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Corporate Information



Board of Directors

Chief Justice (Retd) Mahboob Ahmed	Chairman
Mr. Ahmed Goolam Mahomed Randeree	
Mr. Ahmed Mohammed El Shall	
Mr. Ali Raza Siddiqui	
Mr. Hasan Aziz Bilgrami	President & CEO
Mr. Mohamed Abdulla Amer Al Nahdi	
Mr. Shabir Ahmed Randeree	

Shariah Supervisory Board

Justice (Retd) Muhammad Taqi Usmani	Chairman
Professor Dr Fazlur Rahman	Member
Mufti Irshad Ahmad Aijaz	Member & Shariah Adviser

Audit Committee

Mr. Ahmed Mohammed El Shall	Chairman
Mr. Ali Raza Siddiqui	Member
Mr. Shabir Ahmed Randeree	Member

Executive Committee

Chief Justice (Retd) Mahboob Ahmed	Chairman
Mr. Ahmed Goolam Mahomed Randeree	Member
Mr. Ahmed Mohammed El Shall	Member
Mr. Hasan Aziz Bilgrami	Member

Human Resource & Compensation Committee

Mr. Ali Raza Siddiqui	Chairman
Mr. Ahmed Goolam Mahomed Randeree	Member
Mr. Ahmed Mohammed El Shall	Member
Mr. Hasan Aziz Bilgrami	Member

Company Secretary

Mr. Gohar Iqbal Shaikh

Auditors

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Legal Adviser

Haidermota & Co.
Barrister at Law

Directors' Report



On behalf of the Board of Directors' I am pleased to present the Directors Report for the half year ended 30th June 2007.

During the quarter under review, the operating loss of the Bank decreased substantially from Rs. 34.35 million to Rs. 15.52 million. This decrease has been mainly due to increase in earnings and better utilization of the balance sheet. In order to fund the growth from internal sources, the Bank in the next quarter will focus on expanding and re-profiling its asset base and at the same time keeping a tight lid on the deposits as well as their costs.

The State Bank of Pakistan has kindly allowed the Bank to open 8 further branches in addition to the 18 branches allowed for the year 2007. This would result in the Bank having 36 branches by the end of the year 2007. During the half year the Bank has opened branches in Islamabad, Wah Cantt, Mirpur Azad Kashmir and Karachi Stock Exchange. Two branches in Lahore and one more in Karachi would be opened in the third quarter whereas the remaining branches would come up for operations in the last quarter. With this the bank would be able to cover 22 cities with presence in all four provinces of the country. Our focus is to develop a well diversified network. By the end of the year BankIslami would be the second largest Islamic Bank in the country in terms of network. At the same time ours would be the fastest expansion of net work by any Bank in Pakistan.

The Board is pleased to announce 31.25% right shares at par in order to meet the capital requirements of the State Bank of Pakistan, which would increase the capital to Rs. 4.2 billion.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a Long Term Entity Rating of A- denoting High Credit Quality and Short Term Rating of A2.

Our sincere gratitude to the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their kind support and guidance. The Board would also like to place on record its appreciation for the customers and shareholders for their support and staff for their commitment and hard work.

By order of the Board

Hasan A Bilgrami
President & CEO
August 23, 2007

Report on Review of Interim Financial Information to the Members



Introduction

We have reviewed the accompanying interim condensed balance sheet of BankIslami Pakistan Limited as at June 30, 2007 and the related interim condensed profit and loss account, interim condensed cash flow statement and interim condensed statement of changes in equity, together with the notes forming part thereof (herein after referred to as "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information 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 information 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 information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

August 23, 2007
Karachi

FORD RHODES SIDAT HYDER & CO.
Chartered Accountants

Interim Condensed Balance Sheet
As At June 30, 2007



BankIslami

		Unaudited June 30, 2007	Audited December 31, 2006
	Note	----- Rupees in '000-----	
ASSETS			
Cash and balances with treasury banks		840,731	338,222
Balances with other banks		1,377,142	790,709
Due from financial institutions		1,241,709	412,131
Investments	6	644,582	493,008
Financings	7	2,187,607	959,133
Operating fixed assets	8	536,249	441,428
Deferred tax assets		41,044	27,130
Other assets		955,102	562,913
		7,824,166	4,024,674
LIABILITIES			
Bills payable		89,171	23,830
Due to financial institutions		100,000	50,000
Deposits and other accounts		4,196,006	1,778,008
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		267,656	169,949
		4,652,833	2,021,787
NET ASSETS		<u>3,171,333</u>	<u>2,002,887</u>
REPRESENTED BY			
Share capital	9	2,975,000	2,000,000
Reserves		-	-
Accumulated loss		(45,598)	(8,354)
		2,929,402	1,991,646
Advance against future issue of share capital	9.1	225,000	-
Surplus on revaluation of assets	10	16,931	11,241
		<u>3,171,333</u>	<u>2,002,887</u>
CONTINGENCIES AND COMMITMENTS	11		

The annexed notes from 1 to 18 form an integral part of these interim condensed financial statements.

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Chairman

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President / Chief Executive

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Director

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Director

Interim Condensed Profit and Loss Account For the Quarter and Half-year Ended June 30, 2007 (Unaudited)



BankIslami

	Quarter ended June 30, 2007	Half-year ended June 30, 2007	Quarter (from April 07, 2006 to June 30, 2006)	Half-year (from April 07, 2006 to June 30, 2006)
	----- Rupees in '000 -----			
Note				
Profit / return on financings, investments and placements earned	124,028	205,359	18,645	18,645
Return on deposits and other dues expensed	(52,685)	(88,331)	(71)	(71)
Net spread	71,343	117,028	18,574	18,574
Provision against non-performing financings	2,871	3,095	11	11
Provision for diminution in the value of investments	-	-	-	-
Bad debts written off directly	-	-	-	-
	2,871	3,095	11	11
Income after provisions	68,472	113,933	18,563	18,563
OTHER INCOME				
Fee, commission and brokerage income	7,864	10,244	97	97
Dividend income	9,493	18,638	1,991	1,991
Income from dealing in foreign currencies	312	1,026	144	144
Gain on sale of securities	4,383	6,033	12,630	12,630
Unrealized (loss) / gain on revaluation of investments classified as held-for-trading	(747)	(747)	5,034	5,034
Other income	1,005	1,148	-	-
Total other income	22,310	36,342	19,896	19,896
	90,782	150,275	38,459	38,459
OTHER EXPENSES				
Administrative expenses	101,651	190,632	30,719	30,719
Other provisions / write-offs	-	-	-	-
Other charges	4,648	9,514	8,488	8,488
Total other expenses	106,299	200,146	39,207	39,207
Extraordinary / unusual items	(15,517)	(49,871)	(748)	(748)
	-	-	-	-
LOSS BEFORE TAXATION	(15,517)	(49,871)	(748)	(748)
TAXATION				
Current	(205)	(1,085)	(110)	(110)
Prior years	-	-	-	-
Deferred	(2,685)	13,712	5,532	5,532
	(2,890)	12,627	5,422	5,422
(LOSS) / PROFIT AFTER TAXATION	(18,407)	(37,244)	4,674	4,674
Accumulated loss brought forward	(27,191)	(8,354)	-	-
Accumulated loss / profit carried forward	(45,598)	(45,598)	4,674	4,674
Basic (loss) / earnings per share	13 (Re. 0.06)	(Re. 0.15)	Re. 0.02	Re. 0.03
Diluted (loss) / earnings per share	13 (Re. 0.05)	(Re. 0.13)	Re. 0.02	Re. 0.03

The annexed notes from 1 to 18 form an integral part of these interim condensed financial statements.

-sd-
Chairman

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President / Chief Executive

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Director

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Director

Interim Condensed Cash Flow Statement
For the Half-year Ended June 30, 2007
(Unaudited)



BankIslami

	June 30, 2007	June 30, 2006
	----- Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(49,871)	(748)
Dividend income	(18,638)	(1,991)
	<u>(68,509)</u>	<u>(2,739)</u>
Adjustments for non-cash charges		
Depreciation	28,295	8,527
Amortisation	943	-
Provision against non-performing financings	3,095	11
Loss on sale of fixed assets	-	7
Deferred cost amortised	8,042	3,659
Gain on revaluation of derivative instrument	829	4,690
Intangible asset charged off	1,289	-
Surplus / (deficit) on revaluation of investments (classified as held-for-trading)	(179)	-
	<u>42,314</u>	<u>16,984</u>
(Increase) / decrease in operating assets		
Due from financial institutions	(829,578)	-
Held-for-trading securities	(20,730)	(38,451)
Financings	(1,231,569)	(263,611)
Others assets (excluding advance taxation and deferred cost)	(392,389)	(699,520)
Deferred cost incurred	-	(7,408)
	<u>(2,474,266)</u>	<u>(1,008,990)</u>
Increase / (decrease) in operating liabilities		
Bills payable	65,341	91,401
Borrowings from financial institutions	50,000	-
Deposits and other accounts	2,417,998	163,475
Other liabilities	97,707	18,852
	<u>2,631,046</u>	<u>273,728</u>
Income tax paid	(4,680)	(4,783)
Net cash flow from operating activities	<u>125,905</u>	<u>(725,890)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(124,975)	(264,355)
Dividend income received	13,344	1,991
Investments in operating fixed assets (net off adjustment)	(125,348)	(99,728)
Sale proceeds of property and equipment disposed-off	-	952
Net cash flow from investing activities	<u>(236,979)</u>	<u>(361,140)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	975,000	528,510
Advance against future issue of share capital	225,000	-
Net cash flow from financing activities	<u>1,200,000</u>	<u>528,510</u>
Effects of exchange rate changes on cash and cash equivalents	<u>16</u>	<u>-</u>
Increase / (decrease) in cash and cash equivalents	<u>1,088,942</u>	<u>(558,520)</u>
Cash and cash equivalents at beginning of the period	<u>1,128,931</u>	<u>1,160,098</u>
Cash and cash equivalents at end of the period	<u>2,217,873</u>	<u>601,578</u>

The annexed notes from 1 to 18 form an integral part of these interim condensed financial statements.

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Chairman

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President / Chief Executive

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Director

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Director

Interim Condensed Statement of Changes in Equity
For the Half-year Ended June 30, 2007
(Unaudited)



	Share Capital	Accumulated Loss	Total
	----- Rupees in '000 -----		
Balance as at January 01, 2006	595,025	-	595,025
Profit for the period	-	4,674	4,674
Issue of share capital	1,404,975	-	1,404,975
Balance as at June 30, 2006	<u>2,000,000</u>	<u>4,674</u>	<u>2,004,674</u>
Balance as at January 01, 2007	2,000,000	(8,354)	1,991,646
Loss for the period	-	(37,244)	(37,244)
Issue of share capital	975,000	-	975,000
Balance as at June 30, 2007	<u>2,975,000</u>	<u>(45,598)</u>	<u>2,929,402</u>

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Chairman

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President / Chief Executive

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Director

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Director

Notes to the Interim Condensed Financial Statements
For The Half-year Ended June 30, 2007
(Unaudited)



1. STATUS AND NATURE OF BUSINESS

- 1.1. BankIslami Pakistan Limited (the Bank) was incorporated in Pakistan as a public limited company on October 18, 2004 to carry out business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah. The registered office of the Bank is situated at 11th Floor, Dolmen City, Marine Drive, Block-4, Clifton, Karachi.
- 1.2. The shares of the Bank are quoted on the Karachi Stock Exchange. The Bank is operating with fourteen branches as at June 30, 2007 (December 31, 2006: ten branches).

2. STATEMENT OF COMPLIANCE

- 2.1. These interim condensed financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP) differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962, or the requirements of the said directives take precedence.
- 2.2. The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. Accordingly, the requirements of these standards have not been considered in the preparation of these interim condensed financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.
- 2.3. The disclosures made in these interim condensed financial statements have, however been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and these interim condensed financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2006.

3. BASIS OF PRESENTATION

- 3.1 These interim condensed financial statements are unaudited but subject to limited scope review by the auditors and have been prepared in accordance with the requirements of State Bank of Pakistan.
- 3.2 The Bank provides financing mainly through shariah compliant financial products. Except for Murabaha and Musawamah transactions (which are accounted for under the Islamic Financial Accounting Standard - 1), the purchases, sales and rentals arising under these arrangements are not reflected in these interim condensed financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of rental / profit thereon.

4. BASIS OF MEASUREMENT

These interim condensed financial statements are prepared on the historical cost convention except for certain financial instruments which have been stated at fair value.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim condensed financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the Bank.



BankIslami

	June 30, 2007	December 31, 2006
	----- Rupees in '000-----	
6. INVESTMENTS		
Held-for-trading securities	243,210	222,480
Available-for-sale securities	385,188	260,213
	<u>628,398</u>	<u>482,693</u>
Deficit on revaluation of held-for-trading securities	(747)	(926)
Surplus on revaluation of available-for-sale securities	16,931	11,241
	<u>644,582</u>	<u>493,008</u>
6.1 Investments by types - held by Bank		
Held-for-trading securities		
Ordinary shares of listed companies	243,210	222,480
Deficit on revaluation of held-for-trading securities	(747)	(926)
	<u>242,463</u>	<u>221,554</u>
Available-for-sale securities		
Sukuks	300,188	250,213
Units of mutual funds	85,000	10,000
	<u>385,188</u>	<u>260,213</u>
Surplus on revaluation of available-for-sale securities	16,931	11,241
	<u>402,119</u>	<u>271,454</u>
Total investments at market value	<u>644,582</u>	<u>493,008</u>
7. FINANCINGS		
In Pakistan		
Murabaha	588,059	359,166
Istisna'a	31,886	74,919
Diminishing Musharaka - housing (consumer)	55,397	-
- others	625,601	224,233
Musawamah	3,896	-
	<u>1,304,839</u>	<u>658,318</u>
Net investment in Ijarah financing		
In Pakistan	816,284	271,755
Bills purchased - payable in Pakistan	27,545	-
Qardh-e-Hasna	1,428	-
	<u>845,257</u>	<u>271,755</u>
Financings to employees - Ijarah	6,404	4,020
- Diminishing Musharaka	34,528	25,634
- Qardh-e-Hasna	675	407
	<u>41,607</u>	<u>30,061</u>
Financings - gross	<u>2,191,703</u>	<u>960,134</u>
Provision for non-performing financings - general	(4,096)	(1,001)
Financings - net of provision	<u>2,187,607</u>	<u>959,133</u>



BankIslami

7.1 Financings include Rs. 15.560 million (December 31, 2006: Nil) which have been placed under non-performing status detailed below:

	Domestic	Overseas	Total	Provision required	Provision held
----- June 30, 2007 ----- ----- Rupees in '000 -----					
Substandard (note 7.1.1)	15,560	-	15,560	-	-
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-

7.1.1 Subsequent to period end, due and overdue amounts have been recovered by the Bank in respect of certain non-performing financings which has resulted in transfer of Rs. 15.031 million from non-performing category to performing category.

7.2 General provision represents provision against consumer financing portfolio as required by the Prudential Regulations issued by the State Bank of Pakistan.

	Note	June 30, 2007	December 31, 2006
----- Rupees in '000 -----			
8. OPERATING FIXED ASSETS			
Property and equipment	8.1	490,554	417,890
Intangible assets	8.2	19,150	14,819
Capital work-in-progress	8.3	26,545	8,719
		<u>536,249</u>	<u>441,428</u>
8.1 Property and equipment			
Opening book value		417,890	23,152
Additions during the period / year	8.1.1	101,038	424,102
Disposals / adjustments during the period / year	8.1.2	(79)	(959)
Depreciation charged during the period / year		(28,295)	(28,405)
		<u>490,554</u>	<u>417,890</u>
8.1.1 Additions during the period / year			
Building		40,000	231,756
Furniture and fixture		20,821	91,097
Electrical, office and computer equipments		35,003	76,480
Vehicles		5,214	24,769
		<u>101,038</u>	<u>424,102</u>
8.1.2 Disposals / adjustments during the period / year (at book value)			
Vehicles		-	888
Electrical, office and computer equipments		-	71
Furniture and fixture		79	-
		<u>79</u>	<u>959</u>
8.2 Intangible assets			
Opening book value		14,819	6,067
Additions during the period / year	8.2.1	6,563	10,379
Amount charged off during the period / year		(1,289)	-
Amortisation charged during the period / year		(943)	(1,627)
		<u>19,150</u>	<u>14,819</u>



BankIslami

June 30, December 31,
2007 2006
----- Rupees in '000-----

8.2.1 Additions during the period / year

Computer software	<u>6,563</u>	<u>10,379</u>
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8.3 Capital work-in-progress

Balance at the beginning of the period / year	8,719	202,643
Additions during the period / year:		
Civil works	75,266	6,805
Equipments	1,107	534
Advances to suppliers and contractors	9,909	1,380
	<u>86,282</u>	<u>8,719</u>
Transferred to operating fixed assets during the period / year	<u>(68,456)</u>	<u>(202,643)</u>
	<u>26,545</u>	<u>8,719</u>

9. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Ordinary shares of Rs. 10/- each fully paid in cash

At the beginning of the period / year	2,000,000	595,025
Shares issued during the period / year	<u>975,000</u>	<u>1,404,975</u>
At the end of the period / year	<u>2,975,000</u>	<u>2,000,000</u>

9.1 A stay order had been granted by the Honorable High Court of Sindh in respect of petition J.M. No. 04 of 2007 in favour of Al Baraka Investment Company Limited, Dallah Albaraka Investment Company Limited and Albaraka Investment Company Limited against the Bank and Jahangir Siddiqui & Company Limited (JSCL) - a sponsor shareholder, restricting the Bank from allotment of shares subscribed by JSCL. During the period, the petitioners and JSCL reached an out of court settlement and a consent decree has been passed.

In view of the above, the bank could not issue the shares to JSCL as at the balance sheet date, and amount of Rs. 225 million received in this regard from JSCL has accordingly been classified as 'advance against issue of shares'. Concurrently, the Bank also obtained exemption from State Bank of Pakistan, upto July 31, 2007, regarding short fall from minimum share capital requirement of Rs. 3 billion as prescribed in BSD circular No. 6 of 2005 dated October 28, 2005.

Subsequent to the period end, the subject petition has been with drawn and the subject stay order has been vacated. The management now intends to immediately issue such share capital.

June 30, December 31,
2007 2006
----- Rupees in '000-----

10. SURPLUS ON REVALUATION OF ASSETS

Balance at the beginning of the period / year	11,241	-
Gain on revaluation investments classified as available-for-sale	5,690	11,241
	<u>16,931</u>	<u>11,241</u>



BankIslami

June 30, December 31,
2007 2006
----- Rupees in '000-----

11. CONTINGENCIES AND COMMITMENTS

11.1 Trade-related contingent liabilities

Import letters of credit	116,120	207,002
Acceptances	63,662	113,018

11.2 Transaction-related contingent liabilities

Guarantees favouring		
- Others	4,731	42,910
Advance payment favouring		
- Others	126,588	67,901

11.3 Commitments for the acquisition of operating fixed assets	67,229	22,560
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11.4 Commitments for the acquisition of investments	1,400,000	14,400
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11.5 Commitments in respect of financings	1,719,351	172,310
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11.6 Commitments in respect of forward exchange contracts	362,824	-
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11.7 Other commitments

Acquisition of controlling interest in JS Finance Limited (note 16)	190,240	-
Bills for collection	35,022	4,159

Half-year

ended from April
June 30, 07, 2006 to
2007 June 30,
2006

----- Rupees in '000-----

12. OTHER CHARGES

Penalties imposed by State Bank of Pakistan	521	-
Amortisation of deferred cost	8,042	3,659
Loss on fair valuation of derivative liability	-	4,690
Others	951	139
	9,514	8,488



BankIslami

	Half-year		Quarter	
	ended June 30, 2007	from April 07, 2006 to June 30, 2006	ended June 30, 2007	from April 07, 2006 to June 30, 2006
----- Rupees in '000 -----				
13. EARNINGS / (LOSS) PER SHARE				
13.1 Basic				
Net (loss) / profit for the period after tax	(37,244)	4,674	(18,407)	4,674
----- (No. of shares) -----				
Weighted average number of ordinary shares in issue during the period	247,941,989	177,776,312	295,357,143	200,000,000
----- (Rupee) -----				
(Loss) / earnings per share - basic	(0.15)	0.03	(0.06)	0.02
13.2 Diluted				
Net (loss) / profit for the period after tax	(37,244)	4,674	(18,407)	4,674
----- (No. of shares) -----				
Weighted average number of ordinary shares in issue during the period adjusted for the effect of dilution on account of contingent shares	282,983,056	177,776,312	337,012,563	200,000,000
----- (Rupee) -----				
(Loss) / earnings per share - diluted	(0.13)	0.03	(0.05)	0.02

14. RELATED PARTY TRANSACTIONS

The related parties of the Bank comprise related group companies, principal shareholders, key management personnel, companies where directors of the Bank also hold directorship, directors and their close family members and staff retirement funds.

Usual transactions with related parties include deposits, financings and provision of other banking services. Transactions with executives are undertaken at terms in accordance with employment agreements and service rules. Contributions to and accruals in respect of staff benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan.



BankIslami

The details of transactions with related parties during the period are as follows:

	Associates		Key management		Other related parties		Principal shareholders	
	June 30, 2007	Dec. 31, 2006	June 30, 2007	Dec. 31, 2006	June 30, 2007	Dec. 31, 2006	June 30, 2007	Dec. 31, 2006
	Rs. In '000		Rs. In '000		Rs. In '000		Rs. In '000	
Financings:								
At beginning of the period / year	-	-	3,526	3,719	26,330	1,541	-	-
Disbursed during the period / year	-	-	-	-	14,891	27,809	-	-
Repaid during the period / year	-	-	96	193	3,582	3,020	-	-
At the end of the period / year	-	-	3,430	3,526	37,639	26,330	-	-
Deposits:								
At beginning of the period / year	98,350	-	431	-	10,350	-	-	-
Deposit during the period / year	445,903	485,913	4,084	1,620	115,019	68,502	-	-
Withdrawal during the period / year	480,904	387,563	3,553	1,189	110,434	58,152	-	-
At the end of the period / year	63,349	98,350	962	431	14,935	10,350	-	-
Payable to defined benefits plan	-	-	-	-	4,522	2,484	-	-
Advance against future issue of share capital	-	-	-	-	-	-	225,000	-

	Associates		Key management		Other related parties		Principal shareholders	
	Half-year ended June 30, 2007	Half-year (from April 07, 2006 to June 30, 2006)	Half-year ended June 30, 2007	Half-year (from April 07, 2006 to June 30, 2006)	Half-year ended June 30, 2007	Half-year (from April 07, 2006 to June 30, 2006)	Half-year ended June 30, 2007	Half-year (from April 07, 2006 to June 30, 2006)
	Rs. In '000		Rs. In '000		Rs. In '000		Rs. In '000	
Transactions, income and expenses:								
Profit earned on financing	-	-	69	-	568	-	-	-
Return on deposits expensed	875	1	5	2	185	88	-	-
Share capital issued	-	-	-	-	-	-	450,806	529,975
Remuneration to key management personnel	-	-	25,001	8,343	-	-	-	-

15. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:

	Trading and sales				Retail banking				Commercial banking			
	June 30, 2007	Dec. 31, 2006	Half-year ended June 30, 2007	Half-year (from April 07, 2006 to June 30, 2006)	June 30, 2007	Dec. 31, 2006	Half-year ended June 30, 2007	Half-year (from April 07, 2006 to June 30, 2006)	June 30, 2007	Dec. 31, 2006	Half-year ended June 30, 2007	Half-year (from April 07, 2006 to June 30, 2006)
	----- Rupees in '000 -----				----- Rupees in '000 -----				----- Rupees in '000 -----			
Total income	-	-	70,578	36,344	-	-	82,043	29	-	-	89,080	2,168
Total expenses	-	-	102,704	6,149	-	-	74,036	18,597	-	-	111,737	14,532
Net income / (loss)	-	-	(32,126)	30,195	-	-	8,007	(18,568)	-	-	(22,657)	(12,364)
Segment assets (gross)	2,317,251	2,532,949	-	-	1,795,282	204,940	-	-	3,715,729	1,287,786	-	-
Segment non-performing loans	-	-	-	-	15,560	-	-	-	-	-	-	-
Segment provision required	-	-	-	-	3,095	1,001	-	-	-	-	-	-
Segment liabilities	164,200	1,065,409	-	-	4,308,227	198,479	-	-	180,406	757,899	-	-
Segment return on net assets (ROA) (%)	-	-	(1.64)	9.39	-	-	0.53	(1.68)	-	-	(0.72)	(1.44)
Segment cost of funds (%)	-	-	1.76	0.0031	-	-	1.76	0.0031	-	-	1.76	0.0031



16. SUBSEQUENT EVENT

The Bank has entered into an agreement to acquire 100% shareholding in JS Finance Limited. Subsequent to the period end, the Bank has received "in principle approval" from the Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan in this respect. However, the SECP has required the Bank to obtain approval from the Monopoly Control Authority under Monopoly Control Authority (Acquisition and Merger Notices) Rules, 2007, which has also been received.

17. DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue on August 23, 2007 by the Board of Directors of the Bank.

18. GENERAL

18.1 The figures of profit and loss account for quarters ended June 30, 2007 and June 30, 2006 have not been subject to a limited scope review, as the scope of review covered only the cumulative figures for the half-years ended June 30, 2007 and June 30, 2006.

18.2 No material corresponding period figures have been re-arranged.

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

-sd-	-sd-	-sd-	-sd-
Chairman	President / Chief Executive	Director	Director



Vision:

To be recognized as the leading authentic Islamic Bank.

Mission:

The Mission of BankIslami is to create value for our stakeholders by offering Authentic, Sharia Compliant and technologically advanced products and services. We differentiate ourselves through:

- i. Authenticity
- ii. Innovation
- iii. Understanding our clients' needs
- iv. Commitment to excellence
- v. Fast, Efficient and seamless delivery of solution. As a growing institution, the foundation for our performance lies on our human capital and BankIslami remains committed to becoming an employer of choice, attracting, nurturing and developing talent in a transparent and performance driven culture.