

PAK OMAN INVESTMENT COMPANY LIMITED

Analyst:

Rida Hashmi
 (rida.hashmi@vis.com.pk)

RATING DETAILS				
RATINGS CATEGORY	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
ENTITY RATING	AA+	A1+	AA+	A1+
RATING OUTLOOK/WATCH	Stable		Stable	
RATING ACTION	Reaffirmed		Reaffirmed	
RATING DATE	June 30, 2026		June 30, 2025	

Shareholding (5% or More)	Other Information
Oman Investment Authority – 49.99%	Established in 2001
Ministry of Finance, Pakistan – 49.99%	Unlisted Public Company
	External Auditors: BDO Ebrahim & Co., Chartered Accountants
	Chairman of the Board: H.H. Sayyid Juland Jaifar Salim Al Said
	CEO & Managing Director: Mr. Nauman Ansari

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Government Support Entities

<https://docs.vis.com.pk/Methodologies-2025/GSEntities.pdf>

VIS Entity Rating Criteria Methodology – Financial Institutions

<https://docs.vis.com.pk/Methodologies-2026/FI-Methodology-26.pdf>

Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Rating Rationale

The ratings assigned to Pak Oman Investment Company Limited ('POICL' or the 'Company') reflect the support from its sovereign shareholders, underpinned by its strategic importance as a bilateral development financial institution jointly owned by the Government of Pakistan and the Oman Investment Authority. The ratings also consider the Company's strong capitalization, sound liquidity profile, and stable governance framework under the regulatory oversight of the State Bank of Pakistan.

The Company's financial position remained robust, supported by a strong capital base, sound liquidity, and continued improvement in asset quality due to decline in non-performing loans and high provisioning coverage, reflecting adequate loss absorption capacity. The Company continued to expand its Advances portfolio in a measured manner while maintaining prudent credit standards. With respect to the financial performance, the profitability improved materially in CY25, driven by a wider net interest margin along with higher investment-related income; however, earnings remain sensitive to interest rate volatility and have moderated in 1QCY26.

The Capital Adequacy Ratio moderated in line with higher risk-weighted assets; buffers remain sufficient to absorb impact from any adverse developments. Ratings take into account sovereign support, improving asset quality trends, and the Company's ability to maintain strong capitalization and liquidity buffers amid interest rate and balance sheet fluctuations.

Company Profile

Established in 2001, Pakistan Oman Investment Company ('POICL' or the 'Company') operates as a joint venture between the Government of Pakistan (GoP) and the Sultanate of Oman (SO). In addition to its main office in Karachi, POIC also maintains a branch office in Lahore and representative offices in Islamabad, Gwadar, and Muscat. POIC is categorized as a Development Financial Institution (DFI) by and under the regulatory oversight of the State Bank of Pakistan (SBP).

The latest sovereign rating of Pakistan stood at B- (Fitch Ratings and S&P Global) and Caa1 (Moody's). Moody's upgraded the Sultanate of Oman's sovereign rating from 'Ba1' to 'Baa3' with a 'Stable' outlook in July 2025, Fitch Ratings upgraded it from 'BB+' to 'BBB-' with a 'Stable' outlook in December 2025 and S&P reaffirmed it at 'BBB-' with a stable outlook in 2025.

Management and Governance

CHAIRMAN/CEO PROFILE

His Highness Sayyid Juland Jaifar Salim Al Said serves as the Chairman of POICL. He has over 15 years of experience at OIA (formerly known as State General Reserve Fund), the largest sovereign wealth fund of the Sultanate of Oman in the areas of Private Equity, Real Estate, and Risk Management. He heads the Investment Risk & Assurance function at OIA and has played a significant role in the establishment of the Risk and Compliance function at SGRF in 2013, embedding a risk-based approach to all investment decisions and global risk standards to the investment process and management of the sovereign wealth.

Mr. Nauman Ansari serves as the Managing Director & CEO of POICL. He is a senior banking and finance professional with over 30 multi-functional and varied experience gained at some of the leading global, regional and local banking institutions including Standard Chartered Bank, Bank of America, ABN Amro and Fortis bank. His last two assignments were as President and CEO of Bank Alfalah Limited and Faysal Bank Limited. His main areas of experience are: corporate and investment banking, risk management, project finance, financial / institutional banking, international trade finance and credit markets. He has served on numerous Boards of Directors and is a graduate of Miami University, US.

BOARD OF DIRECTORS & SENIOR MANAGEMENT

Table 1: Board of Directors

Name	Category	Nomination Authority
H. H. Sayyid Juland Jaifar Salim Al Said	Chairman	Sultanate of Oman
Mr. Al-Fadal Abdallah Al-Omairi	Director	
Mr. Al Ayham Al Ghassani		
Mr. Nauman Ansari	Managing Director/CEO	Government of Pakistan
Mr. Mohammad Shabbir Khan	Director	
Mr. Muhammad Asif		

As per the joint venture (JV) agreement, each shareholder is entitled to nominate three directors, with the Chairman to be nominated by the OIA, while the Government of Pakistan (GoP) nominates the Managing Director (MD). POICL completed the composition of its Board during CY25 with the appointment of a director to the previously vacant seat allocated to Pakistan. 2 changes were observed in the Board during the period under review; Mr. Al-Fadal Abdallah Al-Omairi replaced Mr. Faisal Ali Ibrahim Al Siyabi and Mr. Muhammad Asif onboarded as a director from Pakistan. The Board of Directors (BoD) convened five (05) meetings during 2025, with adequate attendance from all members. To ensure effective oversight, four committees are also present at Board level. These include Board Executive Committee (BEC), Board Audit Committee (BAC), Board Risk Committee (BRC), and Board Remuneration & Compensation Committee (BRCC). 4 meetings of BAC, 2 meetings of BEC, 4 meetings of BRC and 2 meetings of BRCC were convened during 2025, with adequate attendance from all members.

All JVs operating in Pakistan, including POICL, have been granted an exemption from the requirement under BPRD Circular No. 15 of 2016 issued by the State Bank of Pakistan (SBP), which mandates that at least one-third of the BoD be independent. This exemption is subject to the DFI fulfilling specific criteria, including provision of director training, performance evaluations of the Board, and financial audits conducted by firms rated under the Quality Control Review (QCR) framework. Additionally, all joint ventures between the GoP and foreign governments are also exempt from this requirement under SBP's Corporate Governance Regulatory Framework, 2021.

The Board has instituted a formal process for conducting performance evaluations on an annual basis. This process is carried out internally using a combination of qualitative and quantitative techniques. Scored questionnaires are employed to evaluate Board

performance, with a scoring scale developed in line with the guidelines issued by the SBP. In addition to the evaluation of the overall Board, assessments are conducted for individual directors, Board Committees, the Chairman, and the MD. These evaluations are supplemented by independent assessments facilitated by an external evaluator at least once every three years. The evaluation process is designed to identify key issues, weaknesses, and challenges. The results are presented to the BoD along with recommendations and an action plan. The evaluation findings serve as the foundation for developing a mutually agreed action plan, which is formally adopted by the Board. Areas identified for improvement during the evaluation are addressed accordingly. Additionally, no vacancies were reported in the Board or Senior Management during the period under review.

RISK MANAGEMENT

Risk Management Department at POICL undertakes conducting checks on credit and investment proposals before circulation to the Management Credit Committee and Executive Committee of the Board in line with the risk management policy. With financial analysis and market assessment, the department assigns obligor risk ratings through an Internal Risk Rating System (IRRS), which categorizes customers into different risk bands based on security and for pricing considerations, and which are required for the derivation of client-wise Expected Credit Loss (ECL) under IFRS 9, while also assisting the senior management in making informed decisions on credit portfolio.

The department collaborates with corporate and investment banking teams to identify distressed accounts on a periodic basis. The department also oversees sectoral limits and provides outlook recommendations on various sectors. The BoD approves the overall risk tolerance limits, through its Board Risk Management Committee (BRMC) while the risk management policy is updated every three years to adapt to changing market dynamics.

The Risk Committee ensures the development of financial models and systems to calculate different categories of risk. Stress tests are conducted to maintain prudent levels of exposure to credit, market, liquidity, and operational risks in alignment with the available capital. The DFI adopts a cautious approach, selectively engaging with customers whose risk profiles align with the acceptable limits.

ESG INITIATIVES

POICL follows a risk-based approach to incorporate relevant ESG considerations into financing and investment decisions, consistent with prudent credit/investment governance. The Company recognises the increasing relevance of climate-related risks, including physical and transition risks, to financial institutions and is working to strengthen the identification, assessment and monitoring of material environmental and social risks within its financing and investment activities. This includes the continued enhancement of transaction-level screening and due diligence practices proportionate to the nature of the exposure, documentation of environmental and social considerations where material, and monitoring and escalation practices for higher-risk or sensitive transactions.

In line with its developmental mandate, Pak Oman supports financing and investment initiatives that contribute to renewable energy, resource efficiency, climate resilience and sustainable economic development, subject to risk appetite and due diligence. Over time, the Company aims to enhance its ability to consistently identify, classify, and report such activities. Additionally, the Company seeks to support SMEs and productive sectors that contribute to jobs and economic activity; and responsible, inclusive access to finance where feasible, supported by transparency and appropriate customer outcomes. Moreover, POICL maintains governance and compliance frameworks that operate in line with applicable regulatory requirements, including prudential regulations, AML/CFT obligations and internal control standards that support integrity and responsible business conduct, including anti-corruption measures, reporting channels to encourage speaking up in good faith, with protections against retaliation and compliance monitoring and periodic internal reviews.

KEY DIGITAL INITIATIVES

The Information Technology (IT) function plays a critical role in supporting POICL's operational efficiency, governance framework, and digital enabling. During the year, the IT Department continued to strengthen technology infrastructure and cybersecurity controls while ensuring operational reliability and compliance with regulatory requirements.

POICL maintains a centralized and secure IT environment that supports core business operations, financial systems, and management reporting. Its technology infrastructure comprises enterprise-grade servers, virtualization platforms, network security solutions, and structured data management systems, ensuring operational sustainability. Cybersecurity remains a key focus area, supported by layered security controls, including firewalls, endpoint protection, access management protocols, and continuous system monitoring. Regular security assessments and reviews further enhance the institution's cyber resilience and safeguard critical information assets.

Business continuity and disaster recovery frameworks remain integral to the IT governance structure, with robust backup and recovery mechanisms in place to ensure the timely restoration of critical systems and data during disruptions. Additionally, ongoing system enhancements, infrastructure optimization, and reporting improvements have contributed to greater operational efficiency, transparency, and informed decision-making.

Going forward, the Institution plans to further invest in digital infrastructure, cybersecurity capabilities, and system integration initiatives to strengthen operational scalability, enhance internal controls, and support its long-term strategic objectives.

AUDIT OPINION

BDO Ebrahim & Co., Chartered Accountants, categorized as 'Category A' on the SBP's Panel of Auditors with satisfactory QCR rating from ICAP, has provided an unqualified and unmodified opinion, affirming that the Company's financial statements comply with accounting standards and accurately portray the Company's financial position as of Dec'25.

SBP REVIEW

The last full scope inspection of POICL by the State Bank of Pakistan (SBP) was conducted in 2024 and since then, no instances of onsite regulatory review have been reported by the management.

Business Risk

INDUSTRY

The Development Finance Institutions (DFIs) sector continued to contract in Jun'25, with total assets declining to PKR 1,488bn (Jun'24: PKR 2,460bn), reflecting a 39.5% contraction. Consequently, the sector's share in total financial system assets declined to 2.0% from 3.8% (6.0% in FY23), while assets-to-GDP ratio reduced to 1.3% from 2.3%. This contraction continued in Dec'25, with total assets recorded at PKR 1,352bn. Around 75% (Jun'25: 77%) of the sector's assets are vested in investments, of which 95% are allocated to government securities. However, the share of investments has reduced lately; with growth seen in advances that reached PKR 235.3bn (Jun'25: PKR 217.6bn) by end-Dec'25 and comprised 17.4% (Jun'25: 14.6%) of the asset base.

The large proportion of investments on the balance sheet signify limited role in developmental lending by the sector players. In periods of high interest rates, the DFIs had larger balance sheets featuring high volumes of treasury operations. However, with developing interest rate trends, the DFIs' Net Interest Margin (NIM) turned negative in Dec'23, creating an incentive for DFIs to reduce investments and expensive borrowings. This portfolio rebalancing resulted in reduced investments of PKR 1,185bn (Jun'24: PKR 2,134bn) as of end-Jun'25 which continued to decline and reached PKR 1,013bn as of Dec'25.

Profitability improved during Jun'25, with after-tax profit rising to PKR 42bn (Jun'24: PKR 13bn), supported by lower funding costs, reduced borrowings, and higher dividend income. Additionally, profitability improved further and reached PKR 35.6bn as opposed to PKR 27.3bn in the Same Period Last Year (SPLY) driven by improvement in the Net markup income to PKR 41.4bn (Dec'24: PKR 24.9bn).

The decline in NPLs to total loans indicates improved asset quality, while higher provisioning coverage reflects strengthened loss absorption capacity; the negative net NPLs-to-capital position further suggests negligible residual credit risk and adequate capital protection against impaired exposures. Additionally, solvency profile of the sector remained strong, despite some moderation in risk-weighted capital indicators. The Total Capital to Total Risk-Weighted Assets (RWA) ratio declined slightly to 56.7% (Jun'25: 58.1%) at Dec-25, while Tier-1 Capital to Total RWA ratio also moderated to 52.5% (Jun'25: 54.2%) over the same period, indicating a marginal reduction in capital buffers against risk-weighted exposures; however, both ratios remained at elevated levels, suggesting substantial capacity to absorb unexpected losses. In contrast, the Capital to Total Assets ratio strengthened to 16.2% (Jun'25: 13.3%) at Dec-25, reflecting improved overall capitalization and reduced leverage at the balance sheet level.

Market risk exposure in the DFI sector remained largely contained at end-Jun'25, supported by minimal equity exposure of 0.6% of the capital base, thereby limiting vulnerability to equity market volatility. However, interest rate risk remains a relevant consideration given the sector's significant exposure to government securities classified under FVOCI. Within the FVOCI portfolio, floating-rate securities constituted a dominant share of 83.4% at Jun'25, increasing from 56.9% at Jun'24, while the share of fixed-rate securities declined to 7.9% from 39.5%, indicating a shift toward instruments with relatively lower repricing risk. Notwithstanding this favorable shift, duration risk remains present, as the weighted average duration of fixed-rate FVOCI securities increased to 1.66 years at Jun'25 from 1.31 years at Jun'24, indicating heightened sensitivity to valuation changes in response to interest rate movements. In comparison, floating-rate FVOCI securities exhibited a shorter duration of 0.78 years at Jun'25, reflecting relatively lower duration exposure.

DFIs in Pakistan continue to be taxed under the general corporate taxation framework applicable to companies. As of Dec'25, DFIs are subject to corporate income tax at the standard rate of 29%, along with the applicable Super Tax under Section 4C of the Income Tax Ordinance, 2001, where taxable income exceeds the prescribed thresholds. Unlike banking companies, which are taxed at a higher rate of 39%, DFIs are not subject to the banking-sector specific tax regime.

ASSET MIX

Table 2: Asset Mix (all figures in PKR Mn, unless stated otherwise)

	Dec'23	Dec'24	Dec'25	Mar'26
Cash and Cash Equivalents*	663.9	4,208.3	1,530.4	1,132.2
	0.2%	1.1%	0.5%	0.3%
Investment - Net	335,736.1	353,409.6	254,686.4	292,290.4
	91.5%	91.3%	88.9%	89.7%
Advances -Net	16,180.0	15,014.8	20,166.1	19,428.2
	4.4%	3.9%	7.0%	6.0%
Other Asset	14,423.0	14,483.8	10,185.3	13,149.0
	3.9%	3.7%	3.6%	4.0%
Total Asset	367,003.0	387,116.5	286,568.2	325,999.7

*Cash & Cash Equivalent include Cash & Balances with Treasury Banks, Balances with other Banks and Lending to FIs

As of Dec'25, POICL's asset base moderated by 26.0%, primarily reflecting a lower level of treasury investments. Consequently, the investment portfolio stood at PKR 254.7bn (Dec'24: PKR 353.4bn), while the advances portfolio increased to PKR 20.2bn (Dec'24: PKR 15.0bn). Investments nevertheless remained the predominant asset class, accounting for 88.9% of total assets as of Dec'25 (Dec'24: 91.3%).

By end-Mar'26, POICL's asset base expanded by 13.8%, primarily due to an increase in the investment portfolio to PKR 292.3bn. This increase was largely attributed to the deployment of repo borrowings in federal government securities, particularly Pakistan Investment Bonds (PIBs).

CREDIT RISK

During CY25, POICL disbursed PKR 11.7bn in advances, which was higher than the previous year's disbursement of PKR 4.7bn. POICL's gross advances increased by 30.3% to PKR 23.2bn (CY24: PKR 17.8bn) as of Dec'25 compared to a reduction of 7.5% in the preceding year. Key sector exposures in Dec'25 included chemical and pharmaceuticals, textile, financial, electronic and electrical appliances and automobile & transportation equipment, which combined constitute a higher 41.1% (Dec'24: 39.5%) of Gross advances by year end. On the other hand, Non-Performing Loans (NPLs) are concentrated in textile, automobile, sugar, power and electronics sector collectively accounting for 35.6% (Dec'24: 34.4%) as of Dec'25. By Mar'26, the portfolio notched lower by 3.3% to PKR 22.4bn.

PROFITABILITY

Table 3: Profitability Indicators

	CY23	CY24	CY25	1QCY26
ROAA	0.3%	0.1%	1.0%	0.4%
ROAE (excl. surplus on revaluation)	8.3%	6.6%	32.1%	9.7%
Spread	0.9%	0.1%	1.7%	1.0%
- Return on Earning Assets	26.8%	20.0%	11.8%	11.9%
- Cost of Funding	25.9%	19.9%	10.1%	10.9%
Efficiency Ratio	30.1%	98.4%	22.3%	33.6%

*Annualized

In CY25, POICL experienced a significant increase in net markup income including dividend income and gain/loss on securities, which rose by 308.6% to PKR 7,404.5mn (CY24: PKR 1,812.2mn). This increase was primarily attributed to a significant expansion in the Net Interest Margin (NIM), which widened to 1.7% (CY24: 0.1%). The impact of the higher net markup income was compounded by an increase in non-markup income to PKR 160.1mn (CY24: PKR 85.8mn), mainly driven by increase in advisory fee, while the other income increased to PKR 44.6mn (CY24: PKR 35.0mn), owing to higher rental income during the year. On the cost side, operating expenses increased by 34.4% to PKR 1,462.2mn (CY24: PKR 1,087.8mn). Moreover, POICL recorded provisioning charges of PKR 667.5mn, as opposed to the reversal of PKR 162.9mn in

Expected Credit Loss (ECL) in the previous year. As a result, POICL posted a Profit after Tax (PaT) of PKR 3,221.9mn (CY24: PKR 557.2mn). Furthermore, core income increased more than the recurring expenses, leading to an improvement in core efficiency indicators to 22.3% (CY24: 98.4%). The increase in earnings also weighed on profitability indicators, with Return on Average Assets (ROAA) and Return on Average Equity (ROAE) increasing to 1.0% (CY24: 0.1%) and 32.1% (CY24: 6.6%), respectively.

In 1QCY26, NIM declined to 1.0%, with POICL's net markup income including dividend income and gain/loss on securities, declining to PKR 605.6mn, a notable decline from PKR 1,638.2mn recorded in the same period last year. This decline, was however supported by an increase in the advisory fee to PKR 104.4mn (1QCY25: PKR 21.2mn), with other income increasing to PKR 11.8mn (PKR 8.7mn), owing to higher rental income. Lower net markup income together an increased cost base, contributed to a notable decline in profitability, with Profit after Tax falling to 274.1mn (1QCY25: PKR 715.6mn).

Going forward, profitability in CY26 is expected to improve moderately in relation to previous periods prior to CY25. However, the exceptional growth in profitability recorded during CY25 is unlikely to be sustained amidst the higher interest rate environment. To support future earnings growth, POICL plans to expand its supply chain financing portfolio, which is expected to enhance spreads and contribute positively to profitability over the coming years. In contrast, investment-to-borrowing spreads remained positive but narrow during CY25 and 1QCY26. Consequently, the entity remains vulnerable to margin compression in a rising interest rate environment, particularly as borrowing costs reprice upward more rapidly than yields on investments, thereby exerting pressure on profitability and spread income.

Financial Risk

Asset Quality

Table 4: Asset Quality Indicators

	CY23	CY24	CY25	1QCY26
NPL (PKR Mn)	2,535.9	2,908.9	2,722.0	2,687.6
Gross Infection	13.2%	16.4%	11.8%	12.0%
Net Infection*	1.1%	2.1%	0.2%	0.2%
Stage-3 Provisioning Coverages	92.7%	89.3%	98.2%	98.4%
Stage-1 & Stage-2 Provisioning Coverages	4.1%	1.1%	1.5%	1.6%
Net NPLs to Tier 1 Equity**	2.6%	3.8%	0.4%	0.4%

*Only takes into account Stage 3 provisions

**Adjusted for General Provisioning

Despite an increase in gross advances, NPLs declined to PKR 2.7bn (CY24: PKR 2.9bn), translating into a decline in the Gross Infection (GI) ratio to 11.8% (Dec'24: 16.4%) as of Dec'25, and rose to 12.0% as of Mar'26. Specific provisioning grew by 2.8% as of Dec'25, with a decline in NPLs, leading to an increase in the specific coverage ratio to 98.2% (CY24: 89.3%) as of Dec'25. This upward trend persisted, with the specific coverage ratio further increasing to 98.4% as of Mar'26. Moreover, POICL increased reserve coverage on its performing portfolio. Stage 1 and 2 coverage to 1.6% as of Mar'26 (Dec'25: 1.5%; Dec'24: 1.1%). This resulted in a lower net infection ratio of 0.2% as of Mar'26.

INVESTMENTS

Table 5: Net Investment Portfolio (all figures in PKR Mn, unless stated otherwise)

	Dec'23	Dec'24	Dec'25	Mar'26
Federal Govt Securities				
- MTBs	161,429.2	24,106.8	419.5	21.8
- PIBs	163,408.4	323,635.6	249,745.6	265,554.2
- Ijarah Sukuk	6,035.4	-	-	-
Equity				
- Listed	123.4	1,076.6	232.7	674.6
- Unlisted	484.5	484.5	699.5	699.5
Non-Government Debt				
- Term Finance Certificates	2,584.9	2,472.3	2,312.4	2,273.0
- Sukuk Certificates	662.8	517.6	360.5	405.9
Associate	612.3	720.7	720.7	729.0
Subsidiaries	395.4	395.4	195.4	195.4
Total	335,736.1	353,409.6	254,686.4	292,290.4

POICL's investment portfolio declined to PKR 254.7bn (Dec'24: PKR 353.4bn) by end-Dec'25; however, it increased to PKR 292.3bn as of Mar'26, owing to increased repo borrowing deployed in the investment portfolio. From a credit risk perspective, the investment book remains conservatively structured, with 98.3% (CY25: 98.3%; CY24: 98.5%) of total investments placed in Federal Government Securities as sovereign instruments are considered low-risk within the domestic financial system, offering high capital preservation and minimal default risk.

Within the sovereign segment, Pakistan Investment Bonds (PIBs) constituted the largest share, accounting for 90.8% (Dec'25: 98.1%; Dec'24: 91.6%) of the total investment portfolio as of Mar'26. With a declining share of floating-rate PIBs to 72.3% (Dec'25: 93.8%, Dec'24: 89.3%), coupled with lower holdings of market treasury bills, increased the portfolio's exposure to revaluation risk.

LIQUIDITY

Table 6: Deposit Mix & Granularity (all figures in PKR Mn, unless stated otherwise)

	Dec'23	Dec'24	Dec'25	Mar'26
Total Deposits	12,218.4	16,164.3	19,408.1	12,013.3
Borrowings	340,891.2	349,588.0	247,488.4	297,489.9
Liquid Assets	331,710.1	353,000.9	252,029.1	289,220.6
LADB*	44.0%	14.9%	51.3%	76.4%
LCR	75.3%	101.0%	115.7%	132.4%
NSFR	103.0%	367.7%	123.6%	118.5%

*Liquid Assets to Deposit & Borrowings (adjusted for repo and collateral)

As of Dec'25, the total deposits of POICL increased by 20.1%, reaching PKR 19.4bn (Dec'24: PKR 16.2bn) and fund a relatively low 6.8% of the balance sheet. Deposit growth was mainly driven by increase in deposits from non-banking financial institutions, reaching PKR 8.0bn (Dec'24: PKR 0.1bn). However, as of Mar'26, total deposits fell back to PKR 12.0bn.

Although DFIs are not subject to regulatory Liquidity Coverage Ratio (LCR) requirements, it should be noted that POICL's LCR increased to 132.4% in Mar'26 (CY25: 115.7%; CY24: 101.0%). The Net Stable Funding Ratio (NSFR) has consistently remained above the 100% threshold throughout the review period. This indicates a stable funding structure and strong long-term liquidity position.

CAPITALIZATION

Table 7: Capitalization (all figures in PKR Mn, unless stated otherwise)

	Dec'23	Dec'24	Dec'25	Mar'26
Tier-1 Capital	6,366.2	8,025.4	11,278.7	10,763.7
Tier-2 Capital (eligible)	-	249.6	2,785.8	471.3
Total Eligible Capital	6,366.2	8,275.0	14,064.5	11,235.0
RWAs	41,090.1	24,701.9	34,711.2	45,899.6
Share Capital	6,150.0	6,150.0	6,150.0	6,150.0
Revaluation Surplus	407.4	1,523.8	3,695.7	1,452.4
Total Equity	8,739.5	10,072.5	15,203.7	12,622.9
Tier-1 CAR (%)	15.5%	32.5%	32.5%	23.5%
Total CAR (%)	15.5%	33.5%	40.5%	24.5%
Equity-to-Assets (%)	2.4%	2.6%	5.3%	3.9%

The Company maintains a strong capital base, with total eligible capital primarily composed of Tier-1 capital, indicative of a strong loss-absorbing buffer. Tier-1 capital declined to PKR 10.8bn (Dec'25: PKR 11.3bn) as at Mar'26, following dividend payout. The decline in capital base occurred alongside a rise in Risk Weighted Assets (RWAs), which rose to PKR 45.9bn as at Mar'26 (Dec'25: PKR 34.7bn), marking a 32.3% increase, primarily due to the expansion in market-risk weighted exposures. Consequently, the Capital Adequacy Ratio (CAR) declined to 24.5% at Mar'26 from 40.5% at Dec'25, capitalization levels remain favorable, providing sizable room for growth and a strong cushion against potential credit losses.

Financial Summary				(PKR Mn)
Balance Sheet	CY23	CY24	CY25	1QCY26
Total Investments	335,736.1	353,409.6	254,686.4	292,290.4
Net Advances	16,180.0	15,014.8	20,166.1	19,428.2
Total Assets	367,003.0	387,116.5	286,568.2	325,999.7
Borrowings	340,891.2	349,588.0	247,488.4	297,489.9
Deposits & other accounts	12,218.4	16,164.3	19,408.1	12,013.3
Total Liabilities	358,263.5	377,044.0	271,364.5	313,376.8
Paid Up Capital	6,150.0	6,150.0	6,150.0	6,150.0
Tier-1 Equity	6,366.2	8,025.4	11,278.7	10,763.7
Net Shareholders Equity (excl. revaluation surplus)	8,332.0	8,548.7	11,508.0	11,170.5
Income Statement	CY23	CY24	CY25	1QCY26
Net Markup Income	2,820.5	853.2	6,072.0	904.4
Net Provisioning/(Reversal)	1,048.2	(162.9)	667.5	(139.3)
Non-Markup Income	326.0	1,079.7	1,537.2	(182.7)
Operating Expenses	915.5	1,087.8	1,462.2	352.3
Profit/(Loss) Before Tax	940.5	871.3	5,263.0	472.9
Profit/(Loss) After Tax	705.1	557.2	3,221.9	274.1
Ratio Analysis	CY23	CY24	CY25	1QCY26
Gross Infection (%)	13.2%	16.4%	11.8%	12.0%
Net Infection (%)	1.1%	2.1%	0.2%	0.2%
Specific Provisioning Coverage (%)	92.7%	89.3%	98.2%	98.4%
General Provisioning Coverage (%)	4.1%	1.1%	1.5%	1.6%
Net NPLs to Tier-1 Capital (%) (adj. for general prov.)	2.6%	3.8%	0.4%	0.4%
Cost of Funds* (%)	25.9%	19.9%	10.1%	10.9%
Markup Spreads* (%)	0.9%	0.1%	1.7%	1.0%
Efficiency (%)	30.1%	98.4%	22.3%	33.6%
ROAA* (%)	0.3%	0.1%	1.0%	0.4%
ROAE* (%) (excl. revaluation surplus)	8.3%	6.6%	32.1%	9.7%
Liquid Coverage Ratio (%)	75.3%	101.0%	115.7%	132.4%
Net Stable Funding Ratio (%)	103.0%	367.7%	123.6%	118.5%
Liquid Assets to Deposits & Borrowings** (%)	44.0%	14.9%	51.3%	76.4%
Gross Advances to Deposits Ratio (ADR) *** (%)	157.3%	109.9%	119.3%	186.3%
Tier-1 CAR (%)	15.5%	32.5%	32.5%	23.5%
Capital Adequacy Ratio (%)	15.5%	33.5%	40.5%	24.5%

*Annualized

** Adjusted for repo and collateral

*** Adjusted for SBP refinancing schemes

REGULATORY DISCLOSURES Appendix II

Name of Rated Entity	Pak Oman Investment Company Limited (POICL)				
Sector	Development Finance Institution (DFI)				
Type of Relationship	Solicited				
Purpose of Rating	Entity Ratings				
Rating History	Rating Date	Medium to Long Term	Short Term	Rating Outlook	Rating Action
	RATING TYPE: ENTITY				
	30-Jun-26	AA+	A1+	Stable	Reaffirmed
	30-Jun-25	AA+	A1+	Stable	Reaffirmed
	28-Jun-24	AA+	A1+	Stable	Reaffirmed
	22-Jun-23	AA+	A1+	Stable	Reaffirmed
	28-Jun-22	AA+	A1+	Stable	Reaffirmed
	30-Jun-21	AA+	A1+	Stable	Reaffirmed
	30-Jun-20	AA+	A1+	Stable	Reaffirmed
	24-Jun-19	AA+	A1+	Stable	Reaffirmed
	27-Jun-18	AA+	A1+	Stable	Reaffirmed
	02-Jun-17	AA+	A1+	Stable	Reaffirmed
	29-Jun-16	AA+	A1+	Stable	Reaffirmed
	30-Jun-15	AA+	A1+	Stable	Reaffirmed
	30-Jun-14	AA+	A1+	Stable	Reaffirmed
12-Jun-13	AA+	A1+	Stable	Reaffirmed	
29-Jun-12	AA+	A1+	Stable	Reaffirmed	
Instrument Structure	N/A				
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.				
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.				
Disclaimer	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.				
Due Diligence Meeting Conducted	Name	Designation			Date
	Syed Salman Raza Naqvi	Chief Risk Officer			
	Mr. Tasadduq Aslam	Head of Treasury			
	Ms. Nadia Ishtiaq	Group Head of Corporate, Investment Banking and Private Equity			
	Mr. Muhammad Yousuf Amanullah	Chief Financial Officer			
	Syed Mohammad Shoab Omair	Group Human Head Resources & Administration			
	Mr. Aijaz Ahmed Siddiqui	Head of Information Technology			