی بیلنس شیٹ کو بہتر بنایا، مضبوط سرمایہ پوزیشن اور مضبوط لیکویڈیٹی برقرار رکھی، جس نے کل اثاثوں میں کمی کے باوجود مضبوط مالی بنیاد قائم کی۔

مجموعی اثاثے: کمپنی کے کل اثاثے 100,548 ملین روپے کی کمی کے ساتھ 286,568 ملین روپے (US$ 1,023 ملین) تک پہنچ گئے، جبکہ دسمبر 2024 تک کل اثاثے 387,117 ملین روپیہ (US$1,382 ملین) تھے، جو 26٪ کی کمی کی عکاسی کرتا ہے۔ یہ کمی بنیادی طور پر سرکاری سیکیورٹیز میں سرمایہ کاری میں کمی کی وجہ سے ہوئی۔

قرضہ جات: کمپنی نے اسٹریٹجک طور پر اپنی ایڈوانسز میں 5,151 ملین روپے کا اضافہ کیا ہے، جو آپریٹنگ ماحول میں بڑھتے ہوئے اعتماد کی عکاسی کرتا ہے۔ ایڈوانس میں یہ اضافہ ایک متوازن نقطہ نظر کو ظاہر کرتا ہے، جو مضبوط ترقی کے ممکنہ شعبوں میں مواقع سے فائدہ اٹھاتے ہوئے اثاثہ جات کے معیار اور محتاط رسک مینجمنٹ پر زور دیتا ہے۔

نان پرفارمنگ لونز (این پی ایلز): کمپنی نے 2025 میں اپنے این پی ایلز کو 2,722 ملین روپے تک کم کیا، جبکہ پچھلے سال 2,909 ملین روپے تھے۔ یہ بہتری مؤثر کریڈٹ رسک مینجمنٹ اور بہتر وصولیوں کی عکاسی کرتی ہے، جو کمپنی کی اعلیٰ معیار کی ایڈوانس پورٹ فولیو برقرار رکھنے کے عزم کو اجاگر کرتی ہے۔

انفیکشن تناسب: کمپنی کا انفیکشن تناسب سال کے دوران 11.8٪ تک کم ہو گیا، جو پچھلے سال 16.4٪ تھا۔ یہ بہتری کل قرضہ جات کے ساتھ حاصل کی گئی، جو 20,166 ملین روپے تک پہنچ گئی، جو کمپنی کی قرض دینے کے پورٹ فولیو کو بڑھانے کی صلاحیت کی عکاسی کرتی ہے جبکہ اثاثہ جات کے معیار کو برقرار رکھتی ہے۔ انفیکشن تناسب میں کمی مؤثر کریڈٹ مانیٹرنگ اور بحالی کی کوششوں کو ظاہر کرتی ہے، جو ایک صحت مند اور زیادہ مضبوط قرضہ پورٹ فولیو کی حمایت کرتی ہے۔

کوریج کا تناسب: کوریج کا تناسب 89% سے بڑھ کر 98% ہو گیا، جو غیر فعال قرضوں کے خلاف مناسب پروویژن کی عکاسی کرتا ہے۔

کیپٹل ایڈیکوئسی ریشو: کمپنی کا کیپٹل ایڈیکوسی ریشو (CAR) 31 دسمبر 2025 کو 40.52٪ (2024: 33.5٪) تک بڑھ گیا، جو ریگولیٹری کم از کم 11.50٪ سے کافی اوپر رہا۔ یہ بہتری بنیادی طور پر اہل سرمایہ میں مضبوط اضافے کی وجہ سے ہوئی۔ سرمائے میں اضافہ زیادہ تر حکومتی سیکیورٹیز پر نمایاں منافع کی وجہ سے ممکن ہوا۔

مالی سال 25	مالی سال 24		مالی سال 25	مالی سال 24
$ in millions			***PKR in millions***	
54	36	حصص یافتگان کی ایکوئٹی	15,204	10,073
72	54	قرضہ جات	20,166	15,015
909	1,262	سرمایہ کاریاں	254,686	353,410
1,023	1,382	کل اثاثہ جات	286,568	387,117

تخصیص اور ڈیویڈنڈ

بورڈ نے درج ذیل سفارشات کی ہیں:

PKR in millions

قانونی ذخائر میں منتقلی	644.386
کیش ڈیویڈنڈPKR 0.75 فی حصص	461.250

کریڈٹ ریٹنگ

کمپنی کی کریڈٹ ریٹنگز کو VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے طویل مدتی کے لیے AA+ (ڈبل A پلس) اور قلیل مدتی کے لیے A1+ (A ون پلس) پر دوبارہ تصدیق کی۔

تفویض کردہ درجہ بندیاں کمپنی کے متنوع آپریشنز، صحت مند مالی خطرے کی پروفائل، مضبوط اسپانسرز، موجودہ مارکیٹ میں موجودگی اور ہم مرتبہ گروپ اداروں میں اس کی نسبتا پوزیشن کی عکاسی کرتی ہیں۔ یہ درجہ بندیاں کریڈٹ رسک کی بہت کم توقع، طویل مدت میں مالی وعدوں کی بروقت ادائیگی کی مضبوط صلاحیت اور قلیل مدت میں بروقت ادائیگی کی سب سے زیادہ صلاحیت کو ظاہر کرتی ہیں۔

کارپوریٹ گورننس ریٹنگ

کمپنی کا مضبوط کارپوریٹ گورننس فریم ورک، جو بورڈ اور مینجمنٹ کمیٹیوں کی حمایت سے مضبوط مالی شفافیت کا باعث بنتا ہے، وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے تسلیم کیا ہے۔ نتیجتا، کارپوریٹ گورننس ریٹنگ (سی جی آر) کو دوبارہ سی جی آر – 9+ تک توثیق کر دیا گیا، جو کارپوریٹ گورننس کی بہت اعلیٰ سطح کی نشاندہی کرتا ہے۔

پاک عمان ایسٹ مینجمنٹ کمپنی

سال 2025 کے دوران، پاکستان عمان ایسٹ مینجمنٹ کمپنی لمیٹڈ (پی او اے ایم سی ایل) کے اوسط اثاثِ زیر انتظام (AUMs) 6.61 ارب روپے رہے۔ پچھلے سال کے مقابلے میں AUMs میں کمی بنیادی طور پر ریٹنگ کی پابندیوں کی وجہ سے تھی۔ تاہم، سال کے دوسرے نصف میں کمپنی کے AUMs میں نمایاں بہتری دیکھی گئی، اور 2025 کی آخری سہ ماہی میں اوسط AUMs 9.25 ارب روپے تک پہنچ گئے۔ سال کے اوسط AUMs میں مجموعی کمی بنیادی طور پر سال کے پہلے چھ مہینوں میں فنڈ کے سائز میں کمی کی وجہ سے ہوئی۔

سال کے دوران، پاکستان کریڈٹ ریٹنگ ایجنسی (پی اے سی آر اے) نے پی او اے ایم سی ایل کی AM3++ کریڈٹ ریٹنگ کو مستحکم نقطہ نظر کے ساتھ دوبارہ توثیق کی۔ پی او اے ایم سی ایل اس وقت AM3 ریٹنگ کیٹیگری کے تحت کام کرنے والی صرف دو اثاثہ مینجمنٹ کمپنیوں میں سے ایک ہے۔

کمپنی اپنے کم از کم ایکویٹی کو بڑھانے کے لیے ممکنہ سرمایہ کاروں کو راغب کرنے اقدامات میں سرگرم ہے، جس سے توقع کی جاتی ہے کہ AM2 ریٹنگ حاصل کرنے میں مدد ملے گی۔ ریٹنگ پروفائل میں بہتری کمپنی کی مارکیٹ پوزیشن کو مضبوط کرنے، کاروباری کارکردگی کو بہتر بنانے اور موجودہ مسابقتی ماحول میں منافع پر مثبت اثر ڈالنے کی توقع ہے۔

رسک مینجمنٹ فریم ورک

رسک مینجمنٹ فریم ورک POICL کے خطرے کی شناخت، اندازہ لگانے اور انتظام کرنے کے طریقہ کار کی بنیاد ہے۔ اس کا بنیادی مقصد یہ یقینی بنانا ہے کہ کاروباری سرگرمیوں اور معمول کی کارروائیوں سے پیدا ہونے والے خطرات کو منظم طریقے سے شناخت، پیمائش اور منظم کیا جائے اور مقررہ اور منظور شدہ خطرے کی خواہش کے اندر منظم کیا جائے۔

یہ فریم ورک درج ذیل بنیادی اصولوں پر مبنی ہے:

- ادارے کے اسٹریٹجک مقاصد کے مطابق خطرے کے مطابق منافع کو بہتر بنانا۔
- تمام مادی خطرات کے لیے واضح ملکیت اور جوابدہی کا قیام۔
- منظور شدہ پالیسیوں اور طریقہ کار کے مطابق محتاط اور منظم رسک اسیسمنٹ کرنا۔
- مضبوط رسک کنٹرول، مانیٹرنگ، اور رپورٹنگ کے طریقے نافذ کرنا۔
- فریم ورک اور متعلقہ عمل کی مؤثریت کی تصدیق کرنا۔

خطرات کی شناخت اور ترجیح دینے سے لے کر ان کے خاتمے اور مسلسل نگرانی تک، انتظامیہ تنظیم میں خطرے سے آگاہی کی ثقافت کو فروغ دینے پر خاص زور دیتی ہے۔ یہ ثقافت POICL کے مجموعی رسک گورننس آرکیٹیکچر کا ایک لازمی جزو ہے اور ہر سطح پر باخبر فیصلہ سازی کی حمایت کرتی ہے۔

داخلی کنٹرول کا بیان

بورڈ آف ڈائریکٹرز کو انتظامیہ کی جانب سے داخلی کنٹرولز سے متعلق بیان کی حمایت کرتے ہوئے خوشی محسوس ہوتی ہے، جس میں انتظامیہ کی جانب سے مالیاتی رپورٹنگ پر داخلی کنٹرول کی تشخیص بھی شامل ہے۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ کے بارے میں بیان

بورڈ آف ڈائریکٹرز خوشی سے رپورٹ کرتا ہے کہ:

- یہ مالیاتی بیانات، جو انتظامیہ نے تیار کیے ہیں، اس کی حالت، آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں
- کمپنی کی مناسب اکاؤنٹس کی کتابیں برقرار رکھی گئی ہیں
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر نافذ کی گئی ہیں، سوائے ان تبدیلیوں کے جو نوٹ 4 میں بیان کی گئی ہیں، اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے پر مبنی ہوتے ہیں۔
- پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ معیارات کی پیروی مالی بیانات کی تیاری میں کی گئی 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 مانیٹر کیا گیا ہے
- کمپنی کی ایک جاری رہنے والی کمپنی کی صلاحیت پر کوئی شک نہیں ہے
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی نمایاں انحراف نہیں ہوا۔

بورڈ کے اجلاس

بورڈ کا اجلاس		
حاضری	مدت کار کے دوران ہونے والا اجلاس	
5	5	ایچ ۔ایچ- سید جلند جیفر سلم آل سعید
5	5	جناب الأیهم الغاسانی
3	3	جناب فیصل علی ابراہیم ا لسیابي
2	2	جناب الفضل عبدالله العمیری
5	5	جناب محمد شبیر احمد خان
3	3	جناب محمد آصف
5	5	جناب نعمان انصاری ایم ڈی / سی ای او

بورڈ کمیٹیوں کے اجلاس

بورڈ کی آڈٹ کمیٹی		بورڈ کی ایگزیکٹو کمیٹی		
اجلاس میں شرکت	مدت کار کے دوران ہونے والا اجلاس	اجلاس میں شرکت	مدت کار کے دوران ہونے والا اجلاس	
*	*	2	2	ایچ ۔ایچ- سید جلند جیفر سلم آل سعید
2	2	1	1	جناب فیصل علی ابراہیم ا لسیابي
4	4	2	2	جناب محمد شبیر احمد خان
*	*	1	1	جناب الفضل عبدالله العمیری
2	2	2	2	جناب محمد آصف
*	*	2	2	جناب نعمان انصاری ایم ڈی / سی ای او
4	4	*	*	جناب الأیهم الغاسانی

بورڈ کی رسک کمیٹی		بورڈ کی مشاہرہ اور معاوضہ کمیٹی		
اجلاس میں شرکت	مدت کار کے دوران ہونے والا اجلاس	اجلاس میں شرکت	مدت کار کے دوران ہونے والا اجلاس	
*	*	2	2	ایچ ۔ایچ- سید جلند جیفر سلم آل سعید
2	2	2	2	جناب الأیهم الغاسانی
3	3	*	*	جناب فیصل علی ابراہیم ا لسیابي
4	4	2	2	جناب محمد شبیر احمد خان
2	2	*	*	جناب محمد آصف
1	1	*	*	جناب الفضل عبدالله العمیری

*رکن نہیں ہے

بورڈ ممبران کی تقرری اور نامزدگی کا عمل:

پاک عمان کے دو ڈائریکٹرز اور چیئرمین عمان انویسٹمنٹ اتھارٹی کی طرف سے نامزد کیے جاتے ہیں، جبکہ دو ڈائریکٹرز اور منیجنگ ڈائریکٹر کو وزارت خزانہ - حکومت پاکستان کی طرف سے نامزد کیا جاتا ہے۔

بورڈ اور بورڈ کمیٹیوں کی تشکیل

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

بورڈ کے پاس درج ذیل کمیٹیاں ہیں جو اسٹریٹجک سمت میں معاونت فراہم کرتی ہیں اور نگرانی کو بہتر بناتی ہیں۔ بورڈ کمیٹیاں بورڈ کی منظور شدہ متعلقہ شرائط (TORs) کے مطابق کام کرتی ہیں۔ ہر ذیلی کمیٹی کے افعال کی مختصر وضاحت درج ذیل ہے:

بورڈ ایگزیکٹو کمیٹی (بی ای سی): بی ای سی بورڈ کی معاونت کرتا ہے اور ایکویٹیز، میوچل فنڈز، CFS قرضہ اور قرضوں کے آلات بشمول ٹرم فنانس سرٹیفکیٹس، سکوک سرٹیفکیٹس اور کمرشل پیپرز میں ایکسپوژرز (فنڈڈ اور غیر فنڈڈ) کے لیے بالائی حدیں اور کم از کم معیار مقرر کرتا ہے۔ کمیٹی انتظامیہ کی جانب سے کریڈٹ لائنز، حصص میں سرمایہ کاری، فنڈز اور قرض کے آلات کے لیے صارفین کے لیے، بینکوں اور مالیاتی اداروں کے لیے فراہم کردہ تجاویز کا جائزہ اور منظوری بھی فراہم کرتی ہے، جو خطرے کی خواہش کی پالیسی کے مطابق ہیں۔ مزید برآں، کمیٹی قرضوں کی ری شیڈولنگ/تنظیم نو کا جائزہ لیتی ہے اور منظوری دیتی ہے اور بورڈ کے غور و فکر کے لیے چھوٹ کی سفارش کرتی ہے۔

بورڈ آڈٹ کمیٹی (بی اے سی): بی اے سی بورڈ کو مضبوط اور مؤثر اندرونی کنٹرولز کے نظام کے لیے 'ٹون ایٹ دی ٹون' قائم کرنے میں مدد دیتا ہے۔ کمیٹی اندرونی کنٹرول ماحول کی مناسبیت اور مؤثریت کا جائزہ لیتی ہے، جس میں مالی اور آپریشنل کنٹرولز، اکاؤنٹنگ سسٹمز، اور رپورٹنگ اسٹرکچر شامل ہیں۔ کمیٹی انٹرنل آڈٹ فنکشن کی نگرانی فراہم کرتی ہے؛ سالانہ داخلی آڈٹ پلان کی منظوری اور نگرانی کرتا ہے؛ اور اس بات کو یقینی بناتا ہے کہ اندرونی آڈٹ فنکشن کے پاس مناسب وسائل ہوں اور تنظیمی ڈھانچے میں مناسب جگہ دی جائے تاکہ اس کی آزادی برقرار رہے۔ اس عمل کے حصے کے طور پر، کمیٹی بیرونی آڈیٹرز کے ساتھ بھی رابطہ کرتی ہے اور بورڈ میں قانونی آڈیٹرز کی تقرری کی سفارش کرتی ہے۔ BAC نئے اکاؤنٹنگ معیارات کے نفاذ کی نگرانی کا بھی ذمہ دار ہے؛ خاص طور پر، بورڈ نے BAC کو IFRS 9 کے نفاذ کی نگرانی کی ذمہ دار کمیٹی کے طور پر نامزد کیا ہے۔

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

بورڈ آف ڈائریکٹرز نے بی آر سی سی قائم کی ہے تاکہ پاک عمان انویسٹمنٹ کمپنی لمیٹڈ کے ملازمین، بشمول منیجنگ ڈائریکٹر/چیف ایگزیکٹو آفیسر (ایم ڈی/سی ای او) کے معاوضے کے فریم ورک کی نگرانی کی جا سکے۔ بی آر سی سی اس بات کو یقینی بناتا ہے کہ معاوضے کا نظام ریگولیٹری ہدایات، خطرے کے انتظام کے تقاضوں اور استطاعت کے معیار کے مطابق ہو۔

کمیٹی باقاعدگی سے کل متغیر معاوضے کا جائزہ لیتی ہے تاکہ ضابطہ جاتی حدود کی پابندی کو یقینی بنایا جا سکے اور بورڈ کو مادی خطرہ مول لینے والوں کی شناخت کے عمل کی نگرانی میں معاونت فراہم کرتی ہے۔ یہ اس بات کو بھی یقینی بناتا ہے کہ اندرونی کنٹرول کے افعال اور دیگر متعلقہ شعبے معاوضے کے فریم ورک کی تشکیل میں مناسب طور پر شامل ہوں۔

بی آر سی سی میں تین بورڈ ممبران شامل ہیں، جن میں کمیٹی کے چیئرمین بھی شامل ہیں۔

بورڈ رسک مینجمنٹ کمیٹی (بی آر ایم سی): کمیٹی خطرے سے متعلق معاملات، بشمول گورننس، خطرے کی خواہش اور پروفائل کے حوالے سے بورڈ کو نگرانی اور مشورے کی ذمہ دار ہے۔ بی آر ایم سی اس بات کو بھی یقینی بناتا ہے کہ خطرے کے پروفائل کے حوالے سے اندرونی خطرے کے فریم ورک کی ساخت اور مکملیت ہو، اور ایک آزاد، معاون اور فعال رسک مینجمنٹ کلچر کی ترقی اور برقرار رکھی جائے۔ کمیٹی ایک مستقبل بین نقطہ نظر بھی اپناتی ہے تاکہ ارتقاء پذیر خطرات کی نشاندہی اور کمی یقینی بنائی جا سکے۔

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 پاکستان عمان ایسٹ مینجمنٹ کمپنی، اورینٹ پاور کمپنی لمیٹڈ، نیو ہولڈنگز (پرائیویٹ) لمیٹڈ اور شیلڈز آر ای آئی ٹی مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز کے رکن بھی ہیں۔

بورڈ کی کارکردگی کا جائزہ۔

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

کمپنیز ایکٹ 2017، بینکنگ کمپنیز آرڈیننس 1962، SBP کے پروڈنشل ریگولیشنز اور کوڈ آف کارپوریٹ گورننس (کوڈ) بورڈ آف ڈائریکٹرز کے کردار کے ساتھ اس کی ذمہ داریوں اور فرائض کی وضاحت کرتے ہیں۔ SBP نے BPRD سرکلر نمبر 11 مورخہ 22 اگست 2016 کے تحت بورڈ آف ڈائریکٹرز کی کارکردگی کے جائزے کے لیے تفصیلی رہنما اصول جاری کیے۔ ان رہنما اصولوں کے مطابق، بورڈ آف ڈائریکٹرز نے مقداری تکنیکوں اور ہر تین سال بعد ایک بیرونی آزاد جائزہ کار کے ذریعے جائزہ لینے کے ساتھ اندرون خانہ طریقہ اپنانے کا فیصلہ کیا۔

حالیہ کارکردگی کا جائزہ ان ہاؤس لیا گیا۔ جائزہ رپورٹ چیئرمین نے بورڈ آف ڈائریکٹرز کے 133ویں اجلاس میں 24 اکتوبر 2025 کو زیر بحث لائی۔ بورڈ آف ڈائریکٹرز نے سال 2024 کے لیے بورڈ آف ڈائریکٹرز کی سالانہ تشخیص کے مواد کو سفارشات کے ساتھ نوٹ کیا اور نتائج پر اپنی اطمینان کا اظہار کیا۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز، مسٹرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو چکے ہیں اور اہل ہو کر سالانہ جنرل میٹنگ میں دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔ اسی مناسبت سے، بورڈ آف ڈائریکٹرز بورڈ آڈٹ کمیٹی کی سفارش پر مسٹر بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کو مالی سال 2026 کے لیے کمپنی کے آڈیٹرز مقرر کرنے کی سفارش کرتا ہے۔

حصص رکھنے کا نمونہ

حکومت پاکستان

- وزارت خزانہ — 49.99%
- سیکرٹری – اقتصادی امور کا شعبہ — 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 2025 تک پروویڈنٹ اینڈ گریچوئٹی فنڈز کی غیر آڈٹ شدہ مالیاتی بیانات کے مطابق سرمایہ کاری بالترتیب 338 ملین اور 283 ملین روپے تھی۔

تعریف اور اعتراف

اسپانسر

بورڈ سلطنت عمان اور اسلامی جمہوریہ پاکستان کی متعلقہ حکومتوں کا کمپنی کے لیے وابستگی اور حمایت کے لیے شکر گزار ہے۔

ریگولیٹرز

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

انتظامیہ اور ملازمین

بورڈ انتظامیہ اور ملازمین کی مثالی محنت، جذبے اور انتھک لگن کے لیے شکریہ ادا کرنے پر خوشی محسوس کرتا ہے ۔ بورڈ کمپنی کو مالیاتی شعبے میں ایک مضبوط کھلاڑی کے طور پر پیش کرنے میں ان کی غیر معمولی کوششوں کو بھی سراہتا ہے۔ یہ اجتماعی ٹیم ورک، عزم اور کمپنی کے مقاصد کے حصول کے لیے لگن کا نتیجہ ہے۔

بورڈ کی جانب سے

نعمان انصاری
مینجنگ ڈائریکٹر اور چیف ایکزیکیوٹیو

جلند جیفر سلم آل سعید
چیئرمین

کراچی، 13 فروری، 2026

Pak Oman Investment Company Limited
Six Years Financial Summary

Rupees in '000

December 31	2025	2024	2023	2022	2021	2020
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Cash and balances with treasury banks	1,454,616	883,139	532,767	346,449	173,449	214,433
Balances with other banks	75,806	38,009	131,113	1,624,409	1,490,702	1,318,436
Lendings to financial institutions	-	3,287,200	-	5,135,762	1,953,578	3,600,000
Investments	254,686,366	353,409,569	335,736,123	125,710,845	101,787,711	68,217,290
Advances	20,166,090	15,014,830	16,179,969	19,420,996	19,720,493	20,935,305
Property and equipment	936,055	1,002,463	846,505	765,310	82,611	89,045
Right-of-use assets	129,858	160,647	87,089	94,936	112,382	130,194
Intangibles	35,570	8,938	-	-	-	-
Deferred tax assets - net	-	685,571	1,396,492	647,217	398,502	226,542
Other assets	9,083,844	12,626,148	12,092,961	3,954,452	2,155,949	2,074,831
Assets held-for-sale	-	-	-	-	384,708	-
Total assets	**286,568,205**	**387,116,514**	**367,003,019**	**157,700,376**	**128,260,085**	**96,806,076**
LIABILITIES						
Borrowings	247,488,354	349,587,965	340,891,244	132,900,975	103,997,150	70,551,769
Deposits and other accounts	19,408,066	16,164,282	12,218,415	13,520,897	14,353,682	15,869,130
Lease Liabilities	174,215	189,298	118,470	131,093	142,643	144,682
Deferred tax liabilities	929,086	-	-	-	-	-
Other liabilities	3,364,740	11,102,459	5,035,417	2,447,733	1,010,756	1,157,462
Total Liabilities	**271,364,461**	**377,044,004**	**358,263,546**	**149,000,698**	**119,504,231**	**87,723,043**
NET ASSETS	**15,203,744**	**10,072,510**	**8,739,473**	**8,699,678**	**8,755,854**	**9,083,033**
REPRESENTED BY						
Share capital	6,150,000	6,150,000	6,150,000	6,150,000	6,150,000	6,150,000
Reserves	2,507,509	1,863,123	1,751,681	1,922,289	1,855,525	1,759,985
Surplus / (deficit) on revaluation of assets	3,695,747	1,523,773	407,448	(18,918)	(1,050)	348,498
Unappropriated profit	2,850,488	535,614	430,344	646,307	751,379	824,550
	15,203,744	**10,072,510**	**8,739,473**	**8,699,678**	**8,755,854**	**9,083,033**

Six Years Financial Summary

Rupees in '000

December 31	2025	2024	2023	2022	2021	2020
PROFITABILITY						
Mark-up/Return/Interest earned	38,056,478	72,323,575	67,477,562	17,487,556	8,016,889	8,993,366
Mark-up/Return/Interest expensed	(31,984,459)	(71,470,360)	(64,657,033)	(16,653,077)	(6,800,985)	(7,444,829)
Net mark-up/interest income	6,072,019	853,215	2,820,529	834,479	1,215,904	1,548,537
Fee, commission and brokerage income	160,129	85,817	46,534	96,397	76,168	44,241
Capital gain & dividend income	1,332,490	958,939	255,880	232,354	132,546	617,675
Other income	44,602	34,983	23,630	147,872	9,526	8,894
Total non markup/interest income	1,537,221	1,079,739	326,044	476,623	218,240	670,810
Gross Income	7,609,240	1,932,954	3,146,573	1,311,102	1,434,144	2,219,347
Operating expenses and other charges	(1,678,729)	(1,224,585)	(1,157,886)	(638,896)	(733,388)	(737,257)
Profit before provisions	**5,930,511**	**708,369**	**1,988,687**	**672,206**	**700,756**	**1,482,090**
Credit (loss) / reversal allowance and write offs - net	(667,534)	162,919	(1,048,174)	(171,686)	(49,316)	(144,952)
Profit before taxation	**5,262,977**	**871,288**	**940,513**	**500,520**	**651,440**	**1,337,138**
Taxation	(2,041,046)	(314,077)	(235,402)	(166,699)	(173,740)	(364,732)
Profit after taxation	**3,221,931**	**557,211**	**705,111**	**333,821**	**477,700**	**972,406**
CASH FLOW STATEMENT - SUMMARY						
Cash flow from operating activities	(139,276,621)	35,926,625	176,623,368	18,606,303	45,898,172	(40,873)
Cash flow from investing activities	140,221,151	(35,364,936)	(177,619,682)	(17,929,133)	(45,309,053)	(123,154)
Cash flow from financing activities	(335,834)	(303,805)	(309,437)	(370,463)	(457,837)	(431,171)
Cash and cash equivalents at the beginning of the year	922,991	665,107	1,970,858	1,664,151	1,532,869	2,128,067
Cash and cash equivalents at the end of the year	1,531,687	922,991	665,107	1,970,858	1,664,151	1,532,869
Financial Ratios						
Return on Equity	25.5%	5.9%	8.1%	3.8%	5.4%	11.2%
Return on Assets	1.0%	0.1%	0.3%	0.2%	0.4%	1.0%
Profit before tax ratio	69.2%	45.1%	29.9%	38.2%	45.4%	60.2%
Gross spread ratio	16.0%	1.2%	4.2%	4.8%	15.2%	17.2%
Total Assets to shareholders' fund	18.85	38.43	41.99	18.13	14.65	10.66
Weighted average cost of debt	10.99%	19.51%	20.38%	13.02%	7.38%	9.70%
Capital adequacy ratio (CAR)	40.52%	33.50%	15.49%	21.92%	16.47%	17.19%
Share Information						
Cash dividend per share	10.00%	4.50%	5.50%	5.00%	6.00%	7.50%
Basic and diluted earnings per share	5.24	0.91	1.15	0.54	0.78	1.58
Breakup value per shares	24.72	16.38	14.21	14.15	14.24	14.77

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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, 2025 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, 2025.

KARACHI

DATED: 19 February 2026

UDIN: CR2025100673FuCWoH1z

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

STATEMENT OF BEST PRACTICES OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED DECEMBER 31, 2025

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 (the SECP) 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 voluntarily to comply with the best practices of Corporate Governance i.e. Listed Companies (Code of Corporate Governance) Regulations, 2019 (the regulations).

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 6* as per the following, -
a. Male:6
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. Mohammad Shabir Ahmed Khan – Member Mr. Ayham Abdul Aziz Abdul Qadar Al Ghassani - Member Mr. Muhammad Asif- Member Mr. Al-Fadhal Abdallah Al-Omairi- Member
Executive directors	Mr. Nauman Ansari – Member
Female directors	Nil***

* During the year, Mr. Faisal Ali Ibrahim Al Siyabi left and Mr. Al-Fadhal Abdallah Al-Omairi joined the Board of Directors, nominated by the Sultanate of Oman. During the year, Mr. Muhammad Asif joined the Board of Directors, nominated by the Government of Pakistan.

** 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 six 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. Al-Fadhal Abdallah Al-Omairi 3. Mr. Mohammad Shabir Ahmed Khan 4. Mr. Al Ayham Al Ghassani 5. Mr. Muhammad Asif 6. Mr. Nauman Ansari (Managing Director)
Audit	1. Mr. Al Ayham Al Ghassani (Chairman) 2. Mr. Mohammad Shabir Ahmed Khan 3. Mr. Muhammad Asif
Executive Committee	1. H.H Juland Salim Al Said (Chairman) 2. Mr. Mohammad Shabir Ahmed Khan 3. Mr. Al-Fadhal Abdallah Al-Omairi 4. Mr. Muhammad Asif 5. Mr. Nauman Ansari (Managing Director)
Risk Committee	1. Mr. Mohammad Shabir Ahmed Khan (Chairman) 2. Mr. Al-Fadhal Abdallah Al-Omairi 3. Mr. Muhammad Asif
HR Remuneration & Compensation Committee	1. H.H. Juland Jaifar 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	Five
Audit Committee	Four
Executive Committee	Two
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; and

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:
February 13, 2026

STATEMENT OF INTERNAL CONTROLS
For the year ended December 31, 2025

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 State Bank of Pakistan (SBP) roadmap, the Company had completed all stages and is in compliance with SBP instructions and obtained exemption from the SBP 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, 2025 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: February 13, 2026

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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, 2025, the unconsolidated profit or 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, 2025 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, 2025 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: 19 FEB 2026

UDIN: AR202510067Rycuxg6TX

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

PAK OMAN INVESTMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

2025	2024		Note	2025	2024
(US Dollar in '000)				(Rupees in '000)	
		ASSETS			
5,193	3,153	Cash and balances with treasury banks	5	1,454,616	883,139
271	136	Balances with other banks	6	75,806	38,009
-	11,735	Lendings to financial institutions	7	-	3,287,200
909,194	1,261,622	Investments	8	254,686,366	353,409,569
71,990	53,601	Advances	9	20,166,090	15,014,830
3,342	3,579	Property and equipment	10	936,055	1,002,463
464	573	Right-of-use assets	11	129,858	160,647
127	32	Intangible assets	12	35,570	8,938
-	2,447	Deferred tax assets	13	-	685,571
32,428	45,074	Other assets	14	9,083,844	12,626,148
1,023,009	1,381,952			286,568,205	387,116,514
		LIABILITIES			
-	-	Bills payable		-	-
883,499	1,247,980	Borrowings	15	247,488,354	349,587,965
69,284	57,704	Deposits and other accounts	16	19,408,066	16,164,282
622	676	Lease Liabilities	17	174,215	189,298
-	-	Subordinated debt		-	-
3,317	-	Deferred tax liabilities	13	929,086	-
12,012	39,634	Other liabilities	18	3,364,740	11,102,459
968,734	1,345,994			271,364,461	377,044,004
54,275	35,958	**NET ASSETS**		15,203,744	10,072,510
		REPRESENTED BY			
21,955	21,955	Share capital	19	6,150,000	6,150,000
8,951	6,651	Reserves	20	2,507,509	1,863,123
13,193	5,440	Surplus on revaluation of assets	21	3,695,747	1,523,773
10,176	1,912	Unappropriated profit		2,850,488	535,614
54,275	35,958			15,203,744	10,072,510
		CONTINGENCIES AND COMMITMENTS	22		

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

Nauman Ansari	**Muhammad Yousuf Amanullah**	**Al-Fadhal Abdallah Al-Omairi**	**Muhammad Asif**	**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, 2025

2025	2024		Note	2025	2024
(US Dollar in '000)				(Rupees in '000)	
135,856	258,185	Mark-up / return / interest earned	23	38,056,478	72,323,575
114,180	255,139	Mark-up / return / interest expensed	24	31,984,459	71,470,360
21,676	3,046	Net mark-up / interest income		6,072,019	853,215
		NON MARK-UP / INTEREST INCOME			
572	306	Fee and commission income	25	160,129	85,817
1,162	596	Dividend income		325,395	166,988
-	-	Foreign exchange income		-	-
-	-	Income / (loss) from derivatives		-	-
3,595	2,827	Gain on securities	26	1,007,095	791,951
159	125	Other income	27	44,602	34,983
5,488	3,854	Total non mark-up / interest income		1,537,221	1,079,739
27,164	6,900	**Total Income**		7,609,240	1,932,954
		NON MARK-UP / INTEREST EXPENSES			
5,220	3,883	Operating expenses	28	1,462,239	1,087,776
383	67	Workers' Welfare Fund		107,408	18,634
389	422	Other charges	29	109,082	118,175
5,992	4,372	Total non mark-up / interest expenses		1,678,729	1,224,585
21,172	2,528	**PROFIT BEFORE PROVISIONS**		5,930,511	708,369
(2,383)	582	Credit (loss) / reversal allowance and write offs - net	30	(667,534)	162,919
-	-	Extra ordinary / unusual items		-	-
18,789	3,110	**PROFIT BEFORE TAXATION**		5,262,977	871,288
(7,286)	(1,121)	Taxation	31	(2,041,046)	(314,077)
11,503	1,989	**PROFIT FOR THE YEAR**		3,221,931	557,211
(US $)				(Rupees)	
0.0187	0.0032	**BASIC AND DILUTED EARNINGS PER SHARE**	32	5.24	0.91

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

Nauman Ansari	Muhammad Yousuf Amanullah	Al-Fadhal Abdallah Al-Omairi	Muhammad Asif	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, 2025

2025	2024		2025	2024
(US Dollar in '000)			(Rupees in '000)	
11,503	1,989	**PROFIT AFTER TAXATION FOR THE YEAR**	3,221,931	557,211
		OTHER COMPREHENSIVE INCOME		
		Items that may be reclassified to profit and loss account in subsequent periods:		
8,235	3,084	Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	2,306,723	863,903
		Items that will not be reclassified to profit and loss account in subsequent periods:		
2	(57)	Remeasurement loss on defined benefit obligations - net of tax	445	(15,875)
(432)	337	Movement in surplus / (deficit) on revaluation of investments in equity investments - net of tax	(121,115)	94,485
-	-	Movement in surplus on revaluation of property and equipment - net of tax	-	-
-	612	Movement in (deficit) / surplus on revaluation of non-banking assets - net of tax	-	171,563
(430)	892		(120,670)	250,173
19,308	5,965	**TOTAL COMPREHENSIVE INCOME**	5,407,984	1,671,287

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

Nauman Ansari	Muhammad Yousuf Amanullah	Al-Fadhal Abdallah Al-Omairi	Muhammad Asif	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, 2025

	Issued, subscribed and paid up	(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 31 December 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	-	-	-	-	171,563	-	171,563
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-
	-	-	-	958,388	171,563	(15,875)	1,114,076
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

	Issued, subscribed and paid up	(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, 2025	6,150,000	1,863,123	-	1,076,234	447,539	535,614	10,072,510
Profit after taxation for the year ended December 31, 2025	-	-	-	-	-	3,221,931	3,221,931
Other comprehensive income - net of tax							
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	2,306,723	-	-	2,306,723
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	(121,115)	-	-	(121,115)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	445	445
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-
	-	-	-	2,185,608	-	445	2,186,053
Transfer to statutory reserve	-	644,386	-	-	-	(644,386)	-
Transfer to general reserve	-	-	-	-	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(13,634)	13,634	-
Transaction with owners, recorded directly in equity							
Final cash dividend - December 31, 2024 declared subsequent to the year end (Rs. 0.45 per share)	-	-	-	-	-	(276,750)	(276,750)
Balance as at December 31, 2025	6,150,000	2,507,509	-	3,261,842	433,905	2,850,488	15,203,744

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

Nauman Ansari	Muhammad Yousuf Amanullah	Al-Fadhal Abdallah Al-Omairi	Muhammad Asif	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, 2025

2025	2024		Note	2025	2024
(US Dollar in '000)			Note	(Rupees in '000)	
		CASH FLOW FROM OPERATING ACTIVITIES			
18,789	3,110	Profit before taxation		5,262,977	871,288
(1,162)	(596)	Less: Dividend income		(325,395)	(166,988)
17,627	2,514			4,937,582	704,300
		Adjustments:			
530	421	Depreciation	10.1	148,532	117,886
120	126	Depreciation on right-of-use assets	10.1	33,550	35,413
25	4	Amortization	12	7,103	1,126
2,383	(582)	Credit loss allowance and write-offs	30	667,534	(162,919)
(3)	(3)	(Gain) on sale / disposal of property and equipment		(901)	(729)
154	126	liability against right-of-use assets	24	43,042	35,350
3	4	Finance charges on leased assets	28	959	1,033
(2,588)	(1,007)	Unrealised loss on held-for-trading securities	26	(724,872)	(282,156)
624	(911)			174,947	(254,996)
18,251	1,603			5,112,529	449,304
		(Increase) / Decrease in operating assets			
11,735	(11,735)	Lendings to financial institutions		3,287,200	(3,287,200)
(133,064)	68,927	Securities classified as FVPL		(37,274,295)	19,308,074
(19,624)	5,154	Advances		(5,497,080)	1,443,738
7,768	(237)	Other assets (excluding advance taxation)		2,176,064	(66,456)
(133,185)	62,109			(37,308,111)	17,398,156
		Increase / (decrease) in operating liabilities			
(364,481)	31,046	Borrowings		(102,099,611)	8,696,721
11,580	14,086	Deposits		3,243,784	3,945,867
(28,037)	21,123	Other liabilities (excluding current taxation)		(7,853,371)	5,916,566
(380,938)	66,255			(106,709,198)	18,559,154
(495,872)	129,967			(138,904,780)	36,406,614
(1,327)	(1,713)	Income tax paid		(371,841)	(479,989)
(497,199)	128,254	**Net cash flow generated (used in)/ from operating activities**		(139,276,621)	35,926,625
		CASH FLOW FROM INVESTING ACTIVITIES			
499,819	(125,475)	Net Investments in securities classified as FVOCI		140,010,714	(35,148,394)
-	-	Net Investments in amortized cost securities		-	-
-	(387)	Investments in associates		-	(108,340)
-	-	Investment in subsidiary		-	-
1,162	625	Dividend received		325,395	174,977
(365)	(1,004)	Investments in property and equipment		(102,230)	(281,163)
(120)	(36)	Intangible assets		(33,735)	(10,064)
75	29	Disposal of property and equipment		21,007	8,048
500,571	(126,248)	**Net cash flow from /(used in) investing activities**		140,221,151	(35,364,936)
		CASH FLOW FROM FINANCING ACTIVITIES			
(211)	123	Lease Liabilities		(59,084)	34,445
(988)	(1,208)	Dividend paid		(276,750)	(338,250)
(1,199)	(1,085)	**Net cash flow used in financing activities**		(335,834)	(303,805)
2,173	921	**Increase in cash and cash equivalents**		608,696	257,884
3,295	2,374	Cash and cash equivalents at beginning of the year	33	922,991	665,107
5,468	3,295	**Cash and cash equivalents at end of the year**	33	1,531,687	922,991

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

Nauman Ansari	**Muhammad Yousuf Amanullah**	**Al-Fadhal Abdallah Al-Omairi**	**Muhammad Asif**	**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, 2025

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 as applicable in Pakistan comprise of:

- IFRS Accounting Standards 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, directives and notification issued under the Banking Companies Ordinance, 1962;

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

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

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives and notifications issued by the SBP and the SECP differ with the requirements of IFRS Accounting Standards or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives andnotifications, 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. 280.1231 to 1 US Dollar has been used for 2025 and 2024 as it was the prevalent rate as on December 31, 2025.

2.4 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2025

The following stantdards, amendments and interpretations are effective for the year ended December 31, 2025. 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)
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

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 instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
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
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027

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

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

IFRS 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, 2027.

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
Current and deferred taxation	4.10, 13 & 31
Useful lives of fixed, right of use assets and intangible assets, Depreciation, amortisation and revaluation	4.5, 10, 11 & 12
Determination of lease term and borrowing rate	4.2 & 17.1
Non - banking assets acquired in satisfaction of claims	4.19 & 14
Defined benefit plan related assumptions	4.6 & 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 or loss account directly. Legal fees, transfer cost and direct cost of acquiring title of property is charged to profit or 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 or loss account under "fee 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 class of property and equipment and non-banking assets acquired in satisfaction of claims, which have been stated at revalued amounts less accumulated depreciation
'-Investments classified as FVTPL and FVOCI which are measured at fair value
'-Certain derivative financial instruments, including forward exchange contracts which have been stated at fair value

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 POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise cash and non-restricted balances with treasury banks, balances with other banks 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 are carried at

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 or 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 or 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 disposal 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 or 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 or 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 or 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, 2025.

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 or 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 or loss account.

4.9 Revenue recognition

Mark-up / return / interest income is recognised on an 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 or 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.

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 or 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

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is also recognized in other comprehensive income or directly in equity respectively.

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.

Levy

The Institute of Chartered Accountants of Pakistan has issued IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes and defined two approaches for bifurcation of tax between current and minimum taxes. Accordingly, the Company has accounting policy to recognise minimum tax or final tax if any on any amount over the current tax as levy under IAS-37 "Provisions, Contingent liabilities and Contingent assets" which was previously recognised as Income tax liabilities.

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, 2025.

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 at 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 initially measured 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 or 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 or 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 statement of financial position, 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 or 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 or loss account. Dividends are recognised in the unconsolidated profit or 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 statement of financial position at fair value. Changes in fair value are recorded in the unconsolidated profit or 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

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 or 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], 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 life time ECL 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 life time ECL. 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. The Company records an allowance for the life time ECL with PD set at 100%. Under SBP's instructions, until implementation of IFRS 9 has stabilized, Stage 3 allowance would be taken as as higher of IFRS 9 ECL or provision computed under Prudential Regulation

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 or 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.

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 or 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 or loss account directly. Legal fees, transfer cost and direct cost of acquiring title of property is charged to profit or 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	2025	2024
		(Rupees in '000)	
5 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		120	120
Foreign currencies	5.1	460	398
		580	518
With State Bank of Pakistan in			
Local currency current account	5.2	1,453,969	882,508
With National Bank of Pakistan in			
Local currency current account		67	113
Less: Credit loss allowance held against cash and balances with treasury banks		-	-
Cash and balance with treasury banks - net of credit loss allowance		1,454,616	883,139

5.1 This includes foreign currency units amounting to OMR 550 (2024: 550)

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

	Note	2025	2024
		(Rupees in '000)	
6 BALANCES WITH OTHER BANKS			
In Pakistan:			
In current account		44,167	12,759
In deposit account		3,954	2,688
		48,121	15,447
Outside Pakistan:			
In current accounts		28,950	24,405
In deposit account		-	-
		28,950	24,405
Less: Credit loss allowance held against balances with other banks		(1,265)	(1,843)
Balances with other banks - net of credit loss allowance		75,806	38,009

6.1 Credit loss allowance held against balances with other banks

	2025	2024
Opening balance	1,843	1,227
Charges / reversals		
Charge for the year	-	616
Reversals for the year	(578)	-
	(578)	616
Closing balance	1,265	1,843

7 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	2025	2024
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 (2024:13.8% to 13.90%) per annum and maturing (2024:from January 2025 to February 2025).

	2025	2024
	(Rupees in '000)	
7.2 Particulars of lendings		
In local currency	-	3,287,200

7.3 Securities held as collateral against Lending to financial institutions

	Note	2025 Held by the Company	2025 Further given as collateral	2025 Total	2024 Held by the Company	2024 Further given as collateral	2024 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

		2025		2024	
		Lending	Credit loss allowance held	Lending	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	-

	2025			
	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	-	-	-	-

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
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

	2025				2024			
	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	68,170,472	-	994,625	69,165,097	30,396,583	-	(4,423)	30,392,160
Non-Government debt securities	-	-	-	-	-	-	-	-
	68,170,472	-	994,625	69,165,097	30,396,583	-	(4,423)	30,392,160
Classified / Measured at FVOCI								
Federal Government securities	176,257,905	-	4,742,163	181,000,068	316,008,838	-	1,341,405	317,350,243
Non-Government debt securities	3,249,966	(621,678)	44,639	2,672,927	3,510,446	(536,912)	16,490	2,990,024
	179,507,871	(621,678)	4,786,802	183,672,995	319,519,284	(536,912)	1,357,895	320,340,267
Equity instruments								
Classified / Measured at FVTPL								
Listed shares	-	-	-	-	499,594	-	274,176	773,770
Classified / Measured at FVOCI								
Shares								
Listed shares	155,014	-	77,657	232,671	175,561	-	127,298	302,859
Unlisted shares	367,512	(132,963)	465,000	699,549	346,266	(111,717)	249,910	484,459
	522,526	(132,963)	542,657	932,220	521,827	(111,717)	377,208	787,318
Associates	791,407	(70,726)	-	720,681	791,407	(70,726)	-	720,681
Subsidiary	681,995	(486,622)	-	195,373	681,995	(286,622)	-	395,373
Total Investments	249,674,271	(1,311,989)	6,324,084	254,686,366	352,410,690	(1,005,977)	2,004,856	353,409,569

8.2 Investments by segments

	2025				2024			
	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	417,455	-	2,090	419,545	24,070,872	-	35,892	24,106,764
Pakistan Investment Bonds	244,010,922	-	5,734,698	249,745,620	322,334,549	-	1,301,090	323,635,639
Ijara Sukuk	-	-	-	-	-	-	-	-
	244,428,377	-	5,736,788	250,165,165	346,405,421	-	1,336,982	347,742,403
Shares								
Listed companies	155,014	-	77,657	232,671	675,155	-	401,474	1,076,629
Unlisted companies	367,512	(132,963)	465,000	699,549	346,266	(111,717)	249,910	484,459
	522,526	(132,963)	542,657	932,220	1,021,421	(111,717)	651,384	1,561,088
Non-Government debt securities								
Term finance certificate - listed	316,782	(216,782)	849	100,849	216,783	(192,336)	-	24,447
Term finance certificate - unlisted	2,318,220	(136,392)	29,754	2,211,582	2,527,446	(84,002)	4,514	2,447,958
Sukuk certificates	614,964	(268,504)	14,036	360,496	766,217	(260,574)	11,976	517,619
Commercial papers	-	-	-	-	-	-	-	-
	3,249,966	(621,678)	44,639	2,672,927	3,510,446	(536,912)	16,490	2,990,024
Associates								
Japan Power Generation Limited	70,726	(70,726)	-	-	70,726	(70,726)	-	-
Pak Oman Advantage Islamic Income Fund	34,107	-	-	34,107	34,107	-	-	34,107
Pak Oman Islamic Asset Allocation Fund	120,128	-	-	120,128	120,128	-	-	120,128
Pak Oman Advantage Asset Allocation Fund	133,455	-	-	133,455	133,455	-	-	133,455
Askari High Yield Scheme	116,408	-	-	116,408	116,408	-	-	116,408
Askari Cash Fund	138,496	-	-	138,496	138,496	-	-	138,496
Pak Oman Daily Dividend Fund	61,796	-	-	61,796	61,796	-	-	61,796
Pak Oman Government Securities Fund	116,291	-	-	116,291	116,291	-	-	116,291
	791,407	(70,726)	-	720,681	791,407	(70,726)	-	720,681
Subsidiary								
Pak Oman Asset Management Company Limited	681,995	(486,622)	-	195,373	681,995	(286,622)	-	395,373
Total investments	249,674,271	(1,311,989)	6,324,084	254,686,366	352,410,690	(1,005,977)	2,004,856	353,409,569

8.2.1 Investments given as collateral

	2025				2024			
	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
Pakistan Investment Bonds	178,168,827	-	3,878,370	182,047,197	292,990,383	-	875,187	293,865,570
	178,168,827	-	3,878,370	182,047,197	297,758,828	-	897,786	298,656,614
Shares								
- Unlisted companies	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Associates								
Japan Power Generation Limited	70,726	(70,726)	-	-	70,726	(70,726)	-	-
Total investments	178,239,553	(70,726)	3,878,370	182,047,197	297,829,554	(70,726)	897,786	298,656,614

8.3 Credit loss allowance for diminution in value of investments

	2025	2024
	(Rupees in '000)	
8.3.1 Opening balance	1,005,977	906,393
Charges / reversals		
Charge for the year	308,807	99,919
Reversals for the year	(2,795)	(335)
	306,012	99,584
Transfers - net	-	-
Closing balance	1,311,989	1,005,977

8.3.2 Particulars of credit loss allowance against debt securities

		2025		2024	
		Outstanding amount	Credit loss allowance	NPI	Provision
		(Rupees in '000)			
Domestic					
Performing	**Stage 1**	2,586,857	29,754	2,808,424	8,863
Underperforming	**Stage 2**	89,833	18,648	107,500	7,012
Non-performing	**Stage 3**				
Substandard		-	-	149,850	76,365
Doubtful		-	-	-	-
Loss		573,276	573,276	444,672	444,672
		3,249,966	621,678	3,510,446	536,912
Total		3,249,966	621,678	3,510,446	536,912

8.3.3 The Company does not hold overseas classified debt securities.

8.3.4 Particlurs of credit loss allowance

8.3.4.1 Investments - exposure

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	------------- Rupees in '000 ------------					
Opening balance	2,808,424	107,500	594,522	2,999,855	219,850	444,672
New investments	100,000	-	-	199,800	-	-
Investments derecognised or repaid	(301,734)	(37,500)	(21,246)	(353,731)	-	-
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	(19,833)	19,833	-	(37,500)	37,500	-
Transfer to stage 3	-	-	-	-	(149,850)	149,850
	(221,567)	(17,667)	(21,246)	(191,431)	(112,350)	149,850
Amounts written off / charged Off	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Closing balance	2,586,857	89,833	573,276	2,808,424	107,500	594,522

8.3.4.2 Investments - Credit loss allowance

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	------------- Rupees in '000 ------------					
Gross carrying amount - Current year	8,863	7,012	521,037	4,118	8,986	424,224
New investments	23,429	-	-	5,149		
Investments derecognised or repaid	(2,076)	(718)	(21,246)	(335)	-	-
Transfer to stage 1	-	-	-			
Transfer to stage 2	(462)	462	-	(69)	69	-
Transfer to stage 3	-	-	-		(4,342)	4,341
	20,891	(256)	(21,246)	4,745	(4,273)	4,341
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	11,892	73,485	-	2,299	92,472
Changes	-	-	-	-	-	-
Closing balance - Current year	29,754	18,648	573,276	8,863	7,012	521,037

8.4 Quality of securities

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

	Note	2025	2024
		Cost	
		(Rupees in '000)	
Federal Government securities - Government guaranteed			
Pakistan Investment Bonds	8.7	176,257,905	311,240,857
Market Treasury Bills	8.8	-	4,767,981
		176,257,905	316,008,838
Shares			
Listed companies			
Commercial Banks		79,550	62,447
Fertilizer		55,128	47,569
Power Generation & Distribution		-	-
Oil & Gas Exploration Companies		20,336	65,545
		155,014	175,561

	2025		2024	
	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 Limitec	20,266	8,549	20,266	8,549
Orient Power Company (Private) Limited	226,000	691,000	226,000	475,910
Agritech Ltd - preference shares	21,246	-	-	-
	367,512	699,549	346,266	484,459

	2025	2024
	Cost	
	(Rupees in '000)	
Non Government debt securities		
Categorization based on long-term rating by credit rating agency		
Listed		
- AAA	-	-
- AA+, AA, AA-	100,000	-
- A+, A, A-	-	-
- B+, B, B-	49,851	49,851
- CCC and below	166,932	166,932
	316,783	216,783
Unlisted		
- AAA	150,000	150,000
- AA+, AA, AA-	1,723,640	1,424,400
- A+, A, A-	703,049	1,341,523
- BB+, BB, BB-	-	-
- B+, B, B-	-	-
- CCC and below	356,494	377,740
	2,933,183	3,293,663
	3,249,966	3,510,446

8.5 Investment in associates

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

	2025	2024	2025	2024	Holding	Break-up value per share / unit / NAV	Latest available 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%	Not Available	Not Available	
Pak Oman Islamic Asset Allocation Fund	3,060,081	3,060,081	120,128	120,128	96.75%	48.77	31-Dec-25*	Ms. Sadaf Kazmi
Pak Oman Advantage Asset Allocation Fund	3,334,799	3,334,799	133,455	133,455	99.47%	50.34	31-Dec-25*	Ms. Sadaf Kazmi
Pak Oman Advantage Islamic Income Fund	639,728	639,728	34,107	34,107	37.99%	55.11	31-Dec-25*	Ms. Sadaf Kazmi
Askari High Yield Scheme	1,120,687	1,120,687	116,408	116,408	41.40%	108.02	31-Dec-25*	Ms. Sadaf Kazmi
Askari Cash Fund	1,345,482	1,345,482	138,496	138,496	35.36%	108.43	31-Dec-25*	Ms. Sadaf Kazmi
Pak Oman Daily Dividend Fund	7,061,718	6,744,445	61,796	61,796	99.62%	10.00	31-Dec-25*	Ms. Sadaf Kazmi
Pak Oman Income Fund (Formerly Pak Oman Government Securities Fund)	10,716,913	10,716,913	116,291	116,291	58.65%	11.34	31-Dec-25*	Ms. Sadaf Kazmi
			791,407	791,407				

*Published Net Asset Value

8.5.3 The above associates are incorporated in Pakistan.

8.6 Investment in subsidiary

	2025	2024	2025	2024	%	(Rupees)		
	Number of shares		(Rupees in '000)					
Pak Oman Asset Management Company Limited (note 8.6.2)	1,176,603,212	1,176,603,212	681,995	681,995	99.46%	0.171	31-Dec-25	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 assets in accordance with the requirements of International Accounting Standard (IAS) - 36 “Impairment of Assets”. The key assumptions used for the purpose of the assessing the recoverable amounts are as under:

	2025
Terminal Growth	3.20%
Beta	1
Market premium	2.58%
5-yr PIB	10.81%
Cost of equity	13.39%

8.7 The investments in Pakistan investment bonds are maturing upto July 2035 (2024: November 2031) and the effective yield ranges from 9.96% to 16.50% (2024: 9.78% to 20.9%) per annum.

8.8 Investment bonds carry yield ranging 11.30% (2024: 21.27% to 21.43%) per annum with maturities upto August 2026 (2024: December 2025).

9 ADVANCES

	Note	Performing 2025	Performing 2024	Non-performing 2025	Non-performing 2024	Total 2025	Total 2024
		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	
Loans, cash credits, running finances, etc.	9.1 & 9.3	18,985,005	12,954,476	2,721,970	2,908,867	21,706,975	15,863,343
Margin trading		1,445,413	1,906,484	-	-	1,445,413	1,906,484
Advances - gross		20,430,418	14,860,960	2,721,970	2,908,867	23,152,388	17,769,827
Credit loss against advances							
Stage 1		146,418	34,712	-	-	146,418	34,712
Stage 2		168,234	122,487	-	-	168,234	122,487
Stage 3	9.8	-	-	2,671,646	2,597,798	2,671,646	2,597,798
		314,652	157,199	2,671,646	2,597,798	2,986,298	2,754,997
Advances - net of credit allowance		20,115,766	14,703,761	50,324	311,069	20,166,090	15,014,830

	2025			2024		
	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)					
9.1 Includes Net Investment in Finance Lease as disclosed below:						
Lease rentals receivable	616,504	1,143,306	1,759,810	619,638	417,987	1,037,625
Residual value	67,672	333,077	400,749	119,092	71,490	190,582
Minimum lease payments	684,176	1,476,383	2,160,559	738,730	489,477	1,228,207
Financial charges for future periods	(151,471)	(228,333)	(379,804)	(99,837)	(130,932)	(230,769)
Present value of minimum lease payments	532,705	1,248,050	1,780,755	638,893	358,545	997,438

9.1.1 In respect of the aforementioned finance leases the Company holds an aggregate sum of Rs. 370.749 million (2024: Rs. 190.582 million) as security deposits on behalf of the lessees which are included under 'other liabilities' (note 18).

	2025	2024
	(Rupees in '000)	
9.2 Particulars of advances (Gross)		
In local currency	23,152,388	17,769,827

9.3 Staff loans include personal loans and house loans amounting to Rs. 154.740 million (2024: 142.741 million) given to employees in accordance with their terms of appointment. House loans carry mark-up at a rate of 5 (2024: 5) percent per annum, while no mark-up is charged on personal loans.

9.4 Advances - Exposure

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	13,878,950	982,010	2,908,867	17,769,827	13,489,847	3,192,430	2,535,945	19,218,222
New Advances	8,366,768	-	-	8,366,768	4,711,220	-	-	4,711,220
Advances derecognised or repaid	(2,530,481)	(176,322)	(277,404)	(2,984,207)	(4,222,117)	(1,722,173)	(210,668)	(6,154,958)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	(226,027)	226,027	-	-	-	180,936	(180,936)	-
Transfer to stage 3	(90,507)	-	90,507	-	(100,000)	(669,183)	769,183	-
	5,519,753	49,705	(186,897)	5,382,561	389,103	(2,210,420)	377,579	(1,443,738)
Amounts written off / charged off	-	-	-	-	-		(4,657)	(4,657)
Changes in risk parameters	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-		-	-
Closing balance	19,398,703	1,031,715	2,721,970	23,152,388	13,878,950	982,010	2,908,867	17,769,827

9.5 Advances - Particulars of credit loss allowance

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253
New Advances	119,457	-	-	119,457	26,267	-	-	26,267
Advances derecognised or repaid	(5,255)	-	(184,170)	(189,425)	(1,932)	(341,444)	(180,610)	(523,986)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	(2,001)	2,001	-	-	-	150,740	(150,740)	-
Transfer to stage 3	(495)	-	495	-	(66)	(242,601)	242,667	-
	111,706	2,001	(183,675)	(69,968)	24,269	(433,305)	(88,683)	(497,719)
Amounts written off / charged off	-	-	-	-	-	-	(4,657)	(4,657)
Changes in risk parameters	-	43,746	257,523	301,269	-	(120,794)	339,914	219,120
Other changes	-	-	-	-	-		-	-
Closing balance	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997

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

	2025 Stage 1	2025 Stage 2	2025 Stage 3	2025 Total	2024 Stage 1	2024 Stage 2	2024 Stage 3	2024 Total
	(Rupees in '000)				(Rupees in '000)			
Outstanding gross exposure								
Performing - Stage 1								
ORR 1 to 9	19,398,703	-	-	19,398,703	13,878,950	-	-	13,878,950
Under Performing - Stage 2								
ORR 1 to 9	-	1,031,715	-	1,031,715	-	982,010	-	982,010
Non-perfroming - Stage 3								
Other assets especially mentioned	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	473,184	473,184
Doubtful	-	-	153,500	153,500	-	-	121,517	121,517
Loss	-	-	2,568,470	2,568,470	-	-	2,314,166	2,314,166
	-	-	2,721,970	2,721,970	-	-	2,908,867	2,908,867
Total	19,398,703	1,031,715	2,721,970	23,152,388	13,878,950	982,010	2,908,867	17,769,827
Corresponding ECL								
Stage 1 and stage 2	146,418	168,234	-	314,652	34,712	122,487	-	157,199
Stage 3	-	-	2,671,646	2,671,646	-	-	2,597,798	2,597,798
	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997

9.7 Advances include Rs. 2,721.970 million (2024: Rs2.908.867 million) which have been placed under non-performing status as detailed below:

Category of Classification	2025 Non-performing loans	2025 Credit loss allowance	2024 Non-performing loans	2024 Provision
	(Rupees in '000)			
Domestic				
Other assets especially mentioned	-	-	-	
Substandard	-	-	473,184	344,707
Doubtful	153,500	122,800	121,517	97,214
Loss	2,568,470	2,548,846	2,314,166	2,155,877
	2,721,970	2,671,646	2,908,867	2,597,798

9.7.1 Provision is recorded net of security deposit of Rs. 6.393 million (2024: Rs. 6.393 million).

9.8 Particulars of credit loss allowance against advances

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253
Charge for the year	119,456	45,747	258,018	423,221	26,267	29,946	582,581	638,794
Reversals	(7,750)	-	(184,170)	(191,920)	(1,998)	(584,045)	(331,350)	(917,393)
	111,706	45,747	73,848	231,301	24,269	(554,099)	251,231	(278,599)
Amounts written off	-	-	-	-	-	-	(4,657)	(4,657)
Closing balance	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997

9.8.1 Particulars of credit loss against advances

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
In local currency	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997
	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997

9.9 The Company does not hold overseas classified advances.

9.10 Particulars of write offs

		2025	2024
		(Rupees in '000)	
9.10.1 Against provisions			
Directly charged to profit or loss account	-	-	-

10 PROPERTY AND EQUIPMENTS

	Note	(Rupees in '000)	
Property and equipments	10.1	934,007	847,413
Advance for capital expenditure		2,048	155,050
		936,055	1,002,463

10.1 Property and Equipment

	2025							
	Office premises*	Improvement	Office equipment	Computer equipment	Furniture and fixture	Vehicles	Assets held under finance lease - Vehicle	Total
	------ (Rupees in '000) ------							
As at January 01, 2025								
Cost	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
Year ended December 31, 2025								
Opening net book value	633,035	11,906	6,098	33,831	25,379	135,855	1,309	847,413
Additions	-	164,708	23,654	19,411	1,026	46,433	-	255,232
Movement in surplus on assets revalued during the year	-	-	-	-	-	-	-	-
Transfer from Non-banking assets	-	-	-	-	-	-	-	-
Disposals	-	(6,618)	(1,449)	(635)	(130)	(11,274)	-	(20,106)
Depreciation charge	(37,612)	(20,158)	(7,046)	(18,248)	(5,736)	(58,610)	(1,122)	(148,532)
Closing net book value	595,423	149,838	21,257	34,359	20,539	112,404	187	934,007
As at December 31, 2025								
Cost / Revalued amount	752,427	172,236	31,008	72,308	32,106	247,252	5,608	1,312,945
Accumulated depreciation	(157,004)	(22,398)	(9,751)	(37,949)	(11,567)	(134,848)	(5,421)	(378,938)
Net book value	595,423	149,838	21,257	34,359	20,539	112,404	187	934,007
Rate of depreciation (percentage)	5%	10%	20%	33.33%	20%	20%	20%	

	Note	Office premises *	Improvement	Office equipment	Computer equipment	Furniture and fixture	Vehicles	Assets held under finance lease - Vehicle	Total
		2024							
		(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%	

* 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. 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:

	2025	2024
	(Rupees in '000)	
Improvement	364	1,704
Office equipment	2,048	7,155
Computer equipment	10,752	16,989
Furniture and fixture	3,681	10,083
Vehicles	12,181	3,461
	29,026	39,392

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							
Kia Sportage	3,567	3,448	119	713	594	Company policy	Mr. Muhammad Sajjad Arif (Executive)
Kia Sportage	3,567	3,448	119	713	594	Company policy	Mr. Tasadduq Aslam (Executive)
Kia Sportage	8,632	2,734	5,898	6,200	302	Company policy	Mr. Muhammad Zalmai R. Khan (Former Executive)
Kia Sportage	3,600	2,520	1,080	2,402	1,322	Company policy	Mr. Muhammad Saeed Rana (Former Executive)
Toyota Fortuner	5,600	5,600	-	1,120	1,120	Company policy	Mr. Syed Muhammad Shoaib Omair (Executive)
	24,966	17,750	7,216	11,148	3,932		
Furniture and fixture	250	250	-	-	-	Company policy	Mr. Muhammad Zalmai R. Khan (Former Executive)
Furniture and fixture	100	43	57	57	-	Company policy	Mr. Shoaib Iqbal (Former Executive)
Furniture and fixture	150	150	-	-	-	Company policy	Mr. Faraz Sajid Khan (Former Executive)
Furniture and fixture	250	222	28	28	-	Company policy	Mr. Muhammad Saeed Rana (Former Executive)
Furniture and fixture	100	55	45	45	-	Company policy	Mr. Syed Mohsin Raza (Former Executive)
	850	720	130	130	-		
Mobile Phone	350	136	214	228	14	Company policy	Mr. Muhammad Zalmai R. Khan (Former Executive)
Laptop	319	115	204	204	-	Company policy	Mr. Muhammad Zalmai R. Khan (Former Executive)
Others	61,803	49,461	12,342	9,297	(3,045)		
	88,288	68,182	20,106	21,007	901		

		2025	2024
		(Rupees in '000)	
11	**RIGHT-OF-USE-ASSETS**		
	As at January 01,		
	Cost	212,037	160,286
	Accumulated depreciation	(51,390)	(73,197)
	Net Carrying amount at January 01,	160,647	87,089
	Additions during the year	7,718	134,680
	Deletions during the year		
	Cost	(9,689)	(82,929)
	Accumulated depreciation	4,732	57,220
		(4,957)	(25,709)
	Depreciation Charge for the year	(33,550)	(35,413)
	Net Carrying amount As at December 31,	129,858	160,647
	As at December 31,		
	Cost	210,066	212,037
	Accumulated depreciation	(80,208)	(51,390)
	Net Carrying amount As at December 31,	129,858	160,647
	Rate of depreciation (percentage)	10%	10%
12	**INTANGIBLE ASSETS**		
	Computer Software		
	As at January 01		
	Cost	20,420	10,356
	Accumulated amortisation	(11,482)	(10,356)
	Net book value	8,938	-
	Year ended December 31		
	Opening net book value	8,938	-
	Additions	33,735	10,064
	Deletions during the year		
	Cost	(5,773)	-
	Accumulated amortisation	5,773	-
		-	-
	Amortisation charge	(7,103)	(1,126)
	Closing net book value	35,570	8,938
	As at December 31		
	Cost	48,382	20,420
	Accumulated amortisation	(12,812)	(11,482)
	Net book value	35,570	8,938
	Rate of amortisation	33%	33%

13 DEFERRED TAX ASSETS / (LIABILITIES)

	January 01, 2025	Recognized in		December 31, 2025
		Profit and loss account	Recognised in OCI	
	-----------------------------(Rupees in '000)	-----------------------------		
Deductible Temporary Differences on				
Credit loss allowance against investments and others	372,158	163,431	-	535,589
Assets subject to finance lease	1	29	-	30
Amortisation of premium on Federal Government securities	686	(566)	-	120
Credit loss allowances against advances	1,074,449	90,208	-	1,164,657
Difference of Corporte tax & ACT & Minimum Tax	130,928	(130,928)	-	-
Accelerated tax depreciation allowances	44,785	28,502	-	73,287
	1,623,007	150,676	-	1,773,683
Taxable Temporary Differences on				
Net investment in finance lease	42,866	(42,834)	-	32
Revaluation on investments classified as FVTPL	(66,819)	(321,085)	-	(387,904)
Revaluation on investments classified as FVTOCI	(658,869)	-	(1,408,748)	(2,067,617)
Revaluation on fixed asset / non-banking assets	(254,614)	7,331	3	(247,280)
Dividend receivables	-	-	-	-
	(937,436)	(356,588)	(1,408,745)	(2,702,769)
	685,571	(205,912)	(1,408,745)	(929,086)

	January 01, 2024	Recognized in Profit and loss account	Recognised in OCI	December 31, 2024
	---------------------------------(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 held-for-trading	4,837	(71,656)	-	(66,819)
Revaluation on investments classified as available-for-sale	(75,043)	-	(583,826)	(658,869)
Revaluation on fixed assets / 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

14 OTHER ASSETS

	Note	2025	2024
		(Rupees in '000)	
Income/ mark-up accrued in local currency		4,083,313	7,471,230
Dividend income receivable		-	-
Mark-up / profit receivable on purchase of securities		2,067,109	860,611
Security deposits		15,567	14,724
Prepayments		43,129	35,897
Prepaid staff cost		47,907	54,738
Receivable against sale of investments		-	-
Advance taxation (payments less provisions)		1,896,086	3,359,667
Non-banking assets acquired in satisfaction of claims	14.1	543,750	543,750
Defined benefit plan	35.2	1,731	-
Deferred Fair value loss	14.3	97,341	-
Others		6,661	4,281
		8,802,594	12,344,898
Less: Credit loss allowance held against other assets		-	-
Other assets (net of credit loss allowance)		8,802,594	12,344,898
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	14.1	281,250	281,250
Other assets - total		9,083,844	12,626,148

14.1 Non-banking assets acquired in satisfaction of claims

	2025	2024
Opening balance	825,000	-
Additions	-	543,750
Revaluation	-	281,250
Depreciation	-	-
Disposals	-	-
Transfer to fixed assets	-	-
Impairment	-	-
Closing balance	825,000	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 (2024: Rs 281.250).

14.3 This represents deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its letter dated August 01, 2024 has allowed staggering of such fair value impact over the period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6.

	Note	2025	2024
		(Rupees in '000)	
15 BORROWINGS			
Secured			
Borrowings from the State Bank of Pakistan:	15.2		
- Long term financing facility (LTFF)		1,162,786	1,583,576
- Financing Scheme for Renewable Energy (REF)		168,577	197,756
- Financing facility for storage of agricultural produce (FFSAP)		13,462	21,154
- Temporary Economic Refinance Facility (TERF)		124,734	159,420
Repurchase agreement borrowings	15.3	130,355,828	-
Long term borrowings	15.4	1,316,662	3,091,768
Short term loan / running finance	15.5	50,010,012	275,036,921
Bai Muajjal	15.6	-	22,935,065
Total secured		183,152,061	303,025,660
Unsecured			
Placements	15.7	4,000,000	-
Murabaha financing	15.8	60,336,293	46,562,305
Total unsecured		64,336,293	46,562,305
		247,488,354	349,587,965

15.1 Particulars of borrowings with respect to currencies

In local currency	247,488,354	349,587,965

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% (2024: 1% to 8%) per annum. These are repayable within 7 years (2024: 10 years). No securities have been pledged against this facilities.

15.3 The mark up rate on these repurchase agreement borrowings, maturing in January 2026, ranges between 10.59% to 11.45% per annum. Securities having cost of Rs 128 million (2024: NIL 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 10.51% to 11.42% (2024: 11.49% to 13.30%). The above facility are secured against government securities and loans and advances receivables (2024: loan and advances receivable).

15.6 The mark up rate on these Bai Muajjal secured against government securities, maturing from (2024: January 2025 to February 2025) is NIL (2024: 12% to 15.75%) per annum.

15.7 The mark up rate on these placement financing maturing in January 2026 is 10.52% No securities have been pledged against this facilities.

15.8 The mark up rate on these murabaha financing, maturing from January 2026 to April 2026 (2024: January 2025 to June 2025) is from 10.30% to 10.90% (2024: 11.50% to 15.05%) per annum. No securities have been pledged against this facilities.

16 DEPOSITS AND OTHER ACCOUNTS

	Note	2025 In local currency	2025 Total	2024 In local currency	2024 Total
		(Rupees in '000)			
Certificates of investment					
Financial institutions		7,973,000	7,973,000	179,500	179,500
Others		11,435,066	11,435,066	15,984,782	15,984,782
	16.1 &16.2	19,408,066	19,408,066	16,164,282	16,164,282

16.1 The rate of return on deposits maturing between January 2026 to December 2026 (2024: January 2025 to December 2025) ranges between 9.11% to 11.43% (2024: 10.93% to 21%) per annum.

16.2 Composition of deposits

	2025	2024
	(Rupees in '000)	
Individuals	1,323,343	2,124,499
Government (Federal and Provincial)	2,634,650	4,677,739
Banking Companies	-	-
Non-Banking Financial Institutions	8,048,000	106,000
Private Sector	7,402,073	9,256,044
	19,408,066	16,164,282

17 LEASE LIABILITIES

	Note	2025	2024
Lease liability against right-of-use assets		173,951	187,986
Liabilities against assets subject to finance lease		264	1,312
	17.1	174,215	189,298

17.1 Lease liability against right-of-use assets

	2025	2024
As at January 01,	187,986	116,203
Additions	7,718	134,680
Deletion	(7,525)	(50,069)
Finance charges	43,042	35,350
Payments	(57,270)	(48,178)
As at December 31,	173,951	187,986

	2025	2024
	(Rupees in '000)	
Contactual maturity of lease laibilities		
Short-term lease liabilities - within one year	28,148	18,383
Long-term lease liabilities		
- 1 to 5 years	134,992	154,654
- 5 to 10 years	10,811	14,949
- More than 10 years	-	-
	145,803	169,603
Total lease liabilities	173,951	187,986

17.2 Liabilities against assets subject to finance lease

	2025			2024		
	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	379	115	264	1,124	76	1,048
Later than one year and upto five years	-	-	-	269	5	264
	379	115	264	1,393	81	1,312

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% (2024: 9.17%) per annum.

18 OTHER LIABILITIES

	Note	2025	2024
		(Rupees in '000)	
Mark-up/ return/ interest payable in local currency		1,979,624	10,273,614
Accrued expenses		766,474	481,496
Defined benefit plan liabilities	35.2	-	28,008
Security deposits against investment in finance lease	9.1.1	370,750	190,582
Taxation		-	-
Payable against purchase of investments		-	-
Withholding tax and sales tax payable		7,651	12,271
Credit loss allowances against off-balance sheet obligations	18.1	130,780	17,159
Others		109,461	99,329
		3,364,740	11,102,459

	2025	2024
	(Rupees in '000)	

18.1 Credit loss allowance against off-balance sheet obligations

	2025	2024
Opening balance	17,159	1,679
Exchange adjustment	-	-
Charge for the year	113,621	15,480
Reversals	-	-
	113,621	15,480
Amount written off	-	-
Closing balance	130,780	17,159

19 SHARE CAPITAL

19.1 Authorized Capital

2025	2024		2025	2024
(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

2025	2024		2025	2024
(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.

	Note	2025	2024
		(Rupees in '000)	

20 RESERVES

	Note	2025	2024
Statutory reserve	20.1	2,507,509	1,863,123
General reserve		-	-
		2,507,509	1,863,123

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	2025	2024
Surplus / (Deficit) on revaluation of:			
- Securities measured at FVOCI - Debt		4,786,802	1,357,895
- Securities measured at FVOCI - Equity		542,657	377,208
- Property and Equipment		430,069	452,420
- Non-banking assets acquired in satisfaction of claims	21.1	281,250	281,250
		6,040,778	2,468,773
Deferred tax (Liability) on surplus on revaluation of:			
- Securities measured at FVOCI - Debt		(1,866,853)	(529,579)
- Securities measured at FVOCI - Equity		(200,764)	(129,290)
- Property and Equipment		(167,727)	(176,444)
- Non-banking assets acquired in satisfaction of claims	21.1	(109,687)	(109,687)
		(2,345,031)	(945,000)
		3,695,747	1,523,773

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

	2025	2024
Surplus on revaluation as at January 01	281,250	-
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	281,250

	Note	2025	2024
		(Rupees in '000)	
Less: related deferred tax liability on:			
Revaluation as at January 01		(109,687)	-
Revaluation recognised during the year		-	(109,687)
Incremental depreciation charged during the year		-	-
Transfer to fixed assets		-	-
		(109,687)	(109,687)
		171,563	171,563

21.2 Surplus on revaluation of fixed assets

	2025	2024
Surplus on revaluation as at January 01	452,420	474,758
Recognised during the year	-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(22,351)	(22,338)
Transfer from non-banking assets	-	-
	430,069	452,420
Less: related deferred tax liability on:		
Revaluation as at January 01,	(176,444)	(185,156)
Revaluation recognised during the year	-	-
Incremental depreciation charged during the year	8,717	8,712
Transfer from non-banking assets	-	-
	(167,727)	(176,444)
	262,342	275,976

22 CONTINGENCIES AND COMMITMENTS

	Note	2025	2024
Guarantees	22.1	4,279,582	3,898,167
Commitments	22.2	10,374,065	1,397,184
Other contingent liabilities	22.3	70,726	70,726
		14,724,373	5,366,077

22.1 Guarantees:

	2025	2024
Performance guarantees	3,088,250	3,066,250
Financial guarantees	1,191,332	831,917
	4,279,582	3,898,167

	Note	2025	2024
		(Rupees in '000)	

22.2 Commitments:

Commitments in respect of:			
forward government securities transactions		5,083,020	-
Purchase of Government securities		-	-
Sale of Government securities		5,083,020	-
Commitments for:		4,747,295	853,434
advances		543,750	543,750
Sale of non-banking assets		10,374,065	1,397,184

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 (2024: 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

On:		
Loans and advances	1,894,891	2,330,964
Investments	35,640,084	69,053,471
Lendings to financial institutions	509,257	926,961
Balances with banks	12,246	12,179
	38,056,478	72,323,575

24 MARK-UP / RETURN / INTEREST EXPENSED

Deposits	1,667,144	2,772,779
Borrowings	30,274,273	68,662,231
Lease liability against right-of-use assets	43,042	35,350
	31,984,459	71,470,360

	Note	2025	2024
		(Rupees in '000)	

25 FEE AND COMMISSION INCOME

Credit related fees		40,772	26,827
Investment banking fees		59,932	34,591
Commission on guarantees		59,425	24,399
		160,129	85,817

26 GAIN/(LOSS) ON SECURITIES

Realised	26.1	282,223	509,795
Unrealised - FVPL		724,872	282,156
		1,007,095	791,951

26.1 Realised (loss)/gain on:

Federal Government securities		(432,340)	361,131
Non-Government debt securities		-	-
Mutual funds		-	109,026
Shares		714,563	39,638
		282,223	509,795

27 OTHER INCOME

Gain on sale of property and equipment - net		901	729
Gain on derecognition of right-of-use assets - net		2,568	24,360
Rental income		41,133	9,894
		44,602	34,983

28 OPERATING EXPENSES

Total compensation expense	28.1	1,039,088	665,532
Property expense			
Rent and taxes		-	-
Utilities cost		6,586	12,261
Security		1,281	1,291
Repair and maintenance		45,505	40,331
Depreciation on right-of-use assets	11	33,550	35,413
Depreciation on improvements	10.1	20,158	3,313
Depreciation on office premises	10.1	37,612	37,605
		144,692	130,214

	Note	2025	2024
		(Rupees in '000)	
Information technology expenses			
Software maintenance		1,126	976
Hardware maintenance		357	-
Depreciation on computer equipment	10.1	18,248	12,158
Amortisation	12	7,103	1,126
Network charges		5,664	4,655
Others		5,440	5,189
		37,938	24,104
Other operating expenses			
Directors' fees and allowances		25,500	27,075
Legal and professional charges		39,246	49,239
Travelling and conveyance		20,383	16,147
Depreciation		72,514	64,810
Training and development		6,085	3,349
Postage and courier charges		525	444
Communication		21,474	60,405
Stationery and printing		3,653	3,891
Marketing, advertisement & publicity		7,475	3,302
Donations	28.2	4,560	-
Auditors' remuneration	28.3	4,839	4,751
Membership and subscriptions		4,874	6,061
Transportation		5,837	7,180
Insurance		7,148	4,981
Finance charges on leased assets		959	1,033
Entertainment and canteen expenses		7,812	5,069
Maintenance charges - Non-banking assets		-	-
Others		7,637	10,189
		240,521	267,926
Total operating expenses		1,462,239	1,087,776

	Note	2025	2024
		(Rupees in '000)	

28.1 Total compensation expenses

	Note	2025	2024
Employees' remuneration			
i) Fixed		577,240	477,975
ii) Variable			
of which;			
Cash bonus / awards etc		319,623	76,891
Charge for defined benefit plan	35.6.1	35,462	27,344
Contribution to defined contribution plan		31,785	26,526
Utilities		4,299	4,688
Medical		25,134	20,463
Others		45,545	31,645
Grand total		1,039,088	665,532

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

	2025	2024
Layton Rahmatulla Benevolent Trust (LRBT)	500	-
Karachi Vocational Training Centre (KVTC)	1,560	-
The Kidney Centre	2,500	-
	4,560	-

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 Auditor's remuneration

	2025	2024
Audit fee	2,339	2,216
Half yearly review	935	850
Special certifications and sundry advisory services	1,253	1,401
Out-of-pocket expenses	312	284
	4,839	4,751

29 OTHER CHARGES

	2025	2024
Penalties imposed by State Bank of Pakistan	174	-
Minimum tax differential	-	60,399
Fees, commission and other brokerage charges	108,908	57,776
	109,082	118,175

	Note	2025	2024
		(Rupees in '000)	

30 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

	Note	2025	2024
Credit loss / (reversal) allowance for diminution in value of investments	8.3.1	306,012	99,584
Credit loss / (reversal) allowance against loans & advances	9.8	231,301	(278,599)
Credit loss / (reversal) allowance against balances with other banks		(578)	616
Credit loss / (reversal) allowance against lendings to FIs		-	-
Credit loss / (reversal) allowance against off-balance sheet items		113,621	15,480
Modification loss		17,178	-
		667,534	(162,919)

31 TAXATION

	2025	2024
Current	1,835,137	296,669
Prior years	-	-
Deferred	205,909	17,408
	2,041,046	314,077

31.1 Relationship between tax expense and accounting profit

	2025	2024
Profit before taxation	5,262,977	871,288
Tax at the applicable rate of 39%	2,052,561	339,802
Tax effect of income taxed at reduced rate	(18,455)	(38,178)
Prior year	-	-
Others	6,940	12,453
	2,041,046	314,077

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.

	Note	2025	2024
		(Rupees in '000)	
32 BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the year		3,221,931	557,211
		2025	**2024**
		Numbers in '000	
Weighted average number of ordinary shares in issue		615,000	615,000
Basic and diluted earnings per share		5.24	0.91

32.1 There were no convertible dilutive potential ordinary shares outstanding on December 31,2025 and 2024.

33 CASH AND CASH EQUIVALENTS	Note	2025	2024
Cash and balances with treasury banks	5	1,454,616	883,139
Balances with other banks	6	77,071	39,852
		1,531,687	922,991

34 STAFF STRENGTH		(Number)	
Permanent		97	100
Temporary / contractual		8	5
Total staff strength		105	105

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.

	2025	**2024**
	(Number)	
Number of employees under the scheme		
The number of employees covered under the following defined benefit schemes are:		
Gratuity fund	97	100

35.1.1 Principal actuarial assumptions

The latest actuarial valuation for defined benefit plan scheme was carried out as at 31 December 2025 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

Discount rate	11.00	12.25
Expected short term rate of increase in salary levels	15.00	15.00
Expected long term rate of increase in salary levels	12.00	13.25
Expected rate of return on plan assets	12.25	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	2025	2024
		(Rupees in '000)	

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

	Note	2025	2024
Present value of defined benefit obligation	35.3	280,840	268,071
Fair value of plan assets	35.4	(282,571)	(240,063)
(Receivable) / payable	35.5	(1,731)	28,008

35.3 Movement in defined benefit obligation

	Note	2025	2024
Obligation at the beginning of the year		268,071	187,483
Current service cost		35,979	28,142
Interest cost		29,108	28,785
Benefits paid during the year		(60,921)	(3,545)
Remeasurement (gain) / loss		8,603	27,206
Obligation at the end of the year		280,840	268,071

35.4 Movement in fair value of plan assets

	Note	2025	2024
Fair value at the beginning of the year		240,063	172,421
Interest income on plan assets		29,625	29,583
Contribution by the Company		64,471	40,423
Benefits paid during the year		(60,921)	(3,545)
Remeasurement gain on plan assets		9,333	1,181
Fair value at the end of the year	35.7	282,571	240,063

35.5 Movement in receivable under defined benefit plan

	Note	2025	2024
Opening balance		28,008	15,062
Charge for the year	35.6.1	35,462	27,344
Re-measurement (gain) / loss recognised in other comprehensive income during the year		(730)	26,025
Contributions by the Company - net		(64,471)	(40,423)
Closing balance		(1,731)	28,008

	Note	2025	2024
		(Rupees in '000)	

35.6 Charge for defined benefit plans

35.6.1 Cost recognised in the profit and loss account

	2025	2024
Current service cost	35,979	28,142
Net interest on defined benefit asset	(517)	(798)
Expected return on plan assets	-	-
Actuarial loss	-	-
	35,462	27,344

35.6.2 Re-measurement recognised in OCI during the year

	2025	2024
Actuarial (gain) / loss on obligation	8,603	27,206
Actuarial gain on plan assets	(9,333)	(1,181)
Total re-measurements (gain) / loss recognised in OCI	(730)	26,025

35.7 Components of plan assets

Particulars	**2025**		**2024**	
	(Rupees in '000)	**%**	**(Rupees in '000)**	**%**
Cash and cash equivalents - net	5,090	1.80%	2,314	0.96%
Government securities	277,481	98.20%	237,749	99.04%
Certificate of investments	-	-	-	-
	282,571	100.00%	240,063	100.00%

35.8 Sensitivity analysis

	2025	2024
	(Rupees in '000)	
1% increase in discount rate	(16,793)	(16,065)
1% decrease in discount rate	18,783	17,940
1% increase in expected rate of salary increase	19,695	18,828
1% decrease in expected rate of salary increase	(17,913)	(17,146)

35.9 Maturity profile of defined benefit obligation

Benefit payments

The average duration of the benefit obligation as at December 31, 2025 is 6.81 years (2024: 6.34 years).

Distribution of timing of benefit payments

Years		
1	13,961	28,331
2	64,872	1,286
3	56,199	58,263
4	16,564	67,398
5	11,515	16,950
6 to 10	187,085	104,708
11 and above	357,816	481,305

35.10	Expected contributions to be paid to the funds in the next financial year	36,134	36,463
35.11	Expected charge for the next financial year	36,134	36,463

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. 36.134 million as per the actuarial valuation report of the Company as of December 31, 2026.

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.

	2025	**2024**
	(Rupees in '000)	
36.2 Contribution made during the year		
Contribution by the Company	31,785	26,526
Contribution by employees	31,785	26,526
	63,570	53,052

The number of employees covered under the defined contribution plan as at December 31, 2025 are 97 (2024: 100).

37 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

37.1 Total Compensation Expenses

Items	2025				
	Directors		President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Non-Executives			
Fees and allowances etc.	5,400	20,100	-	-	-
Managerial remuneration					
i) Fixed	-	-	87,087	162,322	41,962
ii) Variable	-	-	-		-
a) Cash bonus / awards	-	-	72,038	32,660	5,457
b) Bonus and awards in shares	-	-	-	-	-
Charge for defined benefit plan	-	-	5,807	12,446	3,796
Contribution to defined contribution plan	-	-	6,218	11,182	2,684
Utilities	-	-	3,076	-	-
Medical	-	-	1,627	2,898	-
Notice pay / Severance pay				22,552	
Others	-	-	2,072	4,008	-
Total	5,400	20,100	177,925	248,068	53,899
Number of persons	1	5	1	10	10

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	135,358	38,738
ii) Variable					
a) Cash bonus / awards	-	-	35,000	27,345	3,579
b) Bonus and awards in shares	-	-	-	-	-
Charge for defined benefit plan	-	-			
Contribution to defined contribution plan	-	-	3,771	8,518	2,622
Utilities	-	-	4,998	8,908	2,651
Medical			2,994	-	-
Others	-	-	1,062	-	-
			1,786	481	-
Total	6,600	20,475	119,611	180,610	47,590
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	2025					
		Meeting Fees and Allowances Paid					
		For Board Meetings	For Board Committees				
			Executive Committee	Audit Committee	Risk Committee	Remuneration & Compensation Committee	Total Amount Paid
		Rs. in '000'					
1	H.H. Juland Jaifar Salim Al Said	3,000	1,200	-	-	1,200	5,400
2	Al-Fadhal Abdallah Al-Omairi	750	375	-	375	-	1,500
3	Al Ayham Al Ghassani	1,875	-	1,800	750	750	5,175
4	Faisal Ali Ibrahim Al Siyabi	1,125	375	750	1,125	-	3,375
5	Mohammad Shabir Ahmed Khan	1,875	750	1,500	1,800	750	6,675
6	Muhammad Asif	1,125	750	750	750	-	3,375
	Total	9,750	3,450	4,800	4,800	2,700	25,500

During the year, Mr. Faisal Ali Ibrahim Al Siyabi left and Mr. Al-Fadhal Abdallah Al-Omairi joined the Board of Directors, nominated by the Sultanate of Oman.
During the year, Mr. Muhammad Asif joined the Board of Directors, nominated by the Government of Pakistan.

Sr. No.	Name of Director	2024					
		Meeting Fees and Allowances Paid					
		For Board Meetings	For Board Committees				
			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	Al Ayham 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

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 p/e ratio method 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

	2025		2024	
	Book value	Fair value	Book value	Fair value
	(Rupees in '000)			
Assets				
Cash and balances with treasury banks	1,454,616	1,454,616	883,139	883,139
Balances with other banks	75,806	75,806	38,009	38,009
Lendings to financial institutions	-	-	3,287,200	3,287,200
Investments	254,686,366	254,777,091	353,409,569	353,540,450
Advances	20,166,090	20,166,090	15,014,830	15,014,830
Other assets	6,317,898	6,317,898	8,405,584	8,405,584
Assets held-for-sale	-	-	-	-
	282,700,776	282,791,501	381,038,331	381,169,212

On-balance sheet financial instruments

	2025		2024	
	Book value	Fair value	Book value	Fair value
	(Rupees in '000)			
Liabilities				
Borrowings	247,488,354	247,488,354	349,587,965	349,587,965
Deposits and other accounts	19,408,066	19,408,066	16,164,282	16,164,282
Lease Liabilities	174,215	174,215	189,298	189,298
Other liabilities	3,364,740	3,364,740	11,074,451	11,074,451
	270,435,375	270,435,375	377,015,996	377,015,996
	12,265,401	12,356,126	4,022,335	4,153,216
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

	2025			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	250,165,165	-	250,165,165
Provincial Government Securities	-	-	-	-
Shares	232,671	-	-	232,671
Non-Government debt securities	-	2,672,927	-	2,672,927
Foreign Securities	-	-	-	-
Others (to be specified)	-	-	-	-
Mutual funds	-	720,681	-	720,681
Financial assets - disclosed but not measured at fair value				
Investments	-	-	894,922	894,922
Fair value of non-financial assets				
Non-banking assets acquired in satisfaction of claims	-	-	-	-

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	-	-	-	-

39 SEGMENT INFORMATION

39.1 Segment details with respect to business activities

	2025 Corporate Banking	Investment Banking	Treasury	Total
	-- (Rupees in '000) ----------------------------------			
Profit & Loss				
Net mark-up/return/profit	258,581	(58,348)	5,871,786	6,072,019
Non mark-up / return / interest income	100,197	315,836	1,121,188	1,537,221
Total income	358,778	257,488	6,992,974	7,609,240
Segment direct expenses	703,833	217,335	757,561	1,678,729
Provisions / (reversals)	362,100	306,012	(578)	667,534
Profit before tax and minimum tax differential	(707,155)	(265,859)	6,235,991	5,262,977

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

	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

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, 2025 amounted to Rs. 115.63 billion (December 31, 2024: Rs. 105.09 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 43.3 billion (2024: 40.5 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:

	2025						2024					
	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	791,407	-	226,000	-	-	681,995	683,067	-	226,000
Investment made during the year	-	-	-	-	-	-	-	-	-	729,359	-	-
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-	-	(621,019)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	681,995	791,407	-	226,000	-	-	681,995	791,407	-	226,000
Credit loss allowance for diminution in value of investments	-	-	486,622	70,726	-	-	-	-	286,622	70,726	-	-
Advances												
Opening balance	-	106,848	-	68,200	-	-	-	62,503	-	68,200	-	-
Addition during the year	-	900	-	-	-	-	-	70,107	-	-	-	-
Repaid during the year	-	(20,345)	-	-	-	-	-	(32,153)	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	6,391	-	-	-	-
Closing balance	-	87,403	-	68,200	-	-	-	106,848	-	68,200	-	-
Provision held against advances	-	-	-	68,200	-	-	-	-	-	68,200	-	-

	2025						2024					
	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	-	-	-	-	1,731	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	1,855	-
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	-	21,811	-	-	-	-	-	40,872	-	-	-	-
Received during the year	-	360,136	-	-	-	-	-	262,111	-	-	-	-
Withdrawn during the year	-	(348,265)	-	-	-	-	-	(281,172)	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	33,682	-	-	-	-	-	21,811	-	-	-	-
Other Liabilities												
Interest / mark-up payable	-	209	-	-	-	-	-	343	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	28,008	-
Other liabilities	-	-	3,573	-	-	-	-	-	-	-	-	-
Outright sale of securities	-	-	-	-	39,114,535	-			-	-	23,464,604	
Outright purchase of securities	-	-	-	-	38,186,731	-	-	-	-	-	22,834,353	-
Contingencies and Commitments												
Other contingencies	-	-	-	70,726	-	-	-	-	-	70,726	-	-

41.2 Related party transactions

	2025						2024					
	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	-	3,756	-	-	-	-	-	3,739	-	-	-	-
Fee and commission income	-	-	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	138,712	-	113,000	-	-	-	29,469	-	79,100
Net gain on sale of securities	-	-	-	-	4,572	-	-	-	-	109,190	2,022	-
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Expense												
Mark-up / return / interest paid	-	3,656	-	-	-	-	-	6,610	-	-	-	-
Operating expenses												
Non- Executive Directors' fees and allowances	25,500	-	-	-	-	-	27,075	-	-	-	-	-
Compensation expenses		425,993	-	-	-	-	-	300,221	-	-	-	-
Contribution to defined contribution plan	-	-	-	-	31,785	-	-	-	-	-	26,526	-
Charge for defined benefit plan	-	-	-	-	35,462	-	-	-	-	-	27,344	-
Legal and professional charges	-	-	-	-	-	-	-	-	20,116	-	-	-
Fee and Commision expenses	-	-	38,775	-	-	-	-	-	-	-	-	-

	2025	2024
	(Rupees in '000)	

42 CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	2025	2024
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	11,278,745	8,025,371
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	11,278,745	8,025,371
Eligible Tier 2 Capital	2,785,781	249,634
Total Eligible Capital (Tier 1 + Tier 2)	14,064,526	8,275,005
Risk Weighted Assets (RWAs):		
Credit risk	20,237,396	18,004,994
Market risk	7,044,945	2,710,242
Operational risk	7,428,866	3,986,692
Total	34,711,207	24,701,928
Common Equity Tier 1 Capital Adequacy ratio	32.49%	32.49%
Tier 1 Capital Adequacy Ratio	32.49%	32.49%
Total Capital Adequacy Ratio	40.52%	33.50%
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.

	2025	2024
Leverage Ratio (LR):		
Eligible Tier 1 Capital	11,278,745	8,025,371
Total Exposures	286,517,685	369,820,306
Leverage Ratio	3.94%	2.17%

	2025	2024
	(Rupees in '000)	
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	68,609,403	40,562,189
Total Net Cash Outflow	59,287,415	40,145,215
Liquidity Coverage Ratio	115.72%	101.04%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	24,043,427	62,867,362
Total Required Stable Funding	19,459,873	17,097,028
Net Stable Funding Ratio	123.55%	367.71%

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, 2025.

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, 2025 is 40.52% (2024: 33.50%) 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 40.52% 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**	**2025** Amount Outstanding	Deduction CRM*	Net amount	**2024** Amount Outstanding	Deduction CRM*	Net amount
		(Rupees in '000)					
Corporate	0	-	-	-	-	-	-
	1	3,296,823	(1,230,733)	2,066,090	2,570,532	-	2,570,532
	2	9,622,883	(682,471)	8,940,412	4,913,633	(64,385)	4,849,248
	3-4	2,062,549	(25,000)	2,037,549	851,979	-	851,979
	5-6	-	-	-	-	-	-
	Unrated	3,634,480	(371,259)	3,263,221	5,288,901	(329,121)	4,959,780
		18,616,734	(2,309,463)	16,307,272	13,625,046	(393,507)	13,231,540
Banks	0	-	-	-	-	-	-
	1	391,746	-	391,746	3,736,304	-	3,736,304
	2-3	218,115	(48,000)	170,115	-	-	-
	4-5	-	-	-	24,356	-	24,356
	6		-	-	-	-	-
	Unrated		-	-	-	-	-
		609,861	(48,000)	561,861	3,760,660	-	3,760,660

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							
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Total 2025	Stage 1	Stage 2	Stage 3	Total 2024
	(Rupees in '000)'											
Public / Government	-	-	-	-	-	-	-	-	-	-	-	-
Private	-	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							
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Total 2025	Stage 1	Stage 2	Stage 3	Total 2024
	(Rupees in '000)'											
Agriculture, Forestry, Hunting and Fishing	-	-	-	-	-	-	-	-	-	-	-	-
Mining and Quarrying	-	-	-	-	-	-	-	-	-	-	-	-
Textile	81,090	118,590	81,090	81,090	-	-	81,090	81,090	-	717	81,090	81,807
Chemical and Pharmaceuticals	163,636	200,000	-	-	1,359	-	-	1,359	3,217	-	-	3,217
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	-	-	-	-	-	-	-	-	-	-	-	-
Power (electricity), gas, water, sanitary	175,000	275,000	-	-	652	-	-	652	402	-	-	402
Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-	-	-	-
Exports/Imports	-	-	-	-	-	-	-	-	-	-	-	-
Transport, storage and communication	186,765	201,655	166,932	166,932	-	10,000	166,932	176,932	461	-	166,932	167,393
Financial	246,911,852	348,939,376	165,254	165,254	27,743	8,648	165,254	201,645	4,783	6,295	91,769	102,847
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-	-	-	-
Others	75,000	96,246	75,000	96,246	-	-	75,000	75,000	-	-	96,246	96,246
	247,678,343	349,915,867	573,276	594,522	29,754	18,648	573,276	621,678	8,863	7,012	521,037	536,912

Credit risk by public / private sector

	Gross investments		Non-performing investments		Credit loss allowance held							
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Total 2025	Stage 1	Stage 2	Stage 3	Total 2024
	(Rupees in '000)'											
Public / Government	245,027,577	347,004,822	-	-	5,159	-	-	5,159	1,378	-	-	1,378
Private	2,650,766	2,911,045	573,276	594,522	24,595	18,648	573,276	616,519	7,485	7,012	521,037	535,534
	247,678,343	349,915,867	573,276	594,522	29,754	18,648	573,276	621,678	8,863	7,012	521,037	536,912

43.1.3 Advances

Credit risk by industry sector

	Gross advances		Non-performing advances		Credit loss allowance held							
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Total 2025	Stage 1	Stage 2	Stage 3	Total 2024
	---------- (Rupees in '000) ----------											
Agriculture, Forestry, Hunting and Fishing	-	-	-	-	-	-	-	-	-	-	-	-
Mining and Quarrying	-	-	-	-	-	-	-	-	-	-	-	-
Textile	3,635,338	2,635,676	270,268	271,098	28,869	-	268,874	297,743	5,742	-	269,704	275,446
Chemical and Pharmaceuticals	1,987,415	692,822	-	-	12,629	-	-	12,629	3,726	-	-	3,726
Cement	343,625	356,488	-	-	-	42,141	-	42,141	-	30,238	-	30,238
Sugar	451,911	304,980	223,000	224,000	726	-	223,000	223,726	203	-	224,000	224,203
Footwear and Leather garments	-	-	-	-	-	-	-	-	-	-	-	-
Automobile and transportation equipment	454,557	254,558	254,557	254,558	3,880	-	254,557	258,437	-	-	190,918	190,918
Electronics and electrical appliances	632,667	294,400	153,500	181,900	2,625	-	122,800	125,425	227	-	127,955	128,182
Construction	66,154	193,850	66,154	193,850	-	-	52,924	52,924	-	-	155,080	155,080
Power (electricity), Gas, Water, Sanitary	2,386,973	2,199,074	68,200	68,200	17,613	43,992	68,200	129,805	7,067	23,462	68,200	98,729
Wholesale and Retail Trade	5,420	54,165	5,420	9,165	-	-	5,420	5,420	105	-	6,447	6,552
Exports/Imports	250,000	325,000	-	-	1,936	-	-	1,936	746	-	-	746
Transport, Storage and Communication	2,118,710	1,212,681	-	-	16,552	-	-	16,552	4,774	-	-	4,774
Financial	2,803,066	3,150,581	5,161	5,161	8,359	-	5,161	13,520	1,025	-	5,161	6,186
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Services	1,323,330	1,187,605	27,560	27,560	7,064	16,371	22,560	45,995	1,928	16,042	19,387	37,357
Individuals	154,740	142,741	-	-	24	-	-	24	28	-	-	28
Others	6,538,482	4,765,206	1,648,150	1,673,375	46,141	65,730	1,648,150	1,760,021	9,141	52,745	1,530,946	1,592,832
	23,152,388	17,769,827	2,721,970	2,908,867	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997

Credit risk by public / private sector

	Gross advances		Non-performing advances		Credit loss allowance held							
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Total 2025	Stage 1	Stage 2	Stage 3	Total 2024
	---------- (Rupees in '000) ----------											
Public/ Government	1,407,106	783,834	-	-	-	-	-	-	-	-	-	-
Private	21,745,282	16,985,993	2,721,970	2,908,867	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997
	23,152,388	17,769,827	2,721,970	2,908,867	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997

43.1.4 Contingencies and Commitments

	2025	2024
	(Rupees in '000)	
Credit risk by industry sector		
Textile	293,094	21,126
Chemical and Pharmaceuticals	-	19,783
Automobile and transportation equipment	100,000	-
Power (electricity), Gas, Water, Sanitary	1,100,494	-
Transport, Storage and Communication	1,360,000	
Financial	400,000	174,899
Services	405,000	-
Others	1,088,707	637,626
	4,747,295	853,434
Credit risk by public / private sector		
Public/ Government	-	-
Private	4,747,295	853,434
	4,747,295	853,434

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 7,107 million (2024: Rs 5,571 million) are as following:

Funded	7,106,823	5,570,913
Non Funded	-	-
Total Exposure	7,106,823	5,570,913

The sanctioned limits against these top 10 exposures aggregated to Rs 10,135 million (2024: Rs 8,136 million)

Total funded classified therein	**2025**		**2024**	
	Amount	**Credit loss allowance held**	**Amount**	**Provision held**
	------------------------------- (Rupees in '000) ------------------------------------			
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	626,000	626,000	700,000	700,000
Total	626,000	626,000	700,000	700,000

43.1.6 Advances - Province/Region-wise Disbursement & Utilization

	2025						
	Disbursements	Utilization					
Province/Region		**Punjab**	**Sindh**	**KPK including FATA**	**Balochistan**	**Islamabad**	**AJK including Gilgit-Baltistan**
Sindh	11,704,270	5,698,927	5,824,343	181,000	-	-	-

	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	-	-	-

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

	2025			2024		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	---------- (Rupees in '000) ----------					
Cash and balances with treasury banks	1,454,616	-	1,454,616	883,139	-	883,139
Balances with other banks	75,806	-	75,806	38,009	-	38,009
Lendings to financial institutions	-	-	-	3,287,200	-	3,287,200
Investments	185,521,269	69,165,097	254,686,366	322,243,639	31,165,930	353,409,569
Advances	20,166,090	-	20,166,090	15,014,830	-	15,014,830
Property and equipment	936,055	-	936,055	1,002,463	-	1,002,463
Right-of-use assets	129,858	-	129,858	160,647		160,647
Intangible assets	35,570	-	35,570	8,938	-	8,938
Deferred tax assets	-	-	-	685,571	-	685,571
Other assets	9,083,844	-	9,083,844	12,626,148	-	12,626,148
Assets held-for-sale	-		-	-		-
	217,403,108	69,165,097	286,568,205	355,950,584	31,165,930	387,116,514

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.

	2025		2024	
	Foreign Currency Assets	Net foreign currency exposure	Foreign Currency Assets	Net foreign currency exposure
United States Dollar	28	28	29	29
Omani Riyal	28,922	28,922	24,376	24,376
	28,950	28,950	24,405	24,405

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	(294)	-	(135)	-
- 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.

	2025		2024	
	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	(56,380)	-	(59,135)	-

* 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.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	---------- (Rupees in '000) ----------			
Impact of 1% change in interest rates on:				
Profit and loss account *	-	258,080	-	26,782
Other comprehensive income *	704,971	-	1,232,408	-

* Earning approach

43.3.1 Mismatch of interest rate sensitive assets and liabilities

	Effective yield / interest rate	2025										
		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		1,454,616	-	-	-	-	-	-	-	-	-	1,454,616
Balances with other banks	5.00%	75,806	3,954	-	-	-	-	-	-	-	-	71,852
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
Investments	11.94%	254,686,366	10,143,269	46,897,121	184,450,809	419,545	5,089,554	500,192	4,818,269	519,333	-	1,848,274
Advances	12.23%	20,166,090	3,553,571	11,273,613	2,152,508	1,368,055	447,265	239,545	264,098	835,887	6,671	24,877
Assets held-for-sale		-	-	-	-	-	-	-	-	-	-	-
Other assets		6,317,898	-	-	-	-	-	-	-	-	-	6,317,898
		282,700,776	13,700,794	58,170,734	186,603,317	1,787,600	5,536,819	739,737	5,082,367	1,355,220	6,671	9,717,517
Liabilities												
Borrowings	10.70%	247,488,354	148,360,438	91,520,942	6,375,586	226,416	433,696	232,137	242,092	97,047	-	-
Deposits and other accounts	10.76%	19,408,066	12,572,986	3,174,933	981,864	2,678,283	-	-	-	-	-	-
Lease liabilities	9.17%	174,215	2,173	4,394	6,922	14,922	41,156	57,809	36,028	10,811	-	-
Other liabilities		3,364,740	-	-	-	-	-	-	-	-	-	3,364,740
		270,435,375	160,935,597	94,700,269	7,364,372	2,919,621	474,852	289,946	278,120	107,858	-	3,364,740
On-balance sheet gap		12,265,401	(147,234,803)	(36,529,535)	179,238,945	(1,132,021)	5,061,967	449,791	4,804,247	1,247,362	6,671	6,352,777
Non-Financial assets		3,867,429										
Non-Financial liabilities		929,086										
Total Net Assets		15,203,744										
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			(147,234,803)	(36,529,535)	179,238,945	(1,132,021)	5,061,967	449,791	4,804,247	1,247,362	6,671	6,352,777
Cumulative yield / interest risk sensitivity gap			(147,234,803)	(183,764,338)	(4,525,393)	(5,657,414)	(595,447)	(145,656)	4,658,591	5,905,953	5,912,624	12,265,401

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

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

	2025														
	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	1,454,616	-		1,454,616	-	-	-								
Balances with other banks	75,806	-	75,806	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	254,686,366	-	-	-	-	34,766	57,258	96,881	558,419	2,030,236	5,394,701	106,187,732	104,298,891	35,327,483	700,000
Advances	20,166,090	-	13,434	57,242	780,975	340,809	2,018,022	1,664,165	1,364,662	3,219,095	3,461,616	2,513,697	3,133,074	1,592,630	6,671
Property and equipment	936,055	-	-	-	12,330	12,334	12,332	37,000	56,717	56,716	48,588	70,045	180,918	208,922	240,153
Right of use assets	129,858	-	-	-	875	875	876	2,626	2,626	2,626	10,503	10,503	21,006	52,517	24,825
Intangible assets	35,570	-	-	-	1,343	1,344	1,344	4,031	4,031	4,031	19,446	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	9,083,844	-	103,663	404,601	328,417	1,003,896	1,127,748	3,190,157	17,997	2,061,062	5,736	825,000	15,567	-	-
Assets held-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	286,568,205	-	192,903	1,916,459	1,123,940	1,394,024	3,217,580	4,994,860	2,004,451	7,373,765	8,940,590	109,606,977	107,649,456	37,181,552	971,649
Liabilities															
Borrowings	247,488,354	-	127,565,861	955,346	19,839,231	85,882,506	4,711,542	6,578,137	333,715	131,136	910,567	241,174	242,092	97,047	-
Deposits and other accounts	19,408,066	-	2,561,064	2,447,796	7,564,126	2,601,889	573,043	981,864	2,247,383	430,901	-	-	-	-	-
Lease liabilities	174,215	-	-	-	2,173	84	4,310	6,922	264	14,658	41,156	57,809	36,028	10,811	-
Others liabilities	3,364,740	-	424,730	78,863	430,392	809,953	1,057,928	120,511	86,105	53,182	35,438	82,315	162,823	22,500	-
Deferred tax liabilities	929,086				25,805		401,691	24,256		1,921,432	73,586	(38,703)	(1,370,324)	(320,940)	212,283
	271,364,461	-	130,551,655	3,482,005	27,861,727	89,294,432	6,748,514	7,711,690	2,667,467	2,551,309	1,060,747	342,595	(929,381)	(190,582)	212,283
Net assets	15,203,744	-	(130,358,752)	(1,565,546)	(26,737,787)	(87,900,409)	(3,530,935)	(2,716,830)	(663,016)	4,822,456	7,879,843	109,264,382	108,578,837	37,372,134	759,366

Share capital	6,150,000
Reserves	2,507,509
Unappropriated profit	2,850,488
Surplus on revaluation of assets	3,695,747
	15,203,744

	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

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

	2025									
	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	1,454,616	1,454,616	-	-	-	-	-	-	-	-
Balances with other banks	75,806	75,806	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	254,686,366	-	92,024	96,881	2,588,654	5,394,701	106,187,732	104,298,891	35,327,483	700,000
Advances	20,166,090	851,651	2,358,830	1,664,165	4,583,756	3,461,616	2,513,697	3,133,074	1,592,630	6,671
Property and equipment	936,055	12,330	24,666	37,000	113,433	48,588	70,045	180,918	208,922	240,153
Right of use assets	129,858	875	1,751	2,626	5,252	10,503	10,503	21,006	52,517	24,825
Intangible assets	35,570	1,343	2,688	4,031	8,062	19,446	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	9,083,844	836,681	2,131,644	3,190,157	2,079,059	5,736	825,000	15,567	-	-
Assets held-for-sale	-	-	-	-	-	-	-	-	-	-
	286,568,205	3,233,302	4,611,603	4,994,860	9,378,216	8,940,590	109,606,977	107,649,456	37,181,552	971,649
Liabilities										
Borrowings	247,488,354	148,360,438	90,594,048	6,578,137	464,851	910,567	241,174	242,092	97,047	-
Deposits and other accounts	19,408,066	12,572,986	3,174,932	981,864	2,678,284	-	-	-	-	-
Lease liabilities	174,215	2,173	4,394	6,922	14,922	41,156	57,809	36,028	10,811	-
Others liabilities	3,364,740	933,985	1,867,881	120,511	139,287	35,438	82,315	162,823	22,500	-
	270,435,375	161,895,387	96,042,946	7,711,690	5,218,776	1,060,747	342,595	(929,381)	(190,582)	212,283
Net assets	16,132,830	(158,662,085)	(91,431,343)	(2,716,830)	4,159,440	7,879,843	109,264,382	108,578,837	37,372,134	759,366

Share capital	6,150,000
Reserves	2,507,509
Unappropriated profit	2,850,488
Surplus on revaluation of assets	3,695,747
	15,203,744

	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

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 February 13, 2026 have:

- proposed 7.5% cash dividend amounting to Rs 461.250 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 February 13, 2026 by the Board of Directors of the Company.

Nauman Ansari	**Muhammad Yousuf Amanullah**	**Al-Fadhal Abdallah Al-Omairi**	**Muhammad Asif**	**Juland Jaifar Salim Al Said**
MANAGING DIRECTOR AND CHIEF EXECUTIVE	**CHIEF FINANCIAL OFFICER**	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**

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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 Holding Company) and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated Profit or 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, 2025 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: 19 FEB 2026

UDIN: AR20251006737Qqd1Jr5

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

2025	2024		Note	2025	2024
(US Dollar in '000)				(Rupees in '000)	
		ASSETS			
5,193	3,153	Cash and balances with treasury banks	5	1,454,696	883,203
293	155	Balances with other banks	6	82,163	43,420
-	11,735	Lendings to financial institutions	7	-	3,287,200
908,905	1,260,872	Investments	8	254,605,149	353,199,504
71,990	53,601	Advances	9	20,166,090	15,014,830
3,361	3,605	Property and equipment	10	941,485	1,009,776
464	573	Right-of-use assets	11	129,858	160,647
471	376	Intangible assets	12	131,874	105,242
-	2,176	Deferred tax assets	13	-	609,674
32,968	45,593	Other assets	14	9,235,127	12,771,739
1,023,645	1,381,839			286,746,442	387,085,235
		LIABILITIES			
-	-	Bills payable		-	-
883,499	1,247,980	Borrowings	15	247,488,354	349,587,965
69,284	57,704	Deposits and other accounts	16	19,408,066	16,164,282
622	676	Lease Liabilities	17	174,215	189,298
-	-	Subordinated debt		-	-
3,866	-	Deferred tax liabilities	13	1,082,983	-
12,427	40,034	Other liabilities	18	3,481,056	11,215,078
969,698	1,346,394			271,634,674	377,156,623
53,947	35,445	**NET ASSETS**		15,111,768	9,928,612
		REPRESENTED BY			
21,955	21,955	Share capital	19	6,150,000	6,150,000
8,951	6,651	Reserves	20	2,507,509	1,863,123
13,193	5,440	Surplus on revaluation of assets	21	3,695,747	1,523,773
9,844	1,394	Unappropriated profit		2,757,411	390,452
53,943	35,440	Equity attributable to shareholder of Group		15,110,667	9,927,348
4	5	Non-controlling interest		1,101	1,264
53,947	35,445			15,111,768	9,928,612

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	Al-Fadhal Abdallah Al-Omairi	Muhammad Asif	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	CHAIRMAN

PAK OMAN INVESTMENT COMPANY LIMITED
CONSOLIDATED PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2025

2025	2024		Note	2025	2024
(US Dollar in '000)				(Rupees in '000)	
135,858	258,226	Mark-up / return / interest earned	23	38,056,910	72,335,119
114,180	255,139	Mark-up / return / interest expensed	24	31,984,459	71,470,390
21,678	3,087	Net mark-up / interest income		6,072,451	864,729
		NON MARK-UP / INTEREST INCOME			
700	519	Fee and commission income	25	196,123	145,245
666	491	Dividend income		186,683	137,520
-	-	Foreign exchange income		-	-
-	-	Income / (loss) from derivatives		-	-
3,595	2,438	Gain on securities	26	1,007,095	682,923
365	679	Share of profit from associates - net of tax		102,199	190,275
159	125	Other income	27	44,602	35,150
5,485	4,252	Total non mark-up / interest income		1,536,702	1,191,113
27,163	7,339	**Total Income**		7,609,153	2,055,842
		NON MARK-UP / INTEREST EXPENSES			
5,585	4,172	Operating expenses	28	1,564,381	1,168,561
383	67	Workers Welfare Fund		107,408	18,634
275	422	Other charges	29	76,931	118,175
6,243	4,661	Total non mark-up / interest expenses		1,748,720	1,305,370
20,920	2,678	**PROFIT BEFORE PROVISIONS**		5,860,433	750,472
(1,669)	582	Credit loss allowance and write offs - net	30	(467,534)	162,919
-	-	Extra ordinary / unusual items		-	-
19,251	3,260	**PROFIT BEFORE TAXATION**		5,392,899	913,391
(7,565)	(1,127)	Taxation	31	(2,119,046)	(315,718)
11,686	2,133	**PROFIT AFTER TAXATION**		3,273,853	597,673
		ATTRIBUTABLE TO:			
11,687	2,133	Shareholders of the Group		3,274,016	597,708
(1)	-	Non-controlling interest		(163)	(35)
11,686	2,133			3,273,853	597,673
(US $)				(Rupees)	
0.0190	0.0035	**BASIC AND DILUTED EARNINGS PER SHARE**	32	5.32	0.97

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

Nauman Ansari	Muhammad Yousuf Amanullah	Al-Fadhal Abdallah Al-Omairi	Muhammad Asif	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, 2025

2024	2024		2025	2024
(US Dollar in '000)			(Rupees in '000)	
11,686	2,133	**PROFIT AFTER TAXATION FOR THE YEAR**	3,273,853	597,673
		OTHER COMPREHENSIVE INCOME		
		Items that may be reclassified to profit or loss account in subsequent periods:		
8,235	3,084	Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	2,306,723	863,903
		Items that will not be reclassified to profit or loss account in subsequent periods:		
2	(57)	Remeasurement loss on defined benefit obligations - net of	445	(15,875)
(432)	337	Movement in surplus / (deficit) on revaluation of investments in equity investments - net of tax	(121,115)	94,485
-	-	Movement in surplus on revaluation of property and equipments - net of tax	-	-
-	612	Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	-	171,563
(430)	892		(120,670)	250,173
19,491	6,109	**TOTAL COMPREHENSIVE INCOME**	5,459,906	1,711,749
		ATTRIBUTABLE TO:		
19,492	6,109	Shareholders of the Group	5,460,069	1,711,784
(1)	-	Non-controlling interest	(163)	(35)
19,491	6,109		5,459,906	1,711,749

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

Nauman Ansari	Muhammad Yousuf Amanullah	Al-Fadhal Abdallah Al-Omairi	Muhammad Asif	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, 2025

	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, 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	-	-	-	-	171,563	-	171,563	-	171,563
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
	-	-	-	958,388	171,563	(15,875)	1,114,076	-	1,114,076
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 declare 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
Balance as at January 01, 2025	6,150,000	1,863,123	-	1,076,234	447,539	390,452	9,927,348	1,264	9,928,612
Profit after taxation for the year ended December 31, 2025	-	-	-	-	-	3,274,016	3,274,016	(163)	3,273,853
Other comprehensive income - net of tax									
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	2,306,723	-	-	2,306,723	-	2,306,723
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	(121,115)	-	-	(121,115)	-	(121,115)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	445	445	-	445
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
	-	-	-	2,185,608	-	445	2,186,053	-	2,186,053
Transfer to statutory reserve	-	644,386	-	-	-	(644,386)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(13,634)	13,634	-	-	-
Transaction with owners, recorded directly in equity									
Final cash dividend - December 31, 2024 declare subsequent to the year end (Rs. 0.45 per share	-	-	-	-	-	(276,750)	(276,750)	-	(276,750)
Balance as at December 31, 2025	6,150,000	2,507,509	-	3,261,842	433,905	2,757,411	15,110,667	1,101	15,111,768

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

Nauman Ansari	Muhammad Yousuf Amanullah	Al-Fadhal Abdallah Al-Omairi	Muhammad Asif	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, 2025

2025	2024		Note	2025	2024
(US Dollar in '000)			Note	(Rupees in '000)	
		CASH FLOW FROM OPERATING ACTIVITIES			
19,251	3,260	Profit before taxation		5,392,899	913,391
(666)	(491)	Less: Dividend income		(186,683)	(137,520)
18,585	2,769			5,206,216	775,871
		Adjustments:			
539	430	Depreciation	10.1	150,985	120,333
120	132	Depreciation on right-of-use assets	10.1	33,550	36,920
25	4	Amortization	12	7,103	1,238
1,669	(582)	Credit loss allowance and write-offs	30	467,534	(162,919)
(3)	(3)	Gain on sale / disposal of property and equipment		(901)	(896)
(365)	(679)	Share of loss from associates - net of tax		(102,199)	(190,275)
154	126	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	24	43,042	35,380
3	4	Finance charges on leased assets	28	959	1,033
(2,588)	(1,007)	Unrealised (gain) on held-for-trading securities	26	(724,872)	(282,156)
(446)	(1,575)			(124,799)	(441,342)
18,139	1,194			5,081,417	334,529
		(Increase) / Decrease in operating assets			
11,735	(11,735)	Lendings to financial institutions		3,287,200	(3,287,200)
(133,064)	69,195	Securities classified as FVPL		(37,274,295)	19,383,044
(19,624)	5,154	Advances		(5,497,080)	1,443,738
7,770	(276)	Other assets (excluding advance taxation)		2,176,455	(77,435)
(133,183)	62,338			(37,307,720)	17,462,147
		Increase / (decrease) in operating liabilities			
-364,481	31,046	Borrowings		(102,099,611)	8,696,721
11,580	14,086	Deposits		3,243,784	3,945,867
(28,021)	21,099	Other liabilities (excluding current taxation)		(7,849,674)	5,910,118
(380,922)	66,231			(106,705,501)	18,552,706
(495,966)	129,763			(138,931,804)	36,349,382
(1,349)	(1,735)	Income tax paid		(377,924)	(485,976)
(497,315)	128,028	Net cash flows (used in)/ generated from operating activities		(139,309,728)	35,863,406
		CASH FLOW FROM INVESTING ACTIVITIES			
499,819	(125,475)	Net Investments in securities classified as FVOCI		140,010,714	(35,148,394)
619	(68)	Investments in associates		173,351	(19,125)
666	519	Dividend received		186,683	145,509
(367)	(1,010)	Investments in property and equipment		(102,800)	(282,920)
(120)	(36)	Intangible assets		(33,735)	(10,064)
75	30	Disposal of property and equipment		21,007	8,278
500,692	(126,040)	Net cash flow generated/(used in) investing activities		140,255,220	(35,306,716)
		CASH FLOW FROM FINANCING ACTIVITIES			
(211)	115	Lease Liabilities		(59,084)	32,328
(988)	(1,208)	Dividend paid		(276,750)	(338,250)
(1,199)	(1,093)	Net cash flow (used in) financing activities		(335,834)	(305,922)
2,178	895	Increase in cash and cash equivalents		609,658	250,768
3,314	2,419	Cash and cash equivalents at beginning of the year	33	928,466	677,698
5,492	3,314	Cash and cash equivalents at end of the year	33	1,538,124	928,466

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

Nauman Ansari	Muhammad Yousuf Amanullah	Al-Fadhal Abdallah Al-Omairi	Muhammad Asif	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, 2025

1 STATUS AND NATURE OF BUSINESS

The Group comprises of Pak-Oman Investment Company Limited - POICL (the holding company), a subsidiary, Pak Oman Asset Management Company Limited (POAMCL) and associates together referred as Group. The Group is principally engaged in promotion of the economic growth of Pakistan and Oman through industrial development on 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 holding company) was incorporated as a private limited company on 23 July 2001. Subsequently, on 17 March 2004 the Company 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 on 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") 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. 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 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 (AMC) and Investment Advisory Services(IAS); The prescribed minimum equity requirement for such license by the Non banking Finance Companies and Notified Enitites Regulations,2008 (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 182.341 million. The licenses to operate as AMC and IAS expired during the year.

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 %**	
			2025	**2024**
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, 2008.	37.99	27.74
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, 2008.	96.75	91.31
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, 2008.	99.47	99.53

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.	58.65	47.96
Askari High Yield Scheme	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	41.40	40.80
Askari Cash Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	35.36	29.73
Pak Oman Daily Dividend Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	99.99	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.	39.33	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, 2025 and the audited financial statements of the subsidiary for the year ended December 31, 2025. 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.

Subsidary 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 Subsidiary are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the Subsidary 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 company shareholder's 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 as applicable in Pakistan comprise of:

- IFRS Accounting Standards 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, directives and notification issued under the Banking Companies Ordinance, 1962;
- Provisions of directives and notification issued under the Companies Act, 2017; and

- Directives and notification 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 expenses.

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 or 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. 280.1231 to 1 US Dollar has been used for 2025 and 2024 as it was the prevalent rate as on December 31, 2025.

2.4 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2025

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. 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)
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

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
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
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027

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

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

IFRS 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 'Subsidary 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, 2027.

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	4.8 & 30
Classification and credit loss allowance against investments	4.8 & 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	4.2 & 17.1
Non - banking assets acquired in satisfaction of claims	4.18
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 or loss account directly. Legal fees, transfer cost and direct cost of acquiring title of property is charged to consolidated profit or 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 or 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 except for:

-Certain class of property and equipment and non-banking assets acquired in satisfaction of claims, which have been stated at revalued amounts less accumulated depreciation
-Investments classified as FVPL and FVOCI which are measured at fair value
-Certain derivative financial instruments, including forward exchange contracts which have been stated at fair value

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.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise cash and non-restricted balances with treasury banks, balances with other banks

4.2 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.

4.3 Associates

Under the equity accounting method, investments in associates are initially recognised at cost and the carrying amount of investment is increased or decreased to recognise the investor's share of the post acquisition profits or losses in income and its share of the post acquisition movement in reserves. The aggregate of Group's share of profit or loss of an associate is shown in the statement of profit or loss account as share of profit. Any change in OCI of the investees is presented as part of the Group's OCI to the extent of the share in other comprehensive income / loss. Dividends from associates are eliminated from the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Group and associates are eliminated

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 or 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 or 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 or 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 or 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 or 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, 2025.

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 or 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 or 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 or 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.

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 or 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

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is also recognized in other comprehensive income or directly in equity respectively.

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 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.

Levy

The Institute of Chartered Accountants of Pakistan has issued IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes and defined two approaches for bifurcation of tax between current and minimum taxes. Accordingly, the group has accounting policy to recognise minimum tax or final tax if any on any amount over the current tax as levy under IAS-37 "Provisions, Contingent liabilities and Contingent assets" which was previously recognised as Income tax liabilities.

4.10 Forborne loans

The Group 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 Group 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 Group 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 Group'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.

4.11 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.

4.12 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.

4.13 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.

4.14 Earnings per share

The Group 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 Group 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 31,2025.

4.15 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 or 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 or loss where transaction cost is taken directly to the consolidated profit or 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 or 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 Consolidated profit or 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 Consolidated 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 or 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 or loss account. Dividends are recognised in the consolidated profit or 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 or 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 or 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 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 or 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], 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 life time ECL 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 life time ECL. 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. The Groups records an allowance for the life time ECL with PD set at 100%. Under SBP's instructions, until implementation of IFRS 9 has stabilized, Stage 3 allowance would be taken as as higher of IFRS 9 ECL or provision computed under Prudential Regulation.

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 Consolidated profit or 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.

4.16 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 or loss account on a time proportion basis.

4.17 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.

4.17.1 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.

4.18 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 or loss account directly. Legal fees, transfer cost and direct cost of acquiring title of property is charged to the consolidated profit or loss account and not capitalised.

4.19 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	2025	2024
		(Rupees in '000)	

5 CASH AND BALANCES WITH TREASURY BANKS

	Note	2025	2024
In hand			
Local currency		200	184
Foreign currencies	5.1	460	398
		660	582
With State Bank of Pakistan in			
Local currency current account	5.2	1,453,969	882,508
With National Bank of Pakistan in			
Local currency current account		67	113
Less: Credit loss allowance held against cash and balances with treasury banks		-	-
Cash and balance with treasury banks - net of credit loss allowance		1,454,696	883,203

5.1 This includes foreign currency amounting to OMR 550. (2024: OMR 550).

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

6 BALANCES WITH OTHER BANKS

	Note	2025	2024
In Pakistan:			
In current accounts		44,167	12,759
In deposit accounts		10,311	8,099
		54,478	20,858
Outside Pakistan:			
In current accounts		28,950	24,405
Less: Credit loss allowance held against balances with other banks	6.1	(1,265)	(1,843)
Balances with other banks - net of credit loss allowance		82,163	43,420

6.1 Credit loss allowance held against balances with other banks

	2025	2024
Opening balance	1,843	1,227
Impact of adopting IFRS 9	-	-
Charges / reversals		
Charge for the year	-	616
Reversals for the year	(578)	-
	(578)	616
Closing balance	1,265	1,843

	Note	2025	2024
		(Rupees in '000)	

7 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	2025	2024
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 (2024: 13.8% to 13.90%) per annum and maturing from (2024: January 2025 to February 2025).

7.2 Particulars of lendings

	2025	2024
In local currency	-	3,287,200

7.3 Securities held as collateral against Lending to financial institutions

		2025			2024		
		Held by the Company	Further given as collateral	Total	Held by the Company	Further given as collateral	Total
	Note	(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 Group does not hold overseas classified placements.

7.4 Lending to Fis - Particulars of credit loss allowance

		2025		2024	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
Domestic		Rupees in '000			
Performing	Stage 1	-	-	3,287,200	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		-	-	3,287,200	-

	2025			
	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	-	-	-	-

	2024			
	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

	2025				2024			
	Cost / Amortised Cost	Credit loss allowance	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Credit loss allowance	Surplus / (deficit)	Carrying Value
	(Rupees in '000)							
8.1 Investments by type								
Debt Instruments								
Classified / Measured at FVTPL								
Federal Government securities	68,170,472	-	994,625	69,165,097	30,396,583	-	(4,423)	30,392,160
Non-Government debt securities	-	-	-	-	-	-	-	-
	68,170,472	-	994,625	69,165,097	30,396,583	-	(4,423)	30,392,160
Classified / Measured at FVOCI								
Federal Government securities	176,257,905	-	4,742,163	181,000,068	316,008,838	-	1,341,405	317,350,243
Non-Government debt securities	3,249,966	(621,678)	44,639	2,672,927	3,510,446	(536,912)	16,490	2,990,024
	179,507,871	(621,678)	4,786,802	183,672,995	319,519,284	(536,912)	1,357,895	320,340,267
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	155,279	-	77,657	232,936	175,826	-	127,298	303,124
Unlisted shares	367,512	(132,963)	465,000	699,549	346,266	(111,717)	249,910	484,459
	522,791	(132,963)	542,657	932,485	522,092	(111,717)	377,208	787,583
Associates	834,572	-	-	834,572	905,724	-	-	905,724
Total Investments	249,035,706	(754,641)	6,324,084	254,605,149	351,843,277	(648,629)	2,004,856	353,199,504

8.2 Investments by segments

	2025				2024			
	Cost / Amortised Cost	Credit loss allowance	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Credit loss allowance	Surplus / (deficit)	Carrying Value
	---------- (Rupees in '000) ----------							
Federal Government securities								
Market treasury bills	417,455	-	2,090	419,545	24,070,872	-	35,892	24,106,764
Pakistan Investment Bonds	244,010,922	-	5,734,698	249,745,620	322,334,549	-	1,301,090	323,635,639
Ijara Sukuk	-	-	-	-	-	-	-	-
	244,428,377	-	5,736,788	250,165,165	346,405,421	-	1,336,982	347,742,403
Shares								
- Listed companies	155,279	-	77,657	232,936	675,420	-	401,474	1,076,894
- Unlisted companies	367,512	(132,963)	465,000	699,549	346,266	(111,717)	249,910	484,459
	522,791	(132,963)	542,657	932,485	1,021,686	(111,717)	651,384	1,561,353
Non-Government debt securities								
- Term finance certificate - listed	316,782	(216,782)	849	100,849	216,783	(192,336)	-	24,447
- Term finance certificate - unlisted	2,318,220	(136,392)	29,754	2,211,582	2,527,446	(84,002)	4,514	2,447,958
- Sukuk certificates	614,964	(268,504)	14,036	360,496	766,217	(260,574)	11,976	517,619
- Commercial papers	-	-	-	-	-	-	-	-
	3,249,966	(621,678)	44,639	2,672,927	3,510,446	(536,912)	16,490	2,990,024
Associates								
Japan Power Generation Limited	-	-	-	-	-	-	-	-
Pak Oman Advantage Islamic Income Fund	35,256	-	-	35,256	36,686	-	-	36,686
Pak Oman Islamic Asset Allocation Fund	149,229	-	-	149,229	162,996	-	-	162,996
Pak Oman Advantage Asset Allocation Fund	167,879	-	-	167,879	182,884	-	-	182,884
Askari High Yield Scheme	121,052	-	-	121,052	125,230	-	-	125,230
Askari Cash Fund	145,886	-	-	145,886	150,900	-	-	150,900
Pak Oman Daily Dividend Fund	70,888	-	-	70,888	67,445	-	-	67,445
Pak Oman Income Fund (Formerly Pak Oman Government Securities Fund)	121,484	-	-	121,484	125,420	-	-	125,420
Askari Sovereign Yield Enhancer Fund	22,898	-	-	22,898	54,163			54,163
	834,572	-	-	834,572	905,724	-	-	905,724
Total investments	249,035,706	(754,641)	6,324,084	254,605,149	351,843,277	(648,629)	2,004,856	353,199,504

8.2.1 Investments given as collateral

	2025				2024			
	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
Pakistan Investment Bonds	178,168,827	-	3,878,370	182,047,197	292,990,383	-	875,187	293,865,570
	178,168,827	-	3,878,370	182,047,197	297,758,828	-	897,786	298,656,614
Shares								
- Unlisted companies	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total investments	178,168,827	-	3,878,370	182,047,197	297,758,828	-	897,786	298,656,614

8.3 Credit loss allowance for diminution in value of investments

	2025	2024
	(Rupees in '000)	
8.3.1 Opening balance	648,629	549,045
Charges / reversals		
Charge for the year	108,807	99,919
Reversals for the year	(2,795)	(335)
	106,012	99,584
Transfers - net	-	-
Closing balance	754,641	648,629

8.3.2 Particulars of credit loss allowance against debt securities

		2025		2024	
		Outstanding amount	Credit loss allowance	NPI	Provision
		(Rupees in '000)			
Domestic					
Performing	**Stage 1**	2,586,857	29,754	2,808,424	8,863
Underperforming	**Stage 2**	89,833	18,648	107,500	7,012
Non-performing	**Stage 3**				
		-	-	-	-
Substandard		-	-	149,850	76,365
Doubtful		-	-	-	-
Loss		573,276	573,276	444,672	444,672
		3,249,966	621,678	3,510,446	536,912
Total		3,249,966	621,678	3,510,446	536,912

8.3.3 The Group does not hold overseas classified debt securities.

* NPI stands for Non-performing investments.

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000			Rupees in '000		

8.3.4 Particulars of credit loss allowance

8.3.4.1 Investments - exposure

	2025 Stage 1	2025 Stage 2	2025 Stage 3	2024 Stage 1	2024 Stage 2	2024 Stage 3
Opening balance	2,808,424	107,500	594,522	2,999,855	219,850	444,672
New investments	100,000	-	-	199,800	-	-
Investments derecognised or repaid	(301,734)	(37,500)	(21,246)	(353,731)	-	-
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	(19,833)	19,833	-	(37,500)	37,500	-
Transfer to stage 3	-	-	-	-	(149,850)	149,850
	(221,567)	(17,667)	(21,246)	(191,431)	(112,350)	149,850
Amounts written off / charged Off	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Closing balance	2,586,857	89,833	573,276	2,808,424	107,500	594,522

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000			Rupees in '000		

8.3.4.2 Investments - Credit loss allowance

	2025 Stage 1	2025 Stage 2	2025 Stage 3	2024 Stage 1	2024 Stage 2	2024 Stage 3
Gross carrying amount - Current year	8,863	7,012	521,037	4,118	8,986	424,224
New investments	23,429	-	-	5,149		
Investments derecognised or repaid	(2,076)	(718)	(21,246)	(335)	-	-
Transfer to stage 1	-	-	-			
Transfer to stage 2	(462)	462	-	(69)	69	-
Transfer to stage 3	-	-	-		(4,342)	4,341
	20,891	(256)	(21,246)	4,745	(4,273)	4,341
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	11,892	73,485	-	2,299	92,472
Changes	-	-	-	-	-	-
Closing balance - Current year	29,754	18,648	573,276	8,863	7,012	521,037

8.4 Quality of securities

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

	Note	2025	2024
		Cost	
		(Rupees in '000)	
Federal Government securities - Government guaranteed			
Pakistan Investment Bonds		176,257,905	311,240,857
Market Treasury Bills		-	4,767,981
		176,257,905	316,008,838

	2025	2024
	Cost	
Shares:		
Listed Companies		
Commercial Banks	79,550	62,447
Fertilizer	55,128	47,569
Oil & Gas Exploration Companies	20,336	65,545
Financial	265	265
	155,279	175,826

Unlisted companies	2025		2024	
	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	691,000	226,000	475,910
Agritech Ltd - preference shares	21,246	-	-	-
	367,512	699,549	346,266	484,459

	2025	2024
	Cost (Rupees in '000)	
Non Government debt securities		
Categorization based on long-term rating by credit rating agency		
Listed		
- AA+, AA, AA-	100,000	-
- B+, B, B-	49,851	49,851
- CCC and below	166,932	166,932
	316,783	216,783
Unlisted		
- AAA	150,000	150,000
- AA+, AA, AA-	1,723,640	1,424,400
- A+, A, A-	703,049	1,341,523
- CCC and below	356,494	377,740
	2,933,183	3,293,663
	3,249,966	3,510,446

8.5 Investment in associates

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

	2025	2024	2025	2024	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)					
8.5.2 Shares / Mutual Funds								
Japan Power Generation Limited	17,622,878	17,622,878	-	-	11.29%	Not Available	Not Available	
Pak Oman Islamic Asset Allocation Fund	3,060,081	3,060,081	149,229	162,996	96.75%	48.77	31-Dec-25**	Ms. Sadaf Kazmi
Pak Oman Advantage Asset Allocation Fund	3,334,799	3,334,799	167,879	182,884	99.47%	50.34	31-Dec-25**	Ms. Sadaf Kazmi
Pak Oman Advantage Islamic Income Fund	639,728	639,728	35,256	36,686	37.99%	55.11	31-Dec-25**	Ms. Sadaf Kazmi
Askari High Yield Scheme	1,120,687	1,120,687	121,052	125,230	41.40%	108.02	31-Dec-25**	Ms. Sadaf Kazmi
Askari Cash Fund	1,345,482	1,345,482	145,886	150,900	35.36%	108.43	31-Dec-25**	Ms. Sadaf Kazmi
Pak Oman Daily Dividend Fund	7,088,410	6,744,445	70,888	67,445	99.62%	10.00	31-Dec-25**	Ms. Sadaf Kazmi
Pak Oman Income Fund (Formerly Pak Oman Government Securities Fund)	10,716,913	10,716,913	121,484	125,420	58.65%	11.34	31-Dec-25**	Ms. Sadaf Kazmi
Askari Sovereign Yield Enhancer	209,793	480,980	22,898	54,163	39.33%	109.15	31-Dec-25**	Ms. Sadaf Kazmi
			834,572	905,724				

**Published Net Asset Value
* Unaudited financial statements

8.5.3 The above associates are incorporated in Pakistan.

8.6 The investments in Pakistan investment bonds are maturing upto July 2035 (2024: November 2031) and the effective yield ranges from 9.96% to 16.50% (2024: 9.78% to 20.9%) per annum.

8.7 Invemstments bonds carry yield ranging 11.30% (2024: 21.27% to 21.43%) per annum with maturities upto August 2026 (2024: December 2025).

9 ADVANCES

	Note	Performing 2025	Performing 2024	Non-performing 2025	Non-performing 2024	Total 2025	Total 2024
		(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	
Loans, cash credits, running finances, etc.	9.1 & 9.3	18,985,005	12,954,476	2,721,970	2,908,867	21,706,975	15,863,343
Margin trading		1,445,413	1,906,484	-	-	1,445,413	1,906,484
Advances - gross		20,430,418	14,860,960	2,721,970	2,908,867	23,152,388	17,769,827
Credit loss against advances							
Stage 1		146,418	34,712	-	-	146,418	34,712
Stage 2		168,234	122,487	-	-	168,234	122,487
Stage 3	9.8	-	-	2,671,646	2,597,798	2,671,646	2,597,798
		314,652	157,199	2,671,646	2,597,798	2,986,298	2,754,997
Advances - net of credit allowance		20,115,766	14,703,761	50,324	311,069	20,166,090	15,014,830

9.1 Includes Net Investment in Finance Lease as disclosed below:

	2025 Not later than one year	2025 Later than one and less than five years	2025 Total	2024 Not later than one year	2024 Later than one and less than five years	2024 Total
	---- (Rupees in '000) ----					
Lease rentals receivable	616,504	1,143,306	1,759,810	619,638	417,987	1,037,625
Residual value	67,672	333,077	400,749	119,092	71,490	190,582
Minimum lease payments	684,176	1,476,383	2,160,559	738,730	489,477	1,228,207
Financial charges for future periods	(151,471)	(228,333)	(379,804)	(99,837)	(130,932)	(230,769)
Present value of minimum lease payments	532,705	1,248,050	1,780,755	638,893	358,545	997,438

9.1.1 In respect of the aforementioned finance leases the Group holds an aggregate sum of Rs. 370.749 million (2024: Rs. 190.582 million) as security deposits on behalf of the lessees which are included under 'other liabilities' (note 18).

9.2 Particulars of advances (Gross)

	2025	2024
	(Rupees in '000)	
In local currency	23,152,388	17,769,827

9.3 Staff loans include personal loans and house loans amounting to Rs. 154.740 million (2024: 142.741 million) given to employees in accordance with their terms of appointment. House loans carry mark-up at a rate of 5 (2024: 5) percent per annum, while no mark-up is charged on personal loans.

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
9.4 Advances - Exposure								
Opening balance	13,878,950	982,010	2,908,867	17,769,827	13,489,847	3,192,430	2,535,945	19,218,222
New Advances	8,366,768	-	-	8,366,768	4,711,220	-	-	4,711,220
Advances derecognised or repaid	(2,530,481)	(176,322)	(277,404)	(2,984,207)	(4,222,117)	(1,722,173)	(210,668)	(6,154,958)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	(226,027)	226,027	-	-	-	180,936	(180,936)	-
Transfer to stage 3	(90,507)	-	90,507	-	(100,000)	(669,183)	769,183	-
	5,519,753	49,705	(186,897)	5,382,561	389,103	(2,210,420)	377,579	(1,443,738)
Amounts written off / charged off	-	-	-	-	-	-	(4,657)	(4,657)
Changes in risk parameters	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Closing balance	19,398,703	1,031,715	2,721,970	23,152,388	13,878,950	982,010	2,908,867	17,769,827

	2025				2024			
	Stage 1	Stage 2*	Stage 3	Total	Stage 1	Stage 2*	Stage 3	Total
	(Rupees in '000)							
9.5 Advances - Particulars of credit loss allowance								
Opening balance	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253
New Advances	119,457	-	-	119,457	26,267	-	-	26,267
Advances derecognised or repaid	(5,255)	-	(184,170)	(189,425)	(1,932)	(341,444)	(180,610)	(523,986)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	(2,001)	2,001	-	-	-	150,740	(150,740)	-
Transfer to stage 3	(495)	-	495	-	(66)	(242,601)	242,667	-
	111,706	2,001	(183,675)	(69,968)	24,269	(433,305)	(88,683)	(497,719)
Amounts written off / charged off	-	-	-	-	-	-	(4,657)	(4,657)
Changes in risk parameters	-	43,746	257,523	301,269	-	(120,794)	339,914	219,120
Other changes	-	-	-	-	-	-	-	-
Closing balance	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	---------------------------Rupees in '000-----------------------							
9.6 Advances - Credit loss allowance details								
Internal / External rating / stage classification								
Outstanding gross exposure								
Performing - Stage 1								
ORR 1 to 9	19,398,703	-	-	19,398,703	13,878,950	-	-	13,878,950
Under Performing - Stage 2								
ORR 1 to 9	-	1,031,715	-	1,031,715	-	982,010	-	982,010
Non-performing - Stage 3								
Other assets especially mentioned	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	473,184	473,184
Doubtful	-	-	153,500	153,500	-	-	121,517	121,517
Loss	-	-	2,568,470	2,568,470	-	-	2,314,166	2,314,166
	-	-	2,721,970	2,721,970	-	-	2,908,867	2,908,867
Total	19,398,703	1,031,715	2,721,970	23,152,388	13,878,950	982,010	2,908,867	17,769,827
Corresponding ECL								
Stage 1 and stage 2	146,418	168,234	-	314,652	34,712	122,487	-	157,199
Stage 3	-	-	2,671,646	2,671,646	-	-	2,597,798	2,597,798
	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997

9.7 Advances include Rs.2,654.309 million (2024: Rs 2,654.309 million) which have been placed under non-performing status as detailed below:

	2025		2024	
Category of Classification	**Non-performing loans**	**Credit loss allowance**	**Non-performing loans**	**Provision**
	----------------------------------- (Rupees in '000) -----------------------------------			
Domestic				
Other assets especially mentioned	-		-	-
Substandard	-	-	473,184	344,707
Doubtful	153,500	122,800	121,517	97,214
Loss	2,568,470	2,548,846	2,314,166	2,155,877
	2,721,970	2,671,646	2,908,867	2,597,798

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

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	34,712	122,487	2,597,798	2,754,997	10,443	676,586	2,351,224	3,038,253
Charge for the year	119,456	45,747	258,018	423,221	26,267	29,946	582,581	638,794
Reversals	(7,750)	-	(184,170)	(191,920)	(1,998)	(584,045)	(331,350)	(917,393)
	111,706	45,747	73,848	231,301	24,269	(554,099)	251,231	(278,599)
Amounts written off	-	-	-	-	-	-	(4,657)	(4,657)
Closing balance	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997

9.8.1 Particulars of credit loss against advances

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
In local currency	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997
	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997

9.9 The Group does not hold overseas classified advances.

		2025	2024
		(Rupees in '000)	
9.10 Particulars of write offs			
9.10.1 Against provisions			
Directly charged to the consolidated profit or loss account	-	-	-

10 PROPERTY AND EQUIPMENTS

		2025	2024
		'(Rupees in '000)	
Property and equipments	10.1	939,437	854,726
Advance for capital expenditure		2,048	155,050
		941,485	1,009,776

10.1 Property and Equipments

	2025							
	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, 2025								
Cost	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
Year ended December 31, 2025								
Opening net book value	633,035	16,086	7,815	34,828	25,796	135,857	1,309	854,726
Additions	-	164,884	23,654	19,805	1,026	46,433	-	255,802
Movement in surplus on assets revalued during the year	-	-	-	-	-	-	-	-
Transfer from Non-banking assets	-	-	-	-	-	-	-	-
Disposals	-	(6,618)	(1,449)	(635)	(130)	(11,274)	-	(20,106)
Depreciation charge	(37,612)	(21,385)	(7,428)	(18,914)	(5,914)	(58,610)	(1,122)	(150,985)
Closing net book value	595,423	152,967	22,592	35,084	20,778	112,406	187	939,437
As at December 31, 2025								
Cost / Revalued amount	752,427	184,660	36,656	79,674	34,155	247,219	5,608	1,340,399
Accumulated depreciation	(157,004)	(31,693)	(14,064)	(44,590)	(13,377)	(134,813)	(5,421)	(400,962)
Net book value	595,423	152,967	22,592	35,084	20,778	112,406	187	939,437
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
		2024							
		(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	10.1.1 & 10.1.2	-	-	-	-	-	-	-	-
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%	

* 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 . 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:

	2025	2024
	(Rupees in '000)	
Improvements	364	1,704
Office equipments	4,564	8,482
Computer equipments	16,009	17,888
Furniture and fixtures	3,953	10,355
Vehicles	12,181	3,461
	37,071	41,890

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							
Kia Sportage	3,567	3,448	119	713	594	Holding company policy	Mr. Muhammad Sajjad Arif (Executive)
Kia Sportage	3,567	3,448	119	713	594	Holding company policy	Mr. Tasadduq Aslam (Executive)
Kia Sportage	8,632	2,734	5,898	6,200	302	Holding company policy	Mr. Muhammad Zalmai R. Khan (Former Executive)
Kia Sportage	3,600	2,520	1,080	2,402	1,322	Holding company policy	Mr. Muhammad Saeed Rana (Former Executive)
Toyota Fortuner	5,600	5,600	-	1,120	1,120	Holding company policy	Mr. Syed Muhammad Shoaib Omair (Executive)
			-				
	24,966	17,750	7,216	11,148	3,932		
Furniture and fixture	250	250	-	-	-	Holding company policy	Mr. Muhammad Zalmai R. Khan (Former Executive)
Furniture and fixture	100	43	57	57	-	Holding company policy	Mr. Shoaib Iqbal (Former Executive)
Furniture and fixture	150	150	-	-	-	Holding company policy	Mr. Faraz Sajid Khan (Former Executive)
Furniture and fixture	250	222	28	28	-	Holding company policy	Mr. Muhammad Saeed Rana (Former Executive)
Furniture and fixture	100	55	45	45	-	Holding company policy	Mr. Syed Mohsin Raza (Former Executive)
	850	720	130	130	-		
Mobile Phone	350	136	214	228	14	Holding company policy	Mr. Muhammad Zalmai R. Khan (Former Executive)
Laptop	319	115	204	204	-	Holding company policy	Mr. Muhammad Zalmai R. Khan (Former Executive)
Others	61,803	49,461	12,342	9,297	(3,045)		
	88,288	68,182	20,106	21,007	901		

		Note	2025	2024
			(Rupees in '000)	

11 RIGHT-OF-USE-ASSETS

	Note	2025	2024
As at January 01,			
Cost		221,686	169,935
Accumulated depreciation		(61,039)	(81,339)
Net Carrying amount at January 01,		160,647	88,596
Additions during the year		7,718	134,680
Deletions during the year			
Cost		(9,689)	(82,929)
Accumulated depreciation		4,732	57,220
		(4,957)	(25,709)
Depreciation Charge for the year		(33,550)	(36,920)
Net Carrying amount As at December 31,		129,858	160,647
As at December 31,			
Cost		219,715	221,686
Accumulated depreciation		(89,857)	(61,039)
Net Carrying amount As at December 31,		129,858	160,647
Rate of depreciation (percentage)		10%	10%

12 INTANGIBLE ASSETS

	Note	2025	2024
Computer software	12.1	35,570	8,938
Goodwill	12.2	96,304	96,304
		131,874	105,242

12.1 Computer Software

	2025	2024
As at January 01,		
Cost	29,185	19,121
Accumulated amortisation	(20,247)	(19,009)
Net book value	8,938	112
Year ended December 31		
Opening net book value	8,938	112
Additions	33,735	10,064
Disposals		
Cost	(5,773)	-
Accumulated amortisation	5,773	-
Disposals	-	-

	2025	2024
	(Rupees in '000)	
Amortisation charge	(7,103)	(1,238)
Closing net book value	35,570	8,938
As at December 31,		
Cost	62,920	29,185
Accumulated amortisation	(27,350)	(20,247)
Net book value	35,570	8,938
Rate of amortisation	33%	33%

12.2 Goodwill

	2025	2024
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 / (LIABILITIES)

	January 01, 2025	Recognized in Consolidated profit or loss account	Recognized in Consolidated statement of OCI	December 31, 2025
	-----------------------------(Rupees in '000)			-----------------------------
Deductible Temporary Differences on				
Credit loss allowance against investments and others	260,375	85,431	-	345,806
Assets subject to finance lease	1	29	-	30
Amortisation of premium on Federal Government securities	686	(566)	-	120
Credit loss allowances against advances	1,074,449	90,208	-	1,164,657
Difference of Corporte tax & ACT & Minimum Tax	130,928			-
Accelerated tax depreciation allowances	44,785	28,502	-	73,287
Accumulated tax losses - POAMCL	35,886	-	-	35,886
	1,547,110	203,604	-	1,619,786
Taxable Temporary Differences on				
Net investment in finance lease	42,866	(42,834)	-	32
Revaluation on investments classified as FVTPL	(66,819)	(321,085)	-	(387,904)
Revaluation on investments classified as FVTOCI	(658,869)	-	(1,408,748)	(2,067,617)
Revaluation on fixed asset / non-banking assets	(254,614)	7,331	3	(247,280)
Dividend receivables	-	-	-	-
	(937,436)	(356,588)	(1,408,745)	(2,702,769)
	609,674	(152,984)	(1,408,745)	(1,082,983)

	January 01, 2024	Recognized in Consolidated profit or loss account	Recognized in Consolidated statement of OCI	December 31, 2024
	--------------------------------(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		130,928
Accelerated tax depreciation allowances	29,745	15,040	-	44,785
Accumulated tax losses - POAMCL	35,886	-	-	35,886
	1,468,524	78,586	-	1,547,110
Taxable Temporary Differences on				
Net investment in finance lease	76,532	(33,666)	-	42,866
Revaluation on investments classified as held-for-trading	4,837	(71,656)	-	(66,819)
Revaluation on investments classified as available-for-sale	(75,043)	-	(583,826)	(658,869)
Revaluation on fixed assets / 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	(17,408)	(693,513)	609,674

14 OTHER ASSETS

	Note	2025	2024
		(Rupees in '000)	
Income/ mark-up accrued in local currency		4,083,313	7,471,230
Dividend income receivable		-	-
Mark-up / profit receivable on purchase of securities		2,067,109	860,611
Security deposits		16,661	15,818
Prepayments		57,713	46,838
Prepaid staff cost		47,907	54,738
Receivable against sale of investments		-	-
Advance taxation (payments less provisions)		1,953,563	3,411,061
Non-banking assets acquired in satisfaction of claims	14.1	543,750	543,750
Receivable from funds under management and investment advisory clients		78,128	82,162
Defined benefit plan	35.2	1,731	-
Deferred Fair value loss		97,341	-
Others		6,661	4,281
		8,953,877	12,490,489
Less: Credit loss allowance held against other assets		-	-
Other assets (net of credit loss allowance)		8,953,877	12,490,489
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	14.1	281,250	281,250
Other assets - total		9,235,127	12,771,739

14.1 Non-banking assets acquired in satisfaction of claims

	2025	2024
Opening balance	825,000	-
Additions	-	543,750
Revaluation	-	281,250
Disposals	-	-
Depreciation	-	-
Transfer to fixed assets	-	-
Impairment	-	-
Closing balance	825,000	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 (2024: 281.250).

	Note	2025	2024
		(Rupees in '000)	

15 BORROWINGS

	Note	2025	2024
Secured			
Borrowings from the State Bank of Pakistan:	15.2		
- Long term financing facility (LTFF)		1,162,786	1,583,576
- Financing Scheme for Renewable Energy		168,577	197,756
- Financing facility for storage of agricultural produce (FFSAP)		13,462	21,154
- Temporary Economic Refinance Facility (TERF)		124,734	159,420
Repurchase agreement borrowings	15.3	130,355,828	-
Long term borrowings	15.4	1,316,662	3,091,768
Short term loan / running finance	15.5	50,010,012	275,036,921
Bai Muajjal	15.6	-	22,935,065
Total secured		183,152,061	303,025,660
Unsecured			
Placements	15.7	4,000,000	-
Murabaha financing	15.8	60,336,293	46,562,305
Total unsecured		64,336,293	46,562,305
		247,488,354	349,587,965

15.1 Particulars of borrowings with respect to currencies

In local currency	247,488,354	349,587,965

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 7 years (2024: 10 years). No securities have been pledged against this facilities.

15.3 The mark up rate on these repurchase agreement borrowings, maturing in January 2026 (2024: NIL), ranges between 10.59% to 11.45% (2024: NIL) per annum. Securities having cost of Rs 128 million (2024: NIL 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 10.51% to 11.42% (2024: 11.49% to 13.30%). The above facility are secured against government securities and loans and advances receivables (2024: loan and advances receivable).

15.6 The mark up rate on these Bai Muajjal secured against government securities, maturing from (2024: January 2025 to February 2025) is (2024: 12% to 15.75%) per annum.

15.7 The mark up rate on these placement financing maturing in January 2026 (2024: NIL) is 10.52% (2024: NIL). No securities have been pledged against this facilities.

15.8 The mark up rate on these murabaha financing, maturing from January 2026 to April 2026 (2024: January 2025 to June 2025) is from 10.30% to 10.90% (2024: 11.50% to 15.05%) per annum. No securities have been pledged against this facilities.

16 DEPOSITS AND OTHER ACCOUNTS

		2025		2024	
		In local currency	Total	In local currency	Total
	Note	------------------------------- (Rupees in '000)			-------------------------
Certificates of investment					
Financial institutions		7,973,000	7,973,000	179,500	179,500
Others		11,435,066	11,435,066	15,984,782	15,984,782
	16.1 &	19,408,066	19,408,066	16,164,282	16,164,282

16.1 The rate of return on deposits maturing between January 2026 to December 2026 (2024: January 2025 to December 2025) ranges between 9.11% to 11.43% (2024: 10.93% to 21%) per annum.

	2025	2024
	(Rupees in '000)	
16.2 Composition of deposits		
Individuals	1,323,343	2,124,499
Government (Federal and Provincial)	2,634,650	4,677,739
Public Sector Entities	-	-
Banking companies	-	-
Non-Banking Financial Institutions	8,048,000	106,000
Private sector	7,402,073	9,256,044
	19,408,066	16,164,282

17 LEASE LIABILITIES

Lease liability against right-of-use assets	173,951	187,986
Liabilities against assets subject to finance lease	264	1,312
	174,215	189,298

17.1 Lease liability against right-of-use assets

As at January 01,	187,986	118,290
Additions	7,718	134,680
Deletion	(7,525)	(50,069)
Finance charges	43,042	35,380
Payments	(57,270)	(50,295)
As at December 31,	173,951	187,986

	2025	2024
	(Rupees in '000)	
Contactual maturity of lease laibilities		
Short-term lease liabilities - within one year	28,148	18,383
Long-term lease liabilities		
- 1 to 5 years	134,992	154,654
- 5 to 10 years	10,811	14,949
- More than 10 years	-	-
	145,803	169,603
Total lease liabilities	173,951	187,986

17.2 Liabilities against assets subject to finance lease

	2025			2024		
	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	379	115	264	1,124	76	1,048
Later than one year and upto five years	-	-	-	269	5	264
	379	115	264	1,393	81	1,312

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% (2024: 9.17%) per annum.

18 OTHER LIABILITIES

	Note	2025	2024
		(Rupees in '000)	
Mark-up / return / interest payable in local currency		1,979,624	10,273,614
Accrued expenses		766,795	482,604
Defined benefit plan liabilities	35.2	-	28,008
Security deposits against investment in finance lease	9.1.1	370,750	190,582
Taxation		-	-
Payable against purchase of investments		-	-
Withholding tax and sales tax payable		14,783	19,074
Sales tax and federal excise duty payable	18.2	91,232	89,985
Credit loss allowances against off-balance sheet obligations		130,780	17,159
Others		127,092	114,052
		3,481,056	11,215,078

	Note	2025	2024
		(Rupees in '000)	

18.1 Credit loss allowance against off-balance sheet obligations

Opening balance		17,159	1,679
Exchange adjustment		-	-
Charge for the year		113,621	15,480
Reversals		-	-
		113,621	15,480
Amount written off		-	-
Closing balance		130,780	17,159

18.2 Pak Oman Asset Management Company Limited (the Subsidiary Company)

This represents amount payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. The amount is being held for payment to Federal Board of Revenue on the basis of stay order of the High Court of Sindh dated September 04, 2013. The stay order was granted as a result of petition filed by asset management companies on the forum of MUFAP against the amendment in Finance Act, 2013 which levied FED on the fees received by asset management companies from funds under management. The Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. On September 23, 2016, the Federal Government has filed an appeal against the said order in the Supreme Court of Pakistan (SCP) and thus, the previous balance of FED has not been reversed. Further, the Federal Government vide Finance Act, 2016 has excluded asset management companies and other nonbanking finance companies from charge of FED on their services. Accordingly, no provision for FED is made from July 01, 2016 onwards.

19 SHARE CAPITAL

19.1 Authorized Capital

2025	2024		2025	2024
(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

2025	2024		2025	2024
(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	2025	2024
		(Rupees in '000)	
Statutory reserve	20.1	2,507,509	1,863,123
General reserve		-	-
		2,507,509	1,863,123

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	2025	2024
(Deficit) / Surplus on revaluation of:			
- Securities measured at FVOCI - Debt		4,786,802	1,357,895
- Securities measured at FVOCI - Equity		542,657	377,208
- Property and Equipment		430,069	452,420
- Non-banking assets acquired in satisfaction of claims	21.1	281,250	281,250
		6,040,778	2,468,773
Deferred tax (Liability) on surplus on revaluation			
- Securities measured at FVOCI - Debt		(1,866,853)	(529,579)
- Securities measured at FVOCI - Equity		(200,764)	(129,290)
- Property and Equipment		(167,727)	(176,444)
- Non-banking assets acquired in satisfaction of claims	21.1	(109,687)	(109,687)
		(2,345,031)	(945,000)
		3,695,747	1,523,773

	Note	2025	2024
		(Rupees in '000)	

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

		2025	2024
Surplus on revaluation as at January 01,		281,250	-
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	281,250
Less: related deferred tax liability on:			
Revaluation as at January 01		(109,687)	-
Revaluation recognised during the year		-	(109,687)
Incremental depreciation charged during the year		-	-
Transfer to fixed assets		-	-
		(109,687)	(109,687)
		171,563	171,563

21.2 Surplus on revaluation of fixed assets

		2025	2024
Surplus on revaluation as at January 01		452,420	474,758
Recognised during the year		-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(22,351)	(22,338)
Transfer from non-banking assets		-	-
		430,069	452,420
Less: related deferred tax liability on:			
Revaluation as at January 01		(176,444)	(185,156)
Revaluation recognised during the year		-	-
Incremental depreciation charged during the year		8,717	8,712
Transfer from non-banking assets		-	-
		(167,727)	(176,444)
		262,342	275,976

22 CONTINGENCIES AND COMMITMENTS

	Note	2025	2024
Guarantees	22.1	4,279,582	3,898,167
Commitments	22.2	10,374,065	1,397,184
Other contingent liabilities	22.3	70,726	70,726
		14,724,373	5,366,077

	Note	2025	2024
		(Rupees in '000)	

22.1 Guarantees:

	Note	2025	2024
Performance guarantees		3,088,250	3,066,250
Financial guarantees		1,191,332	831,917
		4,279,582	3,898,167

22.2 Commitments:

	Note	2025	2024
Commitments in respect of: forward government securities transactions			
Purchase of Government securities		5,083,020	-
Sale of Government securities		-	-
		5,083,020	-
Commitments for:			
advances		4,747,295	853,434
Sale of non-banking assets		543,750	543,750
		10,374,065	1,397,184

22.3 Other contingent liabilities:

	Note	2025	2024
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 (2024: 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

	2025	2024
On:	1,894,891	2,330,964
Loans and advances	35,640,084	69,058,778
Investments	509,257	926,961
Lendings to financial institutions	12,678	18,416
Balances with banks	38,056,910	72,335,119

24 MARK-UP / RETURN / INTEREST EXPENSED

	2025	2024
Deposits	1,667,144	2,772,779
Borrowings	30,274,273	68,662,231
Lease liability against right-of-use assets	43,042	35,380
	31,984,459	71,470,390

	Note	2025	2024
		(Rupees in '000)	

25 FEE AND COMMISSION INCOME

Credit related fees		40,772	26,827
Investment banking fees		59,932	34,591
Commission on guarantees		59,425	24,399
Underwriting commission of Government securities auction		-	-
Remuneration from funds under management		35,994	59,428
Professional fee		-	-
		196,123	145,245

26 GAIN/(LOSS) ON SECURITIES

Realised	26.1	282,223	400,767
Unrealised - FVTPL		724,872	282,156
		1,007,095	682,923

26.1 Realised gain on:

Federal Government securities		(432,340)	361,129
Non-Government debt securities		-	-
Mutual funds		-	-
Shares		714,563	39,638
		282,223	400,767

27 OTHER INCOME

Gain on sale of property and equipment-net		901	896
Gain on derecognition of right-of-use assets - net		2,568	24,360
Rental income		41,133	9,894
Others		-	-
		44,602	35,150

28 OPERATING EXPENSES

Total compensation expense	28.1	1,100,766	723,599
Property expense			
Rent and taxes		-	-
Utilities cost		8,471	14,660
Security (including guards)		2,119	1,987
Repair and maintenance (including janitorial charges)		49,298	42,668
Depreciation on right-of-use assets	11	33,550	36,920
Depreciation on improvements	10.1	21,385	4,541
Depreciation on office premises	10.1	37,612	37,605
		152,435	138,381

	Note	2025	2024
		(Rupees in '000)	
Information technology expenses			
Software maintenance		1,126	976
Hardware maintenance		357	-
Depreciation on computer equipment	10.1	18,914	12,666
Amortisation	12	7,103	1,238
Network charges		5,664	4,655
Others		5,569	5,354
		38,733	24,889
Other operating expenses			
Directors' fees and allowances		25,500	27,075
Directors' fees and allowances - Subsidiary Company		1,470	1,485
Legal and professional charges		44,644	41,355
Travelling and conveyance		27,223	20,504
Depreciation		73,074	65,521
Training and development		6,085	3,349
Postage and courier charges		525	444
Communication		23,163	62,066
Stationery and printing		4,231	4,387
Marketing, advertisement & publicity		7,475	3,302
Donations	28.2	4,560	-
Auditors' remuneration	28.3	6,652	6,366
Membership and subscriptions		4,874	6,061
Transportation		5,837	7,180
Insurance		10,009	7,676
Finance charges on leased assets		959	1,033
Entertainment and canteen expenses		8,928	6,342
Maintenance charges - non-banking assets		-	-
Distribution commission		3,699	5,934
		4,532	-
Others		9,007	11,612
		272,447	281,692
Total operating expenses		1,564,381	1,168,561

	Note	2025	2024
		(Rupees in '000)	

28.1 Total compensation expenses

	Note	2025	2024
Employees' remuneration			
i) Fixed		636,688	533,812
ii) Variable			
of which;			
Cash bonus / awards etc		319,623	76,891
Charge for defined benefit plan	35.6.1	35,462	27,344
Contribution to defined contribution plan		34,015	28,756
Utilities		4,299	4,688
Medical		25,134	20,463
Others		45,545	31,645
Grand total		1,100,766	723,599

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

	2025	2024
Layton Rahmatulla Benevolent Trust (LRBT)	500	-
Karachi Vocational Training Centre (KVTC)	1,560	-
The Kidney Centre	2,500	-
	4,560	-

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

	2025	2024
Audit fee	2,339	2,216
Half yearly review	935	850
Auditors' remuneration of Subsidiary Company	1,813	1,615
Special certifications and sundry advisory services	1,253	1,401
Out-of-pocket expenses	312	284
	6,652	6,366

29 OTHER CHARGES

	2025	2024
Penalties imposed by State Bank of Pakistan	174	-
Minimum tax differential	1,440	60,399
Fees, commission and other brokerage charges	75,317	57,776
	76,931	118,175

	Note	2025	2024
		(Rupees in '000)	

30 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

	Note	2025	2024
Credit loss allowance for diminution in value of investments	8.3.1	106,012	99,584
Credit (reversal) / loss allowance against loans & advances	9.8	231,301	(278,599)
Credit loss allowance against balances with other banks		(578)	616
Credit loss / (reversal) allowance against lendings to FIs		-	-
Credit loss / (reversal) allowance against off-balance sheet items		113,621	15,480
Modification loss		17,178	-
		467,534	(162,919)

31 TAXATION

	2025	2024
Current	1,835,137	298,310
Prior years	-	-
Deferred	283,909	17,408
	2,119,046	315,718

31.1 Relationship between tax expense and accounting profit

	2025	2024
Profit before taxation	5,392,899	913,391
Tax at the applicable rate of 39%	2,103,231	356,222
Tax effect of income taxed at reduced rate	(18,455)	(38,178)
Prior year	-	-
Others	34,270	(2,326)
	2,119,046	315,718

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 Management 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. 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 High Court of Sindh has issued stay order against such levy.

During 2016, the 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 Management Company is still pending in the Court; therefore, as a matter of prudence, the Company has maintained the accumulated provision against FED amounting to Rs. 78.3 million as of 31 December 2025.

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 Company for period subsequent to June 30 2016.

The Subsidiary Company was 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 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 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.

For the tax years 2018 and 2020 ADCIR passed an order wherein demand of Rs. 115.411 million and Rs. 5.132 million respectively was raised. The appeals were filed by the Company with the Commissioner Appeals (CIR-A) against the impugned orders passed by the taxation officer. However, the CIR-A confirmed the orders of the taxation officer with few exceptions / rejections through his order dated March 30, 2023. The Company filed the appeals with the Appellate Tribunal Inland Revenue, Karachi (ATIR) against the order of the CIR-A dated May 03, 2023. The ATIR has remanded back the cases to the taxation officer and these matters are pending before him at as reporting date.

32 BASIC AND DILUTED EARNINGS PER SHARE

	Note	2025	2024
		(Rupees in '000)	
Profit for the year		3,273,853	597,673

	2025	2024
	Numbers in '000	
Weighted average number of ordinary shares in issue	615,000	615,000
Basic and diluted earnings per share	5.32	0.97

32.1 There were no convertible dilutive potential ordinary shares outstanding on December 31, 2025 and 2024.

33 CASH AND CASH EQUIVALENTS

	Note	2025	2024
		(Rupees in '000)	
Cash and balances with treasury banks	5	1,454,696	883,203
Balances with other banks	6	83,428	45,263
		1,538,124	928,466

34 STAFF STRENGTH

	(Number)	
Permanent	116	115
Temporary / contractual	18	21
Total staff strength	134	136

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 or 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.

	2025	2024
	(Number)	
Number of employees under the scheme		

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

	2025	2024
Gratuity fund	97	100

35.1.1 Principal actuarial assumptions

The latest actuarial valuation for defined benefit plan scheme was carried out as at 31 December 2025 using the Projected Unit Credit Method (PUCM). The following significant assumptions were used for the actuarial valuation:

	2025	2024
	(Number)	
Discount rate	11.00	12.25
Expected short term rate of increase in salary levels	15.00	15.50
Expected long term rate of increase in salary levels	12.00	15.00
Expected rate of return on plan assets	12.25	13.25

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.

	Note	2025	2024
		(Rupees in '000)	

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

	Note	2025	2024
Present value of defined benefit obligation	35.3	280,840	268,071
Fair value of plan assets	35.4	(282,571)	(240,063)
(Receivable) / payable	35.5	(1,731)	28,008

35.3 Movement in defined benefit obligation

	2025	2024
Obligation at the beginning of the year	268,071	187,483
Current service cost	35,979	28,142
Interest cost	29,108	28,785
Benefits paid during the year	(60,921)	(3,545)
Remeasurement (gain) / loss	8,603	27,206
Obligation at the end of the year	280,840	268,071

	Note	2025	2024
		(Rupees in '000)	

35.4 Movement in fair value of plan assets

	Note	2025	2024
Fair value at the beginning of the year		240,063	172,421
Interest income on plan assets		29,625	29,583
Contribution by the holding company		64,471	40,423
Benefits paid during the year		(60,921)	(3,545)
Remeasurement gain on plan assets		9,333	1,181
Fair value at the end of the year	35.7	282,571	240,063

35.5 Movement in receivable under defined benefit plan

	Note	2025	2024
Opening balance		28,008	15,062
Charge for the year	35.6.1	35,462	27,344
Re-measurement (gain) / loss recognised in other comprehensive income during the year		(730)	26,025
Contributions by the holding company - net		(64,471)	(40,423)
Closing balance		(1,731)	28,008

35.6 Charge for defined benefit plans

35.6.1 Cost recognised in the consolidated profit or loss account

	2025	2024
Current service cost	35,979	28,142
Net interest on defined benefit asset	(517)	(798)
Expected return on plan assets	-	-
Actuarial loss	-	-
	35,462	27,344

35.6.2 Re-measurement recognised in OCI during the year

	2025	2024
Actuarial (gain) / loss on obligation	8,603	27,206
Actuarial gain on plan assets	(9,333)	(1,181)
Total re-measurements (gain) / loss recognised in OCI	(730)	26,025

35.7 Components of plan assets

Particulars	2025		2024	
	(Rupees in '000)	%	(Rupees in '000)	%
Cash and cash equivalents - net	5,090	1.80%	2,314	0.96%
Government securities	277,481	98.20%	237,749	99.04%
Certificate of investments	-	-	-	-
	282,571	100.00%	240,063	100.00%

		Note	2024	2023
			(Rupees in '000)	
35.8	**Sensitivity analysis**			
	1% increase in discount rate		(16,793)	(16,065)
	1% decrease in discount rate		18,783	17,940
	1% increase in expected rate of salary increase		19,695	18,828
	1% decrease in expected rate of salary increase		(17,913)	(17,146)

35.9 Maturity profile of defined benefit obligation

Benefit payments

The average duration of the benefit obligation as at December 31, 2025 is 6.81 years (2024: 6.34 years).

Distribution of timing of benefit payments

Years	2024	2023
1	13,961	28,331
2	64,872	1,286
3	56,199	58,263
4	16,564	67,398
5	11,515	16,950
6 to 10	187,085	104,708
11 and above	357,816	481,305

		2024	2023
35.10	Expected contributions to be paid to the funds in the next financial year	36,134	36,463
35.11	Expected charge for the next financial year	36,134	36,463

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. 36.134 million as per the actuarial valuation report of the holding company as of December 31, 2026.

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.

	2025	2024
	(Rupees in '000)	
36.2 Contribution made during the year		
Contribution by the Group	34,015	28,756
Contribution by employees	34,015	28,756
	68,030	57,512

The number of employees covered under the defined contribution plan as at December 31, 2025 are 97 (2024: 100).

37 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

37.1 Total Compensation Expenses

Items	2025				
	Directors		President / CEO	Key Management Personnel	Other Material Risk Takers/
	Chairman	Non-Executives			
Fees and allowances etc.	5,400	20,100	-	-	-
Managerial remuneration					
i) Fixed	-	-	87,087	178,642	41,962
ii) Variable					
a) Cash bonus / awards	-	-	72,038	32,660	5,457
b) Bonus and awards in shares	-	-	-	-	-
Charge for defined benefit plan	-	-	5,807	12,446	3,796
Contribution to defined contribution plan	-	-	6,218	11,182	2,684
Utilities	-	-	3,076	-	-
Medical	-	-	1,627	2,898	-
Notice pay / Severance pay	-	-	-	22,552	-
Others	-	-	2,072	4,008	-
Total	5,400	20,100	177,925	264,388	53,899
Number of persons	1	5	1	11	10

Items	2024				
	Directors		President / CEO	Key Management Personnel	Other Material Risk Takers/
	Chairman	Non-Executives			
Fees and allowances etc.	5,400	21,675	-	-	-
Managerial remuneration					
i) Fixed	-	-	70,000	150,478	38,738
ii) Variable					
a) Cash bonus / awards	-	-	35,000	27,345	3,579
b) Bonus and awards in shares	-	-	-	-	-
Charge for defined benefit plan	-	-		-	
Contribution to defined contribution plan	-	-	3,771	8,518	2,622
Utilities	-	-	4,998	8,908	2,651
Medical			2,994	-	-
Others	-	-	1,062	-	-
			1,786	481	-
Total	5,400	21,675	119,611	195,730	47,590
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**

		2025					
		Meeting Fees and Allowances Paid					
Sr. No.	**Name of Director**	**For Board Meetings**	**For Board Committees**				
			Executive Committee	**Audit Committee**	**Risk Committee**	**Remuneration & Compensation Committee**	**Total Amount Paid**
		Rs. in '000'					
1	H.H. Juland Jaifar Salim Al Said	3,000	1,200	-	-	1,200	5,400
2	Al-Fadhal Abdallah Al-Omairi	750	375	-	375	-	1,500
3	Al Ayham Al Ghassani	1,875	-	1,800	750	750	5,175
4	Faisal Ali Ibrahim Al Siyabi	1,125	375	750	1,125	-	3,375
5	Mohammad Shabir Ahmed Khan	1,875	750	1,500	1,800	750	6,675
6	Muhammad Asif	1,125	750	750	750	-	3,375
	Total	9,750	3,450	4,800	4,800	2,700	25,500

During the year, Mr. Faisal Ali Ibrahim Al Siyabi left and Mr. Al-Fadhal Abdallah Al-Omairi joined the Board of Directors, nominated by the Sultanate of Oman.
During the year, Mr. Muhammad Asif joined the Board of Directors, nominated by the Government of Pakistan.

		2024					
		Meeting Fees and Allowances Paid					
Sr. No.	**Name of Director**	**For Board Meetings**	**For Board Committees**				
			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	Al Ayham 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

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	**2025**		**2024**	
	Book value	**Fair value**	**Book value**	**Fair value**
	------------------------------- (Rupees in '000) -----------------------------------			
Assets				
Cash and balances with treasury banks	1,454,696	1,454,696	883,203	883,203
Balances with other banks	82,163	82,163	43,420	43,420
Lendings to financial institutions	-	-	3,287,200	3,287,200
Investments	254,605,149	254,689,135	353,199,504	353,283,490
Advances	20,166,090	20,166,090	15,014,830	15,014,830
Other assets	6,397,120	6,397,120	8,488,840	8,488,840
Assets held-for-sale	-	-	-	-
	282,705,218	282,789,204	380,916,997	381,000,983

On-balance sheet financial instruments	2025		2024	
	Book value	Fair value	Book value	Fair value
	------------------------------- (Rupees in '000) ------------------------------------			
Liabilities				
Borrowings	247,488,354	247,488,354	349,587,965	349,587,965
Deposits and other accounts	19,408,066	19,408,066	16,164,282	16,164,282
Lease liabilities	174,215	174,215	189,298	189,298
Other liabilities	3,481,056	3,481,056	11,187,070	11,187,070
	270,551,691	270,551,691	377,128,615	377,128,615
	12,153,527	12,237,513	3,788,382	3,872,368
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:

	2025			
On balance sheet financial instruments	**Level 1**	**Level 2**	**Level 3**	**Total**
	------------------------------ (Rupees in '000) ----------------------------			
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	250,165,165	-	250,165,165
Shares	232,936	-	-	232,936
Non-Government debt securities	-	2,672,927	-	2,672,927
Mutual funds	-	834,572	-	834,572
Financial assets - disclosed but not measured at fair value				
Investments	-	-	699,549	699,549
Fair value of non-financial assets				
Non-banking assets acquired in satisfaction of claims	-	-	-	-

	2024			
	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	-	347,742,403	-	347,742,403
Provincial Government Securities				-
Shares	1,076,894	-	-	1,076,894
Non-Government debt securities	-	2,990,024	-	2,990,024
Foreign Securities				-
Others				-
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	-	-	-	-

39 SEGMENT INFORMATION

39.1 Segment details with respect to business activities

	2025				
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	(Rupees in '000)				
Profit & Loss					
Net mark-up/return/profit	258,581	(58,348)	5,871,786	432	6,072,451
Non mark-up / return / interest income	100,197	279,323	1,121,188	69,711	1,570,419
Total income	358,778	220,975	6,992,974	70,143	7,642,870
Segment direct expenses	703,833	217,335	757,561	102,268	1,780,997
Provisions / (reversals)	362,100	106,012	(578)	-	467,534
Profit before tax and minimum tax differential	(707,155)	(102,372)	6,235,991	(32,125)	5,394,339

	2025				
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	-- (Rupees in '000) ----------------------------------				
Balance sheet					
Cash & bank balances	-	-	1,524,268	12,591	1,536,859
Investments	-	4,207,048	250,343,673	54,428	254,605,149
Lendings to financial institutions			-		-
Advances - performing	18,670,353	-	1,445,413	-	20,115,766
Advances - non-performing	50,324	-		-	50,324
Others	1,384,340	77,167	8,723,820	253,017	10,438,344
Total assets	20,105,017	4,284,215	262,037,174	320,036	286,746,442
Borrowings	17,558,567	3,698,797	226,230,990	-	247,488,354
Subordinated debt	-	-	-	-	-
Deposits and other accounts	1,361,629	295,670	17,750,767	-	19,408,066
Others	(610,885)	(61,994)	5,330,703	80,430	4,738,254
Total liabilities	18,309,311	3,932,473	249,312,460	80,430	271,634,674
Equity	1,795,706	351,742	12,724,714	239,606	15,111,768
Total equity & liabilities	20,105,017	4,284,215	262,037,174	320,036	286,746,442
Contingencies & Commitments	9,570,627	70,726	5,083,020	-	14,724,373

	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	(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

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, 2025 amounted to Rs. 115.63 billion (December 31, 2024: 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 43.3 billion (2024: 40.5 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:

	2025					2024				
	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	-	-	905,724	-	226,000	-	-	696,324	-	226,000
Investment made during the year	-	-	114,040	-	-	-	-	907,000	-	-
Investment redeemed / disposed off during the year	-	-	(185,192)	-	-	-	-	(697,600)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	834,572	-	226,000	-	-	905,724	-	226,000
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	-	-	-
Advances										
Opening balance	-	106,848	68,200	-	-	-	62,503	68,200	-	-
Addition during the year	-	900	-	-	-	-	70,107	-	-	-
Repaid during the year	-	(20,345)	-	-	-	-	(32,153)	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	6,391	-	-	-
Closing balance	-	87,403	68,200	-	-	-	106,848	68,200	-	-
Provision held against advances	-	-	68,200	-	-	-	-	68,200	-	-

	2025					2024				
	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	-	-	-	1,731	-	-	-	-	-	-
Receivable from funds under management and investment advisory clients		-	78,128	-	-	-	-	82,162	-	-
Other receivable	-	-	-	-	-	-	-	-	1,855	-
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	-	21,811	-	-	-	-	40,872	-	-	-
Received during the year	-	360,136	-	-	-	-	262,111	-	-	-
Withdrawn during the year	-	(348,265)	-	-	-	-	(281,172)	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	33,682	-	-	-	-	21,811	-	-	-
Other Liabilities										
Interest / mark-up payable	-	209	-	-	-	-	343	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	28,008	-
Other liabilities										
Outright sale of securities	-	-	-	39,114,535			-	-	23,464,604	
Outright purchase of securities	-	-	-	38,186,731	-	-	-	-	22,834,353	-
Contingencies and Commitments										
Other contingencies	-	-	70,726	-	-	-	-	70,726	-	-

41.2 Related party transactions

	2025					2024				
	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	-	3,756	-	-	-	-	3,739	-	-	-
Fee and commission income	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	138,712	-	113,000	-	-	29,469	-	79,100
Net gain on sale of securities	-	-	-	4,572	-	-	-	109,190	2,022	-
Other income	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Expense										
Mark-up / return / interest paid	-	3,656	-	-	-	-	6,610	-	-	-
Operating expenses										
Non- Executive Directors' fees and allowances	25,500	-	-	-	-	27,075	-	-	-	-
Compensation expenses		442,313	-	-	-	-	315,341	-	-	-
Contribution to defined contribution plan	-	-	-	34,015	-	-	-	-	28,756	-
Charge for defined benefit plan	-	-	-	35,462	-	-	-	-	27,344	-

42 CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	2025	2024
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	6,150,000	6,150,000
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	11,184,232	7,875,724
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	11,184,232	7,875,724
Eligible Tier 2 Capital	2,779,347	239,850
Total Eligible Capital (Tier 1 + Tier 2)	13,963,579	8,115,574
Risk Weighted Assets (RWAs):		
Credit risk	20,306,364	17,735,983
Market risk	7,044,026	2,707,257
Operational risk	7,428,866	3,986,692
Total	34,779,256	24,429,932
Common Equity Tier 1 Capital Adequacy ratio	32.16%	32.24%
Tier 1 Capital Adequacy Ratio	32.16%	32.24%
Total Capital Adequacy Ratio	40.15%	33.22%
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.

	2025	2024
Leverage Ratio (LR):		
Eligible Tier 1 Capital	11,184,232	7,875,724
Total Exposures	300,927,064	394,759,675
Leverage Ratio	3.72%	2.00%

	2025	2024
	(Rupees in '000)	
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	68,609,403	40,562,189
Total Net Cash Outflow	59,287,415	40,145,215
Liquidity Coverage Ratio	115.72%	101.04%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	24,043,427	62,867,362
Total Required Stable Funding	19,459,873	17,097,028
Net Stable Funding Ratio	123.55%	367.71%

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, 2025.

Scope of application

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

42.3 The Group's CAR as at December 31, 2025 is 40.15% (2024: 33.22%) 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 40.15% 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	2025			2024		
		Amount Outstanding	Deduction CRM*	Net amount	Amount Outstanding	Deduction CRM*	Net amount
		(Rupees in '000)					
Corporate	0	-	-	-	-	-	-
	1	3,296,823	(1,230,733)	2,066,090	2,570,532	-	2,570,532
	2	9,622,883	(682,471)	8,940,412	4,913,633	(64,385)	4,849,248
	3-4	2,062,549	(25,000)	2,037,549	851,979	-	851,979
	5-6	-	-	-	-	-	-
	Unrated	3,634,480	(371,259)	3,263,221	5,288,901	(329,121)	4,959,780
		18,616,734	(2,309,463)	16,307,272	13,625,046	(393,507)	13,231,540
Banks	0	-	-	-	-	-	-
	1	398,100	-	398,100	3,741,715	-	3,741,715
	2-3	218,115	(48,000)	170,115	-	-	-
	4-5	-	-	-	24,356	-	24,356
	6		-	-	-	-	-
	Unrated	-	-	-	-	-	-
		616,215	(48,000)	568,215	3,766,072	-	3,766,072

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							
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Total 2025	Stage 1	Stage 2	Stage 3	Total 2024
	(Rupees in '000)											
Public / Government	-	-	-	-	-	-	-	-	-	-	-	-
Private	-	3,287,200	-	-	-	-	-	-	3,287,200	-	-	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							
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Total 2025	Stage 1	Stage 2	Stage 3	Total 2024
	(Rupees in '000)											
Agriculture, forestry, hunting and fishing	-	-	-	-	-	-	-	-	-	-	-	-
Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-
Textile	81,090	118,590	81,090	81,090	-	-	81,090	81,090	-	717	81,090	81,807
Chemical and pharmaceuticals	163,636	200,000	-	-	1,359	-	-	1,359	3,217	-	-	3,217
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	-	-	-	-	-	-	-	-	-	-	-	-
Power (electricity), gas, water, sanitary	175,000	275,000	-	-	652	-	-	652	402	-	-	402
Wholesale and retail trade	-	-	-	-	-	-	-	-	-	-	-	-
Exports / imports	-	-	-	-	-	-	-	-	-	-	-	-
Transport, storage and communication	186,765	201,655	166,932	166,932	-	10,000	166,932	176,932	461	-	166,932	167,393
Financial	246,911,852	348,939,376	165,254	165,254	27,743	8,648	165,254	201,645	4,783	6,295	91,769	102,847
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-	-	-	-
Others	75,000	96,246	75,000	96,246	-	-	75,000	75,000	-	-	96,246	96,246
	247,678,343	349,915,867	573,276	594,522	29,754	18,648	573,276	621,678	8,863	7,012	521,037	536,912

Credit risk by public / private sector

	Gross investments		Non-performing investments		Credit loss allowance held							
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Total 2025	Stage 1	Stage 2	Stage 3	Total 2024
	(Rupees in '000)											
Public / Government	245,027,577	347,004,822	-	-	5,159	-	-	5,159	1,378	-	-	1,378
Private	2,650,766	2,911,045	573,276	594,522	24,595	18,648	573,276	616,519	7,485	7,012	521,037	535,534
	247,678,343	349,915,867	573,276	594,522	29,754	18,648	573,276	621,678	8,863	7,012	521,037	536,912

43.1.3 Advances

Credit risk by industry sector

	Gross advances		Non-performing advances		Credit loss allowance held							
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Total 2025	Stage 1	Stage 2	Stage 3	2024
	---------- (Rupees in '000) ----------											
Agriculture, forestry, hunting and fishing	-	-	-	-	-	-	-	-	-	-	-	-
Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-
Textile	3,635,338	2,635,676	270,268	271,098	28,869	-	268,874	297,743	5,742	-	269,704	275,446
Chemical and pharmaceuticals	1,987,415	692,822	-	-	12,629	-	-	12,629	3,726	-	-	3,726
Cement	343,625	356,488	-	-	-	42,141	-	42,141	-	30,238	-	30,238
Sugar	451,911	304,980	223,000	224,000	726	-	223,000	223,726	203	-	224,000	224,203
Footwear and leather garments	-	-	-	-	-	-	-	-	-	-	-	-
Automobile and transportation equipment	454,557	254,557	254,557	254,558	3,880	-	254,557	258,437	-	-	190,918	190,918
Electronics and electrical appliances	632,667	294,400	153,500	181,900	2,625	-	122,800	125,425	227	-	127,955	128,182
Construction	66,154	193,850	66,154	193,850	-	-	52,924	52,924	-	-	155,080	155,080
Power (electricity), gas, water, sanitary	2,386,973	2,199,074	68,200	68,200	17,613	43,992	68,200	129,805	7,067	23,462	68,200	98,729
Wholesale and retail trade	5,420	54,165	5,420	9,165	-	-	5,420	5,420	105	-	6,447	6,552
Exports / imports	250,000	325,000	-	-	1,936	-	-	1,936	746	-	-	746
Transport, storage and communication	2,118,710	1,212,681	-	-	16,552	-	-	16,552	4,774	-	-	4,774
Financial	2,803,066	3,150,581	5,161	5,161	8,359	-	5,161	13,520	1,025	-	5,161	6,186
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Services	1,323,330	1,187,605	27,560	27,560	7,064	16,371	22,560	45,995	1,928	16,042	19,387	37,357
Individuals	154,740	142,741	-	-	24	-	-	24	28	-	-	28
Others	6,538,482	4,765,207	1,648,150	1,673,375	46,141	65,730	1,648,150	1,760,021	9,141	52,745	1,530,946	1,592,832
	23,152,388	17,769,827	2,721,970	2,908,867	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997

Credit risk by public / private sector

	Gross advances		Non-performing advances		Credit loss allowance held							
	2025	2024	2025	2024	Stage 1	Stage 2	Stage 3	Total 2025	Stage 1	Stage 2	Stage 3	Total 2024
	---------- (Rupees in '000) ----------											
Public/ Government	1,407,106	783,834	-	-	-	-	-	-	-	-	-	-
Private	21,745,282	16,985,993	2,721,970	2,908,867	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997
	23,152,388	17,769,827	2,721,970	2,908,867	146,418	168,234	2,671,646	2,986,298	34,712	122,487	2,597,798	2,754,997

43.1.4 Contingencies and Commitments

	2025	2024
	(Rupees in '000)	
Credit risk by industry sector		
Textile	293,094	21,126
Chemical and pharmaceuticals	-	19,783
Automobile and transportation equipment	100,000	
Power (electricity), Gas, Water, Sanitary	1,100,494	-
Transport, Storage and Communication	1,360,000	
Financial	400,000	174,899
Services	405,000	-
Others	1,088,707	637,626
	4,747,295	853,434
Credit risk by public / private sector		
Public/ Government	-	-
Private	4,747,295	853,434
	4,747,295	853,434

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 7,107 million (2024: Rs 5,571 million) are as following:

	2025	2024
Funded	7,106,823	5,570,913
Non funded	-	-
Total exposure	7,106,823	5,570,913

The sanctioned limits against these top 10 exposures aggregated to Rs 10,135 million (2024: Rs 9,405 million)

Total funded classified therein

	2025		2024	
	Amount	Credit loss allowance held	Amount	Credit loss allowance held
	(Rupees in '000)			
Other assets especially mentioned	-	-	-	-
Substandard	-	-	473,184	344,707
Doubtful	153,500	122,800	121,517	97,214
Loss	2,568,470	2,548,846	2,314,166	2,155,877
Total	2,721,970	2,671,646	2,908,867	2,597,798

43.1.6 Advances - Province / Region-wise disbursement & utilization

2025

Province / Region	Disbursements	Utilization: Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Sindh	11,704,270	5,698,927	5,824,343	181,000	-	-	-

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	-	-	-

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

	2025			2024		
	Banking book	**Trading book**	**Total**	**Banking book**	**Trading book**	**Total**
	---------- (Rupees in '000) ----------					
Cash and balances with treasury banks	1,454,696	-	1,454,696	883,203	-	883,203
Balances with other banks	82,163	-	82,163	43,420	-	43,420
Lendings to financial institutions	-	-	-	3,287,200	-	3,287,200
Investments	185,440,052	69,165,097	254,605,149	322,033,574	31,165,930	353,199,504
Advances	20,166,090	-	20,166,090	15,014,830	-	15,014,830
Property and equipment	941,485	-	941,485	1,009,776	-	1,009,776
Right-of-use assets	129,858	-	129,858	160,647	-	160,647
Intangible assets	131,874	-	131,874	105,242	-	105,242
Deferred tax assets	-	-	-	609,674	-	609,674
Other assets	9,235,127	-	9,235,127	12,771,739	-	12,771,739
Assets held-for-sale	-		-	-		-
	217,581,345	69,165,097	286,746,442	355,919,305	31,165,930	387,085,235

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.

	2025		2024	
	Foreign Currency Assets	Net foreign currency exposure	Foreign Currency Assets	Net foreign currency exposure
United States Dollar	28	28	29	29
Omani Riyal	28,922	28,922	24,376	24,376
	28,950	28,950	24,405	24,405

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	------------------------------ (Rupees in '000) ------------------------------			
Impact of 1% change in foreign exchange rates on				
- Consolidated profit or loss account	(294)	-	(135)	-
- 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.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 5% change in equity prices on				
- Consolidated profit or loss account *	-	-	-	(38,689)
- Consolidated statement other comprehensive income	(46,624)	-	(39,379)	-

* 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.

	2025		2024	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 1% change in interest rates on:				
profit or loss account *	-	258,080	-	26,782
Other comprehensive income *	704,971	-	1,232,408	-

* Earning approach

43.3.1 Mismatch of interest rate sensitive assets and liabilities

	Effective yield / interest rate	2025										
		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		1,454,696	-	-	-	-	-	-	-	-	-	1,454,696
Balances with other banks	5.00%	82,163	9,046	-	-	-	-	-	-	-	-	73,117
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
Investments	11.94%	254,605,149	10,143,269	46,897,121	184,450,809	419,545	5,089,554	500,192	4,818,269	519,333	-	1,767,057
Advances	12.23%	20,166,090	3,553,571	11,273,613	2,152,508	1,368,055	447,265	239,545	264,098	835,887	6,671	24,877
Assets held-for-sale		-	-	-	-	-	-	-	-	-	-	-
Other assets		6,397,120	-	-	-	-	-	-	-	-	-	6,397,120
		282,705,218	13,705,886	58,170,734	186,603,317	1,787,600	5,536,819	739,737	5,082,367	1,355,220	6,671	9,716,867
Liabilities												
Borrowings	10.70%	247,488,354	148,360,438	91,520,942	6,375,586	226,416	433,696	232,137	242,092	97,047	-	-
Deposits and other accounts	10.76%	19,408,066	12,572,986	3,174,933	981,864	2,678,283	-	-	-	-	-	-
Lease liabilities	9.17%	174,215	2,173	4,394	6,922	14,922	41,156	57,809	36,028	10,811	-	-
Other liabilities		3,481,056	-	-	-	-	-	-	-	-	-	3,481,056
		270,551,691	160,935,597	94,700,269	7,364,372	2,919,621	474,852	289,946	278,120	107,858	-	3,481,056
On-balance sheet gap		12,153,527	(147,229,711)	(36,529,535)	179,238,945	(1,132,021)	5,061,967	449,791	4,804,247	1,247,362	6,671	6,235,811
Non-financial assets		4,041,224										
Non-financial liabilities		1,082,983										
Total net assets		15,111,768										
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			(147,229,711)	(36,529,535)	179,238,945	(1,132,021)	5,061,967	449,791	4,804,247	1,247,362	6,671	6,235,811
Cumulative yield / interest risk sensitivity gap			(147,229,711)	(183,759,246)	(4,520,301)	(5,652,322)	(590,355)	(140,564)	4,663,683	5,911,045	5,917,716	12,153,527

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 instruments
		(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	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		11,187,070	-	-	-	-	-	-	-	-	-	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

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

	2025														
	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	1,454,696	-		1,454,696	-	-	-								
Balances with other banks	82,163	-	82,163	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	254,605,149	-	-	-	-	34,766	57,258	96,881	558,419	2,030,236	5,394,701	106,187,732	104,217,674	35,327,483	700,000
Advances	20,166,090	-	13,434	57,242	780,975	340,809	2,018,022	1,664,165	1,364,662	3,219,095	3,461,616	2,513,697	3,133,074	1,592,630	6,671
Property and equipment	941,485	-	-	-	12,330	12,334	12,332	37,000	56,717	56,716	48,588	70,045	186,348	208,922	240,153
Right of use assets	129,858	-	-	-	875	875	876	2,626	2,626	2,626	10,503	10,503	21,006	52,517	24,825
Intangible assets	131,874	-	-	-	1,343	1,344	1,344	4,031	4,031	4,031	19,446	-	-	-	96,304
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	9,235,127	-	103,663	404,601	328,417	1,003,896	1,127,748	3,190,157	17,997	2,212,345	5,736	825,000	15,567	-	-
Assets held-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	286,746,442	-	199,260	1,916,539	1,123,940	1,394,024	3,217,580	4,994,860	2,004,451	7,525,048	8,940,590	109,606,977	107,573,669	37,181,552	1,067,953
Liabilities													(75,897)		
Borrowings	247,488,354	-	127,565,861	955,346	19,839,231	85,882,506	4,711,542	6,578,137	333,715	131,136	910,567	241,174	242,092	97,047	-
Deposits and other accounts	19,408,066	-	2,561,064	2,447,796	7,564,126	2,601,889	573,043	981,864	2,247,383	430,901	-	-	-	-	-
Lease liabilities	174,215	-	-	-	2,173	84	4,310	6,922	264	14,658	41,156	57,809	36,028	10,811	-
Others liabilities	3,481,056	-	424,730	78,863	546,708	809,953	1,057,928	120,511	86,105	53,182	35,438	82,315	162,823	22,500	-
Deferred tax liabilities	1,082,983				25,805		401,691	24,256		1,921,432	73,586	(38,703)	(1,216,427)	(320,940)	212,283
	271,634,674	-	130,551,655	3,482,005	27,978,043	89,294,432	6,748,514	7,711,690	2,667,467	2,551,309	1,060,747	342,595	(775,484)	(190,582)	212,283
Net assets	15,111,768	-	(130,352,395)	(1,565,466)	(26,854,103)	(87,900,409)	(3,530,935)	(2,716,830)	(663,016)	4,973,739	7,879,843	109,264,382	108,349,153	37,372,134	855,670
Share capital	6,150,000														
Reserves	2,507,509														
Unappropriated profit	2,757,411														
Surplus on revaluation of assets	3,695,747														
Non-controlling interest	1,101														
	15,111,768														

	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															
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														

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

2025

	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	1,454,696	1,454,696	-	-	-	-	-	-	-	-
Balances with other banks	82,163	82,163	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	254,605,149	-	92,024	96,881	2,588,654	5,394,701	106,187,732	104,217,674	35,327,483	700,000
Advances	20,166,090	851,651	2,358,830	1,664,165	4,583,756	3,461,616	2,513,697	3,133,074	1,592,630	6,671
Property and equipment	941,485	12,330	24,666	37,000	113,433	48,588	70,045	186,348	208,922	240,153
Right of use assets	129,858	875	1,751	2,626	5,252	10,503	10,503	21,006	52,517	24,825
Intangible assets	131,874	1,343	2,688	4,031	8,062	19,446	-	-	-	96,304
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	9,235,127	836,681	2,131,644	3,190,157	2,230,342	5,736	825,000	15,567	-	-
Assets held-for-sale	-	-	-	-	-	-	-	-	-	-
	286,746,442	3,239,739	4,611,603	4,994,860	9,529,499	8,940,590	109,606,977	107,573,669	37,181,552	1,067,953
Liabilities										
Borrowings	247,488,354	148,360,438	90,594,048	6,578,137	464,851	910,567	241,174	242,092	97,047	-
Deposits and other accounts	19,408,066	12,572,986	3,174,932	981,864	2,678,284	-	-	-	-	-
Lease liabilities	174,215	2,173	4,394	6,922	14,922	41,156	57,809	36,028	10,811	-
Others liabilities	3,481,056	1,050,301	1,867,881	120,511	139,287	35,438	82,315	162,823	22,500	-
Deferred tax liabilities	1,082,983	25,805	401,691	24,256	1,921,432	73,586	(38,703)	(1,216,427)	(320,940)	212,283
	271,634,674	162,011,703	96,042,946	7,711,690	5,218,776	1,060,747	342,595	(775,484)	(190,582)	212,283
Net assets	15,111,768	(158,771,964)	(91,431,343)	(2,716,830)	4,310,723	7,879,843	109,264,382	108,349,153	37,372,134	855,670
Share capital	6,150,000									
Reserves	2,507,509									
Unappropriated profit	2,757,411									
Surplus on revaluation of assets	3,695,747									
Non-controlling interest	1,101									
	15,111,768									

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									

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 February 13, 2026 have:

- proposed 7.5% cash dividend amounting to Rs 461.250 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 February 13, 2026 by the Board of Directors of the Group.

Nauman Ansari	Muhammad Yousuf Amanullah	Al-Fadhal Abdallah Al-Omairi	Muhammad Asif	Juland Jaifar Salim Al Said
MANAGING DIRECTOR AND CHIEF EXECUTIVE	**CHIEF FINANCIAL OFFICER**	**DIRECTOR**	**DIRECTOR**	**CHAIRMAN**