



A watercolor illustration featuring a bamboo flute (fue) on the left, with stylized musical notes and abstract shapes in various colors (red, orange, yellow, green, blue) scattered across the background.

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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 Yakoob	
Mr. Siraj Ahmed Dadabhoy	

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 Yakoob	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

IT Committee

Mr. Hasan A Bilgrami	Chairman
Mr. Noman Yakoob	Member
Mr. Ali Mohamad Hussain Ali Mohamad Alshamali	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

Legal Adviser

1- Haidermota & Co.
Barrister at Law

2- Mohsin Tayebaly & Co.
Corporate Legal Consultants / Barristers & Advocates
High Courts & Supreme Court

Management (in alphabetical order)

Ahmad Mobeen Malik
Bilal Zuberi
Fakhir Ahmad
Farooq Anwar
Hasan A. Bilgrami
Kashif Nisar
Khawaja Ehrar ul Hassan
Mahmood Rashid
Masood Muhammad Khan
Muhammad Asadullah Chaudhry
Rehan Shuja Zaidi
Saad Ahmed Madani
Sadaruddin Pyar Ali
Sohail Sikandar
Syed Akhtar Ausaf
Syed Ata Hussain Jaffri
Syed Muhammad Aamir Shamim

Regional General Manager
Regional General Manager
Head, Human Resources
Head, Operations
Chief Executive Officer
Head, Shariah Advisory & Structuring
Company Secretary & Head of Legal
Head, Government Relations & Security
Head, Compliance
Head, Service Quality & Phone Banking
Head, Internal Audit
Head, Corporate Banking
Head, Administration & General Services
Chief Financial Officer
Head, Risk Management
Head, Information System
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

Monday to Thursday:
Friday
Saturday

9:00 am to 7:00 pm
9:00 am to 12:30 pm and 2:30 pm to 7:00 pm
9:00am to 1:00 pm

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 first quarter ended March 31, 2018. The following are the key financial highlights of the quarter:

	Mar-18	Mar-17	Growth (%)
-----Rupees in millions-----			
Total Deposits	173,882	159,110	9.28%
Total Assets	206,475	188,058	9.79%
Total Financing and related assets-net	121,712	99,319	22.55%
Total Investments-net	44,558	44,615	-0.13%
Shareholder's Equity	13,463	12,304	9.42%
Profit After Tax	39	66	-40.91%
Basic Earnings/(Loss) per share - Rupees	0.0388	0.0652	-40.49%
Branch network - Number	330	322	2.48%

Financial Highlights

Total Assets of the Bank grew by 9.79% compared to 3.50% in the same period last year. The increase was driven by healthy growth in the overall financing portfolio of the Bank mainly consumer financing. Auto & Housing financing portfolios, the main consumer financing products of the Bank, grew by 41.59% & 37.64% respectively increasing the share of consumer financing in total financing to 17.33% from 12.00% as compared with first quarter of 2017 (1Q17).

On the other hand, the Deposits of the Bank stood at Rs. 173.8bn, resulting in Financing (Advances) to Deposit ('ADR') ratio increasing to 70.00% from 62.42% in 1Q17. The Current and Saving Accounts ('CASA') mix also improved from 75.00% in 1Q17 to 76.63%. Overall, the Deposit growth rate was 9.28% over 1Q17.

This quarter the Bank is reporting profit before tax for the first time after amalgamation with defunct KASB Bank. Post amalgamation, BankIslami had been burdened with expenses of the defunct KASB Bank without corresponding increase in the revenues. With continuous efforts of the management and the support of our customers, the operating performance is improving gradually. The Bank has been able to report profit after tax of Rs. 39.8mn in this quarter. *Alhamdulillah.*

Litigations

The Bank is pleased to inform you that a two member bench of the Honorable Sindh High Court has *disposed off* and *rejected* petitions of certain minority and majority shareholders of defunct KASB Bank regarding regulatory merger with BankIslami Pakistan Limited. The Court has directed the State Bank of Pakistan to review the valuation of defunct KASB Bank again and if any material deviation is found, the shareholders of defunct KASB Bank would be compensated without any cost and liability to BankIslami.

In yet another development, the Honorable Sindh High Court *dismissed* an application from majority shareholders of the defunct KASB Bank in which they had asked for BankIslami to deposit Rs. 981.4mn with the Court as according to them Advance against future issue of rights shares appearing in Equity portion of Balance Sheet of the defunct KASB Bank was actually a liability.

Achievements:

The Bank introduced partial equity payment option for its auto financing product. This option gives customers the flexibility to make equity payment in tranches once at the time of vehicle booking and the remainder at the time of delivery.

New products such as Bike financing and Business finance are expected to be launched in the upcoming quarters by the Bank to augment its consumer financing portfolio.

Thumb pay, the biometric payment solution, developed in-house by the Bank has been successfully rolled-out with merchants such as Cotton & Cotton etc.

As the part of succession planning at the Bank, I am pleased to inform you that Syed Amir Ali has joined the Bank as Deputy CEO on April 18th and would take over the position of CEO on October 1st, 2018. We welcome him on board and look forward to BankIslami scaling new heights under his leadership. *InShaAllah.*

The Board would like to place on record its deep appreciation to 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 express our gratitude to our valued customers, business partners and shareholders for their continued patronage and trust. Moreover, we would also like to acknowledge the dedication, commitment and hard work put in by our management team and employees that has enabled BankIslami to achieve a respectable 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
April 28, 2018

Ali Hussain
Chairman Board of Directors

ڈائریکٹرز کی رپورٹ

معزز حاملین حصص:

میں بورڈ کی جانب سے 1 مارچ، 2018 کو اختتام پذیر ہونے والی 2018 کی پہلی سہ ماہی کے بینک کے نتائج پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔ اس کے اہم نکات درج ذیل ہیں۔

مارچ - 18	مارچ - 17	تحو (فیصد)
----- روپے ملین میں -----		
کل ڈپازٹ	173,882	159,110
کل اثاثے	206,475	188,058
کل تمویل اور متعلقہ اثاثے - صافی	121,712	99,319
کل سرمایہ کاری - صافی	44,558	44,615
حصہ داران کی سرمایہ کاری	13,463	12,304
بعد از ٹیکس نفع / نقصان	39	66
فی حصہ بنیادی آمدنی / نقصان - روپوں میں	0.0388	0.0652
شٹائیٹس	330	322
		2.48%

پچھلے سال پہلی سہ ماہی میں 3.50% کے مقابلے میں مجموعی اثاثے کے حجم میں اضافے کی شرح 9.79% رہی ہے۔ یہ اضافہ بینک کے مجموعی تمویلی مجموعے بالخصوص صارفین کے تمویلی مجموعے میں اضافے کے باعث ہوا۔ گاڑیوں اور گھر کی فائینانس کے مجموعے جو کہ بینک کے صارفین کے تمویلی مجموعے میں اہم ہیں بڑھ کر کل تمویل کا بالترتیب 4.159% اور 37.64% ہو گئے جس سے صارفین کی تمویل میں اضافے کی شرح میں اضافہ گزشتہ سال کی پہلی سہ ماہی میں 12.00% اضافے کے مقابلے میں 17.33% ہوا ہے۔ دوسری جانب بینک کے ڈپازٹ 173.8 ملین تک پہنچ گئے جس سے تمویل سے ڈپازٹ کی شرح ('ADR') گزشتہ سال پہلی سہ ماہی میں 62.42% کے مقابلے میں 70.00% رہی ہے۔ کرنٹ اور سیونگ اکاؤنٹ کے مجموعہ ('CASA') بھی گزشتہ سال پہلی سہ ماہی میں 75.00% کے مقابلے میں بہتر ہو کر 2018 کی پہلی سہ ماہی میں 76.63% ہو گیا ہے۔ مجموعی طور پر ڈپازٹ میں اضافے کی شرح گزشتہ سال پہلی سہ ماہی کے مقابلے میں 9.28% رہی ہے۔

اس سہ ماہی میں بینک کا اہم KASB بینک کے انضمام کے بعد پہلی مرتبہ قبل از ٹیکس نفع کم رہا ہے۔ انضمام کے بعد اخراجات کے مقابلے میں وصولیوں میں اضافے کے بغیر لاگتوں میں اضافہ ہو گیا تھا۔ انتظامیہ کی مسلسل محنت اور صارفین کے تعاون کے نتیجے میں، بینک کی کارکردگی آہستہ آہستہ بہتر ہوتی چلی گئی۔ بینک اس قابل ہوا کہ 2018 کی پہلی سہ ماہی میں بعد از ٹیکس 39.8 ملین کا نفع کا اعلان کرتا ہے۔ الحمد للہ

قانونی مقدمات:

بینک یہ بات تانے میں خوش محسوس کر رہا ہے کہ قابل احترام سندھ ہائی کورٹ کے دور کی فیصلہ نے KASB بینک کے بینک اسلامی کے ساتھ قانونی انضمام کے خلاف اہم KASB بینک کے برے چھوٹے حصہ داران کی جانب سے دائر کردہ چیلنج خارج کر دیں۔ کورٹ نے ہدایت کی ہے کہ اسٹیٹ بینک آف پاکستان کا اہم KASB بینک کی دوبارہ قیمت لگوائے اور اگر بڑا فرق پایا جائے تو اہم KASB بینک کے حصہ داران کو بینک اسلامی پر کسی بھی قسم کی ذمہ داری ڈالنے بغیر اس کی تلافی کی جائے۔

اس حوالے سے ایک اور قابل ذکر بات یہ ہے کہ قابل احترام سندھ ہائی کورٹ نے اہم KASB بینک کے بڑے حصہ داران میں سے ایک کی درخواست خارج کر دی جس میں انہوں نے بینک اسلامی پر دعویٰ کیا تھا کہ بینک اسلامی 981.4 ملین کورٹ میں جمع کروائے کیوں کہ مستقبل میں جاری ہونے والے رائٹ شیئر کے مقابلے میں ادھار کا اہم KASB بینک کے بینکس شیٹ کے حصہ داران کی سرمایہ کاری میں نظر آ رہا ہے درحقیقت یہ ایک کا اہم KASB بینک کی ذمہ داری ہے۔

کامیابیاں:

بینک نے اپنے صارفین کے لیے جرمی حصہ دینے کے آپشن کو متعارف کروایا۔ یہ صارفین کو اختیار دیتا ہے کہ وہ گاڑی میں اپنا حصہ قسطوں میں ادا کر سکتے ہیں ایک قسط گاڑی کی بینک کے موقع پر اور باقی گاڑی کی سہرنگی کے وقت ادا کیا جاسکتا ہے۔

نئی پروڈکٹ جیسے بائیک فائینانس اور برنس فائینانس اگلی سرمایہ میں متعارف ہو کر صارفین کے توجہ ملی مجموعے کا حصہ بننے کی توقع ہے۔

تھب پے، بائیو میٹرک ادائیگی کی سہولت، بینک کی اپنی بنائی ہوئی پروڈکٹ ہے اب کامیابی کے ساتھ تازوں جیسے کاشن اینڈ کاشن کفر اہم کی جاری ہے۔

میں اس بات کو بتاتے ہوئے خوشی محسوس کر رہا ہوں کہ بینک کے جانشینی کے منصوبے پر عمل پیرا ہوتے ہوئے سید عامر علی نے 18 اپریل 2018 سے نائب افرامی کی حیثیت سے بینک سے

منسلک ہو گئے ہیں اور یکم اکتوبر 2018 سے افرامی کے عہدہ سنبھال لیں گے۔ ہم انہیں خوش آمدید کہتے ہیں اور ان کی سربراہی میں بینک اسلامی کے لیے نئی بلندیوں کی توقع رکھتے ہیں۔

بورڈ اسٹیٹ بینک آف پاکستان کی مسلسل مدد اور رہنمائی پر اپنی انتہائی تحسین و ریکارڈ کا حصہ بنانا چاہتا ہے۔ اس کے ساتھ ساتھ سیکورٹی ایچ جیج کمیشن 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 شکر گزار 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 قابل ذکر

مقام حاصل کرنے کے قابل ہوا۔ الحمد للہ

بورڈ کی جانب سے

علی حسین

چیرمین، بورڈ آف ڈائریکٹر

حسن اسے بلگرامی

افرامی

اپریل 28، 2018ء

BankIslami Pakistan Limited

Condensed Interim Unconsolidated Statement of Financial Position

AS AT MARCH 31, 2018

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
----- Rupees in '000 -----			
ASSETS			
Cash and balances with treasury banks	6	12,518,315	11,784,180
Balances with other banks	7	1,036,533	801,807
Due from financial institutions - net	8	5,494,129	21,371,787
Investments - net	9	44,558,326	42,092,166
Islamic financing, related assets and Advances - net	10	121,712,484	119,155,039
Operating fixed assets	11	9,012,656	9,072,487
Deferred tax assets	12	7,855,476	7,701,906
Other assets - net		4,214,227	4,185,773
		206,402,146	216,165,145
LIABILITIES			
Bills payable		2,593,274	2,988,996
Due to financial institutions	13	11,679,264	15,570,390
Deposits and other accounts	14	173,881,755	179,249,290
Sub-ordinated loans		-	-
Deferred tax liabilities		-	-
Other liabilities		4,785,021	4,680,000
		192,939,314	202,488,676
NET ASSETS		13,462,832	13,676,469
REPRESENTED BY			
Share capital	15	10,079,121	10,079,121
Discount on issue of shares		(79,042)	(79,042)
Reserves	16	926,266	926,266
Unappropriated profit		1,515,256	1,473,784
		12,441,601	12,400,129
Surplus on revaluation of assets - net of tax	17	1,021,231	1,276,340
		13,462,832	13,676,469
CONTINGENCIES AND COMMITMENTS	18		

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

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
PRESIDENT /
CHIEF EXECUTIVE

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

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

FOR THE QUARTER ENDED MARCH 31, 2018

	Note	March 31, 2018	March 31, 2017
		Rupees in '000	
Profit / return earned	19	2,856,609	2,480,247
Profit / return expensed		1,501,479	1,310,371
Net spread earned		1,355,130	1,169,876
Provision / (reversal of provision) against non-performing Islamic financing and related assets and advances - net	10.13.2	26,284	(84,430)
(Reversal of provision) / provision for diminution in the value of investments and placements - net		(96,272)	178
Bad debts written off directly		-	-
		(69,988)	(84,252)
Net spread after provisions		1,425,118	1,254,128
OTHER INCOME			
Fee, commission and brokerage income		170,564	210,002
Dividend Income		-	-
Income from dealing in foreign currencies		30,548	15,116
(Loss) / gain on sale of securities		(37,052)	11,428
Unrealised gain on revaluation of investments classified as held for trading		845	2,095
Other income		31,882	13,665
Total other income		196,787	252,306
		1,621,905	1,506,434
OTHER EXPENSES			
Administrative expenses		1,562,034	1,534,619
Other reversals - net		-	(131,652)
Other charges		50	2,084
Total other expenses		1,562,084	1,405,051
		59,821	101,383
Extraordinary / unusual items		-	-
PROFIT BEFORE TAXATION		59,821	101,383
Taxation			
- Current		38,620	27,330
- Prior year		-	-
- Deferred		(17,630)	8,318
		20,990	35,648
PROFIT AFTER TAXATION		38,831	65,735
		Rupees	
Basic earnings per share	20	0.0385	0.0652
Diluted earnings per share	20	0.0385	0.0652

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

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
PRESIDENT /
CHIEF EXECUTIVE

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

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

FOR THE QUARTER ENDED MARCH 31, 2018

	March 31, 2018	March 31, 2017
	----- Rupees in '000 -----	
Profit after taxation for the period	38,831	65,735
Other Comprehensive Income	-	-
Comprehensive income transferred to statement of changes in equity	<u>38,831</u>	<u>65,735</u>
Components of comprehensive (loss) / income not reflected in equity		
Deficit on revaluation of available for sale investments	(388,409)	(317,986)
Related deferred tax asset	135,941	111,294
	(252,468)	(206,692)
Total comprehensive loss for the period	<u>(213,637)</u>	<u>(140,957)</u>

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

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
PRESIDENT /
CHIEF EXECUTIVE

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

FOR THE QUARTER ENDED MARCH 31, 2018

	Note	March 31, 2018	March 31, 2017
		----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		59,821	101,383
Less: Dividend Income		-	-
		59,821	101,383
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets		167,239	162,565
Depreciation on non banking assets		1,658	1,658
Amortisation		14,992	14,917
Depreciation on operating Ijarah assets		321,975	364,455
Provision / (reversal of provision) against			
non-performing Islamic financing and related assets - net	10.13.2	26,284	(84,430)
(Reversal of provision) / provision for diminution in the			
value of investments and placements - net		(96,272)	178
Other reversals - net		-	(131,652)
Unrealised loss/gain on revaluation of investments classified as			
held for trading		(845)	(2,095)
Charge for defined benefit plan		19,101	17,094
Gain on sale of property and equipment		(3,121)	(4,452)
		451,011	338,238
		510,832	439,621
(Increase) / decrease in operating assets			
Due from financial institutions		15,877,658	10,429,910
Islamic financing and related assets and advances		(2,905,704)	(21,782,643)
Others assets (excluding defined benefit assets)		(166,052)	490,863
		12,805,902	(10,861,870)
Increase / (decrease) in operating liabilities			
Bills payable		(395,722)	186,879
Due to financial institutions		(3,891,126)	2,963,449
Deposits and other accounts		(5,367,535)	4,709,902
Other liabilities (excluding current taxation and unrealised loss		87,941	(338,768)
on forward sale promises)		(9,566,442)	7,521,462
		3,750,292	(2,900,787)
Payments against defined benefit plan		-	-
Income tax paid		(40,641)	(31,486)
Net cash generated from / (used in) operating activities		3,709,651	(2,932,273)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities		(2,621,511)	1,340,779
Investments in operating fixed assets		(123,023)	(146,911)
Proceeds from disposal of operating fixed assets		3,744	5,120
Net cash (used in) / generated from investing activities		(2,740,790)	1,198,988
Increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		12,585,987	10,061,583
Cash and cash equivalents at the end of the period	21	13,554,848	8,328,298

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

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
PRESIDENT /
CHIEF EXECUTIVE

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2018

	Share capital	Discount on issue of shares	Statutory reserve	Reserve for bad debts & contingencies	Unappropriated profit	Total
Rupees in '000						
Balance as at January 01, 2017	10,079,121	(79,042)	363,636	250,000	212,553	10,826,268
Profit after taxation for the quarter ended March 31, 2017	-	-	-	-	65,735	65,735
Other comprehensive income for the quarter ended March 31, 2017	-	-	-	-	-	-
Total comprehensive income for the quarter ended March 31, 2017	-	-	-	-	65,735	65,735
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,564	2,564
Transfer from surplus on revaluation of non banking assets - net of tax	-	-	-	-	67	67
Balance as at March 31, 2017	10,079,121	(79,042)	363,636	250,000	280,919	10,894,634
Profit after taxation for the period from April 1, 2017 to December 31, 2017	-	-	-	-	1,497,414	1,497,414
Other comprehensive income for the period from April 1, 2017 to December 31, 2017	-	-	-	-	44	44
Total comprehensive income for the period from April 1, 2017 to December 31, 2017	-	-	-	-	1,497,458	1,497,458
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	7,834	7,834
Transfer from surplus on revaluation of non banking assets - net of tax	-	-	-	-	203	203
Transfer to statutory reserve	-	-	312,630	-	(312,630)	-
Balance as at December 31, 2017	10,079,121	(79,042)	676,266	250,000	1,473,784	12,400,129
Profit after taxation for the quarter ended March 31, 2018	-	-	-	-	38,831	38,831
Other comprehensive income for the quarter ended March 31, 2018	-	-	-	-	-	-
Total comprehensive income for the quarter ended March 31, 2018	-	-	-	-	38,831	38,831
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,564	2,564
Transfer from surplus on revaluation of non banking assets - net of tax	-	-	-	-	77	77
Balance as at March 31, 2018	10,079,121	(79,042)	676,266	250,000	1,515,256	12,441,601

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

-Sd-
CHIEF FINANCIAL
OFFICER-Sd-
PRESIDENT /
CHIEF EXECUTIVE-Sd-
CHAIRMAN-Sd-
DIRECTOR-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2018

1 STATUS AND NATURE OF BUSINESS

- 1.1 BankIslami Pakistan Limited (the Bank) was incorporated in Pakistan on October 18, 2004 as a public limited company 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 330 branches including 112 sub branches as at March 31, 2018 (December 31, 2017: 330 branches including 112 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.

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 this condensed interim unconsolidated financial information 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 and associates 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 accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of such International Financial Reporting Standards IFRS issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017, provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Act, 2017 and directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP). Whenever the requirements of the Banking Companies Ordinance, 1962, Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.
- 3.2** The disclosures made in this condensed interim unconsolidated financial information 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, 2017.

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, 2017.

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, 2017, except as described below:

5.1 New / Revised Standards, Interpretations and Amendments

The Bank has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current period:

Standard or Interpretation

- IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)
- IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments and improvements to accounting standards did not have any effect on this condensed interim unconsolidated financial information.

5.2 Change in Accounting Policy

Section 235 of the repealed Companies Ordinance, 1984 (the repealed Ordinance), specified the accounting treatment for the surplus on revaluation on fixed assets, which differed from the requirement of IFRS, accordingly, the Bank accounted for the surplus / deficit on revaluation in respect of owned properties and non-banking assets acquired in satisfaction of claims on aggregate basis. During the year 2017, the Companies Ordinance, 1984 was replaced by enactment of the Companies Act, 2017 (the Act), in which the section 235 of the repealed Ordinance has not been carried forward. Therefore, in the absence of any specific provisions in the Act relating to the accounting treatment for the surplus on revaluation on fixed assets, the accounting treatment has been changed in line with the requirements of IFRS. Accordingly, from the current year, surplus/deficit arising on revaluation of owned property and non-banking assets acquired in satisfaction of claims is accounted for at individual asset level.

The above change in accounting policy did not have any material effect on this condensed interim unconsolidated financial information.

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	----- Rupees in '000 -----	
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
- local currency	3,550,943	3,648,276
- foreign currency	533,600	525,763
	4,084,543	4,174,039
With the State Bank of Pakistan in		
- local currency current account	6,458,588	5,516,757
- foreign currency deposit accounts		
Cash Reserve Account	213,409	188,575
Special Cash Reserve Account	256,445	227,477
US Dollar Clearing Account	37,393	12,120
	507,247	428,172
With National Bank of Pakistan in		
- local currency current account	1,467,937	1,665,212
	12,518,315	11,784,180

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
----- Rupees in '000 -----			
7	BALANCES WITH OTHER BANKS		
In Pakistan			
- on current accounts		2,416	2,407
- on deposit accounts		98	97
		<u>2,514</u>	<u>2,504</u>
Outside Pakistan			
- on current accounts		1,034,019	799,303
		<u>1,036,533</u>	<u>801,807</u>

8 DUE FROM FINANCIAL INSTITUTIONS

Wakalah Placement	8.1	1,979,455	1,716,767
Commodity Murabahah - local currency	8.2	3,514,674	19,655,020
		<u>5,494,129</u>	<u>21,371,787</u>
Other placements		32,400	32,400
		<u>5,526,529</u>	<u>21,404,187</u>
Provision against placements		(32,400)	(32,400)
		<u>5,494,129</u>	<u>21,371,787</u>

8.1 This represents foreign currency placements and the profit rates on these agreements range between 0.05% to 2.85% (2017: 0.15% to 2.85%) per annum. The agreements have maturities ranging from 31 days to 365 days (December 31, 2017: 92 days to 365 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 6.50% to 7.00% (December 31, 2017: 5.80% to 6.50%) per annum and the agreements have maturities ranging from 11 days to 32 days (December 31, 2017: 4 days to 90 days).

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
----- Rupees in '000 -----			
9	INVESTMENTS		
Investments - Islamic	9.1	42,642,113	40,223,033
Investments - Conventional (relating to amalgamated entity)	9.2	1,916,213	1,869,133
		<u>44,558,326</u>	<u>42,092,166</u>

9.1 Islamic Investments by type

Note	March 31, 2018 (Un-audited)			December 31, 2017 (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	31,932,346	10,000,000	41,932,346	29,393,188	10,000,000	39,393,188
Units of Open-end mutual funds	21	-	21	21	-	21
Ordinary Shares of listed companies	242,645	-	242,645	242,645	-	242,645
	32,175,012	10,000,000	42,175,012	29,635,854	10,000,000	39,635,854
Held for trading securities						
Ordinary Shares of listed companies	290,727	-	290,727	32,156	-	32,156
Subsidiary	191,015	-	191,015	191,015	-	191,015
Total Islamic investments at cost	32,656,754	10,000,000	42,656,754	29,859,025	10,000,000	39,859,025
Provision for diminution in value of investments	9.1.1 & 9.3 (49,206)	-	(49,206)	(49,206)	-	(49,206)
Total Islamic investments (net of provisions)	32,607,548	10,000,000	42,607,548	29,809,819	10,000,000	39,809,819
Surplus / (deficit) on revaluation of held for trading securities	7,753	-	7,753	(2,007)	-	(2,007)
Surplus on revaluation of available-for-sale securities	26,812	-	26,812	415,221	-	415,221
Total Islamic investments at market value	32,642,113	10,000,000	42,642,113	30,223,033	10,000,000	40,223,033

9.1.1 This included sukuk of amounting to Rs. 312.131 Million which have been placed under non performing status. The forced sale value (FSV) benefit of the collateral held in respect of these sukuk is Rs. 32.80 million. Profit accrued on these sukuk has been suspended. The additional profit arising from availing the FSV benefit - net of tax as at March 31, 2018 amounting to Rs. 21.32 million (December 31, 2017: 21.32 million) is not available for distribution either cash or stock dividend to shareholders.

9.2 Conventional Investments by type *

Note	March 31, 2018 (Un-audited)			December 31, 2017 (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	918,513	-	918,513	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	104,807	-	104,807	104,807	-	104,807
Unlisted Term Finance Certificates	177,822	-	177,822	177,822	-	177,822
	2,390,172	-	2,390,172	2,439,365	-	2,439,365
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 conventional investments at cost	6,871,592	-	6,871,592	6,920,785	-	6,920,785
Provision for diminution in the value of investments	9.2.1 & 9.4 (4,955,379)	-	(4,955,379)	(5,051,652)	-	(5,051,652)
Total conventional investments at market value	1,916,213	-	1,916,213	1,869,133	-	1,869,133

9.2.1 This included Term Finance Certificates amounting to Rs. 604.230 Million which have been placed under non performing status.

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

	(Un-audited) March 31, 2018 ----- Rupees in '000 -----	(Audited) December 31, 2017
9.3 Islamic Investments by segments		
Federal Government Securities		
GOP Ijarah Sukuks	33,831,164	33,840,536
Sukuk certificates		
Sukuks - unlisted	8,101,182	5,552,652
Fully paid up ordinary shares / Units		
Ordinary shares of listed companies	533,372	274,801
Units of open-end mutual funds	21	21
Subsidiaries		
BankIslami Modaraba Investments Limited	191,015	191,015
Total Islamic investments at cost	<u>42,656,754</u>	<u>39,859,025</u>
Less: Provision for diminution in value of investments	(49,206)	(49,206)
Total Islamic investments - net of provisions	<u>42,607,548</u>	<u>39,809,819</u>
Surplus/(deficit) on revaluation of held for trading securities	7,753	(2,007)
Surplus on revaluation of available-for-sale securities	26,812	415,221
Total Islamic investments at market value	<u><u>42,642,113</u></u>	<u><u>40,223,033</u></u>
9.4 Conventional Investments by segments		
Fully paid up ordinary shares		
Listed Companies	918,513	967,706
Unlisted Companies	1,189,030	1,189,030
Term Finance Certificates, Debentures, Bonds and Participation Term Certificates:		
Listed Companies	104,807	104,807
Unlisted Companies	499,423	499,423
Subsidiaries		
BIPL 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 conventional investments at cost	<u>6,871,592</u>	<u>6,920,785</u>
Less: Provision for diminution in value of investments	(4,955,379)	(5,051,652)
Total conventional investments at market value	<u><u>1,916,213</u></u>	<u><u>1,869,133</u></u>

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
		----- Rupees in '000 -----	
10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES			
Islamic financing and related assets - net	10.1	121,149,005	118,469,536
Advances (relating to amalgamated entity) - net	10.2	563,479	685,503
		<u>121,712,484</u>	<u>119,155,039</u>
10.1 ISLAMIC FINANCING AND RELATED ASSETS			
In Pakistan			
- Murabahah financing and related assets	10.3 & 10.9	12,955,720	13,896,557
- Istisna financing and related assets	10.4 & 10.10	12,607,000	11,285,833
- Diminishing Musharakah - Housing		11,807,972	11,107,742
- Diminishing Musharakah financing and related assets - Auto		6,240,132	5,231,475
- Diminishing Musharakah financing and related assets - Others	10.6	11,047,079	10,789,548
- Against Bills - Murabahah		339,858	79,732
- Post Due Acceptance		33,716	37,241
- Salam	10.5	119,324	166,987
- Muswammah financing and related assets / Karobar financing	10.7	14,058,910	14,546,579
- Financing to employees		2,426,246	2,270,601
- Qardh e Hasana		561,006	561,956
- Running Musharakah		39,637,003	38,689,311
- Investment Agency Wakalah		6,250,000	6,250,000
- Housing finance portfolio - others		40,829	45,788
- Net investment in Ijarah financing in Pakistan		38,176	38,481
- Ijarah financing under IFAS 2 and related assets	10.8	5,209,430	5,629,664
Gross financing and related assets		<u>123,372,401</u>	<u>120,627,495</u>
Less: Provision against non-performing Islamic financing and related assets			
- Specific	10.11 & 10.13	(1,991,217)	(1,934,769)
- General	10.11 & 10.13	(232,179)	(223,190)
Islamic financing and related assets – net of provisions		<u>121,149,005</u>	<u>118,469,536</u>
10.2 ADVANCES			
Loans, cash credits, running finances, etc. - In Pakistan		8,500,462	8,709,122
Net investment in finance lease - In Pakistan		585,391	585,391
Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan		714,646	714,646
Advances - gross		<u>9,800,499</u>	<u>10,009,159</u>
Provision against advances			
- Specific	10.11 & 10.13	(9,427,786)	(9,515,300)
- General	10.11 & 10.13	(688)	(688)
		<u>(9,428,474)</u>	<u>(9,515,988)</u>
Advances - net of provision		<u>372,025</u>	<u>493,171</u>
Fair Value adjustment	10.14	191,454	192,332
Advances - net of provision and fair value adjustment		<u>563,479</u>	<u>685,503</u>
10.3 Murabahah financing and related assets			
Murabahah financing		10,779,913	11,442,916
Advance against Murabahah financing		2,175,807	2,453,641
		<u>12,955,720</u>	<u>13,896,557</u>

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	----- Rupees in '000 -----	
10.4 Istisna financing and related assets		
Istisna financing	8,697,090	5,949,944
Advance against Istisna financing	3,772,523	5,269,236
Istisna inventories	137,387	66,653
	<u>12,607,000</u>	<u>11,285,833</u>
10.5 Salam		
Salam financing	75,324	67,001
Advance against Salam	44,000	99,986
	<u>119,324</u>	<u>166,987</u>
10.6 Diminishing Musharakah financing and related assets - Others		
Diminishing Musharakah financing	10,769,140	10,584,893
Advance against Diminishing Musharakah financing	277,939	204,655
	<u>11,047,079</u>	<u>10,789,548</u>
10.7 Muswammah financing and related assets / Karobar financing		
Muswammah financing	10,123,720	9,622,350
Muswammah inventories	3,935,190	4,924,229
	<u>14,058,910</u>	<u>14,546,579</u>
10.8 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	5,058,116	5,427,911
Advance against Ijarah financing	151,314	201,753
	<u>5,209,430</u>	<u>5,629,664</u>
10.9	Murabahah financing and related assets includes financing amounting to Rs. 200 million (December 31, 2017: Rs. 827.897 million) and advance amounting to Rs. 247.500 million (December 31, 2017: Rs. 797.250 million) under Islamic Export Refinance Scheme.	
10.10	Istisna financing and related assets includes financing amounting to Rs. 159.300 million (December 31, 2017: Rs. 444.654 million) and advance amounting to Rs. 1,431.460 million (December 31, 2017: Rs. 1,094.541 million) under Islamic Export Refinance Scheme.	

- 10.11 Islamic financing and related assets and advances include Rs. 16,281.264 million (December 31, 2017: Rs 15,837.045 million) which have been placed under non-performing status as follows:

Category of Classification	March 31, 2018 (Un-audited)								
	Classified Islamic financing and related assets and advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Other Assets especially mentioned (OAEM)	237,558	-	237,558	-	-	-	-	-	-
Substandard	3,404,099	-	3,404,099	141,198	-	141,198	141,198	-	141,198
Doubtful	945,264	-	945,264	382,555	-	382,555	382,555	-	382,555
Loss	11,694,343	-	11,694,343	10,895,250	-	10,895,250	10,895,250	-	10,895,250
	16,281,264	-	16,281,264	11,419,003	-	11,419,003	11,419,003	-	11,419,003

Category of Classification	December 31, 2017 (Audited)								
	Classified Islamic financing and related assets and advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Other Assets especially mentioned (OAEM)	95,345	-	95,345	-	-	-	-	-	-
Substandard	3,056,420	-	3,056,420	108,551	-	108,551	108,551	-	108,551
Doubtful	939,044	-	939,044	375,817	-	375,817	375,817	-	375,817
Loss	11,746,236	-	11,746,236	10,965,701	-	10,965,701	10,965,701	-	10,965,701
	15,837,045	-	15,837,045	11,450,069	-	11,450,069	11,450,069	-	11,450,069

- 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/BRD/PRs/7388/2018 dated April 4, 2018 on creating a provision till December 31, 2018. 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. 539.822 million and profit before taxation would have been lower by Rs. 539.822 million.

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

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
------(Rupees in '000)-----						
Opening balance	11,450,069	223,878	11,673,947	11,939,357	192,927	12,132,284
Charge for the year	118,480	8,989	127,469	519,502	30,951	550,453
Reversals	(106,585)	-	(106,585)	(997,966)	-	(997,966)
	11,895	8,989	20,884	(478,464)	30,951	(447,513)
Amount written off	(42,961)	-	(42,961)	(10,824)	-	(10,824)
Closing balance	11,419,003	232,867	11,651,870	11,450,069	223,878	11,673,947

10.13.1

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
------(Rupees in '000)-----						
Islamic	1,991,217	232,179	2,223,396	1,934,769	223,190	2,157,959
Conventional	9,427,786	688	9,428,474	9,515,300	688	9,515,988
	11,419,003	232,867	11,651,870	11,450,069	223,878	11,673,947

	(Un-audited) March 31, 2018		(Audited) December 31, 2017	
	Rupees in '000			
10.13.2 (Provision) / reversals net of fair value adjustment taken to the profit and loss account				
Gross reversals	106,585		997,966	
Charge for the period / year	(127,469)		(550,453)	
	(20,884)		447,513	
Fair value adjusted - net	(5,400)		30,175	
Net (charge) / reversals taken to the profit and loss account	(26,284)		477,688	

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

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
------(Rupees in '000)-----						
In local currency	11,419,003	232,867	11,651,870	11,450,069	223,878	11,673,947
In foreign currency	-	-	-	-	-	-
	11,419,003	232,867	11,651,870	11,450,069	223,878	11,673,947

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 March 31, 2018 amounts to Rs. 442.006 million (December 31, 2017: Rs. 432.630 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 287.304 million (December 31, 2017: Rs. 281.209 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 amalgamated entity 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) March 31, 2018	(Audited) December 31, 2017
		-----Rupees in '000-----	
11 OPERATING FIXED ASSETS			
Capital work-in-progress		66,667	54,437
Property and equipment		5,831,288	5,889,921
Intangible assets		3,114,701	3,128,129
		<u>9,012,656</u>	<u>9,072,487</u>
		(Un-audited) March 31, 2018	(Un-audited) December 31, 2017
		-----Rupees in '000-----	
11.1 Additions to operating fixed assets - net			
Furniture and fixture		28,905	51,574
Electrical, office and computer equipment		80,014	63,692
Vehicles		135	-
Capital work-in-progress		29,835	29,602
11.2 Additions to intangibles			
Computer software		1,564	2,044
11.3 Disposals of operating fixed assets			
Furniture and fixture		862	663
Electrical, office and computer equipment		29,940	4,387
Vehicles		-	516
		(Un-audited) March 31, 2018	(Audited) December 31, 2017
		-----Rupees in '000-----	
12 DEFERRED TAX ASSETS			
Deferred tax debits arising in respect of:			
Accumulated tax losses	12.1	3,551,024	3,548,284
Tax credit against minimum tax		38,620	-
Provision for diminution in the value of investments		546,488	580,183
Provision against non-performing Islamic financing and related assets and advances		4,034,741	4,034,741
Provision for gratuity		21,253	21,253
Impairment of goodwill		27,750	37,001
Ijarah financing and related assets		137,539	108,229
Others		534,931	533,770
		<u>8,892,346</u>	<u>8,863,461</u>
Deferred tax credits arising due to:			
Fair value adjustments relating to net assets acquired upon amalgamation		(194,408)	(163,641)
Accelerated tax depreciation		(102,465)	(120,636)
Surplus on revaluation of fixed assets		(643,820)	(645,201)
Surplus on revaluation of non-banking assets		(5,190)	(5,149)
Surplus on revaluation of available for sale securities		(9,384)	(145,325)
Net investment in finance lease		(81,603)	(81,603)
		<u>(1,036,870)</u>	<u>(1,161,555)</u>
		<u>7,855,476</u>	<u>7,701,906</u>

- 12.1** The Bank has aggregate tax losses of Rs. 10,146.628 million as at March 31, 2018 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. 3,551.024 million. 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.

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
----- Rupees in '000 -----			
13 DUE TO FINANCIAL INSTITUTIONS			
In Pakistan		11,679,264	15,570,390
Outside Pakistan		-	-
		<u>11,679,264</u>	<u>15,570,390</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	2,003,260	3,103,902
Acceptances from State Bank of Pakistan for financial assistance	13.1.2	2,641,004	2,581,488
Musharakah Acceptance	13.1.3	5,000,000	5,000,000
Unsecured			
Wakalah Acceptance	13.1.4	585,000	585,000
Musharakah Acceptance	13.1.5	1,450,000	4,300,000
		<u>11,679,264</u>	<u>15,570,390</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 (December 31, 2017: Rs. 5,000 million) was allocated to the Bank by the SBP under Islamic Export Refinance Scheme for the financial year ended December 31, 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 rates on this agreement is 5.83% (December 31, 2017: 5.83%) per annum and has maturity in 219 days (December 31, 2017: 309 days).
- 13.1.4 The profit rate on this agreement is 5.90% (December 31, 2017: 5.75%) per annum and the agreement has maturity in 3 days (December 31, 2017: 5 days).
- 13.1.5 The profit rates on these agreements are 6.00% (December 31, 2017: 5.65% to 5.70%) per annum and has maturity in 2 days (December 31, 2017: 2 to 18 days).

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	----- Rupees in '000 -----	
14 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	39,922,621	42,404,505
Savings deposits	55,509,739	56,855,719
Current accounts - non-remunerative	56,722,464	58,026,421
Margin accounts - non-remunerative	643,311	592,600
	<u>152,798,135</u>	<u>157,879,245</u>
Financial Institutions		
Remunerative deposits	20,749,348	21,179,802
Non-remunerative deposits	334,272	190,243
	<u>173,881,755</u>	<u>179,249,290</u>
14.1 Particulars of deposits		
In		
- local currency	169,876,174	175,512,235
- foreign currencies	4,005,581	3,737,055
	<u>173,881,755</u>	<u>179,249,290</u>

15 SHARE CAPITAL

15.1 Authorised capital

(Un-audited) March 31, 2018	(Audited) December 31, 2017		(Un-audited) March 31, 2018	(Audited) December 31, 2017
----- Number of Shares -----			----- Rupees in '000 -----	
1,300,000,000	1,300,000,000	Ordinary shares of Rs.10 each	13,000,000	13,000,000

15.2 Issued, subscribed and paid up capital

(Un-audited) March 31, 2018	(Audited) December 31, 2017	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
-----Number of shares-----			-----Rupees in '000-----	
1,007,912,090	1,007,912,090		10,079,121	10,079,121
		Ordinary shares of Rs 10 each		
		Fully paid in cash		

16 RESERVES

Statutory Reserves	16.1	676,266	676,266
Reserve for bad debts and contingencies	16.2	250,000	250,000
		926,266	926,266

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

16.2 The Board of Directors in its meeting held on March 6, 2015 had approved transfer of an amount of Rs. 250 million out of "unappropriated profit" to "reserve for bad debts and contingencies".

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
-----Rupees in '000-----		
17 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus arising on revaluation of:		
Fixed Assets	827,702	830,266
Non Banking Assets	176,101	176,178
Available for sale securities	17,428	269,896
	1,021,231	1,276,340

18 CONTINGENCIES AND COMMITMENTS

18.1 Transaction-related contingent liabilities

Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring

- Government
- Others

443,598	704,137
8,286,460	9,393,558
8,730,058	10,097,695

18.2 Trade-related contingent liabilities

Import letter of Credit
Acceptances

4,282,841	5,808,063
2,127,942	1,627,253
6,410,783	7,435,316

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

150,000	150,000
---------	---------

- 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, as set out in note 22 to the annual financial statements of the Bank for the year ended 31 December 2017, except as stated below:
- 18.3.2.1 Consequent to the amalgamation of defunct KASB Bank Limited with and into BankIslami Pakistan Limited as at May 7, 2015 certain cases were filed in Honorable High Courts of Sindh, Islamabad and Lahore by individuals pertaining to amalgamation in which the Bank has been made a party. Subsequent to period end, a double bench of Honorable Sindh High Court (the Court) has rejected the prayer against the merger. The Court has, however, issued instructions with regard to valuation of shares of the Defunct KASB Bank and if a material difference is found, compensation to the shareholders of the Defunct KASB Bank with no cost and liability to the Bank.
- 18.3.2.2 The audited financial statements of the defunct KASB Bank Limited as at May 07, 2015 include a sum of Rs. 981.410 million representing advance against issue of right shares which had been treated as a part of equity. This amount was received from Mr. Nasir Ali Shah Bukhari, a former sponsor of the defunct KASB Bank Limited and other shareholders. The defunct KASB Bank Limited, when it was under the management and control of Mr. Bukhari, did not issue shares against the said advance, amongst other reasons, due to default on the part of the sponsors for meeting the minimum capital requirement. The amount was reported by the defunct KASB Bank Limited as a part of the shareholders equity in the financial statements with the permission of SBP consistent with the practice followed by other Banks in Pakistan. The defunct KASB Bank Limited is now amalgamated with and into the BIPL, with effect from May 7, 2015, as per the Scheme of Amalgamation sanctioned by the Federal Government. The KASB Corporation Limited and one of its sponsors has filed a suit no: 1102/2015 in the Honorable High Court of Sindh, wherein, they prayed for restraining the BIPL from using or transferring the amount of advance for any purpose whatsoever during the pendency of the instant proceedings. Pursuant to the said suit, an order has been passed by the Honorable High Court of Sindh on July 1, 2015, whereby, the Bank has been asked to submit a statement of financial position and keep the amount in the same position. The Bank is of the view that, in addition to other reasons, as Advance against future issue of right shares appeared as shareholders equity in the financial statements prepared by the defunct KASB Bank Limited itself, it did not form part of the assets and liabilities of the defunct Bank transferred to the Bank under the scheme of amalgamation. The same position has been maintained. On April 18, 2018 the Hon'able Sindh Court was pleased to dismiss the application to acknowledge the Advance Against Future Issue of Right Shares as liability and deposit the amount with the Court.

A Petition of similar nature has also been filed in the Islamabad High Court.

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	-----Rupees in '000-----	
18.4 Commitments in respect of contracts		
Purchases	1,313,898	1,269,645
Sales	1,113,801	1,575,981
18.5 Commitments for the acquisition of operating fixed assets	75,520	152,968

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, 2017.

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	----- Rupees in '000 -----	
18.8 Other commitments		
Bills for collection	2,203,985	1,753,408

	Note	(Un-audited) For the quarter ended March 31, 2018	(Un-audited) For the quarter ended March 31, 2017
19 PROFIT / RETURN EARNED		----- Rupees in '000 -----	
On financing to customers		2,189,749	1,501,311
On investments in available for sale securities		631,649	614,536
On deposits / placements with financial institutions		13,007	343,006
Others		22,204	21,394
		2,856,609	2,480,247
20 BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation for the period		38,831	65,735
		----- Number of shares -----	
Weighted average number of ordinary shares in issue		1,007,912,090	1,007,912,090
		----- Rupees in '000 -----	
Earnings per share - basic / diluted	20.1	0.0385	0.0652

20.1 There were no convertible / dilutive potential ordinary shares outstanding as at March 31, 2018 and March 31, 2017.

		(Un-audited) For the quarter ended March 31, 2018	(Un-audited) For the quarter ended March 31, 2017
	Note	----- Rupees in '000 -----	
21 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	12,518,315	7,291,443
Balances with other banks	7	1,036,533	1,036,855
		<u>13,554,848</u>	<u>8,328,298</u>

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

22.1 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).

March 31, 2018 (Un-audited)				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Items carried at fair value				
<i>Financial Assets and Liabilities</i>				
Available for sale securities				
Ordinary shares - listed	472,351	-	-	472,351
GOP Sukuks	-	33,816,906	-	33,816,906
WAPDA Sukuks	-	100,153	-	100,153
Units of open ended mutual funds	67	-	-	67
Held for trading securities				
Ordinary shares - listed	298,480	-	-	298,480
Commitments in respect of contracts				
Forward purchase of foreign exchange contracts	-	1,470,401	-	1,470,401
Forward sale of foreign exchange contracts	-	1,261,107	-	1,261,107
Future sale of shares	299,159	-	-	299,159
<i>Non-Financial Assets</i>				
Operating fixed assets - Land and building	-	-	3,728,602	3,728,602
Non-banking assets	-	-	1,136,170	1,136,170
December 31, 2017 (Audited)				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Items carried at fair value				
<i>Financial Assets and Liabilities</i>				
Available for sale securities				
Ordinary shares - listed	383,360	-	-	383,360
GOP Sukuks	-	34,256,300	-	34,256,300
WAPDA Sukuks	-	101,038	-	101,038
Units of open ended mutual funds	65	-	-	65
Held for trading securities				
Ordinary shares - listed	30,001	-	-	30,001
Commitments in respect of contracts				
Forward purchase of foreign exchange contracts	-	1,583,801	-	1,583,801
Forward sale of foreign exchange contracts	-	1,270,703	-	1,270,703
Future sale of shares	30,029	-	-	30,029
<i>Non-Financial Assets</i>				
Operating fixed assets - Land and building	-	-	3,728,602	3,728,602
Non-banking assets	-	-	1,136,170	1,136,170

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 year.

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 3

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.

23 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-----					
March 31, 2018 (Un-audited)					
Total income	192,419	1,676,483	1,067,400	117,094	3,053,396
Total expenses	50,699	1,496,124	833,748	613,004	2,993,575
Net income / (loss)	141,720	180,359	233,652	(495,910)	59,821
Segment assets (gross)	65,886,915	20,592,309	120,973,175	16,307,499	223,759,898
Segment non - performing financing & advances	-	1,894,151	14,303,519	83,594	16,281,264
Segment provision required	-	1,454,491	10,142,422	54,957	11,651,870
Segment liabilities	10,664,925	104,793,224	75,550,529	1,930,636	192,939,314
Segment return on assets (ROA) (%)	0.87%	3.55%	0.78%	-	-
Segment cost of funds (%)	6.19%	3.38%	2.57%	-	-
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
-----Rupees in '000-----					
March 31, 2017 (Un-audited)					
Total income	227,270	1,502,674	847,786	154,823	2,732,553
Total expenses	169,858	1,360,953	680,529	419,830	2,631,170
Net income / (loss)	57,412	141,721	167,257	(265,007)	101,383
Segment assets (gross)	76,909,412	17,613,056	105,582,493	5,644,352	205,749,313
Segment non - performing financing & advances	6,703,265	1,718,178	15,203,040	60,816	23,685,299
Segment provision required	4,945,488	1,401,794	11,286,800	57,690	17,691,772
Segment liabilities	8,220,279	94,314,476	71,516,796	1,702,281	175,753,832
Segment return on assets (ROA) (%)	0.07%	0.80%	0.16%	-	-
Segment cost of funds (%)	4.89%	3.11%	4.57%	-	-

24 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) March 31, 2018	(Audited) December 31, 2017
	----- Rupees '000 -----	
<u>Subsidiaries</u>		
Islamic Financing and related assets		
At beginning of the period / year	162,777	150,000
Disbursed during the period / year	-	440,976
Repayments during the period / year	(670)	(428,199)
At the end of the period / year	162,107	162,777
Deposits		
At beginning of the period / year	247,712	573,309
Deposits during the period / year	7,352,628	39,446,895
Withdrawals during the period / year	(7,405,960)	(39,772,492)
At the end of the period / year	194,380	247,712
Receivable on financing	487	1,236
Payable on deposits	133	101
	(Un-audited) For the quarter ended March 31, 2018	(Audited) For the quarter ended March 31, 2017
	----- Rupees '000 -----	
Transactions, income and expenses		
Profit earned on financing	4,298	3,344
Return on deposit expensed	1,522	6,831
Administrative expense	200	9
	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	----- Rupees '000 -----	
<u>Associates</u>		
Islamic Financing and related assets		
At beginning of the period / year	582,084	722,105
Disbursed during the period / year	-	674,190
Repayments during the period / year	(44,982)	(814,211)
At the end of the period / year	537,102	582,084

Associates

Deposits

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

(Un-audited) (Audited)
March 31, December 31,
2018 2017
----- Rupees '000 -----

25,849	36,199
238,116	8,143,322
(215,372)	(8,153,672)
48,593	25,849

Payable on deposits
Receivable on financing
Contingencies and Commitments

101 54
7,622 6,797
125,061 128,170

(Un-audited) (Audited)
For the For the
quarter ended quarter ended
March 31, March 31,
2018 2017
----- Rupees '000 -----

Transactions, income and expenses

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

14,515 21,841
213 9,571
77 -
48 -

(Un-audited) (Audited)
March 31, December 31,
2018 2017
----- 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

211,666	224,215
26,595	31,426
(31,535)	(43,975)
206,726	211,666

Deposits

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

34,474	27,962
97,859	267,450
-102,077	-260,938
30,256	34,474

Payable on deposits
Receivable on financing
Other receivables

17 13
176 199
- 830

(Un-audited) (Audited)
For the For the
quarter ended quarter ended
March 31, March 31,
2018 2017
----- Rupees '000 -----

Transactions, income and expenses

Profit earned on financing
Return on deposits expensed
Remuneration
Administrative expenses

2,263 1,632
39 23
35,598 30,398
691 379

Other related parties

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

Deposits

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

Payable on deposits
Receivable on financing
Contingencies and Commitments

Transactions, income and expenses

Profit earned on financing
Return on deposits expensed

Employee benefit plans

Charge for defined benefit plan
Contribution to employees provident fund

(Un-audited) (Audited)
March 31, December 31,
2018 2017
----- Rupees '000 -----

1,480,378 *	836,022
212,241	6,780,093
(550,952)	(5,735,737)
1,141,667	1,880,378

902,072 *	770,305
1,652,464	12,843,245
(1,570,706)	(12,711,469)
983,830	902,081

21	20
9,215	11,882
438,533	722,177

(Un-audited) (Audited)
For the For the
quarter ended quarter ended
March 31, March 31,
2018 2017
----- Rupees '000 -----

7,336	-
72	7,038

19,101	17,094
21,342	21,501

* 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.

- 25 The Bank calculates the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as per SBP Basel III Liquidity Standards issued under BPRD circular no. 8 dated June 23, 2016. As of March 31, 2018, the Bank's LCR stood at 123.56% (December 31, 2017: 138.99%) and NSFR stood at 177.09% (December 31, 2017: 151.88%) against the SBP's minimum requirement of 90% and 100% respectively.

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 this condensed interim unconsolidated financial statements, except for captions of the Statement of Financial Position and Profit and Loss Account.

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

27 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 28, 2018 by the Board of Directors of the Bank.

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
PRESIDENT /
CHIEF EXECUTIVE

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR



Condensed Interim
Consolidated Financial Statements
of
BankIslami Pakistan Limited
For The Quarter Ended March 31, 2018

Directors' Report

On behalf of the Board, I am pleased to present the Consolidated Results of the Group for the quarter ended March 31, 2018. Following are the highlights:

	Mar-18	Mar-17	Growth (%)
	-----Rupees in 'millions'-----		
Total Deposits	173,596	158,556	9.49%
Total Assets	207,694	189,218	9.76%
Total Financing and related assets-net	121,552	99,170	22.57%
Total Investments-net	44,878	44,959	-0.18%
Shareholder's Equity	14,086	12,956	8.72%
Profit After Tax	84	120	-30.00%
Branches network-Number	330	322	2.48%

Our Group performance remained satisfactory. The Group has been able to post growth in its Financings by 22.57% and Total Deposits by 9.49%.

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

Ali Hussain
Chairman Board of Directors

April 28, 2018

ڈائریکٹرز کی جامع رپورٹ

میں بورڈ کی جانب سے 31 مارچ، 2018 کو اختتام پزیر ہونے والی سال کی پہلی سہ ماہی کے گروپ کے نتائج پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔ اس کے اہم نکات درج ذیل ہیں۔

مارچ - 18	مارچ - 17	نمو (فیصد)
----- روپے بلین میں -----		
کل ڈپازٹ	173,596	158,556
کل اثاثے	207,694	189,218
کل تحویل اور متعلقہ اثاثے - صافی	121,552	99,170
کل سرمایہ کاری - صافی	44,878	44,959
حصہ داران کی سرمایہ کاری	14,086	12,956
بعد از ٹیکس نفع	84	120
فی حصہ بنیادی آمدنی / نقصان - روپوں میں	1.551	0.449
شاخصیں - تعداد	330	322

ہمارے گروپ کی کارکردگی قابل اطمینان رہی۔ مجموعی طور پر گروپ %22.57 تحویل میں، اور %9.49 ڈپازٹ میں بالترتیب اضافہ کرنے میں کامیاب ہوا۔

ہم اسٹیٹ بینک اور سیکوڈی ایچ کمیشن آف پاکستان 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۔

بورڈ کی جانب سے

علی حسین

چیرمین، بورڈ آف ڈائریکٹر

حسن اسلمگرمی

افسر اعلیٰ

28 اپریل 2018

BankIslami Pakistan Limited Condensed Interim Consolidated Statement of Financial Position

AS AT MARCH 31, 2018

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in '000	
ASSETS		
Cash and balances with treasury banks	12,518,620	11,784,180
Balances with other banks	1,600,403	1,149,355
Due from financial institutions - net	5,494,129	21,371,787
Investments - net	44,878,467	42,363,753
Islamic financing and related assets and Advances (net)	121,551,528	119,006,779
Operating fixed assets	9,106,369	9,148,064
Deferred tax asset - net	7,769,075	7,613,022
Other assets - net	4,774,632	4,796,975
	207,693,223	217,233,915
LIABILITIES		
Bills payable	2,593,274	2,988,996
Due to financial institutions	11,667,158	15,570,390
Deposits and other accounts	173,595,534	179,001,578
Sub-ordinated loans	-	-
Deferred tax liabilities	-	-
Other liabilities	5,751,056	5,445,715
	193,607,022	203,006,679
NET ASSETS	14,086,201	14,227,236
REPRESENTED BY:		
Share capital	10,079,121	10,079,121
Discount on Issue of shares	(79,042)	(79,042)
Reserves	926,266	926,266
Unappropriated profit	1,983,809	1,893,736
Total equity attributable to equity holders of the Bank	12,910,154	12,820,081
Non-controlling interest	201,912	205,242
	13,112,066	13,025,323
Surplus on revaluation of assets - net of tax	974,135	1,201,913
	14,086,201	14,227,236

The annexed notes 1 to 6 form an integral part of this condensed interim consolidated financial information.

-Sd-
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CHAIRMAN

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DIRECTOR

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DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2018

	March 31, 2018	March 31, 2017
	----- Rupees in '000 -----	
Profit / return earned	2,856,159	2,480,358
Profit / return expensed	1,495,789	1,303,539
Net spread earned	1,360,370	1,176,819
Provision / (reversal of provision) against non-performing Islamic financing and related assets - net	26,284	(84,430)
(Reversal of provision) / provision for diminution in the value of investments and placements - net	(96,271)	178
Bad debts written off directly	(69,987)	(84,252)
Net spread after provisions	1,430,357	1,261,071
OTHER INCOME		
Fee, commission and brokerage income	170,564	210,002
Dividend Income	-	468
Income from dealing in foreign currencies	30,549	15,116
(Loss) / gain on sale of securities	(37,052)	11,428
Unrealised gain on revaluation of investments classified as 'held for trading'	845	2,095
Other income	31,882	13,665
Total other income	196,788	252,774
	1,627,145	1,513,845
OTHER EXPENSES		
Administrative expenses	1,565,336	1,544,315
Other reversals - net	-	(131,652)
Other charges	50	2,084
Total other expenses	1,565,386	1,414,747
	61,759	99,098
(Loss) / profit for the period from BIPL Securities Limited - net of tax	(14,501)	22,458
Share of profit from associate	57,834	33,669
PROFIT BEFORE TAXATION	105,092	155,225
Taxation		
- Current	38,620	27,389
- Prior years	-	-
- Deferred	(17,630)	8,304
	20,990	35,693
PROFIT AFTER TAXATION	84,102	119,532
ATTRIBUTABLE TO:		
Equity shareholders of the Bank	87,432	114,400
Non-controlling interest	(3,330)	5,132
	84,102	119,532
	----- Rupees -----	
Basic earnings per share	0.0867	0.1135
Diluted earnings per share	0.0867	0.1135

The annexed notes 1 to 6 form an integral part of this condensed interim consolidated financial information.

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DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2018

	March 31, 2018	March 31, 2017
	----- Rupees in '000 -----	
Profit after taxation for the period attributable to:		
Equity shareholders of the Bank	87,432	114,400
Non-controlling interest	(3,330)	5,132
	<u>84,102</u>	<u>119,532</u>
Other Comprehensive Income	-	-
Comprehensive income transferred to statement of changes in equity	<u>84,102</u>	<u>119,532</u>
Components of comprehensive income not reflected in equity		
Deficit on revaluation of available for sale investments - net of tax		
Equity shareholders of the Bank	(230,137)	(224,317)
Non-controlling interest	4,999	(5,106)
	<u>(225,138)</u>	<u>(229,423)</u>
Total comprehensive loss for the period	<u><u>(141,036)</u></u>	<u><u>(109,891)</u></u>

The annexed notes 1 to 6 form an integral part of this condensed interim consolidated financial information.

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DIRECTOR

BankIslami Pakistan Limited

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

FOR THE QUARTER ENDED MARCH 31, 2018

	March 31, 2018	March 31, 2017
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	105,092	155,225
Less: Dividend Income	-	(468)
Less: Share of profit from associates	(57,834)	(33,669)
	47,258	121,088
Adjustments for non-cash charges and other items:		
Depreciation on owned assets	167,148	162,471
Depreciation on non banking assets	1,658	1,658
Amortisation	14,992	14,917
Depreciation on operating Ijarah assets	1,383,698	354,455
Provision / (reversal of provision) against non-performing Islamic financing and related assets - net	26,284	(84,430)
(Reversal of provision) / provision for diminution in the value of investments and placements - net	(96,271)	178
Other (reversals) / charges - net	-	(131,652)
Unrealised gain on revaluation of investments classified as held for trading	(845)	(2,095)
Charge for defined benefit plan	19,101	17,467
Gain on sale of property and equipment	(3,121)	(4,452)
	1,512,644	328,517
	1,559,902	449,605
(Increase) / decrease in operating assets		
Due from financial institutions	15,877,658	10,429,910
Islamic financing and related assets	(3,954,731)	(21,782,725)
Others assets (excluding defined benefit assets)	(117,738)	671,075
	11,805,189	(10,681,740)
Increase / (decrease) in operating liabilities		
Bills payable	(395,722)	186,879
Due to financial institutions	(3,903,232)	2,963,449
Deposits and other accounts	(5,406,044)	4,729,154
Other liabilities (excluding current taxation and unrealised loss on forward sale promises)	317,150	(349,700)
	(9,387,848)	7,529,782
	3,977,243	(2,702,353)
Payments against defined benefit plan	-	-
Income tax paid	(69,530)	(47,887)
Net cash generated / (used in) from operating activities	3,907,713	(2,750,240)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities	(2,584,901)	1,305,553
Dividend received	-	468
Investments in operating fixed assets	(141,068)	(146,142)
Proceeds from disposal of operating fixed assets	3,744	5,120
Net cash (used in) / generated from investing activities	(2,722,225)	1,164,999
Increase / (decrease) in cash and cash equivalents	1,185,488	(1,585,241)
Cash and cash equivalents at the beginning of the period	12,933,535	10,245,600
Cash and cash equivalents at the end of the period	14,119,023	8,660,359

The annexed notes 1 to 6 form an integral part of this condensed interim consolidated financial information.

-Sd-
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-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

Condensed Interim Consolidated Statement Of Changes In Equity (Un-audited)

FOR THE QUARTER ENDED MARCH 31, 2018

	Attributable to equity shareholders of the Bank						Non - controlling interest	Total
	Share capital	Discount on Issue of shares	Statutory reserve	Reserve for bad debts & contingencies	Unappropriated profit	Sub total		
Rupees in '000 -								
Balance as at January 01, 2017	10,079,121	(79,042)	363,636	250,000	518,942	11,132,657	192,350	11,325,007
Profit after taxation for the quarter ended March 31, 2017	-	-	-	-	114,400	114,400	5,132	119,532
Other comprehensive income for the quarter ended March 31, 2017	-	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended March 31, 2017	-	-	-	-	114,400	114,400	5,132	119,532
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,564	2,564	-	2,564
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	67	67	-	67
Balance as at March 31, 2017	10,079,121	(79,042)	363,636	250,000	635,973	11,249,688	197,482	11,447,170
Profit after taxation for the period from April 1, 2017 to December 31, 2017	-	-	-	-	1,562,276	1,562,276	7,760	1,570,036
Other comprehensive income for the period from April 1, 2017 to December 31, 2017	-	-	-	-	80	80	-	80
Total comprehensive income for the period from April 1, 2017 to December 31, 2017	-	-	-	-	1,562,356	1,562,356	7,760	1,570,116
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	7,834	7,834	-	7,834
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	203	203	-	203
Transfer to statutory reserve	-	-	312,630	-	(312,630)	-	-	-
Balance as at December 31, 2017	10,079,121	(79,042)	676,266	250,000	1,893,736	12,820,081	205,242	13,025,323
Profit after taxation for the quarter ended March 31, 2018	-	-	-	-	87,432	87,432	(3,330)	84,102
Other comprehensive income for the quarter ended March 31, 2018	-	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended March 31, 2018	-	-	-	-	87,432	87,432	(3,330)	84,102
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,564	2,564	-	2,564
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	77	77	-	77
Balance as at March 31, 2018	10,079,121	(79,042)	676,266	250,000	1,983,809	12,910,154	201,912	13,112,066

The annexed notes 1 to 6 form an integral part of this condensed interim consolidated financial information.

-Sd-
CHIEF FINANCIAL
OFFICER-Sd-
PRESIDENT /
CHIEF EXECUTIVE-Sd-
CHAIRMAN-Sd-
DIRECTOR-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2018

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 on October 18, 2004 as a public limited company 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 330 branches including 112 sub branches as at March 31, 2018 (December 31, 2017: 330 branches including 112 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.

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 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 quarter ended March 31, 2018.

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 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 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 - 77.12 percent holding

BIPL Securities Limited was incorporated in Pakistan on October 24, 2000 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). 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 currently dormant. 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. 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 this condensed interim consolidated financial information 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 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 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 accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of such International Financial Reporting Standards IFRS issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017, provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Act, 2017 and directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP). Whenever the requirements of the Banking Companies Ordinance, 1962, Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.
- 3.2** The disclosures made in this condensed interim consolidated financial information 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, 2017.
- 3.3** **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, 2018 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, 2017.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of 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, 2017, 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

- IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)
- IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration

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

5.2 Change in Accounting Policy

Section 235 of the repealed Companies Ordinance, 1984 (the repealed Ordinance), specified the accounting treatment for the surplus on revaluation on fixed assets, which differed from the requirement of IFRS, accordingly, the Bank accounted for the surplus / deficit on revaluation in respect of owned properties and non-banking assets acquired in satisfaction of claims on aggregate basis. During the year 2017, the Companies Ordinance, 1984 was replaced by enactment of the Companies Act, 2017 (the Act), in which the section 235 of the repealed Ordinance has not been carried forward. Therefore, in the absence of any specific provisions in the Act relating to the accounting treatment for the surplus on revaluation on fixed assets, the accounting treatment has been changed in line with the requirements of IFRS. Accordingly, from the current year, surplus/deficit arising on revaluation of owned property and non-banking assets acquired in satisfaction of claims is accounted for at individual asset level.

The above change in accounting policy did not have any material effect on this condensed interim consolidated financial information.

6 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue on April 28, 2018 by the Board of Directors of the Holding Company.

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
PRESIDENT /
CHIEF EXECUTIVE

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR



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