

**PAK OMAN INVESTMENT
COMPANY LIMITED**

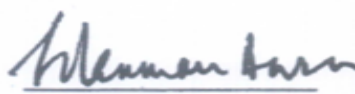
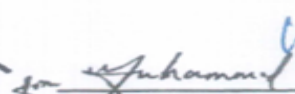
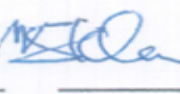


**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

**FOR THE HALF YEAR
ENDED 30 JUNE 2024**

Pak Oman Investment Company Limited
Consolidated Condensed Interim Statement of Financial Position
As at 30 June 2024

(Unaudited) 30 June 2024 (US Dollar in '000)	(Audited) 31 December 2023		(Unaudited) 30 June 2024 (Rupees in '000)	(Audited) 31 December 2023
		<i>Note</i>		
ASSETS				
1,979	1,914	6	550,705	532,801
573	516	7	159,559	143,670
-	-	8	-	-
1,374,201	1,205,355	9	382,496,735	335,499,968
46,408	58,130	10	12,917,194	16,179,969
3,582	3,070	11	996,938	854,571
741	318	12	206,186	88,596
363	346	13	101,135	96,416
8,475	4,745	14	2,358,820	1,320,595
50,270	43,915	15	13,992,348	12,223,227
-	-		-	-
1,486,592	1,318,309		413,779,620	366,939,813
LIABILITIES				
-	-		-	-
1,392,563	1,224,724	16	387,607,655	340,891,244
46,778	43,897	17	13,020,171	12,218,415
6	8	18	1,799	2,267
-	-		-	-
-	-		-	-
20,776	18,944	19	5,782,653	5,272,774
1,460,123	1,287,573		406,412,278	358,384,700
26,469	30,736		7,367,342	8,555,113
NET ASSETS				
REPRESENTED BY				
22,095	22,095	20	6,150,000	6,150,000
6,293	6,293		1,751,681	1,751,681
(219)	1,464	21	(61,002)	407,448
(1,705)	879		(474,644)	244,685
26,464	30,731		7,366,035	8,553,814
5	5		1,307	1,299
26,469	30,736		7,367,342	8,555,113
CONTINGENCIES AND COMMITMENTS				
22				


The annexed notes from 1 to 40 form an integral part of these consolidated condensed interim financial statements.

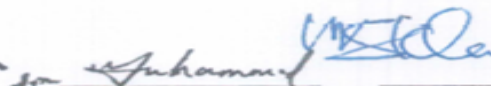
 Managing Director/ Chief Executive Officer	 Chief Financial Officer	 Director	 Director	 Chairman
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Pak Oman Investment Company Limited
Consolidated Condensed Interim Profit and Loss Account (Un-Audited)
For the half year ended 30 June 2024


Half year ended				Quarter ended		Half year ended	
30 June 2024	30 June 2023			30 June 2024	30 June 2023	30 June 2024	30 June 2023
(US Dollar in '000)			Note	(Rupees in '000)			
140,597	88,863	Mark-up / Return / Interest Earned	23	20,676,677	18,069,080	39,133,885	24,734,261
145,577	84,742	Mark-up / Return / Interest Expensed	24	21,870,266	17,303,072	40,520,194	23,587,071
(4,980)	4,121	Net mark-up / interest income		(1,193,589)	766,008	(1,386,309)	1,147,190
NON MARK-UP / INTEREST INCOME							
277	209	Fee and commission income	25	37,450	36,991	77,213	58,262
71	-	Dividend income		13,501	-	19,736	-
-	-	Foreign exchange income		-	-	-	-
-	-	Income / (loss) from derivatives		-	-	-	-
2,148	100	Gain on securities	26	508,509	35,802	597,988	27,702
-	-	Net gains/(loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
217	191	Share of profit from associates - net of tax		36,825	32,016	60,425	53,131
18	61	Other income	27	2,580	7,914	4,993	17,117
2,731	561	Total non mark-up / interest income		598,865	112,723	760,355	156,212
(2,249)	4,682	Total Income		(594,724)	878,731	(625,954)	1,303,402
NON MARK-UP / INTEREST EXPENSES							
1,672	1,513	Operating expenses	28	273,770	222,339	465,518	421,055
-	-	Workers Welfare Fund		-	-	-	-
96	134	Other charges	29	12,553	26,321	26,662	37,231
1,768	1,647	Total non mark-up / interest expenses		286,323	248,660	492,180	458,286
(4,017)	3,035	(Loss) / profit before provisions		(881,047)	630,071	(1,118,134)	845,116
1,755	(51)	Credit (loss) / reversal allowance and write offs	30	301,953	(162,613)	488,480	(14,291)
-	-	Extra ordinary / unusual items		-	-	-	-
(2,262)	2,984	(LOSS) / PROFIT BEFORE TAXATION AND MINIMUM TAX DIFFERENTIAL		(579,094)	467,458	(629,654)	830,825
(1,765)	-	Minimum tax differential	3	(491,135)	-	(491,135)	-
(4,027)	2,984	(LOSS) / PROFIT BEFORE TAXATION		(1,070,229)	467,458	(1,120,789)	830,825
2,633	(839)	Taxation	31	736,486	(120,321)	732,905	(233,411)
(1,394)	2,145	(LOSS) / PROFIT AFTER TAXATION		(333,743)	347,137	(387,884)	597,414
ATTRIBUTABLE TO:							
(1,394)	2,145	Shareholders of the holding company		(333,700)	347,116	(387,892)	597,393
-	-	Non-controlling interest		(43)	21	8	21
(1,394)	2,145			(333,743)	347,137	(387,884)	597,414
(US \$)				(Rupees)			
(0.0023)	0.0035	Basic and diluted earnings (loss) per share	32	(0.54)	0.56	(0.63)	0.97

The annexed notes from 1 to 40 form an integral part of these consolidated condensed interim financial statements.


 Managing Director/
 Chief Executive Officer


 Chief Financial Officer

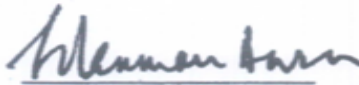

 Director



 Chairman

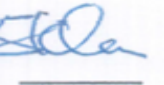
Pak Oman Investment Company Limited
Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the half year ended 30 June 2024


Half year ended			Quarter ended		Half year ended	
30 June	30 June		30 June	30 June	30 June	30 June
2024	2023		2024	2023	2024	2023
(US Dollar in '000)			(Rupees in '000)			
(1,394)	2,145	(Loss) / profit after taxation for the period	(333,743)	347,137	(387,884)	597,414
		Other comprehensive income				
		Items that may be reclassified to profit and loss account in subsequent periods:				
(2,275)	(2,656)	Movements in (deficit) / surplus on revaluation of debt investments through FVOCI-net of tax	581,793	(118,673)	(633,199)	(739,310)
		Items that will not be reclassified to profit and loss account in subsequent periods:				
(24)	(132)	Movement in surplus on revaluation of property and equipment - net of tax	(3,407)	(32,902)	(6,813)	(36,641)
616	-	Movement in surplus on revaluation of non-banking assets- net of tax	171,562	-	171,562	-
592	(132)		168,155	(32,902)	164,749	(36,641)
(3,077)	(643)	Total comprehensive income / (loss)	416,205	195,562	(856,334)	(178,537)
		ATTRIBUTABLE TO:				
(3,077)	(643)	Shareholders of the holding company	416,248	195,541	(856,342)	(178,558)
-	-	Non-controlling interest	(43)	21	8	21
(3,077)	(643)		416,205	195,562	(856,334)	(178,537)


The annexed notes from 1 to 40 form an integral part of these consolidated condensed interim financial statements.


Managing Director/
Chief Executive Officer


Chief Financial Officer


Director

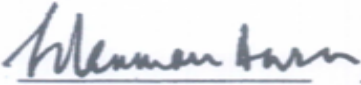

Director

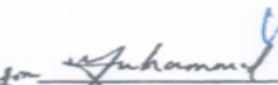

Chairman

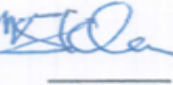
Pak Oman Investment Company Limited
Consolidated Condensed Interim Statement of Changes in Equity (Un-Audited)
For the half year ended 30 June 2024


	Share capital	Statutory reserve	General reserve	Surplus / (deficit) on revaluation		Unappropriated profit	Sub total	Non-controlling interest	Total
				Investments	Property and equipment / Non banking assets				
(Rupees in '000)									
Opening balance as at 01 January 2023	6,150,000	1,610,659	311,630	(351,972)	333,054	423,376	8,476,747	1,267	8,478,014
Impact of adopting IFRS 9 - Note 3	-	-	-	167,440	-	(788,335)	(620,895)	-	(620,895)
Profit after taxation	-	-	-	-	-	597,393	597,393	21	597,414
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	(739,310)	-	-	(739,310)	-	(739,310)
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	-	-	-	-
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	(36,641)	-	(36,641)	-	(36,641)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income - net of tax	-	-	-	(739,310)	(36,641)	-	(775,951)	-	(775,951)
Transfer from general reserve	-	-	(311,630)	-	-	311,630	-	-	-
Transfer to statutory reserve	-	127,613	-	-	-	(127,613)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	5,056	5,056	-	5,056
Transaction with owners recorded directly in equity									
Final cash dividend - 31 December 2022 declared subsequent to the year end (Rs. 0.50 per share)	-	-	-	-	-	(307,500)	(307,500)	-	(307,500)
Opening balance as at 01 July 2023	6,150,000	1,738,272	-	(923,842)	296,413	114,007	7,374,850	1,288	7,376,138
Profit after taxation	-	-	-	-	-	144,990	144,990	11	145,001
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	1,039,856	-	-	1,039,856	-	1,039,856
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	1,832	-	-	1,832	-	1,832
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	(7,714)	(7,714)	-	(7,714)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	(6,811)	-	(6,811)	-	(6,811)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income - net of tax	-	-	-	1,041,688	(6,811)	(7,714)	1,027,163	-	1,027,163
Transfer to statutory reserve	-	13,409	-	-	-	(13,409)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	6,811	6,811	-	6,811
Opening balance as at 01 January 2024	6,150,000	1,751,681	-	117,846	289,602	244,685	8,553,814	1,299	8,555,113
(Loss) / profit after taxation	-	-	-	-	-	(387,892)	(387,892)	8	(387,884)
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	(633,199)	-	-	(633,199)	-	(633,199)
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	-	-	-	-
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	(6,813)	-	(6,813)	-	(6,813)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	171,562	-	171,562	-	171,562
Total comprehensive income - net of tax	-	-	-	(633,199)	164,749	-	(468,450)	-	(468,450)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	6,813	6,813	-	6,813
Transaction with owners recorded directly in equity									
Final cash dividend - 31 December 2023 declared subsequent to the year end (Rs. 0.55 per share)	-	-	-	-	-	(338,250)	(338,250)	-	(338,250)
Closing balance as at 30 June 2024	6,150,000	1,751,681	-	(515,353)	454,351	(474,644)	7,366,035	1,307	7,367,342


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 Managing Director/
Chief Executive Officer


 Chief Financial Officer


 Director

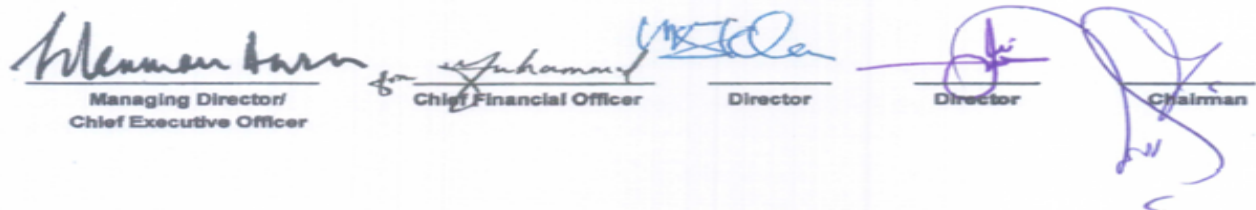

 Director


 Chairman


Pak Oman Investment Company Limited
Consolidated Condensed Interim Cash Flow Statement (Un-Audited)
For the half year ended 30 June 2024

30 June 2024	30 June 2023		30 June 2024	30 June 2023
(US Dollar in '000)			(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES				
(2,262)	2,984	(Loss) / profit before taxation and minimum tax differential	(629,654)	830,825
(71)	-	Less: Dividend income	(19,736)	-
(2,333)	2,984		(649,390)	830,825
Adjustments:				
162	110	Depreciation	45,164	30,685
70	46	Depreciation on right-of-use assets	19,358	12,827
1	1	Amortization	350	200
(1,772)	51	Credit loss / (reversal) allowance and write offs - net	(493,137)	14,291
(1)	(16)	Gain on sale of property and equipment - net	(167)	(4,571)
(217)	(191)	Share of (profit) from associates - net of tax	(60,425)	(53,131)
53	24	Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	14,733	6,657
2	2	Finance charges on leased assets	533	496
(187)	42	Unrealised loss / (gain) on revaluation of investments classified as held-for-trading	(52,057)	11,644
(1,889)	69		(525,648)	19,098
(4,222)	3,053		(1,175,038)	849,923
(Increase) / Decrease in operating assets				
-	17,369	Lendings to financial institutions	-	4,834,588
106,809	32,901	Securities classified as FVPL	29,729,213	9,157,816
13,622	(3,936)	Advances	3,791,439	(1,095,660)
(5,733)	9,126	Other assets (excluding advance taxation)	(1,595,552)	2,540,115
114,698	55,460		31,925,100	15,436,859
Increase / (decrease) in operating liabilities				
-	-	Bills payable	-	-
167,839	1,411,929	Borrowings	46,716,411	392,997,977
2,880	(695)	Deposits	801,756	(193,575)
1,257	(7,762)	Other liabilities (excluding current taxation)	349,831	(2,160,706)
171,976	1,403,472		47,867,998	390,643,696
282,452	1,461,985		78,618,060	406,930,478
(1,406)	(5,013)	Income tax paid	(391,443)	(1,395,367)
281,046	1,456,972	Net cash flow generated from operating activities	78,226,617	405,535,111
CASH FLOW FROM INVESTING ACTIVITIES				
(278,991)	(1,461,754)	Net Investments in securities classified as FVOCI	(77,654,595)	(406,866,248)
-	-	Net investments in amortized cost securities	-	-
(71)	62	Investments in associates	(19,846)	17,371
100	-	Dividend received	27,725	-
(703)	(456)	Investments in property and equipment	(195,565)	(126,827)
3	34	Proceeds from sale of property and equipment	864	9,537
(279,662)	(1,462,114)	Net cash flow from / (used in) investing activities	(77,841,417)	(406,966,167)
CASH FLOW FROM FINANCING ACTIVITIES				
(4)	(3)	Payments of lease obligations	(1,001)	(915)
(45)	(82)	Payments of lease liability against right-of-use assets	(12,593)	(22,857)
(1,215)	(552)	Dividend paid	(338,250)	(153,750)
(1,264)	(637)	Net cash flow (used in) financing activities	(351,844)	(177,522)
120	(5,779)	(Decrease) / increase in cash and cash equivalents	33,356	(1,608,578)
2,435	7,084	Cash and cash equivalents at beginning of the period	677,698	1,971,733
2,555	1,305	Cash and cash equivalents at end of the period	711,054	363,155

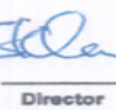
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 Managing Director/
 Chief Executive Officer




 Chief Financial Officer



 Director



 Director



 Chairman

Pak Oman Investment Company Limited
Notes to the Consolidated Condensed Interim Financial Statements (Un-Audited)
For the half year ended 30 June 2024

1. STATUS AND NATURE OF BUSINESS

- 1.1 The Group comprises of Pak-Oman Investment Company Limited - POICL (the "holding company" or "parent"), a subsidiary, Pak Oman Asset Management Company Limited (POAMCL) and associates. The Group is principally engaged in promotion of the economic growth of Pakistan and Oman through industrial development and agro-based industries on commercial basis and to carry on the business of finance and / or investment bank, asset management and investment advisory services. Brief profile of the holding company and its subsidiary is as follows:

1.1.1 Holding Company

Pak-Oman Investment Company Limited - POICL (the "holding company" or "parent") was incorporated as a private limited company on 23 July 2001. Subsequently, on 17 March 2004 the holding 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. The registered office of the Company is situated at 1st Floor, Block A, Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan. The holding company operates a branch at Lahore and other representative offices at Islamabad, Gwadar and Muscat. The holding company is designated as a Development Financial Institution (DFI) under the BPD Circular No. 35 dated 28 October, 2003 issued by the State Bank of Pakistan.

1.1.2 Subsidiary Company

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

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

1.2 The Group's associates are as follows:

Entity	Country of Incorporation	Nature of business	Holding %	
			30-Jun-24	31-Dec-23
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.	16.02	14.78
Pak Oman Islamic Asset Allocation fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	97.15	93.22
Pak Oman Advantage Asset Allocation Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	99.26	99.60
Pak Oman Income Fund (Formerly Pak Oman Government Securities Fund)	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	8.33	4.41
Askari High Yield Scheme	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	37.49	25.12
Askari Cash Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	19.54	14.00
Pak Oman Daily Dividend Fund	Pakistan	Established as an open-end scheme under the Non-Banking Finance Companies Rules, 2003 and Notified Entities Regulations, 2008.	98.92	98.08
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 PREPARATION

These consolidated condensed interim 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 09 February 2023.

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 going concern basis.

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular No. 2 of 2023 dated 09 February 2023 and IAS 34. These consolidated condensed interim financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023.

These consolidated condensed interim financial statements are separate financial statements of the Company in which the investments in subsidiary and associates are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees (equity method) which is incorporated in the consolidated financial statements of the Company.

SBP 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.

These consolidated condensed interim financial statements have been presented in Pakistani Rupees, which is the Company's functional and presentation currency.

The US dollar amounts shown in the consolidated condensed interim statement of financial position, consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income and consolidated condensed interim cash flow statement are stated solely for information purposes. For this purpose the amounts in Pakistan rupees have been converted into US Dollars at a rate of 278.3412 = 1 US dollar for the half year ended 30 June 2024 and the corresponding period.

2.2 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period:

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these unconsolidated interim financial statements.

2.3 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective

The following IFRS as notified under the Companies Act, 2017 and the amendments thereto will be effective for future periods and not early adopted:

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability January 01, 2025

The above standards, amendments and improvements are not expected to have any material impact on the unconsolidated financial statements of the Company for the futures periods.

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

Standard

IFRS 1 – First time adoption of IFRSs

IFRS 17 – Insurance Contracts

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied by the Company are the same as those applied in annual consolidated audited financial statements for the year ended December 31, 2023 except for change in accounting policy of recognizing the portion of income tax paid or payable for the period under the Income Tax Ordinance, 2001, not based on the taxable profits of the Company, as a Levy under IFRIC-21 IAS-37 instead of the current income tax for the period under IAS-12.

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

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

Taxation – Current

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

Levy

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements is the same as that applied in the preparation of the audited annual consolidated financial statements for the year ended 31 December 2023.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the company are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended December 31, 2023.

		(Un-audited) 30 June 2024 (Rupees in '000)	(Audited) 31 December 2023
6. CASH AND BALANCES WITH TREASURY BANKS	<i>Note</i>		
In hand			
local currency		175	154
foreign currency		398	403
		573	557
With State Bank of Pakistan in			
Local currency current account	6.1	549,738	532,146
With National Bank of Pakistan in			
Local currency current account		394	98
Less: Credit loss allowance held against cash and balances with treasury banks		-	
		<u>550,705</u>	<u>532,801</u>
6.1	This represent the amount required to be maintained by the holding company in accordance with the SBP's Regulations.		
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
In current accounts		75,536	111,059
In deposit accounts		70,020	15,120
		<u>145,556</u>	<u>126,179</u>
Outside Pakistan:			
In current accounts		14,793	18,718
Less: Credit loss allowance held against balances with other banks		(790)	(1,227)
		<u>159,559</u>	<u>143,670</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Placements		-	-
Repurchase agreement lendings (Reverse Repo)		-	-
Less: Credit loss allowance held against lending to financial institutions		-	-
		<u>-</u>	<u>-</u>

9 INVESTMENTS

	30 June 2024 (Unaudited)				31 December 2023 (Audited)			
	Cost / Amortised Cost	Credit loss allowances	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Credit loss allowances	Surplus / (deficit)	Carrying Value
----- (Rupees in '000) -----								
9.1 Investments by types								
FVTPL								
Federal Government securities	20,092,725	-	(11,451)	20,081,274	50,278,321	-	(11,503)	50,266,818
Shares	457,283	-	51,105	508,388	-	-	-	-
Non-Government debt securities	-	-	-	-	-	-	-	-
	20,550,008	-	39,654	20,589,662	50,278,321	-	(11,503)	50,266,818
FVOCI								
Federal Government securities	358,305,210	-	(1,183,205)	357,122,005	280,759,955	-	(78,846)	280,681,109
Shares	499,042	(111,717)	295,564	682,889	468,650	(111,717)	251,228	608,161
Non-Government debt securities	3,743,325	(450,064)	32,323	3,325,584	3,664,377	(437,328)	20,507	3,247,556
	362,547,577	(561,781)	(855,318)	361,130,478	284,892,982	(549,045)	192,889	284,536,826
Associates	776,595	-	-	776,595	696,324	-	-	696,324
Total Investments	383,874,180	(561,781)	(815,664)	382,496,735	335,867,627	(549,045)	181,386	335,499,968

9.1.1 Investments given as collateral

	30 June 2024 (Unaudited)				31 December 2023 (Audited)			
	Cost / Amortised Cost	Credit loss allowances	Surplus / (deficit)	Carrying Value	Cost / Amortised Cost	Credit loss allowances	Surplus / (deficit)	Carrying Value
------(Rupees in '000)-----								
Federal Government Securities								
- Pakistan Investment Bonds	204,361,098	-	(659,598)	203,701,500	144,428,963	-	108,584	144,537,547
- Market treasury bills	147,452,201	-	(495,433)	146,956,768	160,747,511	-	(177,656)	160,569,855
	351,813,299	-	(1,155,031)	350,658,268	305,176,474	-	(69,072)	305,107,402
Shares								
- Listed companies	-	-	-	-	-	-	-	-
- Unlisted companies	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total investments	351,813,299	-	(1,155,031)	350,658,268	305,176,474	-	(69,072)	305,107,402

9.2 Credit loss allowances for diminution in value of investments

9.2.1 Opening balance

Impact of adopting IFRS 9

Charges / reversals

Charge for the year
Reversals for the year

Transfers - net
Amounts written off
Closing balance

(Un-audited) 30 June 2024
(Audited) 31 December 2023

(Rupees in '000)

549,045 510,971

- 20,072

12,817	32,018
(81)	(14,016)
12,736	18,002

-	-
-	-
561,781	549,045

9.2.2 Particulars of credit loss allowances against debt securities

Category of classification

Domestic

Performing Stage 1
Underperforming Stage 2
Non-performing Stage 3
Other assets especially mentioned
Substandard
Doubtful
Loss
Total

	30 June 2024		31 December 2023 (Audited)	
	NPI	Provision	NPI	Provision
------(Rupees in '000)-----				
Performing Stage 1	3,022,553	12,348	2,999,855	4,118
Underperforming Stage 2	276,100	13,492	219,850	8,986
Non-performing Stage 3	-	-	-	-
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	444,672	424,224	444,672	424,224
Total	3,743,325	450,064	3,664,377	437,328

This does not include investment in Government securities as it is exempt from ECL.

9.2.3 The Group does not hold overseas classified debt securities.

* NPI stands for Non-performing investments.

10 ADVANCES

	Performing		Non-performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	
Loans, cash credits, running finances, etc.	12,462,413	15,044,600	2,516,015	2,535,945	14,978,428	17,580,545
Margin trading	448,355	1,637,677	-	-	448,355	1,637,677
Advances - Gross	12,910,768	16,682,277	2,516,015	2,535,945	15,426,783	19,218,222
Credit loss allowance against advances						
Stage 1	36,997	10,443	-	-	36,997	10,443
Stage 2	159,327	676,586	-	-	159,327	676,586
Stage 3	-	-	2,313,265	2,351,224	2,313,265	2,351,224
	196,324	687,029	2,313,265	2,351,224	2,509,589	3,038,253
Advances - net of credit loss allowance	12,714,444	15,995,248	202,750	184,721	12,917,194	16,179,969

30-Jun-24 31-Dec-23
(Rupees in '000)

10.1 Particulars of advances (Gross)

In local currency	15,426,783	19,218,222
In foreign currencies	-	-
	15,426,783	19,218,222

10.2 Advances include Rs. 2,516 million (2023: Rs 2,536 million) which have been placed under the non-performing / Stage 3 status as detailed below:

Category of Classification

	30 June 2024		31 December 2023 (Audited)	
	Non Performing Loans	Credit loss allowance	Non Performing Loans	Credit loss allowance
	(Rupees in '000)			
Domestic	-	-	188,425	150,740
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	160,588	128,471	465,205	372,165
Loss	2,355,427	2,184,794	1,882,315	1,828,319
	2,516,015	2,313,265	2,535,945	2,351,224

10.3 Particulars of credit loss allowance against advances

	Half year ended 30 June 2024 (Unaudited)				Year ended 31 December 2023 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	10,443	676,586	2,351,224	3,038,253	-	-	854,440	854,440
Impact of adopting IFRS 9	-	-	-	-	25,765	308,791	816,062	1,150,618
Charge for the year	27,197	50,626	140,687	218,510	2,570	442,721	798,314	1,243,605
Reversals	(643)	(567,885)	(173,989)	(742,517)	(17,892)	(74,926)	(117,592)	(210,410)
	26,554	(517,259)	(33,302)	(524,007)	(15,322)	367,795	680,722	1,033,195
Amounts written off	-	-	(4,657)	(4,657)	-	-	-	-
Closing balance	36,997	159,327	2,313,265	2,509,589	10,443	676,586	2,351,224	3,038,253

10.4 Advances - Particulars of credit loss allowance

	(Un-audited)				(Audited)			
	30 June 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	10,443	676,586	2,351,224	3,038,253	-	-	854,440	854,440
Impact of adopting IFRS 9	-	-	-	-	25,765	308,791	816,062	1,150,618
New Advances	1,627	-	-	1,627	477	-	-	477
Advances derecognised or repaid	19,435	(547,329)	(173,989)	(701,883)	(17,418)	367,795	308,557	658,934
Transfer to stage 1	5,492	-	-	5,492	1,619	-	-	1,619
Transfer to stage 2	-	30,070	-	30,070	-	-	-	-
Transfer to stage 3	-	-	140,687	140,687	-	-	372,165	372,165
	26,554	(517,259)	(33,302)	(524,007)	(15,322)	367,795	680,722	1,033,195
Amounts written off / charged off	-	-	(4,657)	(4,657)	-	-	-	-
Changes in risk parameters	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Closing balance	36,997	159,327	2,313,265	2,509,589	10,443	676,586	2,351,224	3,038,253

10.5 Category of Classification

	30 June 2024		31 December 2023 (Audited)	
	Outstanding Amount	Credit loss allowance	Outstanding Amount	Credit loss allowance
	(Rupees in '000)			
Domestic	-	-	-	-
Performing	11,546,671	36,997	13,489,847	10,443
Underperforming	1,364,097	159,327	3,192,430	676,586
Non-performing	-	-	-	-
Other Assets Especially Mentioned	-	-	188,425	150,740
Substandard	-	-	-	-
Doubtful	160,588	128,471	465,205	372,165
Loss	2,355,427	2,184,794	1,882,315	1,828,319
	15,426,783	2,509,589	19,218,222	3,038,253

	(Un-audited) 30 June 2024 ----- (Rupees in '000) -----	(Audited) 31 December 2023
11 PROPERTY AND EQUIPMENT		
Capital work-in-progress	117,163	-
Office premises	651,837	670,640
Vehicles, equipment & furniture and fixtures	227,938	183,931
	<u>996,938</u>	<u>854,571</u>
	(Un-Audited) 30 June 2024 ----- (Rupees in '000) -----	(Un-Audited) 30 June 2023
11.1 Additions to fixed assets		
The following additions have been made to fixed assets during the period:		
Capital work-in-progress - Advances to suppliers	117,163	10,740
Vehicles, equipment & furniture and fixtures		
Vehicles, equipment & furniture and fixtures		
Office equipment	3,699	120
Computer equipment	27,673	-
Furniture and fixture	1,037	850
Vehicles	40,924	10,648
	<u>73,333</u>	<u>11,618</u>
Total	<u>190,496</u>	<u>22,358</u>
11.2 Disposal of fixed assets		
The net book value of fixed assets disposed off during the period is as follows:		
Office equipment	63	-
Computer equipment	405	-
Furniture and fixture	229	-
Total	<u>697</u>	<u>-</u>
	(Un-audited) 30 June 2024 ----- (Rupees in '000) -----	(Audited) 31 December 2023
12 RIGHT-OF-USE-ASSETS		
As at January 01,		
Cost	169,935	176,476
Accumulated depreciation	(81,339)	(74,630)
Net carrying amount	<u>88,596</u>	<u>101,846</u>
Additions during the period / year	134,680	14,440
Deletions during the period / year	-	(9,379)
Depreciation charge for the period / year	(17,090)	(18,311)
Net carrying amount	<u>206,186</u>	<u>88,596</u>
13 INTANGIBLE ASSETS		
Computer software	4,831	112
Goodwill	96,304	96,304
	<u>101,135</u>	<u>96,416</u>
13.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Directly purchased	5,069	-
Total	<u>5,069</u>	<u>-</u>

	(Un-audited) 30 June 2024 ----- (Rupees in '000) -----	(Audited) 31 December 2023
14 DEFERRED TAX ASSETS		
Deductible Temporary Differences on		
Credit loss allowance against investments and others	229,116	215,261
Amortisation of premium on Federal Government Securities	2,060	2,777
Credit loss allowance against advances	978,740	1,184,919
Accelerated tax depreciation allowances	36,013	29,745
Revaluation on investments classified as FVTOCI	339,965	(75,043)
Revaluation on investments classified as FVTPL	(8,310)	4,837
Difference of Corporate tax & Minimum Tax	949,211	-
Net investment in finance leases	61,794	76,532
Accumulated tax losses - POAMCL	35,886	35,886
	2,624,475	1,474,914
Taxable Temporary Differences on		
Assets subject to finance leases	(27)	(64)
Revaluation on Non-banking assets	(109,688)	-
Revaluation on fixed assets	(148,592)	(152,258)
Dividend receivable	(7,348)	(1,997)
	(265,655)	(154,319)
	2,358,820	1,320,595
15 OTHER ASSETS		
Income/ Mark-up accrued in local currency - net of provision	7,550,106	6,231,061
Dividend income receivable	-	7,989
Mark-up / profit receivable on purchase of securities	2,302,394	2,393,703
Security deposits	16,018	5,918
Prepayments	56,090	26,680
Receivable against sale of investments	9,522	215,768
Taxation	3,113,553	3,213,245
Non-banking assets acquired in satisfaction of claims	543,750	-
Receivable from funds under management and investment advisory clients	88,137	90,977
Defined contribution plan	-	-
Defined benefit plan	-	-
Others	31,528	37,886
	13,711,098	12,223,227
Less: Provision held against other assets	-	-
Other assets (net of provisions)	13,711,098	12,223,227
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	281,250	-
	13,992,348	12,223,227

16	BORROWINGS	(Un-Audited)		(Audited)	
		30 June 2024		31 December 2023	
(Rupees in '000)					
Secured					
Borrowings from the State Bank of Pakistan:					
	- Long term financing facility (LTFF)		1,829,145		2,084,778
	- Financing Power Plants Using Renewable Energy (REF)		214,592		235,204
	- Financing Facility for Storage of Agricultural Produce (FFSAP)		25,000		28,846
	- Temporary Economic Refinance Facility (TERF)		177,664		195,946
	Repurchase agreement borrowings		345,307,151		292,639,130
	Long term borrowings		2,495,833		3,950,000
	Short term borrowing		10,066,558		15,000,000
	Bai Muajjal		-		-
	Total secured		360,115,943		314,133,904
Unsecured					
	Placements		-		4,220,000
	Murabaha financing		27,491,712		22,537,340
	Total unsecured		27,491,712		26,757,340
			387,607,655		340,891,244
17 DEPOSITS AND OTHER ACCOUNTS					
		30 June 2024 (Unaudited)		31 December 2023 (Audited)	
		In local	Total	In local	Total
		currency		currency	
----- (Rupees in '000) -----					
Certificates of investment					
	Financial institutions	191,500	191,500	705,500	705,500
	Others	12,828,671	12,828,671	11,512,915	11,512,915
		13,020,171	13,020,171	12,218,415	12,218,415
18 LEASE LIABILITIES					
			(Un-Audited)		(Audited)
			30 June 2024		31 December 2023
(Rupees in '000)					
	Outstanding amount at the start of the period / year		2,267		3,139
	Lease payments including interest		(1,001)		(1,937)
	Interest expense		533		1,065
	Outstanding amount		1,799		2,267
18.1 Liabilities outstanding					
	Not later than one year		1,000		955
	Later than one year and upto five years		799		1,312
			1,799		2,267

The holding company has entered into lease agreement with a financial institution for lease of vehicle. Lease rentals are payable in monthly installments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rate of 9.17% (2023: 9.17%) per annum implicit in the lease. At the end of lease term, the holding company has option to acquire the assets, subject to adjustment of security deposit.

	(Un-Audited) 30 June 2024	(Audited) 31 December 2023	
	(Rupees in '000)		
19 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency	4,929,713	4,422,998	
Accrued expenses	304,520	433,289	
Dividend payable	-	-	
Staff gratuity	-	15,062	
Security deposits against investment in finance leases	79,787	109,855	
Sales tax and federal excise duty payable	91,745	86,341	
Lease liability against right-of-use assets	243,511	118,290	
Withholding tax and sales tax payable	14,699	16,763	
Payable against purchase of shares	4,532	-	
Credit loss allowances against off-balance sheet obligations	24,907	1,679	
Others	89,239	68,497	
	<u>5,782,653</u>	<u>5,272,774</u>	
19.1 Credit loss allowance against off-balance sheet obligations			
Opening balance	1,679	-	
Exchange adjustment		-	
Charge for the period / year	23,228	1,679	
Reversals	-	-	
	<u>23,228</u>	<u>1,679</u>	
Amount written off	-	-	
Closing balance	<u>24,907</u>	<u>1,679</u>	
20 SHARE CAPITAL			
20.1 Authorized Capital			
	(Unaudited) 30-Jun-24	(Audited) 31-Dec-23	(Unaudited) 30-Jun-24
	(Number of shares)		(Rupees in '000)
	<u>1,000,000,000</u>	1,000,000,000	<u>10,000,000</u>
		Ordinary shares of Rs.10 each	10,000,000
20.2 Issued, subscribed and paid-up			
	30-Jun-24	31-Dec-23	30-Jun-24
			31-Dec-23
	Ordinary shares of Rs. 10 each		
	600,000,000	600,000,000	6,000,000
	15,000,000	15,000,000	150,000
		- Fully paid in cash	6,000,000
		- Issued as bonus shares	150,000
	<u>615,000,000</u>	<u>615,000,000</u>	<u>6,150,000</u>
			<u>6,150,000</u>
20.3	The Ministry of Finance on behalf of the Government of Pakistan and Sultanate of Oman through Oman Investment Authority each holds 307,495,900 (2023: 307,495,900) ordinary shares of the Company, while 4,100 (2022: 4,100) ordinary shares each are held by Secretary – Economic Affairs Division, Government of Pakistan and Ministry of Commerce and Industry, Sultanate of Oman.		
21 (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of			
- Securities measured at FVOCI-Debt	(1,150,882)	(58,339)	
- Securities measured at FVOCI-Equity	295,564	251,228	
- Property and equipment	463,588	474,758	
- Non-banking assets acquired in satisfaction of claims	281,250	-	
	<u>(110,480)</u>	<u>667,647</u>	
Deferred tax on surplus on revaluation of:			
- Securities measured at FVOCI-Debt	448,844	22,752	
- Securities measured at FVOCI-Equity	(108,879)	(97,795)	
- Property and equipment	(180,799)	(185,156)	
- Non-banking assets acquired in satisfaction of claims	(109,688)	-	
	<u>49,478</u>	<u>(260,199)</u>	
	<u>(61,002)</u>	<u>407,448</u>	

22	CONTINGENCIES AND COMMITMENTS	<i>Note</i>	(Un-Audited) 30 June 2024	(Audited) 31 December 2023 (Rupees in '000)
	Transaction related contingent liability:			
	Guarantees			
	Financial guarantees		895,090	988,645
	Performance guarantees		3,066,250	-
			<u>3,961,340</u>	<u>988,645</u>
	Pledge of shares on behalf of Japan Power Generation Limited	22.1	70,726	70,726
	Commitments for:			
	Purchase of Government securities		3,064,639	5,087,589
	Sale of Government securities		-	450,282
	Commitments for advances and net investment in finance leases		862,081	600,698
	Sale of Non-banking assets		543,750	-

22.1 Shares in Japan Power Generation Limited (JPGL) (an associate) aggregating 17,622,878 having a cost of Rs. 70.726 million (2023: Rs. 70.726 million) are pledged as security on behalf of that associate company against a syndicate finance facility obtained by it (the associate company).

22.2 Pak Oman Asset Management Company Limited

In year 2007, the Pak Oman Asset Management Company Limited ("POAMCL" or "the Company") had launched POBOP Advantage Plus Fund (the Fund) under the capital subscription and fee sharing agreement with The Bank of Punjab (BOP). BOP had subscribed five million core units and ten million non-core units of the aggregate face value of Rs. 250 million and Rs. 500 million respectively. During year 2011 the management rights of the Fund were transferred to another asset management company.

In 2013, BOP filed a suit against the POAMCL before the Honorable High Court of Sindh claiming damages of Rs. 100.4 million in respect of the alleged losses suffered by BOP due to non-honoring of its redemption requests by POAMCL in year 2009 allegedly violating the NBFC regulations and provisions of the trust deed.

The legal advisor of POAMCL has opined that the suit is based on factual inconsistencies and POAMCL has sound defense on legal grounds. During the year ended 31 December 2015, POAMCL had also lodged a counter claim of Rs. 250 million against BOP for damaging the image and reputation of POAMCL.

During the years ended 31 December 2013 and 2014 two former employees of the merged entity served notices to the Company and its former Chief Executive Officer. The employees demanded Rs. 28.5 million for defamation and Rs. 0.723 million against settlement of outstanding dues. Later, the employees also filed cases in the Court of District Judge South at Karachi. The legal advisors of the Company are of the view that although the outcome of the case appears to be favourable, the Company's chances of success cannot currently be determined due to the inherently uncertain nature of the litigation. Furthermore, the management expects that an insignificant amount will be required to settle these cases. Accordingly, provision to the extent of Rs. 0.489 million has been recognised on account of settlement of outstanding dues while no provision has been recognised in respect of defamation claim in the consolidated condensed interim financial statements for the first quarter ended 30 June 2024.

		(Un-Audited)	
		Half year ended	
		30 June 2024	30 June 2023
		(Rupees in '000)	
23	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) On loans and advances	1,373,447	1,592,199
	b) On investments	37,405,219	22,259,970
	c) On lendings to financial institutions	346,201	810,941
	d) On balances with banks	9,018	71,151
		<u>39,133,885</u>	<u>24,734,261</u>
24	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	a) Deposits	1,434,167	1,064,791
	b) Borrowings	39,071,294	22,515,623
	c) Lease liability against right-of-use assets	14,733	6,657
		<u>40,520,194</u>	<u>23,587,071</u>
25	FEE AND COMMISSION INCOME		
	Credit related fees	16,330	14,468
	Investment banking fees	12,596	10,874
	Commission on guarantees	7,665	1,510
	Underwriting commission of Government securities auction	-	-
	Remuneration from funds under management	40,622	31,410
	Fee from investments advisory services	-	-
		<u>77,213</u>	<u>58,262</u>
26	GAIN ON SECURITIES		
	Realised	26.1 545,931	39,346
	Unrealised - FVTPL	52,057	(11,644)
		<u>597,988</u>	<u>27,702</u>
26.1	Realised gain on:		
	Federal Government securities	537,784	37,747
	Non Government debt securities	-	1,599
	Associates	-	-
	Shares	8,147	-
		<u>545,931</u>	<u>39,346</u>
26.2	Net gain on financial assets / liabilities measured at FVPL:		
	Designated upon initial recognition	-	-
	Mandatorily measured at FVPL	288,977	64,607
		<u>288,977</u>	<u>64,607</u>
	Net gain / (loss) on financial assets / liabilities measured at amortised cost	-	-
	Net gain / (loss) on financial assets measured at FVOCI	256,954	(25,261)
	Net gain / (loss) on investments in equity instruments designated at FVOCI	-	-
		<u>256,954</u>	<u>(25,261)</u>
		<u>545,931</u>	<u>39,346</u>
27	OTHER INCOME		
	Gain on sale of property and equipment - net	167	4,571
	Rent on property	4,826	11,107
	Others	-	1,439
		<u>4,993</u>	<u>17,117</u>

28 OPERATING EXPENSES	(Un-Audited)	
	Half year ended	
	30 June 2024	30 June 2023
	(Rupees in '000)	
Total compensation expense	291,521	305,063
Property expense		
Utilities cost	6,609	5,093
Security (including guards)	945	794
Repair & maintenance (including janitorial charges)	17,601	8,330
Depreciation on right-of-use assets & improvements	19,358	12,827
Depreciation	9,403	18,803
	53,916	45,847
Information technology expenses		
Software maintenance	487	693
Hardware maintenance	-	677
Depreciation	4,192	1,537
Amortisation	350	200
Network charges	2,170	1,386
Others	2,030	483
	9,229	4,976
Other operating expenses		
Directors' fees and allowances	12,675	13,050
Directors' fees and allowances - Subsidiary	735	-
Legal & professional charges	20,155	7,045
Travelling & conveyance	7,232	5,289
Depreciation	31,569	10,345
Training & development	1,654	399
Postage & courier charges	271	294
Communication	7,527	5,512
Stationery & printing	747	929
Marketing, advertisement & publicity	2,099	1,016
Donations	-	30
Auditors' remuneration	3,151	1,883
Membership and subscriptions	4,430	3,067
Transportation	3,410	2,210
Insurance	2,680	1,934
Finance charges on leased assets	533	496
Entertainment and canteen expenses	2,765	2,098
Distribution commission	5,431	5,119
Others	3,788	4,453
	110,852	65,169
Total operating expenses	465,518	421,055

		(Un-Audited)	
		Half year ended	
		30 June 2024	30 June 2023
		(Rupees in '000)	
29	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	-	-
	Fees, commission and others	26,662	37,231
		26,662	37,231
30	CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET		
	Credit (loss) / reversal allowance for diminution in value of investments	(12,736)	(4,279)
	Credit (loss)/ reversal allowance against loans & advances	524,007	(9,957)
	Credit loss allowance against balances with other banks	437	115
	Credit loss allowance against lendings to FIs	-	-
	Credit loss allowance against off-balance sheet items	(23,228)	(170)
		488,480	(14,291)
31	TAXATION		
	Current	-	333,403
	Prior years	-	71,080
	Deferred	(732,905)	(171,072)
		(732,905)	233,411
31.1	Tax contingencies		

Pak Oman Investment Company Limited

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

Pak Oman Asset Management Company Limited

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 13 June 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 Honorable High Court of Sindh has issued stay order against such levy.

During 2016, the Honorable Sindh High Court, in its judgment dated 30 September 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 01 July 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. 78.345 million as of 30 June 2024.

Through Finance Act 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn. Accordingly, no FED has been charged on the remuneration of the Company for period subsequent to 30 June 2016.

32 BASIC AND DILUTED EARNINGS PER SHARE

(Loss) / profit attributable to shareholders of the holding company	<i>Rupees in '000</i>	(387,892)	597,393
Weighted average number of ordinary shares issued	<i>Numbers in '000</i>	615,000	615,000
Basic and diluted earnings per share attributable to shareholders of holding company	<i>Rupees</i>	(0.63)	0.97

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

33 CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks	550,705	339,989
Balances with other banks	160,349	23,166
	711,054	363,155

34 FAIR VALUE MEASUREMENTS

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

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

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

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

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

On balance sheet financial instruments	30 June 2024 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	377,203,279	-	377,203,279
Shares	706,818	-	-	706,818
Non-Government Debt Securities	-	3,325,584	-	3,325,584
Mutual funds	-	776,595	-	776,595
Financial assets - disclosed but not measured at fair value				
Investments	-	-	484,459	484,459
On balance sheet financial instruments	31 December 2023 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	330,947,927	-	330,947,927
Shares	123,702	-	-	123,702
Non-Government Debt Securities	-	3,247,556	-	3,247,556
Mutual funds	-	696,324	-	696,324
Financial assets - disclosed but not measured at fair value				
Investments	-	-	484,459	484,459

35 SEGMENT DETAIL WITH RESPECT TO BUSINESS ACTIVITIES

	Half year ended 30 June 2024 (Unaudited)				
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	----- (Rupees in '000) -----				
Profit & Loss					
Net mark-up/return/profit	33,192	(132,115)	(1,296,933)	9,547	(1,386,309)
Non mark-up / return / interest income	23,995	77,208	617,726	41,426	760,355
Total Income	57,187	(54,907)	(679,207)	50,973	(625,954)
Segment direct expenses	226,848	25,254	192,237	47,841	492,180
(Provisions) / Reversals	500,779	-	(12,299)	-	488,480
(Loss) / profit before tax and minimum tax differential	331,118	(80,161)	(883,743)	3,132	(629,654)
Balance Sheet					
Cash & Bank balances	-	-	677,555	32,709	710,264
Investments	-	1,210,415	381,235,416	50,904	382,496,735
Lendings to financial institutions	-	-	-	-	-
Advances - performing	12,266,089	-	448,355	-	12,714,444
non- performing	202,750	-	-	-	202,750
Others	2,583,067	(40,725)	14,843,179	269,906	17,655,427
Total Assets	15,051,906	1,169,690	397,204,505	353,519	413,779,620
Borrowings	17,388,639	1,339,715	368,879,302	-	387,607,655
Subordinated debt	-	-	-	-	-
Deposits & other accounts	474,035	36,837	12,509,299	-	13,020,171
Others	283,360	15,820	5,372,074	113,198	5,784,452
Total liabilities	18,146,034	1,392,372	386,760,675	113,198	406,412,278
Equity	(3,094,128)	(222,682)	10,443,830	240,321	7,367,342
Total Equity & liabilities	15,051,906	1,169,690	397,204,505	353,519	413,779,620
Contingencies & Commitments	5,367,171	70,726	3,064,639	-	8,502,536

	Half year ended 30 June 2023 (Unaudited)				
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	----- (Rupees in '000) -----				
Profit & Loss					
Net mark-up/return/profit	510,676	(91,468)	728,174	(192)	1,147,190
Non mark-up / return / interest income	15,978	75,112	32,273	32,849	156,212
Total Income	526,654	(16,356)	760,447	32,657	1,303,402
Segment direct expenses	229,935	29,858	169,296	29,197	458,286
(Reversals) / Provisions	(10,127)	-	(4,164)	-	(14,291)
Profit before tax and minimum tax differential	286,592	(46,214)	586,987	3,460	830,825

	Year ended 31 December 2023				
	Corporate Banking	Investment Banking	Treasury	Asset Management	Total
	----- (Rupees in '000) -----				
Balance Sheet					
Cash & Bank balances	-	-	663,880	12,591	676,471
Investments	-	1,304,485	334,120,248	75,235	335,499,968
Lendings to financial institutions	-	-	-	-	-
Advances - performing	14,357,571	-	1,637,677	-	15,995,248
non-performing	184,721	-	-	-	184,721
Others	2,020,088	(37,874)	12,329,050	272,141	14,583,405
Total Assets	16,562,380	1,266,611	348,750,855	359,967	366,939,813.00
Borrowings	15,573,210	1,177,231	324,140,803	-	340,891,244
Subordinated debt	-	-	-	-	-
Deposits & other accounts	551,402	56,248	11,610,765	-	12,218,415
Others	337,486	23,220	4,793,181	121,154	5,275,041
Total liabilities	16,462,098.00	1,256,699.00	340,544,749.00	121,154.00	358,384,700
Equity	100,282	9,912	8,206,106	238,813	8,555,113
Total Equity & liabilities	16,562,380	1,266,611	348,750,855	359,967	366,939,813
Contingencies & Commitments	1,589,343	70,726	5,537,871	-	7,197,940

36 RELATED PARTY TRANSACTIONS

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

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

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

Associates

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

Retirement benefit fund

Defined benefit plan
Defined contribution plan

Other related party

Orient Power Company (Private) Limited

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

	Half year ended 30 June 2024 (Unaudited)					Year ended 31 December 2023 (Audited)				
	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)									
Balances with other banks										
In deposit accounts	-	-	-	-	-	-	-	-	-	-
Investments										
Opening balance	-	-	696,324	-	226,000	-	-	666,904	-	226,000
Investment made during the year	-	-	771,700	-	-	-	-	163,978	-	-
Investment redeemed / disposed off during the year	-	-	(691,429)	-	-	-	-	(134,558)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	776,595	-	226,000	-	-	696,324	-	226,000
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	-	-
Advances										
Opening balance	-	62,503	68,200	-	-	-	43,028	68,200	-	-
Addition during the year	-	42,609	-	-	-	-	52,473	-	-	-
Repaid during the year	-	(14,910)	-	-	-	-	(32,998)	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	90,202	68,200	-	-	-	62,503	68,200	-	-
Provision held against advances	-	-	68,200	-	-	-	-	68,200	-	-
	Half year ended 30 June 2024 (Unaudited)					Year ended 31 December 2023 (Audited)				
	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)									
Other Assets										
Interest / mark-up accrued	-	-	-	-	-	-	-	-	-	-
Receivable from staff retirement fund	-	-	-	-	-	-	-	90,977	-	-
Other receivable	-	-	88,137	-	-	-	-	7,989	-	-
	-	-	88,137	-	-	-	-	98,966	-	-
Provision against other assets	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	-	40,872	-	-	-	-	20,600	-	-	-
Received during the year	-	141,324	-	-	-	-	220,957	-	-	-
Withdrawn during the year	-	(148,586)	-	-	-	-	(200,685)	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	33,610	-	-	-	-	40,872	-	-	-
Other Liabilities										
Interest / mark-up payable	-	1,170	-	-	-	-	741	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	15,062	-
Other liabilities	-	1,170	-	-	-	-	741	-	15,062	-
Outright sale of Securities	-	-	237,688	6,852,785	-	-	-	-	12,052,441	-
Outright purchase of Securities	-	-	-	6,674,453	-	-	-	-	12,063,180	-
Contingencies and Commitments										
Other contingencies	-	-	70,726	-	-	-	-	70,726	-	-

36.2 Related party transactions

	Half year ended 30 June 2024 (Un-audited)					Half year ended 30 June 2023 (Un-audited)				
	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	-	1,540	-	-	-	-	1,117	-	-	-
Fee and commission income	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	29,468	-	-	-	-	-	-	-
Net gain on sale of securities	-	-	109,190	1,109	-	-	-	1,482	(8)	-
Other income	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Expense										
Mark-up / return / interest paid	-	4,333	-	-	-	-	1,635	-	-	-
Operating expenses	-	-	-	-	-	-	-	-	-	-
Non-Executive Directors' fees and allowances	12,675	-	-	-	-	13,050	-	-	-	-
Compensation expenses	-	184,091	-	-	-	-	126,462	-	-	-
Contribution to defined contribution plan	-	-	-	14,232	-	-	-	-	9,886	-
Charge for defined benefit plan	-	-	-	12,680	-	-	-	-	9,093	-

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-Audited) 30 June 2024	(Audited) 31 December 2023
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>6,150,000</u>	<u>6,150,000</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>3,807,687</u>	6,019,477
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>3,807,687</u>	6,019,477
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	<u>3,807,687</u>	<u>6,019,477</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>15,003,136</u>	17,715,086
Market Risk	<u>4,549,513</u>	19,053,937
Operational Risk	<u>3,745,576</u>	3,944,317
Total	<u>23,298,225</u>	<u>40,713,340</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>16.34%</u>	14.79%
Tier 1 Capital Adequacy Ratio	<u>16.34%</u>	14.79%
Total Capital Adequacy Ratio	<u>16.34%</u>	<u>14.79%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>3,807,687</u>	6,019,477
Total Exposures	<u>394,076,996</u>	370,862,034
Leverage Ratio	<u>1.0%</u>	<u>1.6%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>43,033,520</u>	20,542,211
Total Net Cash Outflow	<u>38,589,719</u>	27,286,996
Liquidity Coverage Ratio	<u>111.5%</u>	<u>75.3%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>19,193,353</u>	22,861,964
Total Required Stable Funding	<u>18,597,153</u>	22,191,193
Net Stable Funding Ratio	<u>103.2%</u>	<u>103.0%</u>

38 CREDIT RATING

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.

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.

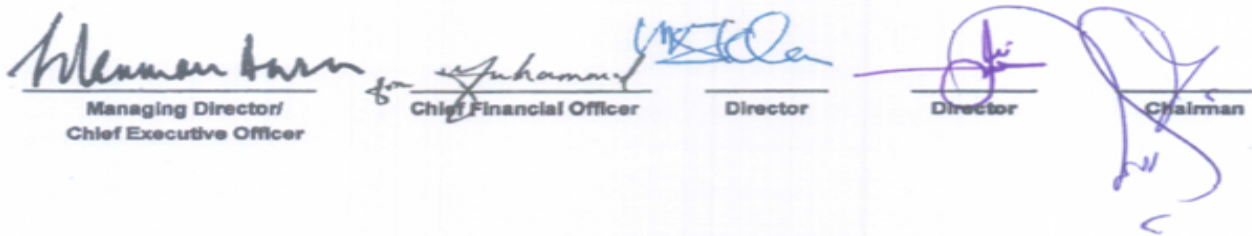
39. GENERAL

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

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

40. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on 12 August 2024 by the Board of Directors of the holding company.



Managing Director/
Chief Executive Officer

for
Chief Financial Officer

Director

Director

Chairman