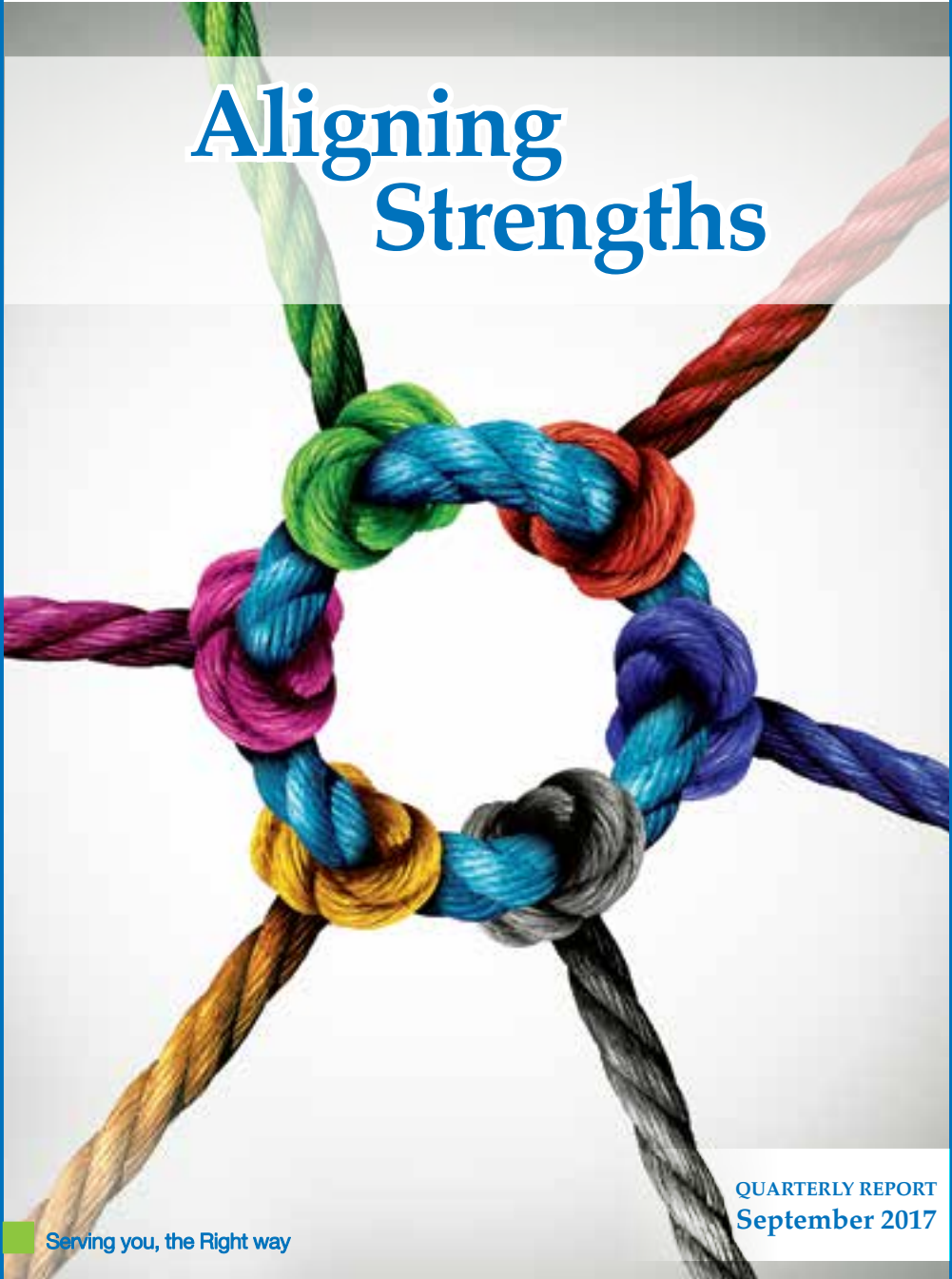


بَيْنَكُمُ السَّلَامَةُ



BankIslami

Aligning Strengths



QUARTERLY REPORT
September 2017

Serving you, the Right way

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Corporate Information

Board of Directors

Mr. Ali Hussain	Chairman
Mr. Fawad Anwar	Vice Chairman
Mr. Ali Mohamad Hussain Ali Mohamad Alshamali	
Dr. Amjad Waheed	
Mr. Hasan A. Bilgrami	Chief Executive Officer
Mr. Noman Yakooob	
Mr. Siraj Ahmed Dadabhoy	
Mr. Ruhail Mohammed*	

Sharia'h Supervisory Board

Mufti Irshad Ahmad Aijaz	Chairman
Mufti Muhammad Husain	Member
Mufti Javed Ahmed	Member

Audit Committee

Dr. Amjad Waheed	Chairman
Mr. Noman Yakooob	Member
Mr. Ali Mohamad Hussain Ali Mohamad Alshamali	Member

Risk Management Committee

Mr. Fawad Anwar	Chairman
Mr. Siraj Ahmed Dadabhoy	Member
Mr. Hasan A. Bilgrami	Member

Human Resource Management Committee

Mr. Ali Mohamad Hussain Ali Mohamad Alshamali	Chairman
Mr. Fawad Anwar	Member
Mr. Siraj Ahmed Dadabhoy	Member
Mr. Hasan A. Bilgrami	Member

Board Remuneration Committee

Mr. Ali Mohamad Hussain Ali Mohamad Alshamali	Chairman
Mr. Fawad Anwar	Member
Mr. Siraj Ahmed Dadabhoy	Member

Executive Committee

Mr. Ali Hussain	Chairman
Mr. Fawad Anwar	Member
Mr. Hasan A. Bilgrami	Member
Mr. Siraj Ahmed Dadabhoy	Member

Company Secretary

Mr. Khawaja Ehrar ul Hassan

Auditors

EY Ford Rhodes,
Chartered Accountants

* Appointed with effect from October 25, 2017 subject to SBP approval

Legal Advisor

1- Haidermota & Co.
Barrister at Law

2- Mohsin Tayebaly & Co.

Corporate Legal Consultants / Barristers & Advocates
High Courts & Supreme Court

Management (in alphabetical order)

Mr. Ahmad Mobeen Malik	Regional General Manager
Mr. Bilal Zuberi	Regional General Manager
Mr. Fakhir Ahmad	Head, Human Resources
Mr. Farooq Anwar	Head, Operations
Mr. Hasan A. Bilgrami	Chief Executive Officer
Mr. Khawaja Ehrar ul Hassan	Company Secretary & Head of Legal
Mr. Mahmood Rashid	Head, Government Relations & Security
Mr. Masood Muhammad Khan	Head, Compliance
Mr. Muhammad Asadullah Chaudhry	Head, Service Quality & Phone Banking
Mr. Muhammad Faisal Shaikh	Head, Shariah Advisory & Structuring
Mr. Rehan Shuja Zaidi	Head, Internal Audit
Mr. Saad Ahmed Madani	Head, Corporate Banking
Mr. Sadrauddin Pyar Ali	Head, Administration & General Services
Mr. Sohail Sikandar	Chief Financial Officer
Mr. Syed Akhtar Ausaf	Head, Risk Management
Mr. Syed Ata Hussain Jaffri	Head, Information System
Mr. Syed Muhammad Aamir Shamim	Head, Treasury & Financial Institutions

Registered Office

11th Floor, Executive Tower,
Dolmen City, Marine Drive,
Block-4, Clifton,
Karachi.
Phone (92-21) 111-247(BIP)-111
Fax: (92-21) 35378373
Email: info@bankislami.com.pk

Share Registrar

Share Registrar Department
Central Depository Company of Pakistan Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal
Karachi-74400.
Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcpak.com
Website: www.cdcpakistan.com

Public Dealing Timings (Share Registrar Office)

Monday to Thursday: 9:00 am to 7:00 pm
Friday: 9:00 am to 12:30 pm and 2:30 pm to 7:00 pm
Saturday: 9:00am to 1:00pm

Website:

www.bankislami.com.pk



Directors' Report

Dear Shareholders,

On behalf of the Board, I am pleased to present the financial results of the Bank for the nine months ended September 30, 2017. The key highlights are as follows:

	Sep-17	Sep-16	Growth (%)
	-----Rupees in 'millions'-----		
Total Deposits	164,906	155,074	6.3%
Total Assets - net	189,704	192,816	-1.6%
Total Financing and related assets-net	105,300	81,436	29.3%
Total Investments-net	41,203	72,171	-42.9%
Shareholder's Equity	12,102	12,275	-1.4%
Profit After Tax	107	595	-82.1%
Basic Earnings per share - Rupee	0.106	0.590	-82.1%
Branches network - Number	322	317	1.6%

Financial Highlights:

The Bank's deposit size increased by Rs. 9.8 bn, i.e. 6.3% growth as compared to the same period last year. The Current and Saving Accounts ('CASA') mix in September 2017 was 76.85% showing an improvement from 66.33% in September 2016. There was an improvement in the financing to deposit ratio to 63.85% as compared to 52.51% in September 2016. In addition, the cost of funds during the nine months of 2017 reduced by 44 bps as compared to same period last year. The cumulative effect of all these improvements was increase in gross spread in September 2017 to 49.06% from 42.61% i.e. an increase of 645 bps as compared to the same period last year.

The infection ratio of the financing & advances portfolio has reduced slightly to 13.95% as of September 2017 as compared to 14.90% in September 2016. It is still relatively higher due to the non-performing portfolio inherited from the amalgamation of the defunct KASB Bank. The Bank is making focused efforts to achieve further reduction in the infection ratio, *InShaAllah*.

The Bank has focused on growing its auto and housing finance portfolio, resultantly the consumer financing portfolio has grown by 38.3% during the period under review, *Alhamdulillah*.

The non-funded income of the Bank improved by 28.57%, with the major contribution from fee income. Administrative Expenses has increased during the period by 6.20% as compared to the same period last year. The cost to income ratio has improved from 118.46% to 104.18% as compared to same period last year. As a result of Bank's foregoing efforts, the Bank has reported a profit after tax of Rs. 107 mn.

Achievements:

BankIslami being the pioneer in using biometric technology in the Banking industry, has recently launched Pakistan's first complete biometric banking solution. A customer can walk into the branch and without dealing with any paper work or using their mobile, they can do hassle free transactions such as cash withdrawal, funds transfer, utility bills payment, pay order issuance or top up their mobile phones just by scanning their finger, allowing for a swift branch banking experience.

The Bank continued to expand its product portfolio and enhance its service delivery with a focus on providing convenience to its customers. It launched its agriculture financing product 'Tractor & Equipment Finance' and also introduced 'Electronic Warehouse Receipt (eWR) Financing' under Karobar Finance product to agricultural farmers & traders.

A shariah compliant Personal Finance product has been developed by BankIslami and is in process of being formally introduced to customers.

The Bank has signed an agreement to launch new bancatakal products with Jubilee Family Takaful namely Health Shield and Critical Illness plan. It has also signed issuer license agreement with 1LINK for PayPak Debit Cards.

BankIslami has also partnered with BIPL Securities to offer the first Shari'ah compliant stock trading account to its customers. Using this account, 'SCRIPS', the BankIslami customers will be able to trade in the stock market with Shariah compliant shares using their mBankIslami mobile app.

With a continued focus on training, the Bank is constantly trying to polish competencies, knowledge and skill set of its employees by conducting various training all around Pakistan. These programs have also enhanced employee engagement.

The Credit rating of the Bank is "A+" for long term entity rating and "A1" for short-term rating by Pakistan Credit Rating Agency Limited ('PACRA').

The Board would like to place on record its deep appreciation for the State Bank of Pakistan for providing assistance and guidance. It would also like to thank the Securities and Exchange Commission of Pakistan and other regulatory authorities for their support to us. We would like to show our gratitude to our valued customers, business partners and shareholders for their continued patronage and trust. We would also like to acknowledge the dedication, commitment and hard work put in by our management team and staff members, enabling BankIslami to capture a prominent position in the Banking industry in general and Islamic Banking industry in particular, *Alhamdulillah*.

On behalf of the Board,

Hasan A. Bilgrami
Chief Executive Officer
October 25, 2017



ڈائریکٹرز کی رپورٹ

معزز حاملین حصص:

میں بورڈ کی جانب سے 30 ستمبر، 2017 کو اختتام پذیر ہونے والے نو مہینوں کے مالیاتی نتائج پیش کرتے ہوئے خوش محسوس کر رہا ہوں۔ اس کے اہم نکات درج ذیل ہیں۔

نمو (فیصد)	ستمبر-16	ستمبر-17	
----- روپے ملین میں -----			
6.3%	155,074	164,906	کل ڈپازٹ
-1.6%	192,816	189,704	کل اثاثے
29.3%	81,436	105,300	کل تنویل اور متعلقہ اثاثے - صافی
-42.9%	72,171	41,203	کل سرمایہ کاری
-1.4%	12,275	12,102	حصہ داران کی سرمایہ کاری
-82.1%	595	107	بعد از ٹیکس نفع / نقصان
-82.1%	0.590	0.106	فی حصہ بنیادی آمدنی / نقصان - روپوں میں
1.6%	317	322	بینک کی شاخیں - تعداد

مالیاتی کارکردگی کے اہم نکات:

بینک کے ڈپازٹ کے حجم میں گزشتہ سال کے اس عرصے کے مقابلے میں 6.3% کی شرح نمو کے ساتھ 9.8 ملین کا اضافہ ہوا ہے۔ کرنٹ اور سیونگ اکاؤنٹ کا مجموعہ ('CASA') جو ستمبر 2016ء میں 66.33% تھا بڑھ کر ستمبر 2017ء میں 76.85% ہو گیا ہے۔ سرمایہ کاری سے ڈپازٹ کی شرح بہتر ہو کر 63.85% ہو گئی جو ستمبر 2016ء میں 52.51% تھی۔ مزید برآں گزشتہ سال کے مقابلے میں اس سال کے پہلے نو مہینوں میں تنویلی لاگت (cost of funds) 44 پیس پوائنٹ کم ہوئی۔ نتیجتاً مجموعی طور پر خام پھیلاؤ 42.61% سے بڑھ کر 49.06% ہو گیا جو پچھلے سال کے پہلے نو مہینوں کے مقابلے میں 645 پیس پوائنٹس کا اضافہ ہے۔

تمویلات کے مجموعے کی غیر فعال شرح پچھلے سال ستمبر 2016ء میں 14.90% کے مقابلے میں معمولی کمی کے ساتھ ستمبر 2017ء میں 13.95% ہو گئی۔ یہ اب بھی نسبتاً زیادہ ہے جس کی وجہ کا عدم KASB بینک کے انضمام کے نتیجے میں ملنے والے غیر فعال مجموعے ہیں۔ بینک غیر فعال شرح کو کم کرنے کے لئے سنجیدہ اقدامات کرتا رہے گا۔

بینک اپنے گھر اور گاڑی کے تنویلی مجموعے کو بڑھانے پر توجہ دے رہا ہے جس کے نتیجے میں صارفین کے تنویلی مجموعے میں 38.3% اضافہ ہوا۔ الحمد للہ

بینک کی غیر تنویلی آمدنی بھی 28.57% بہتر ہوئی ہے جس میں بڑا حصہ فیس کی آمدنی کا ہے۔ انتظامی اخراجات میں پچھلے سال کے اسی مدت کے مقابلے میں 16.20% اضافہ ہوا۔ لاگت سے آمدنی کی شرح پچھلے سال اس عرصے کے مقابلے میں 118.46% سے بہتر ہو کر 104.18% ہو گئی ہے۔ بینک کی جہد مسلسل کے نتیجے میں بینک 107 ملین روپے بعد از ٹیکس نفع کا اعلان کرنے کے قابل ہوا ہے۔

کامیابیاں:

بینک اسلامی جس نے بینکاری کے شعبے میں بائیومیٹرک سب سے پہلے متعارف کروائی، اب حال ہی میں پاکستان میں سب سے پہلا مکمل بائیومیٹرک سولوشن بھی متعارف کروا دیا ہے۔ اب صارف برانچ میں آکر کسی کاغذی کارروائی یا موبائل استعمال کیے بغیر بلا تکلف کیش نگھوانا، فنڈ منتقل کرنا، پوٹیشی بلوں کی ادائیگی، پے آرڈر بنوانا، یا اپنے موبائل پر بینکس ڈالنا جیسی ٹرانزیکشن صرف اپنی انگلی کی اسکیپنگ سے کر سکے گا، جس سے اسے فوری برانچ بینکنگ کی سہولت ملے گی۔

بینک مسلسل اپنی مصنوعات کے مجموعے میں اضافہ کر رہا ہے اس کے ساتھ ساتھ اپنی خدمات کی فراہمی میں بہتری لا رہا ہے جس میں توجہ اپنے صارفین کو سہولت کی فراہمی پر ہے۔ بینک نے زرعی تمویل کے لئے نئی پروڈکٹ "ٹریکٹر اینڈ ایکوپمنٹ فنانس" اور "الیکٹرونک وئیر ہاؤس رسید فنانسنگ" کاروبار فنانس پروڈکٹ کے تحت کسانوں اور زراعت کے تاجروں کے لئے متعارف کروائی ہے۔

شریعت سے ہم آہنگ پرسنل فنانس پروڈکٹ بھی بینک نے تیار کی ہے جو صارفین کے لئے باقاعدہ متعارف ہونے کے مرحلے میں ہے۔ بینک نے 'جیلٹھ میلڈ' اینڈ 'کریگل انیس' پلان کے نام سے نئی بینک اکاؤنٹل پروڈکٹ متعارف کروانے کے لئے جو بلی فیلٹی مکافل کے ساتھ معاہدہ کیا ہے۔ بینک نے پے پاک ڈیپٹ کارڈ جاری کرنے کے لائسنس کے لیے ون لنک کے ساتھ بھی معاہدہ کیا ہے۔

بینک اسلامی نے پہلا شریعت کے مطابق اسٹاک ٹریڈنگ اکاؤنٹ کھولنے میں BIPL سیکورٹیز کے ساتھ شراکت داری کی ہے۔ اس 'اسکرپس' اکاؤنٹ کے استعمال کرتے ہوئے بینک اسلامی کے صارفین اسٹاک مارکیٹ میں ایم بینک اسلامی موبائل ایپ ('mBankIslami') کے ذریعے شریعت کے مطابق حصص کی خرید و فروخت کر سکیں گے۔

مسلسل ملازمین کی ٹریننگ پر توجہ دیتے ہوئے بینک پورے پاکستان میں مختلف ٹریننگ سیشنز کے انعقاد کے ساتھ اپنی ملازمین کی صلاحیتوں، معلومات اور ہنرمندی کو بڑھاتا رہتا ہے۔ ان پروگرامز کے ذریعے ملازمین کے بینک کے ساتھ تعلقات میں مزید اضافہ ہوا۔ پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ کی جانب سے بینک کے طویل مدت کے لئے ریٹنگ "A+" اور قلیل مدتی ریٹنگ "A1" ہے۔

بورڈ اسٹیٹ بینک آف پاکستان کی مسلسل مدد اور رہنمائی پر اپنی انتہائی تحسین کو ریکارڈ کا حصہ بنانا چاہتا ہے۔ اس کے ساتھ ساتھ سیکورٹی ایکنج کیشن آف پاکستان اور دیگر انتظامی نگران اداروں کا بھی ان کی معاونت پر شکریہ ادا کرتا ہے۔ ہم اپنے قابل قدر صارفین، کاروباری شراکت دار، اور حصہ داران کا ہماری مسلسل حمایت اور ہم پر بھروسے پر انتہائی شکرگزار ہیں۔ اس کے ساتھ ساتھ ہم اپنی انتظامی جماعت، عملے کے افراد کی لگن، وابستگی، اور محنت کو تسلیم کرتے ہیں جس کے نتیجے میں ہی بینک اسلامی بینکنگ انڈسٹری میں بالعموم اور اسلامی بینکنگ انڈسٹری میں بالخصوص امتیازی مقام حاصل کرنے کے قابل ہوا۔ الحمد للہ

منجانب بورڈ

حسن اے بلگرامی

افسر اعلیٰ

اکتوبر ۲۰۱۷ء



BankIslami Pakistan Limited

Condensed Interim Unconsolidated Statement of Financial Position

AS AT SEPTEMBER 30, 2017

	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
----- Rupees in '000 -----			
ASSETS			
Cash and balances with treasury banks	6	9,819,762	8,921,433
Balances with other banks	7	1,210,858	1,140,150
Due from financial institutions - net	8	13,285,461	27,218,665
Investments - net	9	41,202,596	46,316,927
Islamic financing and related assets and Advances (net)	10	105,299,692	77,816,802
Operating fixed assets	11	9,168,403	9,347,525
Deferred tax assets	12	6,185,554	5,918,460
Other assets - net		3,532,150	4,166,208
		189,704,476	180,846,170
LIABILITIES			
Bills payable		2,254,305	2,273,934
Due to financial institutions	13	5,475,934	6,066,307
Deposits and other accounts	14	164,906,271	154,399,657
Sub-ordinated loans		-	-
Deferred tax liabilities		-	-
Other liabilities		4,966,142	5,661,606
		177,602,652	168,401,504
NET ASSETS		<u>12,101,824</u>	<u>12,444,666</u>
REPRESENTED BY			
Share capital	15	10,079,121	10,079,121
Discount on issue of shares		(79,042)	(79,042)
Reserves	16	613,636	613,636
Unappropriated profit		329,652	212,553
		10,943,367	10,826,268
Surplus on revaluation of assets - net of tax	17	1,158,457	1,618,398
		<u>12,101,824</u>	<u>12,444,666</u>
CONTINGENCIES AND COMMITMENTS			
	18		

The annexed notes 1 to 27 form an integral part of this condensed interim unconsolidated financial information.

CHIEF FINANCIAL OFFICER PRESIDENT / CHIEF EXECUTIVE CHAIRMAN DIRECTOR DIRECTOR

BankIslami Pakistan Limited

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Note	Quarter ended September 30, 2017	Nine months ended September 30, 2017	Quarter ended September 30, 2016	Nine months ended September 30, 2016
----- Rupees in '000 -----					
Profit / return earned	19	2,599,000	7,655,284	2,688,251	7,623,564
Profit / return expensed		1,303,210	3,899,279	1,516,625	4,375,030
Net spread earned		1,295,790	3,756,005	1,171,626	3,248,534
Reversal of provision against non-performing Islamic financing and related assets and advances - net	10.13.2	(385,523)	(474,899)	(421,561)	(1,347,709)
Provision / (reversal of provision) for diminution in the value of investments and placements - net		7,864	105,343	(118,465)	(350,809)
Bad debts written off directly		-	-	-	523
Net spread after provisions		(377,659)	(369,556)	(540,026)	(1,697,995)
		1,673,449	4,125,561	1,711,652	4,946,529
OTHER INCOME					
Fee, commission and brokerage income		149,858	471,296	111,499	327,957
Dividend Income		-	-	-	-
Income from dealing in foreign currencies		31,396	62,251	11,461	37,424
Gain on sale of securities		17,051	63,583	23,675	60,671
Unrealised loss on revaluation of investments classified as held for trading		(1,926)	(459)	-	-
Other income		13,393	44,253	16,461	72,459
Total other income		209,772	640,924	163,096	498,511
		1,883,221	4,766,485	1,874,748	5,445,040
OTHER EXPENSES					
Administrative expenses	20	1,598,534	4,691,323	1,494,861	4,417,274
Other reversals - net		-	(131,652)	-	-
Other charges		-	21,623	8,645	21,318
Total other expenses		1,598,534	4,581,294	1,503,506	4,438,592
		284,687	185,191	371,242	1,006,448
Extraordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		284,687	185,191	371,242	1,006,448
Taxation					
- Current		35,115	103,708	28,505	81,401
- Prior year		-	-	-	-
- Deferred		59,788	(25,095)	106,521	330,150
		94,903	78,613	135,026	411,551
PROFIT AFTER TAXATION		189,784	106,578	236,216	594,897
----- Rupees -----					
Basic earnings per share	21	0.1883	0.1057	0.2344	0.5902
Diluted earnings per share	21	0.1883	0.1057	0.2344	0.5902

The annexed notes 1 to 27 form an integral part of this condensed interim unconsolidated financial information.



BankIslami Pakistan Limited

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Quarter ended September 30, 2017	Nine months ended September 30, 2017	Quarter ended September 30, 2016	Nine months ended September 30, 2016
	----- Rupees in '000 -----			
Profit after taxation for the period	189,784	106,578	236,216	594,897
Other Comprehensive Income	-	-	-	-
Comprehensive income transferred to statement of changes in equity	189,784	106,578	236,216	594,897
Components of comprehensive (loss) / income not reflected in equity				
(Deficit) / surplus on revaluation of available for sale investments	(573,416)	(691,414)	235,053	712,318
Related deferred tax asset / (liability)	200,683 (372,733)	241,994 (449,420)	(82,269) 152,784	(249,311) 463,007
Total comprehensive (loss) / income for the period	(182,949)	(342,842)	389,000	1,057,904

The annexed notes 1 to 27 form an integral part of this condensed interim unconsolidated financial information.

BankIslami Pakistan Limited

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Note	September 30, 2017	September 30, 2016
		----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		185,191	1,006,448
Less: Dividend Income		-	-
		<u>185,191</u>	<u>1,006,448</u>
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets		526,039	465,955
Depreciation on non banking assets		4,975	4,861
Amortisation		46,616	31,340
Depreciation on operating Ijarah assets		1,049,622	895,379
Reversal of provision against non-performing Islamic financing and related assets - net	10.13.2	(474,899)	(1,347,709)
Provision / (reversal of provision) for diminution in the value of investments and placements - net		105,343	(350,809)
Bad debts written off directly		-	523
Other reversals - net		(131,652)	-
Unrealised loss on revaluation of investments classified as held for trading		459	-
Charge for defined benefit plan		51,834	50,389
Gain on sale of property and equipment		(9,119)	(23,990)
		<u>1,169,218</u>	<u>(274,061)</u>
		<u>1,354,409</u>	<u>732,387</u>
(Increase) / decrease in operating assets			
Due from financial institutions		13,933,204	29,291,665
Islamic financing and related assets and advances		(28,057,613)	(12,190,128)
Others assets (excluding defined benefit assets)		589,019	(344,121)
		<u>(13,535,390)</u>	<u>16,757,416</u>
Increase / (decrease) in operating liabilities			
Bills payable		(19,629)	76,529
Due to financial institutions		(590,373)	15,056,714
Deposits and other accounts		10,506,614	2,015,699
Other liabilities (excluding current taxation)		(552,485)	356,382
		<u>9,344,127</u>	<u>17,505,324</u>
		<u>(2,836,854)</u>	<u>34,995,127</u>
Payments against defined benefit plan		-	(104,558)
Income tax paid		(96,975)	(89,959)
Net cash (used in) / generated from operating activities		<u>(2,933,829)</u>	<u>34,800,610</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities		4,287,280	(35,221,789)
Investments in operating fixed assets		(395,386)	(861,639)
Proceeds from disposal of operating fixed assets		10,972	3,173
Net cash generated from / (used in) investing activities		<u>3,902,866</u>	<u>(36,080,255)</u>
Increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	22	10,061,583	10,816,596
Cash and cash equivalents at the end of the period	22	<u>11,030,620</u>	<u>9,536,951</u>

The annexed notes 1 to 27 form an integral part of this condensed interim unconsolidated financial information.



BankIslami Pakistan Limited

Condensed Interim Unconsolidated Statement of Changes In Equity (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Share capital	Discount on issue of shares	Statutory reserve	Reserve for bad debts & contingencies	(Accumulated losses) / Unappropriated profit	Total
	Rupees in '000					
Balance as at January 1, 2016	10,079,121	(79,042)	273,176	250,000	(171,453)	10,351,802
Profit after taxation for the nine months period ended transferred from Statement of Comprehensive Income	-	-	-	-	594,897	594,897
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	7,933	7,933
Balance as at September 30, 2016	10,079,121	(79,042)	273,176	250,000	431,377	10,954,632
Loss after taxation for the quarter ended transferred from Statement of Comprehensive Income	-	-	-	-	(142,597)	(142,597)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,448	2,448
Transfer from surplus on revaluation of non banking assets - net of tax	-	-	-	-	168	168
Transfer to statutory reserve	-	-	90,460	-	(90,460)	-
Remeasurements of the net defined benefit liability / asset - net of tax	-	-	-	-	11,617	11,617
Balance as at December 31, 2016	10,079,121	(79,042)	363,636	250,000	212,553	10,826,268
Profit after taxation for the nine months period ended transferred from Statement of Comprehensive Income	-	-	-	-	106,578	106,578
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	10,320	10,320
Transfer from surplus on revaluation of non banking assets - net of tax	-	-	-	-	201	201
Balance as at September 30, 2017	10,079,121	(79,042)	363,636	250,000	329,652	10,943,367

The annexed notes 1 to 27 form an integral part of this condensed interim unconsolidated financial information.

BankIslami Pakistan Limited

Notes to and Forming Part of Condensed Interim Unconsolidated Financial Statements (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

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 under the Companies Ordinance, 1984 to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah.

The State Bank of Pakistan (SBP) granted a 'Scheduled Islamic Commercial Bank' license to the Bank on March 18, 2005. The Bank commenced its operations as a Scheduled Islamic Commercial Bank with effect from April 07, 2006, on receiving Certificate of Commencement of Business from the State Bank of Pakistan (SBP) under section 37 of the State Bank of Pakistan Act, 1956. The Bank is principally engaged in corporate, commercial, consumer, retail banking and investment activities.

The Bank is operating through 322 branches including 118 sub branches as at September 30, 2017 (December 31, 2016: 321 branches including 118 sub branches). The registered office of the Bank is situated at 11th Floor, Dolmen City, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited).

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Bank's long-term rating as 'A+' and the short-term rating as 'A1'.

2 BASIS OF PRESENTATION

- 2.1** The Bank provides financing mainly through Murabahah, Ijarah, Istisna, Diminishing Musharakah, Muswammah and other Islamic modes.

The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of profit thereon. The income on such financing is recognised in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognised as charity payable as directed by the Shariah Board of the Bank.

- 2.2** This condensed interim financial information is the separate condensed interim financial information of the Bank in which investments in subsidiaries are carried at cost less accumulated impairment losses, if any, and are not consolidated. The condensed interim consolidated financial information of the Group is being issued separately.



3 STATEMENT OF COMPLIANCE

- 3.1** This condensed interim unconsolidated financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, and the directives issued by the SECP and the SBP. Wherever the requirements of the provisions and directives issued under the repealed Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, the IFAS notified under the repealed Companies Ordinances, 1984 and the directives issued by the SECP and the SBP differ from the requirements of IFRS, the provisions of and the directives issued under the repealed Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, IFAS notified under the repealed Companies Ordinance, 1984 and the directives issued by the SECP and the SBP shall prevail.
- 3.2** The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. However, as allowed by the SECP vide its Circular No. 23 of 2017 dated October 04, 2017, this condensed interim unconsolidated financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 3.3** The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by SBP vide BSD Circular Letter No. 2 dated 12 May 2004 and International Accounting Standard (IAS) 34, "Interim Financial Reporting". They do not include all the disclosures required for annual financial statements, and these condensed interim unconsolidated financial statements should be read in conjunction with financial statements of the Bank for the year ended December 31, 2016.

4 BASIS OF MEASUREMENT

4.1 Accounting convention

This condensed interim unconsolidated financial information has been prepared under the historical cost convention, except that certain fixed assets, certain investments, foreign currency balances and commitments in respect of foreign exchange contracts have been marked to market and are carried at fair value. Further, staff retirement benefits have been carried at present values as determined under the International Accounting Standards (IAS) 19 (revised) 'Employee Benefits'.

4.2 Functional and Presentation Currency

This condensed interim unconsolidated financial information is presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

4.3 Critical accounting estimates and judgments

The basis and the methods used for critical accounting estimates and judgments adopted in this condensed interim unconsolidated financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2016.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of in this condensed interim unconsolidated financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2016, except as described below:

5.1 New / Revised Standards, Interpretations and Amendments

The Bank has adopted the following standards and amendment to IFRSs which became effective for the current period:

Standard or Interpretation

- IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)
- IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim unconsolidated financial statements.

6 CASH AND BALANCES WITH TREASURY BANKS

	(Un-audited) September 30, 2017 ----- Rupees in '000 -----	(Audited) December 31, 2016 ----- Rupees in '000 -----
In hand		
- local currency	3,294,567	3,154,686
- foreign currency	510,549	410,919
	3,805,116	3,565,605
With the State Bank of Pakistan in		
- local currency current account	4,325,464	3,646,460
- foreign currency deposit accounts		
Cash Reserve Account	180,039	241,958
Special Cash Reserve Account	217,144	78,950
US Dollar Clearing Account	42,869	11,421
	440,052	332,329
With National Bank of Pakistan in		
- local currency current account	1,249,130	1,377,039
	9,819,762	8,921,433



		(Un-audited)	(Audited)
	Notes	September 30, 2017	December 31, 2016
		----- Rupees in '000 -----	
7	BALANCES WITH OTHER BANKS		
	In Pakistan		
	- on current accounts	2,407	2,407
	- on deposit accounts	96	95
		<u>2,503</u>	<u>2,502</u>
	Outside Pakistan		
	- on current accounts	1,208,355	1,137,648
		<u>1,210,858</u>	<u>1,140,150</u>

8 DUE FROM FINANCIAL INSTITUTIONS

Wakalah Placement	8.1	1,159,503	993,686
Commodity Murabahah - local currency	8.2	12,125,958	26,224,979
		<u>13,285,461</u>	<u>27,218,665</u>
Other placements		32,400	32,400
		<u>13,317,861</u>	<u>27,251,065</u>
Provision against placements - transferred from the amalgamated entity		(32,400)	(32,400)
		<u>13,285,461</u>	<u>27,218,665</u>

8.1 This represents foreign currency placements and the profit rates on the agreements range between 1.30% to 1.90% (2016: 0.95% to 1.20%) per annum. The agreements have maturities ranging from 11 days to 39 days (2016: 18 days to 184 days).

8.2 The Bank has entered into Commodity Murabahah agreements under which the Bank purchases an underlying commodity from open market through an agent and sells it to a financial institution on credit with profit. The profit rates on the agreements range between 5.60% to 6.35% (2016: 5.80% to 6.40%) per annum and the agreements have maturities ranging from 2 days to 156 days (2016: 3 days to 160 days).

	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
		----- Rupees in '000 -----	
9	INVESTMENTS		
Investments - Islamic	9.1	39,231,215	44,239,990
Investments - Conventional (relating to defunct KASB Bank Limited)	9.2	1,971,381	2,076,937
		<u>41,202,596</u>	<u>46,316,927</u>

9.1 Islamic Investments by type

Note	-----September 30, 2017 (Un-audited)-----			-----December 31, 2016 (Audited)-----		
	Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
Rupees in '000						
Available for sale securities						
Sukuk / Certificates	33,391,898	5,000,000	38,391,898	37,281,922	5,000,000	42,281,922
Units of Open-end mutual funds	21	-	21	21	-	21
Ordinary Shares of listed companies	242,645	-	242,645	242,645	-	242,645
	33,634,564	5,000,000	38,634,564	37,524,588	5,000,000	42,524,588
Held for trading securities						
Ordinary Shares of listed companies	50,865	-	50,865	447,908	-	447,908
Subsidiaries						
	191,015	-	191,015	191,015	-	191,015
Total investments at cost	33,876,444	5,000,000	38,876,444	38,163,511	5,000,000	43,163,511
Provision for diminution in value of investments	(46,125)	-	(46,125)	(46,125)	-	(46,125)
Investments - net of Provisions	33,830,319	5,000,000	38,830,319	38,117,386	5,000,000	43,117,386
Surplus on revaluation of held for trading securities	364	-	364	30,658	-	30,658
Surplus on revaluation of available-for-sale securities	400,532	-	400,532	1,091,946	-	1,091,946
Total investments at market value	34,231,215	5,000,000	39,231,215	39,239,990	5,000,000	44,239,990

9.2 Conventional Investments by type (relating to defunct KASB Bank Limited) *

Note	-----September 30, 2017 (Un-audited)-----			-----December 31, 2016 (Audited)-----		
	Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
Rupees in '000						
Available for sale securities						
Ordinary Shares of listed companies	967,706	-	967,706	967,706	-	967,706
Ordinary Shares of unlisted companies	1,189,030	-	1,189,030	1,189,030	-	1,189,030
Listed Term Finance Certificates	104,879	-	104,879	105,092	-	105,092
Unlisted Term Finance Certificates	177,822	-	177,822	177,822	-	177,822
	2,439,437	-	2,439,437	2,439,650	-	2,439,650
Held to maturity securities						
Unlisted Term Finance Certificates	321,601	-	321,601	321,601	-	321,601
Associates						
	1,660,111	-	1,660,111	1,660,111	-	1,660,111
Subsidiaries						
	2,499,708	-	2,499,708	2,499,708	-	2,499,708
Total investments at cost	6,920,857	-	6,920,857	6,921,070	-	6,921,070
Provision for diminution in the value of investments	(4,949,476)	-	(4,949,476)	(4,844,133)	-	(4,844,133)
Total investments at market value	1,971,381	-	1,971,381	2,076,937	-	2,076,937

* These investments are under process of conversion / liquidation / disposal.



	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	----- Rupees in '000 -----	
9.3 Islamic Investments by segments		
Federal Government Securities		
GOP Ijarah Sukuks	33,849,633	37,756,627
Sukuk certificates		
Sukuks - Unlisted	4,542,265	4,525,295
Fully paid up ordinary shares / Units		
Ordinary shares of listed companies	293,510	690,553
Units of Open-End mutual funds	21	21
Subsidiaries		
BankIslami Modaraba Investments Limited	191,015	191,015
Total investments at cost	<u>38,876,444</u>	<u>43,163,511</u>
Less: Provision for diminution in value of investments	(46,125)	(46,125)
Investments - net of provisions	<u>38,830,319</u>	<u>43,117,386</u>
Surplus on revaluation of held for trading securities	364	30,658
Surplus on revaluation of available-for-sale securities	400,532	1,091,946
Total investments at market value	<u>39,231,215</u>	<u>44,239,990</u>
9.4 Conventional Investments by segments		
Fully paid up ordinary shares		
Listed Companies	967,706	967,706
Unlisted Companies	1,189,030	1,189,030
Term Finance Certificates, Debentures, Bonds and Participation Term Certificates:		
Listed Companies	104,879	105,092
Unlisted Companies	499,423	499,423
Subsidiaries		
BIPL Securities Limited (Formerly KASB Securities Limited)	2,394,937	2,394,937
My Solutions Corporation Limited	104,771	104,771
Associates - Unlisted		
KASB Capital Limited	41,867	41,867
KASB Funds Limited	432,302	432,302
New Horizon Exploration & Production Limited	558,000	558,000
Shakarganj Food Products Limited	627,942	627,942
Total investments at cost	<u>6,920,857</u>	<u>6,921,070</u>
Less: Provision for diminution in value of investments	(4,949,476)	(4,844,133)
Total investments at market value	<u>1,971,381</u>	<u>2,076,937</u>

	Note	(Un-audited) September 30, 2017 ----- Rupees in '000 -----	(Audited) December 31, 2016
10 ISLAMIC FINANCING AND RELATED ASSETS AND ADVANCES			
Islamic financing and related assets - net	10.1	104,228,476	76,826,353
Advances (relating to defunct KASB Bank Limited) - net	10.2	1,071,216	990,449
		<u>105,299,692</u>	<u>77,816,802</u>
10.1 ISLAMIC FINANCING AND RELATED ASSETS			
In Pakistan			
- Murabahah financing and related assets	10.3 & 10.9	12,946,731	13,798,029
- Istisna financing and related assets	10.4 & 10.10	13,155,973	13,973,015
- Diminishing Musharakah - Housing		10,140,264	7,661,273
- Diminishing Musharakah - Auto		4,114,458	877,758
- Diminishing Musharakah financing and related assets - Others	10.6	10,786,684	8,792,359
- Against Bills - Murabahah		48,062	12,310
- Post Due Acceptance		41,351	25,073
- Salam	10.5	87,000	75,000
- Muswammah financing and related assets / Karobar financing	10.7	12,213,473	7,918,202
- Financing to employees		2,182,316	2,061,846
- FBP Against Financing		240,428	50,577
- Qardh e Hasana		367,375	158,000
- Running Musharakah		27,664,277	10,000,000
- Investment Agency Wakalah		6,250,000	6,250,000
- Housing finance portfolio - others		48,288	73,761
- Net investment in Ijarah financing in Pakistan		38,850	39,829
- Ijarah financing under IFAS 2 and related assets	10.8	6,014,704	6,910,162
Gross financing and related assets		<u>106,340,234</u>	<u>78,677,194</u>
Less: Provision against non-performing Islamic financing and related assets			
- Specific	10.11 & 10.13	(1,909,292)	(1,658,774)
- General	10.11 & 10.13	(202,466)	(192,067)
Islamic financing and related assets – net of provisions		<u>104,228,476</u>	<u>76,826,353</u>



	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
		----- Rupees in '000 -----	
10.2 ADVANCES			
Loans, cash credits, running finances, etc.			
In Pakistan		9,151,053	9,780,050
Outside Pakistan		-	-
		<u>9,151,053</u>	<u>9,780,050</u>
Net investment in finance lease			
In Pakistan		588,501	608,712
Outside Pakistan		-	-
		<u>588,501</u>	<u>608,712</u>
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		714,646	720,973
Payable outside Pakistan		-	-
		<u>714,646</u>	<u>720,973</u>
Advances - gross		<u>10,454,200</u>	<u>11,109,735</u>
Less: Provision for non-performing Financings			
- Specific	10.11 & 10.13	(9,573,667)	(10,280,583)
- General	10.11 & 10.13	(949)	(860)
Advances - net of provision		<u>879,584</u>	<u>828,292</u>
Fair Value adjustment	10.14	191,632	162,157
Advances - net of provision and fair value adjustment		<u>1,071,216</u>	<u>990,449</u>
10.3 Murabahah financing and related assets			
Murabahah financing		10,850,086	11,568,440
Advance against Murabahah financing		2,096,645	644,052
Murabahah inventories		-	1,585,537
		<u>12,946,731</u>	<u>13,798,029</u>
10.4 Istisna financing and related assets			
Istisna financing		9,385,039	8,207,253
Advance against Istisna financing		3,741,934	759,934
Istisna inventories		29,000	5,005,828
		<u>13,155,973</u>	<u>13,973,015</u>
10.5 Salam			
Salam financing		62,999	12,002
Salam inventories		24,001	62,998
		<u>87,000</u>	<u>75,000</u>
10.6 Diminishing Musharakah financing and related assets - Others			
Diminishing Musharakah financing		10,683,550	8,723,608
Advance against Diminishing Musharakah financing		103,134	68,751
		<u>10,786,684</u>	<u>8,792,359</u>
10.7 Muswammah financing and related assets / Karobar financing			
Muswammah financing		7,647,550	6,884,913
Muswammah inventories		4,565,923	1,033,289
		<u>12,213,473</u>	<u>7,918,202</u>
10.8 Ijarah financing under IFAS 2 and related assets			
Net book value of assets under IFAS 2		5,750,222	6,382,270
Advance against Ijarah financing		264,482	527,892
		<u>6,014,704</u>	<u>6,910,162</u>

- 10.9** Murabahah financing and related assets includes financing amounting to Rs. 358 million (2016: Rs.700 million) and advance amounting to Rs. 549.750 million (2016: Rs 611.550 million) under Islamic Export Refinance Scheme.
- 10.10** Istisna financing and related assets includes financing amounting to Rs. 267.2 million (2016: Rs. 223.5 million) and advance amounting to Rs. 1,178.6 million (2016: Rs. 763.2 million) under Islamic Export Refinance Scheme.
- 10.11** Islamic financing and related assets and advances include Rs. 16,315.519 million (2016: Rs 14,533.967 million) which have been placed under non-performing status as follows:

Category of Classification	September 30, 2017 (Un-audited)								
	Classified Islamic financing and related assets and advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Rupees in '000									
Other Assets especially mentioned (OAEM)	620,465	-	620,465	2,766	-	2,766	2,766	-	2,766
Substandard	475,382	-	475,382	95,453	-	95,453	95,453	-	95,453
Doubtful	3,634,220	-	3,634,220	433,055	-	433,055	433,055	-	433,055
Loss	11,585,452	-	11,585,452	10,951,685	-	10,951,685	10,951,685	-	10,951,685
	16,315,519	-	16,315,519	11,482,959	-	11,482,959	11,482,959	-	11,482,959

Category of Classification	December 31, 2016 (Audited)								
	Classified Islamic financing and related assets and advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Rupees in '000									
Other Assets especially mentioned (OAEM)	692,569	-	692,569	-	-	-	-	-	-
Substandard	886,389	-	886,389	188,467	-	188,467	188,467	-	188,467
Doubtful	867,928	-	867,928	296,471	-	296,471	296,471	-	296,471
Loss	12,087,081	-	12,087,081	11,454,419	-	11,454,419	11,454,419	-	11,454,419
	14,533,967	-	14,533,967	11,939,357	-	11,939,357	11,939,357	-	11,939,357

- 10.12** In case of one of the non-performing Islamic financing and related assets amounting to Rs. 2,562 million, SBP has granted relaxation vide letter no. BPRD/BIPL/BRD/2017/19798 dated August 22, 2017 on creating a provision till 30-09-2017. The outstanding amount of relaxation e.g. provisioning will not be available for distribution of cash & stock dividend and performance bonus to employees. Had the provision been made as per the requirements of applicable Prudential Regulations, the 'provision against Islamic financing and related assets and advances' would have been higher by Rs. 289.716 million and profit before taxation would have been lower by Rs. 289.716 million.



10.13 Particulars of provision against non-performing Islamic financing and related assets and advances:

	September 30, 2017 (Un-audited)			December 31, 2016 (Audited)		
	Specific	General	Total	Specific	General	Total
	------(Rupees in '000)-----					
Opening balance	11,939,357	192,927	12,132,284	13,516,506	135,593	13,652,099
Transfer from the amalgamated entity	-	-	-	-	-	-
Charge for the period / year	306,634	10,488	317,122	790,178	57,334	847,512
Reversals	(762,547)	-	(762,547)	(2,309,561)	-	(2,309,561)
	(455,913)	10,488	(445,425)	(1,519,383)	57,334	(1,462,049)
Amount written off	(485)	-	(485)	(57,766)	-	(57,766)
Closing balance	11,482,959	203,415	11,686,374	11,939,357	192,927	12,132,284

10.13.1

	September 30, 2017 (Un-audited)			December 31, 2016 (Audited)		
	Specific	General	Total	Specific	General	Total
	------(Rupees in '000)-----					
Islamic	1,909,292	202,466	2,111,758	1,658,774	192,067	1,850,841
Conventional	9,573,667	949	9,574,616	10,280,583	860	10,281,443
	11,482,959	203,415	11,686,374	11,939,357	192,927	12,132,284

	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Rupees in '000	
10.13.2 Reversals net of fair value adjustment taken to the profit and loss account		
Gross reversals	762,547	2,309,561
Charge for the period / year	(317,122)	(847,512)
	445,425	1,462,049
Fair value adjusted - net	29,474	262,338
Net reversals taken to the profit and loss account	474,899	1,724,387

10.13.3 Particulars of provision against non-performing Islamic financing and related assets and advances:

	September 30, 2017 (Un-audited)			December 31, 2016 (Audited)		
	Specific	General	Total	Specific	General	Total
	------(Rupees in '000)-----					
In local currency	11,482,959	203,415	11,686,374	11,939,357	192,927	12,132,284
In foreign currency	-	-	-	-	-	-
	11,482,959	203,415	11,686,374	11,939,357	192,927	12,132,284

10.13.3.1 The Bank maintains general reserve (provision) in accordance with the applicable requirements of the Prudential Regulations for Consumer Financing and Prudential Regulations for Small and Medium Enterprise Financing issued by the SBP.

10.13.3.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at September 30, 2017 amounts to Rs.423.323 million (2016: Rs. 468.585 million). The additional profit arising from availing the FSV benefit - net of tax as at September 30, 2017 amounts to Rs.275.159 million (2016: Rs.304.580 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

10.14 Provision in respect of acquired loans related to Defunct KASB Bank have been determined after taking into considerations of the fair values of such loans on the basis of valuation exercise performed by the Independent consultant.

		(Un-audited) September 30, 2017	(Audited) December 31, 2016
		-----Rupees in '000-----	
11	OPERATING FIXED ASSETS		
	Capital work-in-progress	52,124	38,362
	Property and equipment	5,993,940	6,154,217
	Intangible assets	3,122,339	3,154,946
		<u>9,168,403</u>	<u>9,347,525</u>
		(Un-audited) September 30, 2017	(Un-audited) September 30, 2016
		-----Rupees in '000-----	
11.1	Additions to operating fixed assets - net		
	Furniture and fixture	122,215	570,704
	Electrical, office and computer equipment	233,755	302,790
	Vehicles	-	7,541
	Capital work-in-progress	34,370	54,978
11.2	Additions to intangibles		
	Computer software	5,046	49,408
11.3	Disposals of operating fixed assets		
	Furniture and fixture	2,566	2,457
	Electrical, office and computer equipment	11,975	76,367
	Vehicles	516	1,870
		(Un-audited) September 30, 2017	(Audited) December 31, 2016
		-----Rupees in '000-----	
12	DEFERRED TAX ASSET		
	Deferred tax debits arising in respect of:		
	Accumulated tax losses	12.1 1,975,457	1,869,423
	Tax credit against minimum tax	12.1 & 12.2 458,613	354,905
	Provision for diminution in the value of investments	544,446	507,551
	Provision against non-performing Islamic financing and related assets and advances	3,669,839	3,834,711
	Provision for gratuity	21,253	21,253
	Impairment of goodwill	45,560	74,118
	Ijarah financing and related assets	93,967	1,018
	Others	521,599	606,561
		<u>7,330,734</u>	<u>7,269,540</u>
	Deferred tax credits arising due to:		
	Fair value adjustments relating to net assets acquired upon amalgamation	(131,292)	(38,157)
	Accelerated tax depreciation	(142,332)	(193,708)
	Surplus on revaluation of fixed assets	(645,243)	(650,800)
	Surplus on revaluation of non-banking assets	(4,524)	(4,632)
	Surplus on revaluation of available for sale securities	(140,186)	(382,180)
	Net investment in finance lease	(81,603)	(81,603)
		<u>(1,145,180)</u>	<u>(1,351,080)</u>
		<u>6,185,554</u>	<u>5,918,460</u>



- 12.1** The Bank has aggregate tax losses of Rs. 10,204.547 million as at September 30, 2017 which includes tax losses of defunct KASB Bank Limited (now amalgamated with and into the Bank). The management has carried out an assessment for estimating the benefit of these losses, the Bank would be able to set off from the profit earned in future years against these carry forward losses. Based on this assessment the management has recognised deferred tax debit balance amounting to Rs. 2,434.070 million [including deferred tax on minimum tax amounting to Rs. 458.613 million (2016: Rs. 354.905 million - representing deferred tax asset on minimum tax)]. The amount of this benefit has been determined based on the projected financial statements for the future periods as approved by the Board of Directors. The determination of future taxable profit is most sensitive to certain key assumptions such as cost to income ratio of the Bank, deposit's composition, kibar rates, growth of deposits and financing, investment returns, product mix of financing, potential provision against assets / financings, recoveries from non-performing loans and branch expansion plan. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.
- 12.2** In case of another company the Division Bench of the Sindh High Court in its decision dated May 7, 2013 on carry forward of minimum tax in the cases of taxable loss for the year has held by interpreting Section 113(2)(c) of the Income tax Ordinance, 2001 that the benefit of carry forward of minimum tax paid by a company is only available if the tax paid in a particular year is less than minimum tax payable. Accordingly, if no tax is paid / payable by the company due to taxable loss the right to carry forward the minimum tax does not arise. However, the management based on the advice of its legal counsel is of the view that this matter is subject to appeal in larger bench of the High Courts as well as the Supreme Court and valid legal grounds are available to substantiate the Bank's case for carry forward of minimum tax, therefore, minimum tax of Rs.458.613 million (2016: Rs. 354.905 million) has been recognised as 'Deferred tax' in these financial statements.

	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
		----- Rupees in '000 -----	
13 DUE TO FINANCIAL INSTITUTIONS			
In Pakistan		5,475,934	6,066,307
Outside Pakistan		-	-
		<u>5,475,934</u>	<u>6,066,307</u>
13.1 Details of due to financial institutions secured / unsecured			
Secured			
Acceptances from State Bank of Pakistan under Islamic Export Refinance Scheme	13.1.1	2,065,141	2,205,550
Acceptances from State Bank of Pakistan for financial assistance	13.1.2	2,525,793	2,360,757
Unsecured			
Wakalah Acceptance	13.1.3	585,000	-
Musharakah Acceptance	13.1.4	300,000	1,500,000
		<u>5,475,934</u>	<u>6,066,307</u>

- 13.1.1** The acceptances are on a profit and loss sharing basis and are secured against demand promissory notes executed in favour of the State Bank of Pakistan (SBP). A limit of Rs. 5,000 million (2016: Rs. 5,000 million) was allocated to the Bank by the SBP under Islamic Export Refinance Scheme for the financial period ended September 30, 2017.
- 13.1.2** This represents amortised cost of a 10 year financing facility of Rs.5,000 million extended by the State Bank of Pakistan (SBP). The facility is secured against Government of Pakistan Ijarah Sukuk. The 10 year facility was provided on the basis of Mudarabah to be remunerated at profit sharing ratio declared by the Bank on its remunerative current accounts on monthly basis (the last declared rate in this respect is 0.01% per annum).
- 13.1.3** The profit rate on this agreement is 5.3% (2016: Nil) per annum and the agreement has maturity in 13 days (2016: Nil).
- 13.1.4** The profit rates on this agreements is 5.25% (2016: 5% to 5.25%) per annum and has maturity in 2 days (2016: 30 days to 51 days).

		(Un-audited) September 30, 2017	(Audited) December 31, 2016		
		----- Rupees in '000 -----			
14	DEPOSITS AND OTHER ACCOUNTS				
	Customers				
	Fixed deposits	36,818,609	41,134,961		
	Savings deposits	55,097,963	47,774,326		
	Current accounts - non-remunerative	53,819,997	48,557,422		
	Margin accounts - non-remunerative	658,152	516,032		
		<u>146,394,721</u>	<u>137,982,741</u>		
	Financial Institutions				
	Remunerative deposits	18,312,549	15,935,998		
	Non-remunerative deposits	199,001	480,918		
		<u>164,906,271</u>	<u>154,399,657</u>		
14.1	Particulars of deposits				
	In				
	- local currency	161,436,664	151,622,917		
	- foreign currencies	3,469,607	2,776,740		
		<u>164,906,271</u>	<u>154,399,657</u>		
15	SHARE CAPITAL				
15.1	Authorised capital				
	(Un-audited) September 30, 2017	(Audited) December 31, 2016	(Un-audited) September 30, 2017	(Audited) December 31, 2016	
	----- Number of Shares -----		----- Rupees in '000 -----		
	<u>1,300,000,000</u>	<u>1,300,000,000</u>	Ordinary shares of Rs.10 each	<u>13,000,000</u> <u>13,000,000</u>	
15.2	Issued, subscribed and paid up capital				
	(Un-audited) September 30, 2017	(Audited) December 31, 2016	(Un-audited) September 30, 2017	(Audited) December 31, 2016	
	-----Number of shares-----		-----Rupees in '000-----		
	1,007,912,090	1,007,912,090	Ordinary shares of Rs 10 each		
	-	-	At beginning of the period / year	10,079,121	
	1,007,912,090	1,007,912,090	Issued during the period / year	-	
			Balance as at the end of the period / year	<u>10,079,121</u> <u>10,079,121</u>	
			Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
				-----Rupees in '000-----	
16	RESERVES				
	Statutory Reserves	16.1	363,636	363,636	
	Reserve for bad debts and contingencies		<u>250,000</u>	<u>250,000</u>	
			<u>613,636</u>	<u>613,636</u>	
16.1	Under section 21 of the Banking Companies Ordinance, 1962 an amount of not less than 20% of the profit is to be transferred to create a reserve fund till such time the reserve fund and the share premium account equal the amount of the paid up capital. Thereafter, an amount of not less than 10% of the profit is required to be transferred to such reserve fund.				



	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	-----Rupees in '000-----	
17 SURPLUS ON REVALUATION OF ASSETS		
Surplus arising on revaluation of:		
Fixed Assets	830,344	840,664
Non Banking Assets	67,767	67,968
Available for sale securities	260,346	709,766
	<u>1,158,457</u>	<u>1,618,398</u>
18 CONTINGENCIES AND COMMITMENTS		
18.1 Transaction-related contingent liabilities		
Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring		
- Government	1,067,927	875,950
- Others	6,969,505	11,828,695
	<u>8,037,432</u>	<u>12,704,645</u>
18.2 Trade-related contingent liabilities		
Import letter of Credit	6,302,569	4,348,098
Acceptances	1,765,053	1,983,434
	<u>8,067,622</u>	<u>6,331,532</u>
18.3 Suit filed by customers for recovery of alleged losses suffered, pending in the High Court, which the Bank has not acknowledged as debt	<u>150,000</u>	<u>150,000</u>
18.3.1 These mainly represent counter claims filed by the borrowers for restricting the Bank for disposal of assets (such as mortgaged / pledged assets kept as security), cases where the Bank was proforma defendant for defending its interest in the underlying collateral kept by it at the time of financing.		
18.3.2 There is no change in the status of contingencies, set out in note 22.3.2 to 22.6 to the annual financial statements of the Bank for the year ended 31 December 2016.		
	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	-----Rupees in '000-----	
18.4 Commitments in respect of contracts		
Purchases	<u>1,265,139</u>	<u>5,974,455</u>
Sales	<u>865,999</u>	<u>6,336,881</u>
18.5 Commitments for the acquisition of operating fixed assets	<u>136,275</u>	<u>217,107</u>
18.6 Commitments in respect of financing facilities		
The Bank makes commitments to extend financing in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		
18.7 Taxation		
There has been no change in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2016.		
	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	----- Rupees in '000 -----	
18.8 Other commitments		
Bills for collection	<u>1,826,682</u>	<u>1,806,470</u>

	(Un-audited) Nine months ended September 30, 2017	(Un-audited) Nine months ended September 30, 2016
	----- Rupees in '000 -----	
19 PROFIT / RETURN EARNED		
On financing to customers	4,802,284	4,068,014
On investments in available for sale securities	1,820,035	1,720,007
On deposits / placements with financial institutions	967,454	1,780,379
Others	65,511	55,164
	<u>7,655,284</u>	<u>7,623,564</u>
20 OTHER REVERSALS - NET		

Includes reversal of provision made amounting to Rs 135 million due to final settlement of the liabilities.

21 BASIC AND DILUTED EARNINGS PER SHARE

Note	(Un-audited)		(Un-audited)	
	Quarter ended September 30, 2017	Nine months ended September 30, 2017	Quarter ended September 30, 2016	Nine months ended September 30, 2016
	----- Rupees in '000 -----			
Profit after taxation for the period	189,784	106,578	236,216	594,897
	----- Number of shares -----			
Weighted average number of ordinary shares in issue	1,007,912,090	1,007,912,090	1,007,912,090	1,007,912,090
	----- Rupees -----			
Earnings per share - basic / diluted	21.1	0.1883	0.1057	0.2344
				0.5902

21.1 There were no convertible / dilutive potential ordinary shares outstanding as at September 30, 2017 and September 30, 2016.

	(Un-audited) September 30, 2017	(Un-audited) September 30, 2016
	----- Rupees in '000 -----	
22 CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	9,819,762	7,523,663
Balances with other banks	1,210,858	2,013,288
	<u>11,030,620</u>	<u>9,536,951</u>

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Fair values of all other financial assets and liabilities cannot be calculated with sufficient accuracy as active market does not exist for these instruments. In the opinion of the management, fair value of these assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature and in case of financing and deposits these are frequently repriced.

23.1 The table below analyses financial and non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cash flows) (Level 3).



	September 30, 2017 (Un-audited)			
Items carried at fair value	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Financial Assets and Liabilities				
Available for sale securities				
Ordinary shares - listed	484,065	-	-	484,065
GOP Sukuks	-	34,252,920	-	34,252,920
WAPDA Sukuks	-	111,884	-	111,884
Units of open ended mutual funds	65	-	-	65
Held for trading securities				
Ordinary shares - listed	51,229	-	-	51,229
Commitments in respect of forward exchange contracts				
Forward purchase of foreign exchange contracts	-	1,265,139	-	1,265,139
Forward sale of foreign exchange contracts	-	814,598	-	814,598
Future sale of listed ordinary shares	51,401	-	-	51,401
Non-Financial Assets				
Operating fixed assets - Land and building	-	-	3,748,850	3,748,850
Non-banking assets	-	-	1,149,336	1,149,336

	December 31, 2016 (Audited)			
Items carried at fair value	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Financial Assets and Liabilities				
Available for sale securities				
Ordinary shares - listed	588,296	-	-	588,296
GOP Sukuks	-	38,853,454	-	38,853,454
WAPDA Sukuks	-	233,931	-	233,931
Units of open ended mutual funds	71	-	-	71
Held for trading securities				
Ordinary shares - listed	478,566	-	-	478,566
Commitments in respect of forward exchange contracts				
Forward purchase of foreign exchange contracts	-	5,974,455	-	5,974,455
Forward sale of foreign exchange contracts	-	5,855,003	-	5,855,003
Future sale of listed ordinary shares	481,878	-	-	481,878
Non-Financial Assets				
Operating fixed assets - Land and building	-	-	3,839,855	3,839,855
Non-banking assets	-	-	1,149,336	1,149,336

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

There were no transfers between levels 1 and 2 during the period.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
WAPDA Sukuks	Investment in WAPDA Sukuks are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.

Valuation techniques used in determination of fair values within level

Operating fixed assets - Land and building	Land and buildings are revalued by professionally qualified valuers as per the accounting policy. The valuers are listed on the panel of the Pakistan Bank's Association. The valuation is based on their assessment of market value of the properties.
Non-banking assets	Non banking assets are revalued by professionally qualified valuers as per the accounting policy. The valuers are listed on the panel of the Pakistan Bank's Association. The valuation is based on their assessment of market value of the properties.

24 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	Rupees in '000				
As at September 30, 2017 (Un-audited)					
Segment assets (gross)	69,385,653	18,971,473	107,752,843	10,973,521	207,083,490
Segment non - performing assets	6,703,193	1,992,099	14,911,543	53,813	23,660,648
Segment provision required	5,050,653	1,425,546	10,845,221	57,594	17,379,014
Segment liabilities	3,544,544	100,037,945	71,811,386	2,208,777	177,602,652

For the nine months period ended September 30, 2017 (Un-audited)

Total income	585,159	4,705,685	2,712,458	292,906	8,296,208
Total expenses	522,876	4,170,173	1,982,893	1,435,075	8,111,017
Net income / (loss)	62,283	535,512	729,565	(1,142,169)	185,191
Segment return on assets (ROA) (%)	0.06%	3.77%	0.99%	-	-
Segment cost of funds (%)	5.43%	3.10%	3.95%	-	-

	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	Rupees in '000				
As at September 30, 2016 (Un-audited)					
Segment assets (gross)	94,659,480	21,334,308	85,706,519	8,296,754	209,997,061
Segment non - performing assets	7,333,506	1,937,349	12,081,431	33,130	21,385,416
Segment provision required	4,933,653	1,362,278	10,851,322	33,326	17,180,579
Segment liabilities	19,322,736	86,040,904	71,358,326	3,819,275	180,541,241

For the nine months period ended September 30, 2016 (Un-audited)

Total income	1,289,610	3,836,886	2,856,468	157,164	8,140,128
Total expenses	373,673	3,782,771	1,257,055	1,720,181	7,133,680
Net income / (loss)	915,937	54,115	1,599,413	(1,563,017)	1,006,448
Segment return on assets (ROA) (%)	1.29%	0.34%	2.49%	-	-
Segment cost of funds (%)	5.59%	3.45%	1.97%	-	-

25 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include a subsidiary company, associated companies with or without common directors, principal shareholders, retirement benefit funds, directors and their close family members, and key management personnel.

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.

A number of banking transactions are entered into with related parties in the normal course of business. These include financing and deposit transactions. These transactions are executed substantially on the same terms including profit rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk.

Contributions to staff retirement benefit plan are made in accordance with the terms of the contribution plan. Remuneration to the executives are determined in accordance with the terms of their appointment.



(Un-audited) September 30, 2017	(Audited) December 31, 2016
----- Rupees '000 -----	

Subsidiaries

Islamic Financing and related assets

At beginning of the period / year	150,000	150,000
Disbursed during the period / year	11,765	-
Repayments during the period / year	-	-
At the end of the period / year	161,765	150,000

Deposits

At beginning of the period / year	573,309	445,099
Deposits during the period / year	26,539,515	44,606,848
Withdrawals during the period / year	(26,947,590)	(44,478,638)
At the end of the period / year	165,234	573,309

Receivable on financing	4,089	1,152
Payable on deposits	677	1,555

(Un-audited) Nine months ended September 30, 2017	(Un-audited) Nine months ended September 30, 2016
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----- Rupees '000 -----

Transactions, income and expenses

Profit earned on financing	11,111	3,549
Return on deposit expensed	15,785	22,213
Administrative expense	9	3
Proceeds on disposal of operating fixed assets	3,225	-
Gain on sale of operating fixed assets	3,135	-
Other Income	600	480

(Un-audited) September 30, 2017	(Audited) December 31, 2016
----- Rupees '000 -----	

Associates

Islamic Financing and related assets

At beginning of the period / year	724,386	93,314
Disbursed during the period / year	153,839	687,850
Repayments during the period / year	(201,097)	(14,089)
At the end of the period / year	677,128	767,075

* Balances pertaining to parties that were related at the beginning of the period but ceased to be related during any part of the current period are not reflected as part of the opening balance of the current period, and parties became related parties during the period have been added in opening balances.

Prepayments

At beginning of the period / year
Additions during the period / year
Amortised during the period / year
At the end of the period / year

(Un-audited) September 30, 2017	(Audited) December 31, 2016
----- Rupees '000 -----	
-	27,691
-	56,562
-	(46,966)
-	37,287

Deposits

At beginning of the period / year
Deposits during the period / year
Withdrawals during the period / year
At the end of the period / year

36,199	* 878,909
7,516,011	16,639,616
(7,524,284)	(17,122,864)
27,926	395,661

Payable on deposits
Receivable on financing
Contingencies and Commitments

41	4,259
5,267	10,118
24	-

(Un-audited) Nine months ended September 30, 2017	(Un-audited) Nine months ended September 30, 2016
---	---

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

Transactions, income and expenses

Profit earned on financing
Return on deposits expensed
Administrative expense
Other Income

46,739	25,663
588	46,723
240	-
152	-

(Un-audited) September 30, 2017	(Audited) December 31, 2016
---------------------------------------	-----------------------------------

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

Key management personnel / Directors

Islamic financing and related assets

At beginning of the period / year
Disbursed during the period / year
Repayments during the period / year
At the end of the period / year

218,777	* 217,412
24,969	30,375
(38,147)	(52,557)
205,599	195,230

Deposits

At beginning of the period / year
Deposits during the period / year
Withdrawals during the period / year
At the end of the period / year

27,860	* 19,079
177,904	285,149
(171,675)	(271,132)
34,089	33,096

Payable on deposits

13	9
----	---

* Balances pertaining to parties that were related at the beginning of the period but ceased to be related during any part of the current period are not reflected as part of the opening balance of the current period, and parties became related parties during the period have been added in opening balances.



Transactions, income and expenses

Profit earned on financing	6,436	6,006
Return on deposits expensed	86	165
Remuneration	105,758	95,640
Proceeds on disposal of operating fixed assets	5	-
Gain on sale of operating fixed assets	5	-
Administrative expenses	6,324	-

(Un-audited)	(Un-audited)
Nine months ended	Nine months ended
September	September
30, 2017	30, 2016
----- Rupees '000 -----	

Other related parties

Islamic financing and related assets

At beginning of the period / year	76,022	-
Disbursed during the period / year	295,947	-
Repayments during the period / year	(6,250)	-
At the end of the period / year	365,719	-

Deposits

At beginning of the period / year	721,914	648,644
Deposits during the period / year	3,210,019	1,010,654
Withdrawals during the period / year	(3,094,467)	(907,581)
At the end of the period / year	837,466	751,717

Payable on deposits	109	93
Contingencies and Commitments	534,811	-

(Un-audited)	(Un-audited)
Nine months ended	Nine months ended
September	September
30, 2017	30, 2016
----- Rupees '000 -----	

Transactions, income and expenses

Profit earned on financing	7,457	-
Return on deposits expensed	30,639	4,859
Administrative expenses	-	8,426

Employee benefit plans

Contribution to employees gratuity fund	-	50,389
---	---	--------

Charge for defined benefit plan	51,834	50,389
---------------------------------	--------	--------

Contribution to employees provident fund	65,067	55,041
--	--------	--------

* Balances pertaining to parties that were related at the beginning of the period but ceased to be related during any part of the current period are not reflected as part of the opening balance of the current period, and parties became related parties during the period have been added in opening balances.

26 GENERAL

Captions, as prescribed by BSD Circular No. 04 of 2006 dated February 17, 2006 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these condensed interim unconsolidated financial statements, except for captions of the Statement of Financial Position and Profit and Loss Account.

The figures in the condensed interim unconsolidated financial statements have been rounded off to the nearest thousand rupee.

26.1 Corresponding figures

Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparisons. There were no significant reclassifications during the period except as disclosed below.

		Quarter ended September 30, 2017	Nine months ended September 30, 2017
Reclassified from	Reclassified to	Rupees in '000	
Fee, commission and brokerage income	Administrative expenses	-	89,817

		Quarter ended September 30, 2016	Nine months ended September 30, 2016
Reclassified from	Reclassified to	Rupees in '000	
Other income	Administrative expenses	6,364	18,053

27 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial information were authorised for issue on October 25, 2017 by the Board of Directors of the Bank.



Condensed Interim
Consolidated Financial Statements
of
BankIslami Pakistan Limited
For the Quarter and Nine Months Period Ended

Directors' Report

On behalf of the Board, I am pleased to present the Consolidated Results of the Group for the nine months period ended September 30, 2017. Following are the highlights:

	Sep-17	Sep-16	Growth (%)
	-----Rupees in 'millions'-----		
Total Deposits	164,741	154,516	6.62%
Total Assets - net	190,882	193,616	-1.41%
Total Financing and related assets-net	105,139	81,287	29.34%
Total Investments-net	41,549	72,244	-42.49%
Shareholder's Equity	12,794	12,626	1.33%
Profit After Tax	216	651	-66.82%
Branches network-Number	322	317	1.58%

Our Group performance remained satisfactory. The Group has been able to post growth in its Financings by 29.34% and Total Deposits by 6.62%.

We would like to place on record its deep appreciation to the State Bank of Pakistan and Securities and Exchange Commission of Pakistan for their continued support, guidance. Also, we would like to show our gratitude to the employees of Group for their contribution towards the Group's progress through their hard work and commitment.

On behalf of the Board,

Hasan A. Bilgrami
Chief Executive Officer
October 25, 2017



ڈائریکٹرز کی جامع رپورٹ

میں بورڈ کی جانب سے 30 ستمبر، 2017 کو اختتام پذیر ہونے والی نو ماہی کے گروپ کے نتائج پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔ اس کے اہم نکات درج ذیل ہیں۔

نمو (فیصد)	ستمبر-2016ء	ستمبر-2017ء	
----- روپے بلین میں -----			
6.62%	154,516	164,741	کل ڈپازٹ
-1.41%	193,616	190,882	کل اثاثے
29.34%	81,287	105,139	کل تمویل - خالص
-42.49%	72,244	41,549	کل سرمایہ کاری - خالص
1.33%	12,626	12,794	حصہ داران کی سرمایہ کاری
-66.82%	651	216	بعد از ٹیکس نفع
1.58%	317	322	شاخص

ہمارے گروپ کی کارکردگی قابل اطمینان رہی۔ مجموعی طور پر گروپ 29.34% تمویل میں، اور 6.62% ڈپازٹ میں بالترتیب اضافہ کرنے میں کامیاب ہوا۔

ہم اسٹیٹ بینک آف پاکستان (SBP) اور سیکورٹی اینڈ ایکسچین کمیشن آف پاکستان (SECP) کی مسلسل مدد اور رہنمائی پر اپنی انتہائی تحسین کو ریکارڈ کا حصہ بنانا چاہتے ہیں۔ ہم اپنے گروپ کے ملازمین کی گروپ کی کارکردگی میں اپنی وابستگی، اور محنت کے ذریعے حصہ ڈالنے پر شکریہ ادا کرتے ہیں۔ منجانب بورڈ،

حسن اے بلگرامی

افسر اعلیٰ

اکتوبر ۲۵، ۲۰۱۷ء

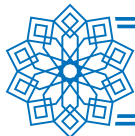
BankIslami Pakistan Limited

Condensed Interim Consolidated Statement of Financial Position

AS AT SEPTEMBER 30, 2017

	(Un-audited) September 30. 2017	(Audited) December 31. 2016
	Rupees in '000 -----	
ASSETS		
Cash and balances with treasury banks	9,819,920	8,921,433
Balances with other banks	1,813,324	1,324,167
Due from financial institutions - net	13,285,461	27,218,665
Investments - net	41,549,056	46,643,174
Islamic financing and related assets and Advances (net)	105,139,244	77,667,276
Operating fixed assets	9,235,483	9,412,129
Deferred tax assets - net	6,100,731	5,820,956
Other assets - net	3,938,961	4,985,840
	<u>190,882,180</u>	<u>181,993,640</u>
LIABILITIES		
Bills payable	2,254,305	2,273,934
Due to financial institutions	5,464,169	6,066,307
Deposits and other accounts	164,741,038	153,826,348
Sub-ordinated loans	-	-
Deferred tax liabilities	-	-
Other liabilities	5,628,416	6,760,717
	<u>178,087,928</u>	<u>168,927,306</u>
NET ASSETS	<u>12,794,252</u>	<u>13,066,334</u>
REPRESENTED BY:		
Share capital	10,079,121	10,079,121
Discount on Issue of shares	(79,042)	(79,042)
Reserves	613,636	613,636
Unappropriated profit	729,497	518,942
Total equity attributable to equity holders of the Bank	<u>11,343,212</u>	<u>11,132,657</u>
Non-controlling interest	208,231	192,350
	<u>11,551,443</u>	<u>11,325,007</u>
Surplus on revaluation of assets - net of tax	1,242,809	1,741,327
	<u>12,794,252</u>	<u>13,066,334</u>

The annexed notes 1 to 7 form an integral part of this condensed interim consolidated financial information.



BankIslami Pakistan Limited

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Quarter ended September 30, 2017	Nine months ended September 30, 2017	Quarter ended September 30, 2016	Nine months ended September 30, 2016
Rupees in '000				
Profit / return earned	2,594,563	7,644,995	2,669,591	7,603,580
Profit / return expensed	1,304,568	3,883,495	1,494,937	4,342,312
Net spread earned	1,289,995	3,761,500	1,174,654	3,261,268
Reversal of provision against non-performing Islamic financing and related assets - net	(385,523)	(474,899)	(421,561)	(1,347,709)
Provision / (reversal of provision) for diminution in the value of investments and placements - net	7,864	105,343	(118,465)	(350,809)
Bad debts written off directly	-	-	-	523
Net spread after provisions	1,667,654	4,131,056	1,714,680	4,959,263
OTHER INCOME				
Fee, commission and brokerage income	149,858	471,296	111,499	327,957
Dividend Income	656	1,045	468	468
Income from dealing in foreign currencies	31,396	62,251	11,461	37,424
Gain on sale of securities	17,051	63,583	23,675	60,671
Unrealised loss on revaluation of investments classified as 'held for trading'	(2,381)	(1,327)	-	-
Other income	12,793	43,653	(20,422)	35,576
Total other income	209,373	640,501	126,681	462,096
	1,877,027	4,771,557	1,841,361	5,421,359
OTHER EXPENSES				
Administrative expenses	1,601,926	4,701,457	1,493,683	4,425,564
Other (reversals) / charges - net	-	(131,652)	-	68
Other charges	-	21,623	8,645	21,304
Total other expenses	1,601,926	4,591,428	1,502,328	4,446,936
	275,101	180,129	339,033	974,423
(Loss) / profit for the period from BIPL Securities Limited - net of tax	(4,175)	69,518	4,313	(29,849)
Share of profit from associates	-	44,993	20,833	116,790
PROFIT BEFORE TAXATION	270,926	294,640	364,179	1,061,364
Taxation				
- Current	35,115	103,828	26,989	79,910
- Prior years	-	74	-	(20)
- Deferred	59,788	(25,141)	106,521	330,148
	94,903	78,761	133,510	410,038
PROFIT AFTER TAXATION	176,023	215,879	230,669	651,326
ATTRIBUTABLE TO:				
Equity shareholders of the Bank	176,990	199,998	225,037	654,087
Non-controlling interest	(967)	15,881	5,632	(2,761)
	176,023	215,879	230,669	651,326
Rupees				
Basic earnings per share	0.1756	0.1984	0.6394	0.6394
Diluted earnings per share	0.1756	0.1984	0.6394	0.6394

The annexed notes 1 to 7 form an integral part of this condensed interim consolidated financial information.

CHIEF FINANCIAL OFFICER PRESIDENT / CHIEF EXECUTIVE CHAIRMAN DIRECTOR DIRECTOR

BankIslami Pakistan Limited

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Quarter ended September 30, 2017	Nine months ended September 30, 2017	Quarter ended September 30, 2016	Nine months ended September 30, 2016
----- Rupees in '000 -----				
Profit after taxation for the period attributable to:				
Equity shareholders of the Bank	176,990	199,998	225,037	654,087
Non-controlling interest	(967)	15,881	5,632	(2,761)
	<u>176,023</u>	<u>215,879</u>	<u>230,669</u>	<u>651,326</u>
Other Comprehensive Income	-	-	-	-
Items that may not be reclassified to profit and loss account in subsequent periods				
Remeasurement of defined benefit plan	-	52	-	44
Tax on remeasurement of defined benefit plan	-	(16)	-	(14)
	-	36	-	30
Comprehensive income transferred to statement of changes in equity	<u>176,023</u>	<u>215,915</u>	<u>230,669</u>	<u>651,356</u>
Components of comprehensive (loss) / income not reflected in equity				
(Deficit) / surplus on revaluation of available for sale investments - net of tax				
Equity shareholders of the Bank	(374,285)	(479,870)	245,102	448,167
Non-controlling interest	(285)	(8,127)	(855)	(3,310)
	<u>(374,570)</u>	<u>(487,997)</u>	<u>244,247</u>	<u>444,857</u>
Total comprehensive (loss) / income for the period	<u><u>(198,547)</u></u>	<u><u>(272,082)</u></u>	<u><u>474,916</u></u>	<u><u>1,096,213</u></u>

The annexed notes 1 to 7 form an integral part of this condensed interim consolidated financial information.



BankIslami Pakistan Limited

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Nine months ended September 30, 2017	Nine months ended September 30, 2016
----- Rupees in '000 -----		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	294,640	1,061,364
Less: Dividend Income	(1,045)	(468)
Less: Share of profit from associates	(44,993)	(116,790)
	<u>248,602</u>	<u>944,106</u>
Adjustments for non-cash charges and other items:		
Depreciation on owned assets	525,734	465,557
Depreciation on non banking assets	4,975	4,861
Amortisation	46,616	31,340
Depreciation on operating Ijarah assets	1,049,622	895,379
Reversal of provision against non-performing Islamic financing and related assets - net	(474,899)	(1,347,709)
Provision / (reversal of provision) for diminution in the value of investments and placements - net	105,343	(350,809)
Other (reversals) / charges - net	(131,652)	68
Unrealised loss on revaluation of investments classified as held for trading	1,327	-
Charge for defined benefit plan	52,207	50,389
Gain on sale of property and equipment	(9,119)	(23,990)
	<u>1,170,154</u>	<u>(274,914)</u>
	<u>1,418,756</u>	<u>669,192</u>
(Increase) / decrease in operating assets		
Due from financial institutions	13,933,204	29,317,453
Islamic financing and related assets	(28,046,691)	(11,406,417)
Others assets (excluding defined benefit assets)	<u>1,002,747</u>	<u>(1,118,549)</u>
	<u>(13,110,740)</u>	<u>16,792,487</u>
Increase / (decrease) in operating liabilities		
Bills payable	(19,629)	76,529
Due to financial institutions	(602,138)	15,056,714
Deposits and other accounts	10,914,690	1,854,383
Other liabilities	<u>(958,741)</u>	<u>944,166</u>
	<u>9,334,182</u>	<u>17,931,792</u>
	<u>(2,357,802)</u>	<u>35,393,471</u>
Payments against defined benefit plan	-	(104,726)
Income tax paid	<u>(142,026)</u>	<u>(86,654)</u>
Net cash (used in) / generated from operating activities	<u>(2,499,828)</u>	<u>35,202,091</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities	4,273,012	(35,516,087)
Dividend received	1,045	468
Investments in operating fixed assets	(397,557)	(855,569)
Proceeds from disposal of operating fixed assets	<u>10,972</u>	<u>3,173</u>
Net cash generated from / (used in) investing activities	<u>3,887,472</u>	<u>(36,368,015)</u>
Increase / (decrease) in cash and cash equivalents	<u>1,387,644</u>	<u>(1,165,924)</u>
Cash and cash equivalents at the beginning of the period	<u>10,245,600</u>	<u>11,052,156</u>
Cash and cash equivalents at the end of the period	<u><u>11,633,244</u></u>	<u><u>9,886,232</u></u>

The annexed notes 1 to 7 form an integral part of this condensed interim consolidated financial information.

CHIEF FINANCIAL OFFICER PRESIDENT / CHIEF EXECUTIVE CHAIRMAN DIRECTOR DIRECTOR

BankIslami Pakistan Limited

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

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

	Attributable to equity shareholders of the Bank						Non - controlling Interest	Total
	Share capital	Discount on issue of shares	Statutory reserve	Reserve for bad debts & contingenci es	(Accumulate d loss) / Unappropri ated profit	Sub total		
	Rupees in '000							
Balance as at January 01, 2016	10,079,121	(79,042)	273,176	250,000	(57,295)	10,465,960	189,855	10,655,815
Profit / (loss) after taxation for the nine months period ended transferred from Statement of Comprehensive Income	-	-	-	-	654,087	654,087	(2,761)	651,326
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	7,933	7,933	-	7,933
Remeasurements of the net defined benefit liability / asset - net of tax	-	-	-	-	30	30	-	30
Balance as at September 30, 2016	10,079,121	(79,042)	273,176	250,000	604,755	11,128,010	187,094	11,315,104
(Loss) / profit after taxation for the quarter ended transferred from Statement of Comprehensive Income	-	-	-	-	(9,584)	(9,584)	5,256	(4,328)
Transfer to statutory reserve	-	-	90,460	-	(90,460)	-	-	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,448	2,448	-	2,448
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	168	168	-	168
Remeasurements of the net defined benefit liability / asset - net of tax	-	-	-	-	11,615	11,615	-	11,615
Balance as at December 31, 2016	10,079,121	(79,042)	363,636	250,000	518,942	11,132,657	192,350	11,325,007
Profit after taxation for the nine months period ended transferred from Statement of Comprehensive Income	-	-	-	-	199,998	199,998	15,881	215,879
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	10,320	10,320	-	10,320
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	201	201	-	201
Remeasurements of the net defined benefit liability / asset - net of tax	-	-	-	-	36	36	-	36
Balance as at September 30, 2017	10,079,121	(79,042)	363,636	250,000	729,497	11,343,212	208,231	11,551,443

The annexed notes 1 to 7 form an integral part of this condensed interim consolidated financial information.



BankIslami Pakistan Limited

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

1.1 BankIslami Pakistan Limited (Holding Company)

BankIslami Pakistan Limited (the Bank) was incorporated in Pakistan as a public limited company on October 18, 2004 under the repealed Companies Ordinance, 1984 to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah.

The State Bank of Pakistan granted a 'Scheduled Islamic Commercial Bank' license to the Bank on March 18, 2005. The Bank commenced its operations as a Scheduled Islamic Commercial Bank with effect from April 07, 2006, on receiving Certificate of Commencement of Business from the State Bank of Pakistan (SBP) under section 37 of the State Bank of Pakistan Act, 1956. The Bank is principally engaged in corporate, commercial, consumer, retail banking activities and investment activities.

The Bank is operating through 322 branches including 118 sub branches as at September 30, 2017 (2016: 321 branches including 118 sub branches). The registered office of the Bank is situated at 11th Floor, Dolmen City, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited).

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Bank's long-term rating as 'A+' and the short-term rating as 'A1'.

1.2 Subsidiary Companies

1.2.1 BankIslami Modaraba Investments Limited - 100 percent holding

The subsidiary company was incorporated in Pakistan on January 22, 1986 under the repealed Companies Ordinance, 1984 as a public limited company. Later on it was registered as a Modaraba Company with the Registrar of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The principal activity of the subsidiary company is to float and operate Modaraba. The subsidiary company is managing its Modaraba with the name of Modaraba-Al-Mali. The principal place of business of the subsidiary company is situated at 10th Floor, Progressive Square, Shahrah-e-Faisal, Karachi.

The financial statements of the subsidiary company have been consolidated on the basis of condensed interim financial information for the period ended September 30, 2017.

The financial statements of "Modaraba Al-Mali", a modaraba floated by the subsidiary company in which it has 13 percent holding, have not been consolidated although the Group has control over Modaraba Al-Mali by virtue of management rights. The management of the Group is of the view that consolidated financial statements are required to be prepared only for subsidiaries as defined in the repealed Companies Ordinance, 1984. "Modaraba Al-Mali" is a modaraba floated under the Modaraba Companies and Modaraba (floatation and control) Ordinance, 1980 and does not fall under the definition of subsidiary as defined under the repealed Companies Ordinance, 1984. Hence, the financial statements of "Modaraba Al-Mali" are not required to be consolidated in the Group's consolidated financial statements.

1.2.2 BIPL Securities Limited (Formerly KASB Securities Limited) - 77.12 percent holding

BIPL Securities Limited was incorporated in Pakistan on October 24, 2000 under the repealed Companies Ordinance, 1984 and commenced its operations effective January 01, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company Limited under a scheme of arrangement approved by the High Court of Sindh. The shares of the Company are listed on the Pakistan Stock Exchange Limited (PSX) (formerly Karachi Stock Exchange Limited). The registered office of the company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.

The Company is a TREC holder of the Pakistan Stock Exchange Limited (PSX) and Corporate member of Pakistan Mercantile Exchange Limited (PMEL) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in listed and unlisted equity and debt securities, economic research and advisory services.

1.2.3 My Solutions Corporation Limited - 100 percent holding

My Solutions Corporation Limited (the Company) was incorporated as a private limited company on November 05, 1995 and was converted into a public limited company on March 24, 2003. The Company is engaged in sale of IT equipment, providing internet connectivity and telecommunication services, networking services and electronic utility bill payment switch services (eUBS). Its registered office is situated at the 9th floor, Trade Centre, I.I Chundrigar Road, Karachi.

1.2.4 Structured Ventures (Private) Limited - 77.12 percent holding - (Sub subsidiary)

Structured Venture (Private) Limited was incorporated in Pakistan on June 25, 2010 under the repealed Companies Ordinance, 1984. The registered office of the company is situated at 5th floor, Trade Centre, I. I. Chundrigar Road, Karachi. The company is a wholly owned subsidiary of BIPL Securities Limited. The ultimate parent company is BankIslami Pakistan Limited.



2 BASIS OF PRESENTATION

- 2.1** The Group provides financing mainly through Murabahah, Ijarah, Istisna, Diminishing Musharakah, Muswammah and other Islamic modes of financing.

The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of profit thereon. The income on such financing is recognised in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognised as charity payable as directed by the Shariah Advisor of the holding company.

2.2 Basis of Consolidation

This condensed interim consolidated financial information incorporate the financial statements of the Bank and the financial statements of subsidiary companies from the date that control of the subsidiary by the Group commences until the date that control ceases. The financial statements of the subsidiary companies are incorporated on a line-by-line basis (except the profit and loss account of BIPL Securities Limited which is disclosed as a single line item in this condensed interim consolidated Profit and Loss account as per letter No. BPRD(R&P-02)/625-112/2017/4911 dated February 27, 2017, see note 2.2.1) and the investment held by the Bank is eliminated against the corresponding share capital of subsidiaries in this condensed interim consolidated financial information.

The financial statements of subsidiaries are prepared for the same reporting period as the Holding Company, using accounting policies that are generally consistent with those of the Holding Company, except for non-banking subsidiaries in Pakistan which follow the requirements of International Accounting Standard (IAS) 39, Financial Instruments Recognition and Measurement, IAS 40, Investment Property and IFRS - 7, Financial Instruments: Disclosures, which are required to comply with local regulations enforced within the respective jurisdictions.

Material intra-group balances and transactions are eliminated.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control established by contractual agreement. Associates and joint ventures are accounted for using the equity method.

- 2.2.1** The SBP vide its letter No. BPRD(R&P-02)/625-112/2017/4911 dated February 27, 2017, has allowed the Group to disclose financial results (net) of BIPL Securities Limited (formerly KASB Securities Limited) as a single line item in the Consolidated Profit and Loss account as majority of the operations of BIPL Securities Limited are of conventional nature and line by line consolidation would result in non-compliance of Shariah requirements.

3 STATEMENT OF COMPLIANCE

- 3.1** This condensed interim consolidated financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, and the directives issued by the SECP and the SBP. Wherever the requirements of the provisions and directives issued under the repealed Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, the IFAS notified under the repealed Companies Ordinances, 1984 and the directives issued by the SECP and the SBP differ from the requirements of IFRS, the provisions of and the directives issued under the repealed Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, IFAS notified under the repealed Companies Ordinance, 1984 and the directives issued by the SECP and the SBP shall prevail.
- 3.2** The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. However, as allowed by the SECP vide its Circular No. 23 of 2017 dated October 04, 2017, this condensed interim consolidated financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 3.3** The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by SBP vide BSD Circular Letter No. 2 dated 12 May 2004 and International Accounting Standard (IAS) 34, "Interim Financial Reporting". They do not include all the disclosures required for annual consolidated financial statements, and these condensed interim consolidated financial statements should be read in conjunction with consolidated financial statements of the Bank for the year ended December 31, 2016.
- 3.4 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year:**

There are certain new and amended standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 1, 2017 but are considered not to be relevant or do not have any significant effect on the Group's operations and therefore not detailed in this condensed interim consolidated financial information.



4 BASIS OF MEASUREMENT

4.1 Accounting convention

This condensed interim consolidated financial information has been prepared under the historical cost convention, except that certain fixed assets, certain investments, foreign currency balances and commitments in respect of foreign exchange contracts have been marked to market and are carried at fair value. Further, staff retirement benefits have been carried at present values as determined under the International Accounting Standards (IAS) 19 (revised) 'Employee Benefits'.

4.2 Functional and Presentation Currency

This condensed interim consolidated financial information is presented in Pakistani Rupees, which is the Group's functional and presentation currency.

4.3 Rounding off

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

4.4 Critical accounting estimates and judgments

The basis and the methods used for critical accounting estimates and judgements adopted in this condensed interim consolidated financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended December 31, 2016.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of in this condensed interim consolidated financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended December 31, 2016, except as described below:

5.1 New / Revised Standards, Interpretations and Amendments

The Bank has adopted the following standards and amendment to IFRSs which became effective for the current period:

Standard or Interpretation

- IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)
- IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim consolidated financial statements.

6 Corresponding figures

Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparisons. There were no significant reclassifications during the period except as disclosed below.

		Quarter ended September 30, 2017	Nine months ended September 30, 2017
Reclassified from	Reclassified to	Rupees in '000	
Fee, commission and brokerage income	Administrative expenses	-	89,817

		Quarter ended September 30, 2016	Nine months ended September 30, 2016
Reclassified from	Reclassified to	Rupees in '000	
Other income	Administrative expenses	6,364	18,053

7 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue on October 25, 2017 by the Board of Directors of the Holding Company.

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