

The image features a low-angle, black and white photograph of several modern skyscrapers reaching towards the sky. The buildings are characterized by their repetitive window patterns and structural lines. The image is partially overlaid with a dark green triangle in the top-left corner and a yellow triangle in the bottom-left corner. The EFG Hermes logo is positioned in the green area, and the report title is centered in the white space between the buildings.

≡ EFG Hermes

HALF YEARLY
REPORT
JUNE 2024

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Pattern of Shareholding



Company Information

Board of Directors

Mr. Freyan Byram Avari - Chairmain
Mr. Mohamed Ebeid - Director
Mr. Fayyaz Ilyas - Director
Ms. Sarah Maja - Director
Mr. Johannes Gunnell - Director
Mr. Raza Haider Jafri - CEO & Director
Mr. Shahid Kamal - Director

Audit Committee

Mr. Johannes Gunnell - Chairman
Mr. Fayyaz Ilyas - Member
Ms. Sarah Maja - Member
Mr. Freyan Byram Avari - Member

HR & R Committee

Mr. Freyan Byram Avari - Chairman
Mr. Mohamed Ebeid - Member
Ms. Sarah Maja - Member

Company Secretary

Mr. Shahid Kamal

Chief Financial Officer

Mr. Umar Farooque

Auditors

M/s. Riaz Ahmad, Saqib, Gohar & Company Chartered Accountants
5-Nasim, C.H.S. Major Nazir Bhatti Road,
Off: Shaheed-e-Millat Road, Karachi, Pakistan.

Legal Advisor

M/s. Mohsin Tayebaly & Co. (MTC)
1st Floor, Dime Centre, BC-4, Block 9, Kehkshan,
Clifton, Karachi, Pakistan.

Share Registrar

M/s. F. D. Registrar Services (Pvt.) Limited
Office No. 1705-A, 17th Floor, Saima Trade Tower,
I.I. Chundrigar Road, Karachi, Pakistan.

Bankers

MCB Bank Limited
Bank Alfalah Limited
Askari Bank Limited
United Bank Limited
Allied Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited
Standard Chartered Bank Limited
Habib Bank Limited
JS Bank Limited
Meezan Bank Limited

Registered Office

Office No. 904, 9th Floor, Emerald Tower,
Plot No. G-19, Block-5, Clifton, Karachi, Pakistan

Website

www.efghermespakistan.com



Directors' Review

BEGIN IN THE NAME OF ALLAH THE MOST GRACIOUS AND MERCIFUL

Dear Member(s)

I, on behalf of Board of Directors of your Company, am pleased to present herewith un-audited condensed interim financial statements of the Company for the half year ended June 30, 2024. These condensed interim financial statements have been reviewed by the external auditors of the Company.

Performance Review

During the second quarter ended June 30, 2024, the Company earned operating revenues of Rs.76.95 million compared to Rs. 69.84 million in the same period last year. The Company earned before and after tax profit of Rs. 15.90 million and Rs. 11.72 million respectively compared to before and after tax losses of Rs. (30.53) million and Rs. (39.00) million respectively for the corresponding period. Earnings per share for the quarter stood at Rs. 0.59 compared to loss per share of Rs. (1.95) for the corresponding period.

For the half year ended June 30, 2024, the Company earned operating revenues of Rs. 141.90 million compared to Rs. 110.50 million in the corresponding period last year. The Company earned before and after tax profits Rs. 21.70 million and Rs. 13.90 million respectively as compared to before and after tax losses Rs. (53.43) million and Rs. (64.91) million respectively in the same period during last year. Earnings per share for the half year are Rs. 0.69 as compared to loss per share of Rs. (3.24) for the corresponding period.

Pakistan equities continued to perform in the Second Quarter 2024, with the KSE100 returning 17% during the period. This coincided with improved market turnover, including greater buying from foreign institutional investors, which the Company was able to benefit from. As a result, revenue from brokerage operations showed a significant increase, rising by nearly 90% YoY in 1H 2024 to Rs. 117.9 million.

The increase in operating revenue was accompanied by continued efforts to keep a check on operating expenses. Admin expenses in 2Q 2024 were flat compared to 2Q 2023 while showing a decline of 3% YoY to Rs. 112.3 million in 1H 2024. Together with lower financial charges, with the commencement of monetary easing in Pakistan, the improvement in operating revenue was able to make its way down to the bottom-line more prominently.

Key checkpoints going forward include the commencement of the 37-month IMF programme, which has already received staff-level approval. This should ensure continuity of macroeconomic stability and economic reforms, in turn boding well for equity market outlook and activity. Further support is expected from a reducing policy rate, with real interest rates suggesting there is significant room for monetary easing. Risks emanate from a difficult geopolitical environment, challenges in implementing the next leg of economic reforms, and early signs of nervousness in global equity markets.

In conclusion, we pray to almighty Allah for his blessings, guidance, health and prosperity to us, our Company, Country and Nation.

For and on behalf of the Board of Directors

Chief Executive Officer

Karachi, August 22, 2024

Director



ڈائریکٹرز رپورٹ برائے ممبران

شروع اللہ کے نام سے جو بڑا مہربان اور رحم والا ہے۔

محترم ممبران

السلام علیکم،

میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، بخوشی نصف سال 30 جون 2024 کو ختم ہونے والی کمپنی کی غیر آڈٹ شدہ عبوری مالی تفصیلات کی رپورٹ پیش کرتا ہوں۔ کمپنی کے بیرونی آڈیٹرز نے غیر آڈٹ شدہ عبوری مالی تفصیلات پر نظر ثانی کرنی ہے۔

کارکردگی کا جائزہ:

30 جون 2024 کو ختم ہونے والی دوسری سہ ماہی کے دوران کمپنی نے آپریٹنگ آمدنی کی مد میں 76.95 ملین روپے کمائے جبکہ گزشتہ سال اسی مدت کے دوران 69.84 ملین روپے کمائے تھے۔ قبل از ٹیکس اور بعد از ٹیکس منافع بالترتیب 15.90 ملین روپے اور 11.72 ملین روپے ہے جبکہ گزشتہ سال مذکورہ مدت کے دوران قبل از ٹیکس اور بعد از ٹیکس نقصان بالترتیب (30.53) ملین روپے اور (39.00) ملین روپے تھا۔ اس سہ ماہی کے دوران فی حصص منافع 0.59 روپے اور متابقتاً گزشتہ سال اسی عرصہ کے دوران فی حصص خسارہ (1.95) روپے تھا۔

نصف سال 30 جون 2024 کے اختتام پر کمپنی نے آپریٹنگ آمدنی کی مد میں 141.90 ملین روپے کمائے جبکہ گزشتہ سال اسی مدت کے دوران 110.50 ملین روپے کمائے تھے۔ قبل از ٹیکس اور بعد از ٹیکس منافع 21.70 ملین روپے اور 13.90 ملین روپے ہے جبکہ گزشتہ سال اسی مدت کے دوران قبل از ٹیکس اور بعد از ٹیکس نقصان بالترتیب (53.43) ملین روپے اور (64.91) ملین روپے تھا۔ نصف سال کی مدت کے دوران فی حصص منافع 0.69 روپے متابقتاً گزشتہ سال اسی مدت کے دوران فی حصص خسارہ (3.24) روپے تھا۔

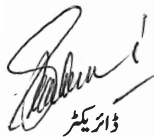
دوسری سہ ماہی 2024 میں، KSE 100 انڈیکس کی 17 فیصد واپسی کے ساتھ پاکستان ایکویٹی مارکیٹ نے کارکردگی جاری رکھی۔ یہ مارکیٹ کے بہتر کاروبار بشمول غیر ملکی ادارہ جاتی سرمایہ کاروں سے زیادہ خریداری، جس سے کمپنی استفادہ کرنے کے قابل تھی کے ساتھ موافق ہوا۔ نتیجہ یہ ہوا کہ، بروکرینج آپریشنز سے ہونے والی آمدنی میں نمایاں اضافہ ہوا، جو کہ 1H2024 میں تقریباً 90 فیصد YoY بڑھ کر 117.9 ملین روپے ہو گیا۔

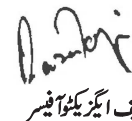
آپریٹنگ آمدنی میں اضافہ کے ساتھ آپریٹنگ اخراجات پر مسلسل نظر رہی۔ دوسری سہ ماہی 2024 میں ایڈمن کے اخراجات 2023 کی دوسری سہ ماہی کے مقابلہ میں ایک پیسے تھے جبکہ 2024 کے پہلے نصف میں 112.3 ملین روپے تک 3 فیصد YoY کی کمی کو ظاہر کر رہا ہے۔ کم مالیتی چارجز کے ساتھ ساتھ، پاکستان میں مالیاتی نرمی کے آغاز کے ہمراہ، آپریٹنگ ریونیو میں بہتری نے مزید نمایاں طور پر اپنا راستہ آخری حد تک بنایا۔

آگے بڑھنے والے کلیدی چیک پوائنٹس میں 37 ماہ کے آئی ایم اینف پروگرام کا آغاز شامل ہے، جسے پہلے ہی عملی سطح کی منظوری مل چکی ہے۔ اس سے میکر واکٹنا سک اسکام اور معاشی اصلاحات کے تسلسل کو یقینی ہونا چاہئے، جس کے نتیجے میں ایکویٹی مارکیٹ کے آڈٹ لک اور سرگرمی پر اچھا اثر پڑے گا۔ پالیسی ریٹ کی شرح میں کمی سے مزید تعاون کی توقع ہے، حقیقی سود کی شرح بتاتی ہے کہ مالیاتی آسانی کے لئے کافی گنجائش ہے۔ خطرات ایک مشکل جغرافیائی سیاسی ماحول، مشکل معاشی اصلاحات کے نفاذ میں چیلنجز، اور عالمی ایکویٹی مارکیٹوں میں گھبراہٹ کی ابتدائی علامات سے پیدا ہوتے ہیں۔

آخر میں: اللہ تعالیٰ سے دُعا ہے کہ وہ ہم پر، ہماری کمپنی، ملک اور قوم پر اپنی رحمتیں اور برکتیں نازل فرمائے۔ آمین

مناجیب بورڈ آف ڈائریکٹرز


ڈائریکٹر


چیف ایگزیکٹو آفیسر

تاریخ: 22 اگست 2024



INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of EFG HERMES PAKISTAN LIMITED Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of EFG Hermes Pakistan Limited as at June 30, 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

RASGO

Chartered Accountants

UDIN: RR202410098sX6fIAbOY

Karachi: August 22, 2024

RIAZ AHMAD, SAQIB, GOHAR & CO.
Chartered Accountants

5-Nasim C.H.S., Major Nazir Bhatti Road, Off: Shaheed-e-Millat Road, Karachi.
Tel: (92-21) 34945427, 34931736, Email: rasgkhi@rasgco.com
Website: www.rasgco.com
Regional Offices at Lahore & Islamabad

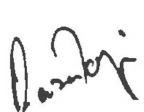


Condensed Interim Statement of Financial Position (Un-audited)

AS AT JUNE 30, 2024

		<u>Un-audited</u> <u>June</u> <u>30, 2024</u>	<u>Audited</u> <u>December</u> <u>31, 2023</u>
ASSETS		Rupees	
NON-CURRENT ASSETS			
Property, plant and equipment	5	37,796,270	44,393,413
Intangible assets		3,985,417	4,042,489
Long-term investments	6	26,145,308	21,260,889
Long-term deposits		550,000	550,000
		<u>68,476,995</u>	<u>70,246,791</u>
CURRENT ASSETS			
Trade debts	7	10,819,656	27,411,570
Short-term investments		239,741,283	283,141,515
Advances, deposits, prepayments and other receivables		173,140,855	110,361,530
Advance tax - net		4,737,583	8,050,786
Receivable under margin finance		49,758,523	134,622,057
Cash and bank balances	8	133,468,948	110,790,107
		<u>611,666,848</u>	<u>674,377,565</u>
TOTAL ASSETS		<u>680,143,843</u>	<u>744,624,356</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 100,000,000 (December 31, 2023: 100,000,000) ordinary shares of Rs. 10/- each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up capital		200,156,500	200,156,500
Revenue reserve - accumulated loss		(240,496,710)	(254,378,899)
Capital reserve - gain/ (loss) on re-measurement of investments		4,113,867	(770,552)
Contribution from a related party	9	177,824,905	177,824,905
		<u>141,598,562</u>	<u>122,831,954</u>
NON-CURRENT LIABILITIES			
Long-term loan		325,000,000	375,000,000
CURRENT LIABILITIES			
Short-term running finance	10	-	59,144,617
Trade and other payables		202,498,157	176,577,609
Unclaimed dividend		11,047,124	11,070,176
		<u>213,545,281</u>	<u>246,792,402</u>
CONTINGENCIES AND COMMITMENTS			
	11	-	-
TOTAL EQUITY AND LIABILITIES		<u>680,143,843</u>	<u>744,624,356</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Profit or Loss and other Comprehensive Income (Un-audited)

FOR THE HALF YEAR AND SECOND QUARTER ENDED JUNE 30, 2024

	Note	Half Year Ended		Second Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		Rupees		Rupees	
OPERATING REVENUES					
Operating revenues	12	121,888,453	53,279,831	68,441,546	22,560,078
Gain on sale of investments-net		20,008,196	57,218,652	8,512,181	47,281,103
		141,896,649	110,498,483	76,953,727	69,841,181
EXPENDITURES					
Administrative and general expenses		(112,329,037)	(116,119,691)	(58,940,323)	(60,020,003)
Operating profit /(loss)		29,567,612	(5,621,208)	18,013,404	9,821,178
Other income / (other charges) - net		14,791,582	(552,971)	5,723,898	1,878,419
Income on margin finance		11,065,016	11,624,725	7,064,926	6,047,868
Financial charges		(38,703,340)	(74,747,811)	(18,259,770)	(41,693,768)
Gain/ (loss) on re-measurement of investments categorised as 'fair value through profit or loss' - net		4,937,773	15,862,990	3,325,845	(6,589,090)
		(7,908,969)	(47,813,067)	(2,145,101)	(40,356,571)
PROFIT/(LOSS) BEFORE TAXATION		21,658,643	(53,434,275)	15,868,303	(30,535,393)
TAXATION		(7,776,454)	(11,481,158)	(4,147,692)	(8,441,767)
PROFIT/(LOSS) AFTER TAXATION		13,882,189	(64,915,433)	11,720,611	(38,977,160)
OTHER COMPREHENSIVE INCOME					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Gain/ (loss) on re-measurement of investments categorised as 'fair value through other comprehensive income'		4,884,419	(83,190)	6,464,245	1,712,118
TOTAL COMPREHENSIVE INCOME /(LOSS) FOR THE PERIOD		18,766,608	(64,998,623)	18,184,856	(37,265,042)
Earning/ (loss) per share - basic and diluted		0.69	(3.24)	0.59	(1.95)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Cash Flow (Un-audited)

FOR THE HALF YEAR ENDED JUNE 30, 2024



	Half Year Ended	
	June 30, 2024	June 30, 2023
	Rupees	
Cash Flows From Operating Activities		
Profit/ (loss) before taxation	21,658,643	(30,900,390)
Adjustments for:		
Depreciation	5,574,102	2,538,450
Amortisation	57,072	128,407
Financial charges	38,703,340	46,168,654
Gain on re-measurement of investments categorised as 'fair value through profit or loss' - net	(4,937,773)	(8,081,160)
Gain/ (loss) on disposal of property, plant and equipment	(5,416,745)	18,380
	33,979,996	40,772,731
Profit before working capital changes	55,638,639	9,872,341
Changes in working capital		
Decrease / (increase) in current assets		
Trade debts - unsecured	16,591,914	2,440,676
Short-term investments	48,338,005	(51,881,070)
Advances, deposits, prepayments and other receivables	(62,779,325)	55,689,838
Receivable under margin finance	84,863,534	33,114,230
	87,014,128	39,363,674
Increase / (decrease) in current liabilities		
Trade and other payables	37,828,370	(32,023,345)
Unclaimed dividend	(23,052)	-
Cash generated from operations	180,458,085	17,212,670
Income tax paid	(4,463,251)	(3,027,535)
Financial charges paid	(50,611,162)	(38,867,855)
Net cash generated/ (used) in operating activities	125,383,672	(24,682,720)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	-	(899,705)
Proceeds from disposal of property, plant and equipment	6,439,786	11,400
Net cash generated / (used) in investing activities	6,439,786	(888,305)
Cash Flows From Financing Activities		
	(50,000,000)	-
Net increase / (decrease) in cash and cash equivalents	131,823,458	(25,571,025)
Cash and cash equivalents at the beginning of the period	51,645,490	161,062,880
Cash and cash equivalents at the end of the period	133,468,948	135,491,855

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Condensed Interim Statement of Changes in Equity (Un-audited)

FOR THE HALF YEAR ENDED JUNE 30, 2024

	Share Capital	Revenue reserve Accumulated loss	Contribution from a related party (Note 9)	Capital reserve Gain / (loss) on re-measurement of Investments at 'FVOCI'	Total
	----- Rupees -----				
Balance as at December 31, 2022	200,156,500	(146,925,811)	117,824,905	(1,079,581)	169,976,013
Loss for the half year ended June 30, 2023	-	(64,915,433)	-	-	(64,915,433)
Other comprehensive loss for the half year ended June 30, 2023	-	-	-	(83,190)	(83,190)
Balance as at June 30, 2023	200,156,500	(211,841,244)	117,824,905	(1,162,771)	104,977,390
Loss for the half year ended December 31, 2023	-	(42,537,655)	-	-	(42,537,655)
Contribution from a related party	-	-	60,000,000	-	60,000,000
Other comprehensive loss for the half year ended December 31, 2023	-	-	-	392,219	392,219
Balance as at December 31, 2023	200,156,500	(254,378,899)	177,824,905	(770,552)	122,831,954
Profit for the half year ended June 30, 2024	-	13,882,189	-	-	13,882,189
Other comprehensive income for the half year ended June 30, 2024	-	-	-	4,884,419	4,884,419
Balance as at June 30, 2024	<u>200,156,500</u>	<u>(240,496,710)</u>	<u>177,824,905</u>	<u>4,113,867</u>	<u>141,598,562</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Notes to the Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR AND SECOND QUARTER ENDED JUNE 30, 2024

1 STATUS AND NATURE OF BUSINESS

1.1 EFG Hermes Pakistan Limited ('the Company') was incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on September 27, 1999 as a Private Limited Company and converted into Public Unquoted Company w.e.f. November 27, 2006. Effective March 20, 2008 the Company became a listed Company with its shares quoted on the Pakistan Stock Exchange Limited. The Securities & Exchange Commission of Pakistan ("SECP") issued a Certificate of Incorporation on change of name under section 40 of the repealed Companies Ordinance, 1984 (now Companies Act 2017) on 18 May, 2017 recognizing the Company as EFG Hermes Pakistan Limited. The registered office of the Company is situated at Office No. 904, 9th Floor, Emerald Tower, Plot No. G-19, Block- 5, Clifton, Karachi, Pakistan.

The Company is Trading Right Entitlement Certificate (TREC) Holder of the Pakistan Stock Exchange Limited and a licensed Securities Broker registered with SECP. Furthermore, the Company is a Corporate Member of the Pakistan Mercantile Exchange Limited and acts as Service Provider/Distributor with Mutual Funds Association of Pakistan. The Company is engaged in Financial Brokerage, Corporate Finance and Financial Research and is well-positioned to respond to the dynamic business environment.

1.2 Holding company incorporated outside Pakistan

EFG Hermes Brokerage Holding (formerly EFG Hermes Frontier Holdings LLC) holds 51% shares of the Company. The holding Company is incorporated in UAE, having its registered office at Level 6, Gate Building, West Wing, Dubai International Financial Centre, Dubai, UAE.

1.3 The Board of Directors of EFG Hermes Pakistan Limited had approved the draft scheme of Arrangement under Sections 279 and 283 of the Companies Act, 2017 ("Scheme") to be entered into between the Company and Intermarket Securities Limited (IMS). In terms of the Scheme, it is intended, inter alia, that the entire business and undertaking of IMS (including all its assets, rights, liabilities and obligations) shall be merged, by way of amalgamation, with and into the Company, as a consequence of which, shares of the Company shall be issued to the shareholders of IMS based on a swap ratio of 2.16 ordinary share of the Company for every 1 (one) share of IMS held by its shareholders. The Scheme will be circulated to the Exchange and shareholders in due course subject to the directions/ order of High Court and in accordance with applicable laws.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all of the information required of full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2023.

These condensed interim financial statements are un-audited and are being submitted to the shareholders in accordance with the requirements of section 237 of the Companies Act, 2017. These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.



2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except as stated otherwise.

2.3 Accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and key sources of estimation and uncertainty were the same as those that were applied to the financial statements for the year ended December 31, 2023.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the audited financial statements for the year ended December 31, 2023.

4 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those applied in the preparation of the audited financial statements for the year ended December 31, 2023.

		<u>Un-audited</u> <u>June</u> <u>30, 2024</u>	<u>Audited</u> <u>December</u> <u>31, 2023</u>
5	PROPERTY, PLANT AND EQUIPMENT	Note	Rupees
	Opening book value	44,393,413	25,889,722
	Add: Additions during the period - own	-	28,899,359
	Less: Disposals during the period (at book value)	(1,023,041)	-
	Depreciation charged during the period	(5,574,102)	(10,395,668)
		(6,597,143)	(10,395,668)
	Closing book value	<u>37,796,270</u>	<u>44,393,413</u>
		<u>Un-audited</u> <u>June</u> <u>30, 2024</u>	<u>Audited</u> <u>December</u> <u>31, 2023</u>
6	LONG-TERM INVESTMENTS	Note	Rupees
	At FVOCI	6.1	21,260,889
		<u>26,145,308</u>	<u>21,260,889</u>



6.1 Description of investments are as follows:

31-Jun-24		31-Dec-23		Name of Investee Companies	Note	31-Jun-24		31-Dec-23	
Number of Shares		Number of Shares				Cost	Carrying Value	Cost	Carrying Value
----- Rupees -----									
1,602,953	1,602,953			Pakistan Stock Exchange Ltd.	6.2	14,031,441	20,533,828	14,031,441	16,173,796
-	295,536			LSE Proptech Limited	6.4	2,076,950	-	2,076,950	1,066,885
245,294	-			LSE Capital Limited	6.3	2,076,950	765,317	-	-
842,811	842,811			LSE Ventures Limited	6.4	5,923,050	4,846,163	5,923,050	4,020,208
						24,108,391	26,145,308	22,031,441	21,260,889

6.2 The Company has pledged 1,602,953 (2022: 1,602,953) shares with PSX to fulfil the Base Minimum Capital requirement as per the PSX Regulations. The PSX shares have been revalued at a price of Rs. 15.82 (December 31, 2023: Rs. 10.09) as at reporting date.

6.3 Pursuant to the "Approved Scheme of Compromises, Arrangements, Reconstruction and Amalgamation / Merger (Approved Scheme) of LSE Proptech Limited (LSEPL) and Modaraba Al-Mali" sanctioned by Honourable Lahore High Court, the shares of LSEFSL have been merged into LSE Capital Limited [LSECL]. Consequently, company have received 245,294 shares of LSECL against 295,536 shares of LSEPL at a swap ratio of 0.83 per share.

6.4 In accordance with the above note 6.3, the Company has pledged the shares of LSECL same with PSX to fulfil the Base Minimum Capital requirement. The shares of LSECL have been revalued at a price of Rs. 4.37 per share as at reporting date.

7	TRADE DEBTS - UNSECURED	Note	Un-audited	Audited
			June 30, 2024	December 31, 2023
			----- Rupees -----	
	Trade debts - net		10,819,656	27,411,570

Trade debts and other receivables are recognized at fair value and subsequently measured at amortized cost. An allowance for impairment is measured and recorded in accordance with Company's impairment policy.

	Un-audited	Audited
	June 30, 2024	December 31, 2023
----- Rupees -----		
Aging Analysis		
Within 360 days	10,803,278	27,411,570
Above 360 days	1,768,966	1,752,588
Allowance for impairment of trade debts	(1,752,588)	(1,752,588)
	10,819,656	27,411,570



		<u>Un-audited</u> <u>June</u> <u>30, 2024</u>	<u>Audited</u> <u>December</u> <u>31, 2023</u>
8 CASH AND BANK BALANCES	Note	----- Rupees -----	
Cash in hand		50,000	50,000
Cash at banks			
- in deposit accounts	8.1	<u>12,387,438</u>	<u>11,397,178</u>
- in current accounts - pertaining to brokerage house		<u>3,608,052</u>	<u>1,834,891</u>
- in current accounts - pertaining to clients		<u>117,423,458</u>	<u>97,508,038</u>
		<u>133,418,948</u>	<u>110,740,107</u>
		<u>133,468,948</u>	<u>110,790,107</u>

8.1 These carry mark-up ranging from 13.5% to 20.5% (December 31, 2023 : 13.5% to 20.5%) per annum.

8.2 Value of customers assets held in the Central Depository Company under Company's Participant ID as at June 30, 2024 is Rs. 2,778 million (December 31, 2023 : Rs. 2,589 million).

		<u>Un-audited</u> <u>June</u> <u>30, 2024</u>	<u>Audited</u> <u>December</u> <u>31, 2023</u>
9 CONTRIBUTION FROM A RELATED PARTY	Note	----- Rupees -----	
EFG Hermes Brokerage Holding (formerly EFG-Hermes Frontier Holding LLC)	9.1	<u>177,824,905</u>	<u>177,824,905</u>
9.1 The Company has entered into an agreement with its Parent Company to restructure its intercompany liability as at September 20, 2023 to a long term loan being payable at the sole and absolute discretion of the Company (At such time as considered appropriate by Board of Directors of EFGH). Pursuant to the requirements of IAS 32 - 'financial instruments presentation' and the terms of the arrangement, the loan arrangement is classified as equity in these financial statements.			

		<u>Un-audited</u> <u>June</u> <u>30, 2024</u>	<u>Audited</u> <u>December</u> <u>31, 2023</u>
10 SHORT - TERM RUNNING FINANCE "UNDER MARK-UP ARRANGEMENTS - Secured"	Note	----- Rupees -----	
Habib Bank Limited	10.1	<u>-</u>	<u>59,144,617</u>

10.1 The Company has running finance facilities of Rs. 52 million (December 31, 2023 : Rs. 600 million) under mark-up arrangements. These facilities carry Mark-up at 1 month KIBOR + 0.10% (December 31, 2023 : 1 month KIBOR + 0.10%). This arrangement is valid upto July 31, 2024 on a renewal basis. This facility is secured against irrevocable and unconditional financial guarantee(s) provided by a bank in UAE on behalf of EFG Hermes Brokerage Holding (formerly EFG-Hermes Frontier Holding LLC), the Holding Company to the bank. Client(s) securities held as collateral with financial institutions were nil (December 31, 2023: 'nil').



11 CONTINGENCIES AND COMMITMENTS

11.1 There are no changes in contingent liabilities since the date of financial statements for the year ended December 31, 2023.

	<u>Un-audited</u> <u>June</u> <u>30, 2024</u>	<u>Un-audited</u> <u>June</u> <u>30, 2023</u>
----- Rupees -----		
Equity brokerage income	117,918,292	62,471,447
Fee and commission	3,970,161	975
Dividend income	-	635,981
	<u>121,888,453</u>	<u>63,108,403</u>

13 RELATED PARTY TRANSACTIONS

The related parties comprise of major shareholders, associated companies with or without common directors, directors of the Company and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the entity. The Company considers all members of their management team, including the Chief Executive Officer and Directors to be its key management personnel. Remuneration and benefits to Executives of the Company are in accordance with the terms of the employment. Transactions with other related parties are entered into at rates negotiated with them.

Details of transactions with related parties, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	<u>Un-audited</u> <u>June</u> <u>30, 2024</u>	<u>Un-audited</u> <u>June</u> <u>30, 2023</u>
----- Rupees -----		
Brokerage income earned from:		
Directors	<u>807,060</u>	<u>189,259</u>
Employees	<u>37,583</u>	<u>150</u>
Associate	<u>1,364,638</u>	<u>1,651,474</u>
Transactions		
Contribution to employees provident fund	<u>1,332,878</u>	<u>1,989,005</u>
Salaries and remuneration to Chief Executive Officer	<u>4,920,195</u>	<u>7,968,666</u>
Fee to Non-Executive Director (Independent)	<u>150,000</u>	<u>100,000</u>
	<u>Un-audited</u> <u>June</u> <u>30, 2024</u>	<u>Audited</u> <u>December</u> <u>31, 2023</u>
----- Rupees -----		
Balances		
Payable to directors in their shares trading accounts	<u>5,311,646</u>	<u>21,686</u>
Payable to employees in their shares trading account	<u>35,462</u>	<u>594,833</u>



	<u>Un-audited</u> <u>June</u> <u>30, 2024</u>	<u>Un-audited</u> <u>June</u> <u>30, 2023</u>
	----- Rupees -----	
Receivables from directors in their shares trading account	-	276,420
Receivables from employees in their shares trading account	-	304
Balances of the holding company		
Payable to EFG Hermes Brokerage Holding (formerly EFG Hermes Frontier Holdings LLC)	<u>14,600,745</u>	<u>14,600,745</u>
Contribution from a related party	<u>177,824,905</u>	<u>177,824,905</u>

14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on _____ by the Board of Directors of the Company.

15 GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest rupee. Prior period's figures in these financial statements have been re-arranged / re-classified, where necessary, for better presentation.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



PATTERN OF SHAREHOLDING

As on June 30, 2024

[Sub-Regulation 2(e) of Regulation 34 under chapter IV
of Securities Brokers (Licensing and Operation)
Regulations, 2016]

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/INTRESTS IN THE COMPANY			
Names	Number of Shareholders	Number of Shares Held	% of Shareholding
EFG-Hermes Frontiers Holdings LLC	1	10,207,982	51.00
Mr. Khalid Riaz	1	1,539,842	7.69
Mr. Imran	1	1,643,118	8.21
Mr. Azneem Bilwani	1	1,076,001	5.38

CHANGES IN SHAREHOLDINGS HOLDING ABOVE 5%			
Names	Holding Balance as at March 31, 2024	Holding Balance as at June 30, 2024	Changes
EFG-Hermes Frontiers Holdings LLC	10,207,982	10,207,982	-
Mr. Khalid Riaz	2,000,000	1,539,842	(460,158)
Mr. Imran	34,500	1,643,118	1,608,618
Mr. Azneem Bilwani	1,076,001	1,076,001	-



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