

**PAK OMAN INVESTMENT  
COMPANY LIMITED**

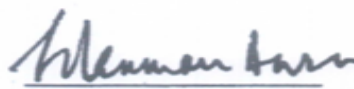
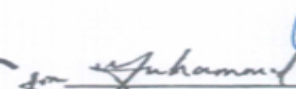
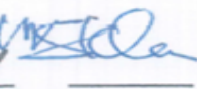


**CONSOLIDATED  
CONDENSED INTERIM  
FINANCIAL STATEMENTS  
(UN-AUDITED)**

**FOR THE FIRST QUARTER  
ENDED 31 MARCH 2024**

**Pak Oman Investment Company Limited**  
**Consolidated Condensed Interim Statement of Financial Position**  
**As at 31 March 2024**

(Unaudited) 31 March 2024 (US Dollar in '000)	(Audited) 31 December 2023 (US Dollar in '000)		(Unaudited) 31 March 2024 (Rupees in '000)	(Audited) 31 December 2023 (Rupees in '000)
		Note		
<b>ASSETS</b>				
2,527	1,917	Cash and balances with treasury banks	6	702,358
312	517	Balances with other banks	7	86,777
-	-	Lendings to financial institutions	8	-
1,285,767	1,207,064	Investments	9	357,375,357
50,709	58,212	Advances	10	14,094,542
3,165	3,075	Property and equipments	11	879,696
300	319	Right-of-use assets	12	83,268
347	347	Intangible assets	13	96,382
7,457	4,751	Deferred tax assets	14	2,072,602
54,822	43,977	Other assets	15	15,237,519
-	-	Assets held-for-sale		-
<b>1,405,406</b>	<b>1,320,179</b>			<b>390,628,501</b>
				<b>366,939,813</b>
<b>LIABILITIES</b>				
-	-	Bills payable		-
1,298,131	1,226,460	Borrowings	16	360,811,860
62,490	43,959	Deposits and other accounts	17	17,369,002
7	8	Lease Liabilities	18	2,036
-	-	Subordinated debt		-
-	-	Deferred tax liabilities		-
19,781	18,972	Other liabilities	19	5,497,873
<b>1,380,409</b>	<b>1,289,399</b>			<b>383,680,771</b>
<b>24,997</b>	<b>30,780</b>	<b>NET ASSETS</b>		<b>6,947,730</b>
				<b>8,555,113</b>
<b>REPRESENTED BY</b>				
22,127	22,127	Share capital	20	6,150,000
6,318	6,302	Reserves		1,751,681
(2,918)	1,466	(Deficit) / surplus on revaluation of assets	21	(810,950)
(535)	880	Unappropriated profit		(148,752)
<b>24,992</b>	<b>30,775</b>	Equity attributable to shareholder of holding company		<b>6,946,380</b>
5	5	Non-Controlling Interest		1,350
<b>24,997</b>	<b>30,780</b>			<b>6,947,730</b>
				<b>8,555,113</b>
<b>CONTINGENCIES AND COMMITMENTS</b>				
			22	

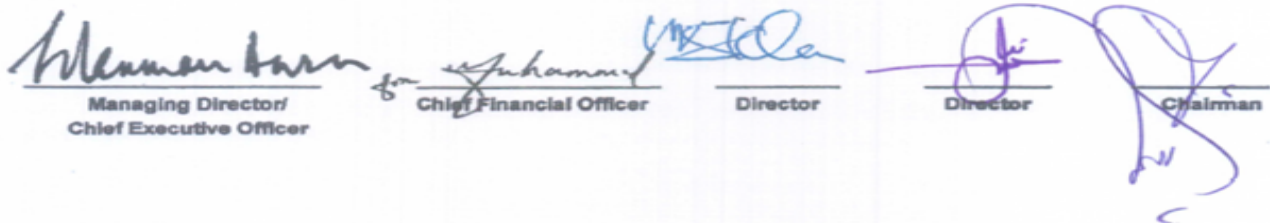
The annexed notes from 1 to 40 form an integral part of these consolidated condensed interim financial statements.

 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 first quarter ended 31 March 2024**

31 March 2024	31 March 2023		Note	31 March 2024	31 March 2023
<b>(US Dollar in '000)</b>				<b>(Rupees in '000)</b>	
66,405	23,980	Mark-up / Return / Interest Earned	23	18,457,208	6,665,181
67,099	22,609	Mark-up / Return / Interest Expensed	24	18,649,928	6,283,999
<b>(694)</b>	1,371	<b>Net mark-up / interest income</b>		<b>(192,720)</b>	381,182
<b>NON MARK-UP / INTEREST INCOME</b>					
143	77	Fee and commission income	25	39,763	21,271
22	-	Dividend income		6,235	-
-	-	Foreign exchange income		-	-
-	-	Income / (loss) from derivatives		-	-
322	(29)	Gain on securities	26	89,479	(8,100)
-	-	Net gains/(loss) on derecognition of financial assets measured at amortised cost		-	-
85	76	Share of profit from associates - net of tax		23,600	21,115
9	33	Other income	27	2,413	9,203
<b>581</b>	157	<b>Total non mark-up / interest income</b>		<b>161,490</b>	43,489
<b>(113)</b>	1,528	<b>Total Income</b>		<b>(31,230)</b>	424,671
<b>NON MARK-UP / INTEREST EXPENSES</b>					
690	715	Operating expenses	28	191,748	198,716
-	-	Workers Welfare Fund		-	-
51	39	Other charges	29	14,109	10,910
<b>741</b>	754	<b>Total non mark-up / interest expenses</b>		<b>205,857</b>	209,626
<b>(854)</b>	774	<b>Profit / (loss) Before Provisions</b>		<b>(237,087)</b>	215,045
671	534	Credit (loss) / reversal allowance and write offs - Extra ordinary / unusual items	30	186,527	148,322
-	-			-	-
<b>(183)</b>	1,308	<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<b>(50,560)</b>	363,367
<b>(13)</b>	(407)	Taxation	31	<b>(3,581)</b>	(113,090)
<b>(196)</b>	901	<b>PROFIT / (LOSS) AFTER TAXATION</b>		<b>(54,141)</b>	250,277
<b>ATTRIBUTABLE TO:</b>					
<b>(196)</b>	901	Shareholders of the holding company		<b>(54,192)</b>	250,277
-	-	Non-controlling interest		51	-
<b>(196)</b>	901			<b>(54,141)</b>	250,277
<b>(US \$)</b>				<b>(Rupees)</b>	
<b>(0.0003)</b>	0.0015	<b>Basic and diluted earnings (loss) per share</b>	32	<b>(0.09)</b>	0.41

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 Comprehensive Income (Un-Audited)**  
**For the first quarter ended 31 March 2024**


31 March 2024	31 March 2023		31 March 2024	31 March 2023
(US Dollar in '000)			(Rupees in '000)	
(196)	901	<b>Profit after taxation for the period</b>	(54,141)	250,277
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
(4,371)	(2,233)	Movements in (deficit) / surplus on revaluation of debt investments through FVOCI- net of tax	(1,214,992)	(620,637)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
(12)	(13)	Movement in surplus on revaluation of property and equipment - net of tax	(3,406)	(3,739)
-	-	Movement in surplus on revaluation of non-banking assets- net of tax	-	-
(12)	(13)		(3,406)	(3,739)
<u>(4,579)</u>	<u>(1,345)</u>	<b>Total comprehensive income</b>	<u>(1,272,539)</u>	<u>(374,099)</u>
<b>ATTRIBUTABLE TO:</b>				
(4,579)	(1,345)	Shareholders of the holding company	(1,272,590)	(374,099)
-	-	Non-controlling interest	51	-
<u>(4,579)</u>	<u>(1,345)</u>		<u>(1,272,539)</u>	<u>(374,099)</u>


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

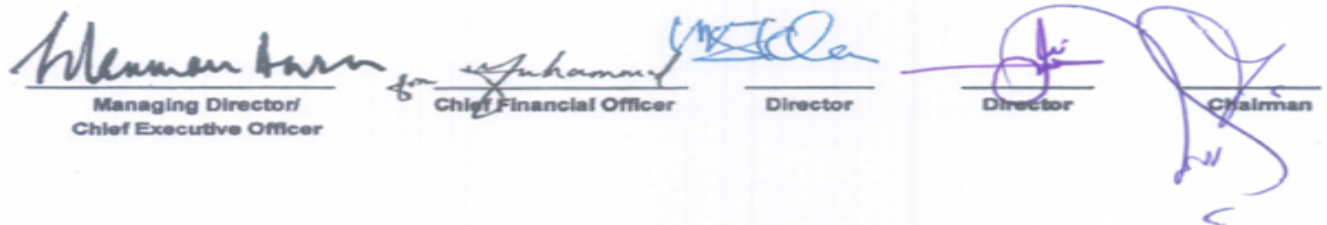
  
 Director

  
 Chairman

Pak Oman Investment Company Limited  
Consolidated Condensed Interim Statement of Changes in Equity (Un-Audited)  
For the first quarter ended 31 March 2024

	Share capital	Statutory reserve	General reserve	Surplus / (deficit) on revaluation of		Unappropriated profit	Sub total	Non-controlling interest	Total
				Investments	Property and equipment / Non-banking assets				
(Rupees in '000)									
<b>Opening balance as at 01 January 2023</b>	<b>6,150,000</b>	<b>1,610,659</b>	<b>311,630</b>	<b>(351,972)</b>	<b>333,054</b>	<b>423,376</b>	<b>8,476,747</b>	<b>1,267</b>	<b>8,478,014</b>
Impact of adopting IFRS 9 - Note 3	-	-	-	167,440	-	(788,335)	(620,895)	-	(620,895)
Profit after taxation	-	-	-	-	-	250,277	250,277	-	250,277
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	(620,637)	-	-	(620,637)	-	(620,637)
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	-	-	-	-	(3,739)	-	(3,739)	-	(3,739)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income - net of tax	-	-	-	(620,637)	(3,739)	-	(624,376)	-	(624,376)
Transfer from general reserve	-	-	(311,630)	-	-	311,630	-	-	-
Transfer to statutory reserve	-	46,040	-	-	-	(46,040)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	3,739	3,739	-	3,739
<b>Transaction with owners recorded directly in equity</b>									
Final cash dividend - 31 December 2022 declared subsequent to the year end (Rs. 0.50 per share)	-	-	-	-	-	(307,500)	(307,500)	-	(307,500)
<b>Opening balance as at 01 April 2023</b>	<b>6,150,000</b>	<b>1,656,699</b>	<b>-</b>	<b>(805,169)</b>	<b>329,315</b>	<b>(152,853)</b>	<b>7,177,992</b>	<b>1,267</b>	<b>7,179,259</b>
Profit after taxation	-	-	-	-	-	492,106	492,106	32	492,138
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	921,183	-	-	921,183	-	921,183
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	-	-	-	-	(39,713)	-	(39,713)	-	(39,713)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income - net of tax	-	-	-	923,015	(39,713)	(7,714)	875,588	-	875,588
Transfer to statutory reserve	-	94,982	-	-	-	(94,982)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	8,128	8,128	-	8,128
<b>Opening balance as at 01 January 2024</b>	<b>6,150,000</b>	<b>1,751,681</b>	<b>-</b>	<b>117,846</b>	<b>289,602</b>	<b>244,685</b>	<b>8,553,814</b>	<b>1,299</b>	<b>8,555,113</b>
Profit after taxation	-	-	-	-	-	(54,192)	(54,192)	51	(54,141)
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	(1,214,992)	-	-	(1,214,992)	-	(1,214,992)
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	-	-	-	-	(3,406)	-	(3,406)	-	(3,406)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive income - net of tax	-	-	-	(1,214,992)	(3,406)	-	(1,218,398)	-	(1,218,398)
Transfer to statutory reserve	-	4,401	-	-	-	(4,401)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	3,406	3,406	-	3,406
<b>Transaction with owners recorded directly in equity</b>									
Final cash dividend - 31 December 2023 declared subsequent to the year end (Rs. 0.55 per share)	-	-	-	-	-	(338,250)	(338,250)	-	(338,250)
<b>Closing balance as at 31 March 2024</b>	<b>6,150,000</b>	<b>1,756,082</b>	<b>-</b>	<b>(1,097,146)</b>	<b>286,196</b>	<b>(148,752)</b>	<b>6,946,380</b>	<b>1,350</b>	<b>6,947,730</b>

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 Cash Flow Statement (Un-Audited)**  
**For the first quarter ended 31 March 2024**


31 March 2024	31 March 2023		31 March 2024	31 March 2023
(US Dollar in '000)		Note	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
(183)	1,308		(50,560)	363,367
(22)	-		(6,235)	-
(205)	1,308		(56,795)	363,367
<b>Adjustments:</b>				
75	51		20,980	14,251
22	23		6,157	6,293
-	1		34	167
(688)	(534)	30	(191,184)	(148,322)
-	(7)		-	(1,971)
(85)	(76)		(23,600)	(21,115)
12	12		3,441	3,398
1	1		271	222
(39)	43		(10,874)	11,856
(702)	(486)		(194,775)	(135,221)
(907)	822		(251,570)	228,146
<b>(Increase) / Decrease in operating assets</b>				
-	14,804		-	4,114,721
118,076	36,179		32,818,984	10,055,891
8,224	(1,887)		2,285,825	(524,592)
(9,706)	9,273		(2,697,770)	2,577,402
116,594	58,369		32,407,039	16,223,422
<b>Increase / (decrease) in operating liabilities</b>				
-	-		-	-
71,671	43,324		19,920,616	12,041,837
18,531	2,830		5,150,587	786,491
(387)	(191)		(108,132)	(52,956)
89,815	45,963		24,963,071	12,775,372
205,502	105,154		57,118,540	29,226,940
(1,075)	(2,756)		(298,655)	(766,029)
204,427	102,398		56,819,885	28,460,911
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
(203,940)	(105,321)		(56,684,485)	(29,273,559)
-	-		-	-
88	1		24,544	224
46	-		12,692	-
(169)	(81)		(46,934)	(22,386)
-	7		-	1,971
(203,975)	(105,394)		(56,694,183)	(29,293,750)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
(2)	(2)		(502)	(432)
(45)	(22)		(12,593)	(6,012)
-	-		-	-
(47)	(24)		(13,095)	(6,444)
405	(3,020)		112,607	(839,283)
2,438	7,094		677,698	1,971,733
2,843	4,074	33	790,305	1,132,450

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**  
**Notes to the Consolidated Condensed Interim Financial Statements (Un-Audited)**  
**For the first quarter ended 31 March 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 inter alia include promotion of the economic growth of Pakistan and Oman through industrial development and agro-based industries on commercial basis and to carry on the business of finance and / or investment company. The registered office of the Company is situated at 1st Floor, Block A, Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan. The 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 Letter 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 %	
			31-Mar-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.	15.29	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.	96.96	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.	99.57	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.	4.49	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.	24.31	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.	14.16	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.	98.08	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 Rs.277.9472= 1 US dollar for the first quarter ended 31 March 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 future 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 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied by the Company are the same as those applied in annual audited financial statements for the year ended December 31, 2023.

## **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 the audited annual unconsolidated financial statements for the year ended December 31, 2023.

		(Un-audited) 31 March 2024	(Audited) 31 December 2023
		(Rupees in '000)	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>	<i>Note</i>		
In hand			
local currency		194	154
foreign currency		403	403
		597	557
With State Bank of Pakistan in			
Local currency current account	6.1	701,557	532,146
With National Bank of Pakistan in			
Local currency current account		204	98
Less: Credit loss allowance held against cash and balances with treasury banks		-	
		<u>702,358</u>	<u>532,801</u>
<b>6.1</b>	This represent the amount required to be maintained by the holding company in accordance with the SBP's Regulations.		
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan:			
In current accounts		41,703	111,059
In deposit accounts		24,304	15,120
		<u>66,007</u>	<u>126,179</u>
Outside Pakistan:			
In current accounts		21,940	18,718
Less: Credit loss allowance held against balances with other banks		(1,170)	(1,227)
		<u>86,777</u>	<u>143,670</u>
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Placements		-	-
Repurchase agreement lendings (Reverse Repo)		-	-
Less: Credit loss allowance held against lending to financial institutions		-	-
		<u>-</u>	<u>-</u>

## 9 INVESTMENTS

	31 March 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) -----								
<b>9.1 Investments by types</b>								
<b>Held-for-trading securities</b>								
Federal Government securities	17,460,237	-	(1,529)	17,458,708	50,278,321	-	(11,503)	50,266,818
Non-Government debt securities	-	-	-	-	-	-	-	-
	<b>17,460,237</b>	<b>-</b>	<b>(1,529)</b>	<b>17,458,708</b>	<b>50,278,321</b>	<b>-</b>	<b>(11,503)</b>	<b>50,266,818</b>
<b>Available-for-sale securities</b>								
Federal Government securities	337,127,486	-	(2,093,864)	335,033,622	280,759,955	-	(78,846)	280,681,109
Shares	617,549	(111,717)	264,791	770,623	468,650	(111,717)	251,228	608,161
Non-Government debt securities	3,832,432	(442,466)	27,058	3,417,024	3,664,377	(437,328)	20,507	3,247,556
	<b>341,577,467</b>	<b>(554,183)</b>	<b>(1,802,015)</b>	<b>339,221,269</b>	<b>284,892,982</b>	<b>(549,045)</b>	<b>192,889</b>	<b>284,536,826</b>
<b>Associates</b>	<b>695,380</b>	<b>-</b>	<b>-</b>	<b>695,380</b>	<b>696,324</b>	<b>-</b>	<b>-</b>	<b>696,324</b>
<b>Total Investments</b>	<b>359,733,084</b>	<b>(554,183)</b>	<b>(1,803,544)</b>	<b>357,375,357</b>	<b>335,867,627</b>	<b>(549,045)</b>	<b>181,386</b>	<b>335,499,968</b>

## 9.1.1 Investments given as collateral

	31 March 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)								
<b>Federal Government Securities</b>								
- Pakistan Investment Bonds	149,928,343	-	(722,707)	149,205,636	144,428,963	-	108,584	144,537,547
- Market treasury bills	164,683,598	-	(1,254,121)	163,429,477	160,747,511	-	(177,656)	160,569,855
	<b>314,611,941</b>	-	<b>(1,976,828)</b>	<b>312,635,113</b>	305,176,474	-	(69,072)	305,107,402
<b>Shares</b>								
- Listed companies	-	-	-	-	-	-	-	-
- Unlisted companies	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total investments</b>	<b>314,611,941</b>	-	<b>(1,976,828)</b>	<b>312,635,113</b>	305,176,474	-	(69,072)	305,107,402

	(Un-audited)		(Audited)	
	31 March 2024		31 December 2023	
(Rupees in '000)				
<b>9.2 Credit loss allowances for diminution in value of investments</b>				
<b>9.2.1 Opening balance</b>		549,045		510,971
<b>Impact of adopting IFRS 9</b>		-		20,072
<b>Charges / reversals</b>				
Charge for the year		5,307		32,018
Reversals for the year		(169)		(14,016)
		5,138		18,002
Transfers - net		-		-
Amounts written off		-		-
Closing balance		<b>554,183</b>		549,045

## 9.2.2 Particulars of credit loss allowances against debt securities

Category of classification	31 March 2024		31 December 2023 (Audited)	
	NPI	Provision	NPI	Provision
(Rupees in '000)				
<b>Domestic</b>				
<b>Performing</b>	<b>Stage 1</b>	3,167,909	9,076	2,999,855
<b>Underperforming</b>	<b>Stage 2</b>	219,851	9,166	219,850
<b>Non-performing</b>	<b>Stage 3</b>	-	-	-
Other assets especially mentioned		-	-	-
Substandard		-	-	-
Doubtful		-	-	-
Loss		444,672	424,224	424,224
Total		<b>3,832,432</b>	<b>442,466</b>	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)
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	(Rupees in '000)		(Rupees in '000)		(Rupees in '000)	
Loans, cash credits, running finances, etc.	13,924,290	15,044,600	2,324,208	2,535,945	16,248,498	17,580,545
Margin trading	683,899	1,637,677	-	-	683,899	1,637,677
Advances - Gross	14,608,189	16,682,277	2,324,208	2,535,945	16,932,397	19,218,222
Credit loss allowance against advances						
Stage 1	23,676	10,443	-	-	23,676	10,443
Stage 2	633,832	676,586	-	-	633,832	676,586
Stage 3	-	-	2,180,347	2,351,224	2,180,347	2,351,224
	657,508	687,029	2,180,347	2,351,224	2,837,855	3,038,253
Advances - net of credit loss allowance	13,950,681	15,995,248	143,861	184,721	14,094,542	16,179,969

## 10.1 Particulars of advances (Gross)

	31-Mar-24	31-Dec-23
In local currency	16,932,397	19,218,222
In foreign currencies	-	-
	16,932,397	19,218,222

10.2 Advances include Rs. 2,324 million (2023: Rs 2,536 million) which have been placed under the non-performing / Stage 3 status as detailed below:

## Category of Classification

	31 March 2024		31 December 2023 (Audited)	
	Non Performing Loans	Credit loss allowance	Non Performing Loans	Credit loss allowance
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned	-	-	188,425	150,740
Substandard	-	-	-	-
Doubtful	462,705	370,164	465,205	372,165
Loss	1,861,503	1,810,183	1,882,315	1,828,319
	2,324,208	2,180,347	2,535,945	2,351,224

## 10.3 Particulars of credit loss allowance against advances

	First quarter ended 31 March 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	13,233	-	-	13,233	2,570	442,721	798,314	1,243,605
Reversals	-	(42,754)	(166,220)	(208,974)	(17,892)	(74,926)	(117,592)	(210,410)
	13,233	(42,754)	(166,220)	(195,741)	(15,322)	367,795	680,722	1,033,195
Amounts written off	-	-	(4,657)	(4,657)	-	-	-	-
Closing balance	23,676	633,832	2,180,347	2,837,855	10,443	676,586	2,351,224	3,038,253

## 10.4 Advances - Particulars of credit loss allowance

	(Un-audited)				(Audited)			
	31 March 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	1,108	-	-	1,108	477	-	-	477
Advances derecognised or repaid	12,125	(65,545)	(166,220)	(219,640)	(17,418)	367,795	308,557	658,934
Transfer to stage 1	-	22,791	-	22,791	1,619	-	-	1,619
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	372,165	372,165
	13,233	(42,754)	(166,220)	(195,741)	(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	23,676	633,832	2,180,347	2,837,855	10,443	676,586	2,351,224	3,038,253

## 10.5 Category of Classification

	30 September 2023		31 December 2022 (Audited)	
	Outstanding Amount	Credit loss allowance	Outstanding Amount	Credit loss allowance
	(Rupees in '000)			
Domestic				
Performing	11,223,661	23,676	13,489,847	10,443
Underperforming	3,384,528	633,832	3,192,430	676,586
Non-performing	-	-	-	-
Other Assets Especially Mentioned	-	-	188,425	150,740
Substandard	-	-	-	-
Doubtful	462,705	370,164	465,205	372,165
Loss	1,861,503	1,810,183	1,882,315	1,828,319
	16,932,397	2,837,855	19,218,222	3,038,253

	(Un-audited) 31 March 2024 ----- (Rupees in '000) -----	(Audited) 31 December 2023 ----- (Rupees in '000) -----
<b>11 PROPERTY AND EQUIPMENT</b>		
Capital work-in-progress	42,058	-
Office premises	661,239	670,640
Vehicles, equipment and Furniture and fixtures	176,399	183,931
	<u>879,696</u>	<u>854,571</u>
	(Un-Audited) 31 March 2024 ----- (Rupees in '000) -----	(Un-Audited) 31 March 2023 ----- (Rupees in '000) -----
<b>11.1 Additions to fixed assets</b>		
The following additions have been made to fixed assets during the period:		
<b>Capital work in progress</b>	42,058	10,740
<b>Vehicles, equipment and Furniture and fixtures</b>		
Improvements	-	-
Office equipment	-	120
Computer equipment	2,549	-
Furniture and fixture	1,037	850
Vehicles	1,290	10,648
	<u>4,876</u>	<u>11,618</u>
Total	<u>46,934</u>	<u>22,358</u>
<b>11.2 Disposal of fixed assets</b>		
The net book value of fixed assets disposed off during the period is as follows:		
Improvements	-	-
Office equipment	-	-
Furniture and fixture	-	-
Vehicles	-	-
Total	<u>-</u>	<u>-</u>
	(Un-audited) 31 March 2024 ----- (Rupees in '000) -----	(Audited) 31 December 2023 ----- (Rupees in '000) -----
<b>12 RIGHT-OF-USE-ASSETS</b>		
As at January 01,		
Cost	169,935	176,476
Accumulated depreciation	(81,339)	(74,630)
Net Carrying amount at January 01,	<u>88,596</u>	<u>101,846</u>
Additions during the year	-	14,440
Deletions during the year	-	(9,379)
Depreciation Charge for the year	(5,328)	(18,311)
Net Carrying amount	<u>83,268</u>	<u>88,596</u>
<b>13 INTANGIBLE ASSETS</b>		
Computer Software	78	112
Goodwill	96,304	96,304
	<u>96,382</u>	<u>96,416</u>

	(Un-audited) 31 March 2024	(Audited) 31 December 2023
	----- (Rupees in '000) -----	
<b>14 DEFERRED TAX ASSETS</b>		
<b>Deductible Temporary Differences on</b>		
Credit loss allowance against investments and others	218,853	215,261
Amortisation of premium on Federal Government Securities	1,895	2,777
Credit loss allowance against advances	1,106,764	1,184,919
Accelerated tax depreciation allowances	34,922	29,745
Revaluation on investments classified as FVTOCI	704,869	(75,043)
Revaluation on investments classified as FVTPL	596	4,837
Difference of Corporate tax & Alternative Corporate Tax (ACT)	34,959	-
Net investment in finance leases	84,711	76,532
Accumulated tax losses - POAMCL	35,886	35,886
	<b>2,223,455</b>	<b>1,474,914</b>
<b>Taxable Temporary Differences on</b>		
Assets subject to finance leases	(44)	(64)
Revaluation on Non-banking assets	-	-
Revaluation on fixed assets	(150,425)	(152,258)
Dividend receivable	(384)	(1,997)
	<b>(150,853)</b>	<b>(154,319)</b>
	<b>2,072,602</b>	<b>1,320,595</b>
<b>15 OTHER ASSETS</b>		
Income/ Mark-up accrued in local currency - net of provision	8,743,185	6,231,061
Dividend income receivable	1,532	7,989
Mark-up / profit receivable on purchase of securities	2,809,222	2,393,703
Security deposits	16,018	5,918
Prepayments	33,646	26,680
Receivable against sale of investments	-	215,768
Taxation	3,536,224	3,213,245
Receivable from funds under management and investment advisory clients	93,634	90,977
Others	4,058	37,886
	<b>15,237,519</b>	<b>12,223,227</b>
Less: Provision held against other assets	-	-
Other assets (net of provisions)	<b>15,237,519</b>	<b>12,223,227</b>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	-	-
	<b>15,237,519</b>	<b>12,223,227</b>





22	CONTINGENCIES AND COMMITMENTS	<i>Note</i>	(Un-Audited) 31 March 2024	(Audited) 31 December 2023 (Rupees in '000)
	<b>Transaction related contingent liability:</b>			
	Standby letter of credit		<b>921,005</b>	988,645
	Pledge of shares on behalf of Japan Power Generation Limited	22.1	<b>70,726</b>	70,726
	Commitments for:			
	Purchase of Government securities		-	5,087,589
	Sale of Government securities		<b>29,969</b>	450,282
	Commitments for advances and net investment in finance leases		<b>1,760,000</b>	600,698

**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 31 March 2024.

		<b>(Un-Audited)</b>	
		<b>First quarter ended</b>	
		<b>31 March 2024</b>	<b>31 March 2023</b>
		<b>(Rupees in '000)</b>	
<b>23</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	On:		
	a) On loans and advances	<b>869,129</b>	751,489
	b) On investments	<b>17,380,825</b>	5,405,018
	c) On lendings to financial institutions	<b>202,803</b>	469,145
	d) On balances with banks	<b>4,451</b>	39,529
		<b>18,457,208</b>	6,665,181
<b>24</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	a) Deposits	<b>647,002</b>	460,152
	b) Borrowings	<b>17,999,485</b>	5,820,449
	c) Lease liability against right-of-use assets	<b>3,441</b>	3,398
		<b>18,649,928</b>	6,283,999
<b>25</b>	<b>FEE AND COMMISSION INCOME</b>		
	Credit related fees	<b>6,121</b>	6,205
	Investment banking fees	<b>8,850</b>	2,375
	Commission on guarantees	-	699
	Underwriting commission of Government securities auction	-	-
	Remuneration from funds under management	<b>24,792</b>	11,992
	Fee from investments advisory services	-	-
		<b>39,763</b>	21,271
<b>26</b>	<b>GAIN ON SECURITIES</b>		
	Realised	<b>78,605</b>	3,756
	Unrealised - held for trading	<b>10,874</b>	(11,856)
		<b>89,479</b>	(8,100)
<b>26.1</b>	<b>Realised gain on:</b>		
	Federal Government Securities	<b>78,815</b>	3,456
	Non Government debt securities	-	300
	Mutual funds	-	-
	Shares	<b>(210)</b>	-
		<b>78,605</b>	3,756
<b>27</b>	<b>OTHER INCOME</b>		
	Gain on sale of property and equipment - net	-	1,971
	Rent on property	<b>2,413</b>	5,554
	Others	-	1,678
		<b>2,413</b>	9,203

28 OPERATING EXPENSES	(Un-Audited)	
	Frist quarter ended	
	31 March 2024	31 March 2023
	(Rupees in '000)	
Total compensation expense	118,308	147,586
<b>Property expense</b>		
Utilities cost	2,713	1,526
Security (including guards)	470	397
Repair & maintenance (including janitorial charges)	9,055	3,422
Depreciation on right-of-use assets & improvements	6,157	6,293
Depreciation	9,402	9,402
	<b>27,797</b>	<b>21,040</b>
<b>Information technology expenses</b>		
Software maintenance	211	211
Hardware maintenance	-	448
Depreciation	1,223	766
Amortisation	34	167
Network charges	936	589
Others	186	161
	<b>2,590</b>	<b>2,342</b>
<b>Other operating expenses</b>		
Directors' fees and allowances	7,200	6,675
Directors' fees and allowances - Subsidiary	360	-
Legal & professional charges	9,166	2,213
Travelling & conveyance	1,805	3,876
Depreciation	10,355	4,083
Training & development	665	63
Postage & courier charges	168	148
Communication	2,242	2,630
Stationery & printing	545	477
Marketing, advertisement & publicity	211	76
Donations	-	30
Auditors' remuneration	1,218	769
Membership and subscriptions	1,645	1,099
Transportation	1,095	914
Insurance	1,166	773
Finance charges on leased assets	271	222
Entertainment and canteen expenses	1,162	904
Distribution commission	2,482	1,308
Others	1,297	1,488
	<b>43,053</b>	<b>27,748</b>
Total operating expenses	<b>191,748</b>	<b>198,716</b>

		(Un-Audited)	
		First quarter ended	
		31 March 2024	31 March 2023
		(Rupees in '000)	
<b>29</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by State Bank of Pakistan	-	-
	Fees, commission and others	14,109	10,910
		<u>14,109</u>	<u>10,910</u>
<b>30</b>	<b>CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET</b>		
	Credit (loss) / reversal allowance for diminution in value of investments	(5,138)	(1,242)
	Credit (loss)/ reversal allowance against loans & advances	195,741	150,145
	Credit loss allowance against balances with other banks	57	69
	Credit loss allowance against lendings to Fls	-	(30)
	Credit loss allowance against off-balance sheet items	(4,133)	(620)
		<u>186,527</u>	<u>148,322</u>
<b>31</b>	<b>TAXATION</b>		
	Current	(24,324)	72,890
	Prior years	-	-
	Deferred	27,905	40,200
		<u>3,581</u>	<u>113,090</u>
<b>31.1</b>	<b>Tax contingencies</b>		
	<b>Pak Oman Investment Company Limited</b>		
	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.		
	<b>Pak Oman Asset Management Company Limited</b>		
	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 31 March 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.		
<b>32</b>	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Profit attributable to shareholders of the holding company	<i>Rupees in '000</i>	<u>(54,192)</u> <u>250,277</u>
	Weighted average number of ordinary shares issued	<i>Numbers in '000</i>	<u>615,000</u> <u>615,000</u>
	Basic and diluted earnings per share attributable to shareholders of holding company	<i>Rupees</i>	<u>(0.09)</u> <u>0.41</u>
<b>32.1</b>	Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue.		
<b>33</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and balances with treasury banks	702,358	587,157
	Balances with other banks	87,947	545,293
		<u>790,305</u>	<u>1,132,450</u>

### 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:

	31 March 2024 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
Federal Government Securities	-	352,492,330	-	352,492,330
Shares	286,164	-	-	286,164
Non-Government Debt Securities	-	3,417,024	-	3,417,024
Mutual funds	-	695,380	-	695,380
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments	-	-	484,459	484,459
	31 December 2023 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
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
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments	-	-	484,459	484,459



**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



## 36.2 Related party transactions

	First quarter ended March 31, 2024 (Un-audited)					First quarter ended March 31, 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)										
<b>Income</b>										
Mark-up / return / interest earned	-	621	-	-	-	-	521	-	-	-
Fee and commission income	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	78	-	-	-	-	-	-	-
Net gain on sale of securities	-	-	109,190	(73)	-	-	-	1,080	13	-
Other income	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
<b>Expense</b>										
Mark-up / return / interest paid	-	2,060	-	-	-	-	733	-	-	-
Operating expenses	-	-	-	-	-	-	-	-	-	-
Non-Executive Directors' fees and allowances	7,200	-	-	-	-	6,675	-	-	-	-
Compensation expenses	-	123,268	-	-	-	-	80,803	-	-	-
Contribution to defined contribution plan	-	-	-	7,144	-	-	-	-	4,985	-
Charge for defined benefit plan	-	-	-	6,340	-	-	-	-	4,550	-

## 37 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS

	(Un-Audited) 31 March 2024	(Audited) 31 December 2023
	(Rupees in '000)	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>6,150,000</u>	<u>6,150,000</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>3,990,192</u>	<u>6,019,477</u>
Eligible Additional Tier 1 (ADT 1) Capital	<u>-</u>	<u>-</u>
Total Eligible Tier 1 Capital	<u>3,990,192</u>	<u>6,019,477</u>
Eligible Tier 2 Capital	<u>-</u>	<u>-</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>3,990,192</u>	<u>6,019,477</u>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>16,275,612</u>	<u>17,715,086</u>
Market Risk	<u>6,733,765</u>	<u>19,053,937</u>
Operational Risk	<u>3,745,576</u>	<u>3,944,317</u>
Total	<u>26,754,953</u>	<u>40,713,340</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>14.91%</u>	<u>14.79%</u>
Tier 1 Capital Adequacy Ratio	<u>14.91%</u>	<u>14.79%</u>
Total Capital Adequacy Ratio	<u>14.91%</u>	<u>14.79%</u>
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<u>3,990,192</u>	<u>6,019,477</u>
Total Exposures	<u>380,504,067</u>	<u>370,862,034</u>
Leverage Ratio	<u>1.05%</u>	<u>1.62%</u>
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<u>48,444,000</u>	<u>20,542,211</u>
Total Net Cash Outflow	<u>46,697,667</u>	<u>27,286,996</u>
Liquidity Coverage Ratio	<u>103.74%</u>	<u>75.28%</u>
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<u>19,371,272</u>	<u>22,861,964</u>
Total Required Stable Funding	<u>18,996,971</u>	<u>22,191,193</u>
Net Stable Funding Ratio	<u>101.97%</u>	<u>103.02%</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 14 May 2024 by the Board of Directors of the holding company.



Managing Director/  
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman