

Growing with you

Quarterly Report September 2021

Contents

Corporate Information	02
Directors' Report	04
Statement of Financial Position	14
Profit and Loss Account	15
Statement of Comprehensive Income	16
Statement of Changes in Equity	17
Cash Flow Statement	18
Notes to and forming part of the financial statements	19
Consolidated Financial Statements	44

Corporate Information

Board of Directors

Mr. Ali Hussain	Chairman (Non-Executive Director)
Mr. Syed Amir Ali	President & Chief Executive Officer
Dr. Amjad Waheed	Independent Director
Mr. Haider Ali Hilaly	Independent Director
Dr. Lalarukh Ejaz	Independent Director
Mr. Sulaiman Sadruddin Mehdi	Independent Director
Mr. Syed Ali Hasham	Non-Executive Director
Mr. Tasnim-ul-Haq Farooqui	Non-Executive Director

Shariah Supervisory Board

Mufti Irshad Ahmad Aijaz	Chairperson
Mufti Javed Ahmad	Member
Mufti Muhammad Husain	Member
Mufti Syed Hussain Ahmed	Member

Audit Committee

Mr. Haider Ali Hilaly	Chairperson
Dr. Lalarukh Ejaz	Member
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Syed Ali Hasham	Member
Mr. Tasnim-ul-Haq Farooqui *	Member

Risk Management Committee

Dr. Amjad Waheed	Chairperson
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Syed Ali Hasham	Member
Mr. Syed Amir Ali	Member

Human Resource Management Committee

Mr. Sulaiman Sadruddin Mehdi	Chairperson
Dr. Amjad Waheed	Member
Dr. Lalarukh Ejaz	Member
Mr. Syed Ali Hasham	Member
Mr. Syed Amir Ali	Member
Mr. Tasnim-ul-Haq Farooqui *	Member

Board Remuneration Committee

Mr. Sulaiman Sadruddin Mehdi	Chairperson
Mr. Ali Hussain	Member
Dr. Amjad Waheed	Member
Dr. Lalarukh Ejaz	Member
Mr. Syed Ali Hasham	Member
Mr. Tasnim-ul-Haq Farooqui *	Member

Information Technology (IT) Committee

Dr. Lalarukh Ejaz	Chairperson
Mr. Haider Ali Hilaly	Member
Mr. Syed Amir Ali	Member
Mr. Tasnim-ul-Haq Farooqui *	Member

* effective from October 27, 2021 the Board appointed him as member of Audit Committee, Human Resource Management Committee, Board Remuneration Committee and Information Technology (IT) Committee.

Company Secretary

Mr. Muhammad Shoaib

Auditors

KPMG Taseer Hadi & Co.,
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)

Aasim Salim
Bilal Fiaz
Burhan Hafeez Khan
Kashif Nisar
Mahmood Rashid
Masood Muhammad Khan
Mateen Mahmood
Muhammad Adnan Siddiqui
Muhammad Asadullah Chaudhry
Muhammad Irfan Ahmed
Muhammad Shoaib
Muhammad Uzair Sipra
Rizwan Ata
Rizwan Qamar Lari
Sohail Sikandar
Syed Amir Ali
Syed Arif Mahtab
Syed Muhammad Aamir Shamim
Tariq Ali Khan
Usman Shahid
Zaheer Elahi Babar

General Manager Central
Group Head, Consumer Business
General Manager South West
Head, Products & Shariah Structuring
Head, Security & Government Relations
Head, Compliance
General Manager South East
Head, Information Technology
Head, Human Resource
Head, Shariah Compliance
Company Secretary
Head, Legal
Group Head, Distribution
Group Head, Internal Audit
Chief Financial Officer
President & CEO
Head, Operations
Group Head, Treasury & Financial Institutions
General Manager North
Head, Risk Management
Group Head, Corporate Banking

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

CDC Share Registrar Services Limited
Head Office: CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal
Karachi- 74400.
Tel: (92) 0800-23275 Fax: (92-21) 34326040
URL: www.cdcsrsl.com
Email: info@cdcsrsl.com

Public Dealing Timings of Share Registrar

Monday to Thursday: 9:00 am to 5:00 pm
Friday: 9:00 am to 12:30 pm and 2:30 pm to 5:00 pm

Website:

www.bankislami.com.pk

Directors' Report

Dear Shareholders,

On behalf of the Board, we are pleased to present the interim report of BankIslami Pakistan Limited ('BankIslami' or 'the Bank') for the nine months ended September 30, 2021.

Economic Snapshot

Monetary Policy Committee (MPC) decided to raise the policy rate by 25 bps to 7.25% in September 2021. The decision was made to sustain appropriate policy mix so as to ensure longevity of economic growth and slow down the increase in current account deficit. Current Account Balance (CA) stood at a deficit of USD 2.3 Bn at Aug 21 as opposed to surplus of USD 838 Mn at Aug 20 due to increase in international commodity prices and augmentation in imports.

Despite FX reserves have grown from USD 20.5 Bn in Dec 20 to USD 26 Bn in Sep 21, PKR has depreciated against USD by 6.8% to 170.7 in Sep 21 vs 159.8 in Dec 20 largely attributable to adaption of flexible market-based exchange rate regime and growth in CA deficit. Moreover, many other currencies have also depreciated in recent times as monetary tightening is under consideration by the Federal Reserve of USA.

Year on year inflation in the domain increased from 8% in Dec 2020 to 9% in September 2021 on account of increase in domestic demand and increase in prices of commodities and domestic produce due to higher import cost. Looking ahead, inflation outlook remains dependent on domestic demand and trend of global commodity prices which are coping with cost increases due to inflationary trend in countries like, USA, Canada, Russia, Brazil, UK, France, India, Bangladesh and Australia.

GDP growth for Pakistan for FY22 has been projected to hover around 4%. Keeping in view that IMF has asked Pakistan to reduce current account deficit through adjustment of exchange rate, increase of USD inflows through non-debt sources and further increase in SBP's discount rate, it is expected that MPC may take monetary tightening measures and further increase the policy rate during the year.

Source: State Bank of Pakistan and Bloomberg

Financial Performance

Following are the key financial highlights for the nine months ended September 30, 2021:

Particulars (Financial Position)	Sep 2021	Dec 2020	Sep 2020	Growth %	
	----- Rupees in Million -----			Vs Dec 2020	Vs Sep 2020
Total Deposits	309,270	283,641	256,149	9.0%	20.7%
Total Assets	363,958	336,297	307,125	8.2%	18.5%
Total Financing and Related Assets – net	155,655	130,162	134,791	19.6%	15.5%
Investments – net	106,909	95,240	60,173	12.3%	77.7%
Treasury and Bank Placements	48,070	53,948	58,291	-10.9%	-17.5%
Net Assets	22,167	19,895	20,084	11.4%	10.4%
Branches network (number)	340	343	340	-0.9%	0.0%

Particulars (Profit and Loss)	Nine Months Ended		
	Sep 2021	Sep 2020	Growth %
	----- Rupees in million -----		
Net Spread Earned	8,070	9,945	-18.9%
Fee and Commission Income	872	657	32.7%
Operating Expenses	6,825	6,257	9.1%
Operating Profit	2,652	4,794	-44.7%
Provisions and Write Offs-Net	-272	1,891	-114.4%
Profit After Tax	1,855	1,762	5.3%
Basic Earnings per share (Rupees)	1.6734	1.5894	5.3%

Continuing with the strategy of improving the deposit mix, BankIslami remained focused towards garnering low cost Current and Saving deposits. Resultantly, Current and Saving deposits grew by 15.0% and 17.5% respectively as compared to end of December 2020. Likewise, the Bank also trimmed its high cost Term Deposits which reduced by 3.6% during the same tenor. As a result, Banks's overall Deposits went up by 9% during nine months ended Sep'21. Comparing the same with the Deposit position at the end of Sep'20, total deposit depicted a growth of 20.7%.

In line with supportive FY22 economic budget, accommodative monetary policy and growth in domestic demand, BankIslami increased its core earning asset base via Islamic financing and investments. On the credit side, the Bank expanded its exposure towards corporate and consumer segments on the back of its robust risk underwriting framework due to which infection ratio of the Bank also improved to 10.7% at Sep'21 vis-à-vis 12.1% at Dec'20. The investment book of the Bank also grew by 12.3% during the same period, as surplus liquidity was parked towards GoP Sukuk to strengthen BankIslami's Capital Adequacy Ratio which stood at 16.7% at the end of Sep'21 when compared with CAR of 16.1% at the end of Dec'20.

Bank's Net Spreads Earned narrowed by 18.9% despite growth in CASA deposits and earning assets. This was primarily due to downward repricing on assets consequent to reduction in discount rate during the year 2020. Service based Non Funded Income of the Bank grew by 13.6% owing to continuous growth in Fee and Commission Income stemming from (i) Digital Delivery Channels, (ii) Trade and FI relationships, (iii) Wealth Management segment, and (iv) Consumer Finance services. The Bank also generated one-off capital gain of Rs. 151.6 Mn on sale of its investment in two of its subsidiaries, namely, BIPL Securities Limited and BankIslami Modaraba Investments Limited. Increase in NFI through these channels was partially off-set by decline in FX income and Capital Gains on sale of fixed income securities.

Operating expenses of the Bank rose by 9.1% mainly due to increase in costs on account of inflation and variable cost incurred to support business growth.

As a result of contraction in net spreads following the reduction in Policy rate, the operating profit of the Bank decreased to Rs. 2,652 Mn during 9M'21, but profit before tax increased due to recoveries during the period against previous delinquencies as opposed to net provisioning charged against infected assets during same period last year. Net reversals booked during 9M'21 also includes reversal of provision against advance paid for acquisition of property, amounting to Rs. 722 Mn, as a result of settlement of dispute with a developer and withdrawal of related litigations. This reversal was off-set to some extent on account additional provisioning booked during 9M'21 against non-performing exposures. Consequently, the Bank posted Profit After Tax amounting to Rs. 1,855 Mn for the nine months ended September 30, 2021, depicting a growth of 5.3% from PAT of Rs. 1,762 Mn posted during same period last year, *Alhamdulillah*.

Group Results

As at September 30, 2021, total assets of the Group rose by 7.8% when compared with asset base of December 2020. Growth in the financial position of the Group was primarily attributable to growth in Deposits and Earning Assets of the Islamic Banking segment. Owing to reduction in Policy rate and the related repricing of assets and liabilities, net spreads earned by the Group reduced during the nine months ended September 30, 2021. Nonetheless, the Group still reported a Profit After Tax (PAT) of Rs. 1,801 Mn for 9M'21, higher by 12.6% when compared with PAT of Rs. 1,599 Mn for 9M'20. This was mainly due to (i) net reversals booked against non-performing assets; (ii) increase in profit from associated entity and (iii) increase in profits from discontinued operations (held for sale subsidiaries).

During the period ended September 30, 2021, the Group successfully completed the sale transaction of its two subsidiaries which were classified as 'Non-Current Assets held for sale', namely, BIPL Securities Limited and BankIslami Modaraba Investments Limited. As a result, these entities have now ceased to be part of the Group.

Board Composition

The current composition of the Board is as follows:

Total number of Directors 8*

Composition:

(i)	Independent Directors:	4
(ii)	Non-executive Directors:	3
(iii)	Executive Director:	1
(a)	Female Director:	1
(b)	Male Directors:	7

**Names of Directors of the Bank have been incorporated in the corporate information section of this report.*

Changes in the Board of Directors

The Board has appointed Mr. Tasnim-ul-Haq Farooqui as a replacement for Mr. Siraj Ahmed Dadabhoy who had tendered his resignation on August 25, 2021.

Acknowledgement

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. 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 prominent position in Banking industry in general and Islamic Banking industry in particular.

On behalf of the Board,

-Sd-

Syed Amir Ali
Chief Executive Officer

-Sd-

Ali Hussain
Chairman of the Board

October 27, 2021

بورڈ آف ڈائریکٹرز میں تبدیلیاں رزمیات

بورڈ نے جناب سراج احمد دادا بھائے، جنہوں نے 25 اگست، 2021 کو اپنا استعفیٰ جمع کر دیا تھا، کی جگہ جناب تسنیم الحق فاروقی کی تقرری کی ہے۔

اظہار تشکر

بورڈ، اسٹیٹ بینک آف پاکستان کی جانب سے فراہم کردہ معاونت اور رہنمائی پر اس کا تہ دل سے مشکور ہے اور اسے ریکارڈ کا حصہ بنانے کا خواہاں ہے۔ اس کے ساتھ بورڈ، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ضابطہ کار حکام کا بھی شکریہ ادا کرنا چاہتا ہے، جنہوں نے اس کی معاونت کی۔ ہم اپنے گراں قدر صارفین، کاروباری شراکت داروں اور حصص یافتگان کی جانب سے کی جانے والی مسلسل سرپرستی اور ان کے ہم پر اعتماد کا بھی شکریہ ادا کرنا چاہتے ہیں۔ اس کے علاوہ ہم اپنی انتظامی ٹیم کے اراکین اور ملازمین کے خلوص، لگن، عزم اور محنت کا بھی اعتراف کرتے ہوئے انہیں سراہنا چاہتے ہیں، جنہوں نے بینک اسلامی کو عمومی طور پر بینکاری کی صنعت اور خاص طور پر اسلامی بینکاری کی صنعت میں نمایاں مقام حاصل کرنے کے قابل بنایا۔

منجانب بورڈ

-Sd-

علی حسین

چیئر مین آف دی بورڈ

-Sd-

سید عامر علی

پریزیڈنٹ اینڈ چیف ایگزیکٹو آفیسر

27 اکتوبر، 2021

گروپ کے نتائج

30 ستمبر، 2021 کو گروپ کے مجموعی اثاثہ جات میں دسمبر 2020 کے اثاثہ جات کے مقابلے میں 7.8 فیصد تک اضافہ ہوا۔ گروپ کے مالی استحکام میں اضافے کی بنیادی وجہ اسلامی بینکاری کے شعبہ کے ڈپازٹس اور آمدن والے اثاثہ جات میں اضافہ تھی۔ شرح منافع میں کمی اور اثاثہ جات اور واجبات کے نرخ کے دوبارہ تعین کے نتیجے میں، گروپ کی جانب سے حاصل کردہ صافی پھیلاؤ (اسپرڈز) 30 ستمبر، 2021 کے آخری نو ماہ کے دوران کم ہو گئے۔ اس کے باوجود گروپ نے سال 2020 کے نو مہینوں کے 1,599 ملین روپے کا بعد از محصول منافع (PAT) کے مقابلے میں سال 2021 کے نو مہینوں میں 1,801 ملین روپے کا بعد از محصول منافع (PAT) کا اعلان کیا جو کہ 12.6 فیصد زیادہ ہے۔ جو بنیادی طور پر (i) غیر فعال اثاثہ جات کے حوالے سے بک کی گئی نیٹ ریورسلز (ii) منسلک اداروں سے حاصل ہونے والے نفع میں اضافہ (iii) معطل آپریشنز سے حاصل ہونے والے منافع (فروخت کے لیے رکھے گئے ذیلی ادارے) میں اضافے سے منسوب ہے۔

30 ستمبر، 2021 کو ختم ہونے والی مدت کے دوران، گروپ نے اُن دو ذیلی اداروں کی فروختگی کے عمل کو کامیابی کے ساتھ مکمل کیا، جن کی درجہ بندی غیر موجودہ اثاثے برائے فروختگی کے طور پر کی گئی تھی۔ ان اداروں کے نام BIPL سکیورٹیز لمیٹڈ اور بینک اسلامی مضاربہ انویسٹمنٹ لمیٹڈ ہے۔ اس کے نتیجے میں اب یہ ادارے گروپ کا حصہ نہیں رہے ہیں۔

بورڈ کی تشکیل

بورڈ کی موجودہ تشکیل درج ذیل کے مطابق ہے:

ڈائریکٹرز کی مجموعی تعداد 8*

تشکیل:

4	(i) انڈیپنڈنٹ ڈائریکٹر:
3	(ii) نان ایگزیکٹو ڈائریکٹر:
1	(iii) ایگزیکٹو ڈائریکٹر:
1	(a) خاتون ڈائریکٹر:
7	(b) مرد ڈائریکٹر:

* بینک کے ڈائریکٹرز کے نام اس رپورٹ کے کارپوریٹ سیکشن میں شامل کر دیے گئے ہیں۔

بینک اسلامی نے ڈپازٹ کس میں بہتری لانے کی حکمت عملی کے تسلسل میں، کم لاگت والے کرنٹ اور سیونگ ڈپازٹس جمع کرنے پر توجہ مرکوز رکھی۔ جس کے نتیجے میں کرنٹ اور سیونگ ڈپازٹس میں سال دسمبر 2020 کے مقابلے میں بالترتیب 15.0 فیصد اور 17.5 فیصد تک کا اضافہ ہوا۔ اسی طرح، بینک نے اپنے زیادہ لاگت کے ٹرم ڈپازٹس کو بھی کم کیا جو اسی مدت کے دوران 3.6 فیصد تک کم ہو گئے۔ جس کے نتیجے میں بینک کے مجموعی ڈپازٹس ستمبر 2021 کو ختم ہونے والے نو (9) مہینوں کے دوران 9 فیصد تک بڑھ گئے۔ ستمبر، 2020 کے اختتام پر ڈپازٹ کی اسی صورتحال کے ساتھ موازنہ کرتے ہوئے مجموعی ڈپازٹ میں 20.7 فیصد کی نمو ظاہر ہوئی۔

بینک اسلامی نے مالی سال 2022 کے معاونت کرنے والے معاشی بجٹ، موزوں مالیاتی پالیسی اور مقامی طلب میں اضافے کے تسلسل میں اسلامک فنانسنگ اور سرمایہ کاری کے ذریعے اپنے بنیادی آمدن کے اثاثہ جات کے منبع و مرکز میں اضافہ کیا۔ کریڈٹ سائیز پر بینک نے اپنے مستحکم رسک انڈرائیٹنگ فریم ورک کی بنیاد پر کارپوریٹ اور کنزیومر کے شعبہ جات پر توجہ دیتے ہوئے انہیں وسعت دی، جس کی وجہ سے بینک کے انفیکشن کا تناسب بھی دسمبر 2020 کے 12.1 فیصد کے مقابلے میں بہتر ہو کر ستمبر 2021 میں 10.7 فیصد ہو گیا۔ اسی مدت کے دوران بینک کی انویسٹمنٹ بک میں بھی 12.3 فیصد نمو ہوئی، جبکہ اضافی زر ترسیل (سرپلس لیکویڈیٹی) کو حکومت پاکستان کے صکوک کی جانب رکھا گیا تاکہ بینک اسلامی کے Capital Adequacy Ratio کو مضبوط کیا جائے، جو کہ دسمبر 2020 کے اختتام پر 16.1 فیصد کے CAR کے مقابلے میں ستمبر 2021 کے اختتام پر 16.7 فیصد تھا۔

پیداواری آمدن کے اثاثہ جات اور کم لاگت والے CASA ڈپازٹس میں نمو ترقی کے باوجود، بینک کے نیٹ اسپریڈز 18.9 فیصد تک کی کٹھنکار ہوئے۔ یہ بنیادی طور پر سال 2020 کے دوران پالیسی ریٹ میں کمی کے نتیجے میں اثاثہ جات کے کم ریزیلیٹیمینٹس کے تینوں کے سبب تھا۔ بینک کی سروس پر مبنی غیر فنڈڈ آمدنی میں 13.6 فیصد اضافہ ہوا، جس کی وجہ (i) ڈیجیٹل ڈیلیوری چینلز (ii) ٹریڈ اور ایف آئی روابط (iii) ویلٹھ منجمنٹ سیگمنٹ اور (iv) کنزیومر فنانس سروسز سے حاصل ہونے والی فیس اور کمیشن میں مسلسل اضافہ ہے۔ بینک نے اپنے دو ذیلی اداروں BIPL سکیورٹیز لمیٹڈ اور بینک اسلامی مضاربہ انویسٹمنٹ لمیٹڈ میں اپنی ہولڈنگز کی فروخت پر 151.6 ملین روپے کا ون آف کیپیٹل منافع بھی حاصل کیا۔ ان ذرائع کے ذریعے NFI میں اضافہ فلسفہ ڈائنامک سکیورٹیز کی فروخت پر منافع اور غیر ملکی زرمبادلہ کی آمدن پر ہونے والے منافع جات میں کمی کے باعث متوازن تھا۔

بینک کے آپریٹنگ اخراجات میں 9.1 فیصد تک اضافہ ہوا، جو بنیادی طور پر بالخصوص افراط زر سے مرتب ہونے والے اثرات سے منسلک ہے اور عملے اور غیر عملے کے اخراجات اور مختلف مصارف کی لاگت میں اضافے کی وجہ سے براہ راست کاروباری نمونے عبارت ہے۔

پالیسی کی شرح میں کمی کی وجہ سے صافی اسپریڈز کے کم ہونے کے نتیجے میں سال 2021 کی نو (9) ماہ کی مدت میں بینک کا آپریٹنگ منافع کم ہو کر 2,652 ملین روپے پر آ گیا۔ تاہم گزشتہ سال اسی مدت کے دوران متاثرہ اثاثہ جات کے حوالے سے پروویڈنگ کے برعکس اس سال اسی مدت میں وصولیوں کی گنتیں جس کی وجہ سے قبل از وصول منافع میں اضافہ ہوا۔ ڈیولپر کے ساتھ تازہ عد کے حل اور متعلقہ مقدمہ کی واپسی کے نتیجے میں، سال 2021 کے نو (9) ماہ کے دوران بک کئے گئے، مبلغ 722 ملین روپے کی رقم کے نیٹ پر سولر میں جانیدار کے حصول کے لیے پیٹنگلی کا اشدہ فراہمی کی واپسی شامل ہے۔ غیر فعال اکاؤنٹس کے حوالے سے سال 2021 کی نو (9) ماہ کی مدت کے دوران بک کی گئی اضافی پروویڈن کے ذریعے اس واپسی (ریورسل) کو ایک خاص حد تک رکھا گیا۔ جس کے نتیجے میں بینک نے گزشتہ سال کے 1,762 ملین روپے کے PAT کے مقابلے میں 5.3 فیصد بہتری ریزروٹری کو ظاہر کرتے ہوئے، 30 ستمبر، 2021 کو ختم ہونے والی نو (9) ماہ کی مدت کے حوالے سے 1,855 ملین روپے کے بعد از وصول منافع کا اندراج کیا۔ الحمد للہ

مالیاتی کارکردگی

30 ستمبر، 2021 کو ختم ہونے والے نو (09) مہینوں کے حوالے سے اہم مالیاتی نکات درج ذیل ہیں:

کوائف	ستمبر-2021	دسمبر-2020	ستمبر-2020	نمو (بڑھوتری) %	(مالی حیثیت)
مجموعی ذپازٹس	309,270	283,641	256,149	20.7%	20.7%
مجموعی اثاثہ جات	363,958	336,297	307,125	18.5%	18.5%
مجموعی فنانسنگ اور متعلقہ					
اثاثہ جات - صافی	155,655	130,162	134,791	15.5%	15.5%
سرمایہ کاری - صافی	106,909	95,240	60,173	77.7%	77.7%
ٹریڈری اور بینک پلیسمنٹس	48,070	53,948	58,291	-17.5%	-10.9%
صافی اثاثہ جات	22,167	19,895	20,084	10.4%	11.4%
برانچز کا نیٹ ورک (نمبر)	340	343	340	0.0%	-0.9%

مختتمہ نو (09) مہینے

کوائف (نفع و نقصان)	ستمبر-2021	ستمبر-2020	نمو %
حاصل کردہ صافی آمدن	8,070	9,945	-18.9%
فیس اور کمیشن آمدن	872	657	32.7%
آپریٹنگ اخراجات	6,825	6,257	9.1%
آپریٹنگ منافع	2,652	4,794	-44.7%
فرائمی (واپسی/تبدیلی) اور صافی دستبرداری	-272	1,891	-114.4%
بعد از محصول منافع	1,855	1,762	5.3%
فی حصص بنیادی آمدن (روپے)	1.6734	1.5894	5.3%

ڈائریکٹرز کی رپورٹ

معزز حصص یافتگان

ہم بورڈ کی جانب سے 30 ستمبر، 2021 کو ختم ہونے والے نو (9) ماہ کے حوالے سے بینک اسلامی پاکستان لمیٹڈ ("بینک" یا "بینک اسلامی") کے مالیاتی نتائج پیش کرنے پر خوشی محسوس کر رہے ہیں۔

معاشی جائزہ

مانیٹری پالیسی کمیٹی (ایم پی سی) نے ستمبر 2021 میں پالیسی شرح کو 25 bps بڑھانے کے لیے 7.25 فیصد کرنے کا فیصلہ کیا ہے۔ یہ فیصلہ معاشی نمو کے تسلسل کو یقینی بنانے اور کرنٹ اکاؤنٹ خسارے کی رفتار کو کم کرنے کی غرض سے موزوں پالیسی مکس کو برقرار رکھنے کے لیے کیا گیا۔ اگست 2021 میں کرنٹ اکاؤنٹ بیلنس (CA)، بین الاقوامی سطح پر اجناس کی قیمتوں میں اضافے اور درآمدات میں بڑھوتری کی وجہ سے اگست 2020 میں 838 ملین امریکی ڈالر کے سرپلس کے برعکس، 2.3 بلین امریکی ڈالر کے خسارے پر رہا۔

غیر ملکی زرمبادلہ (FX) کے ذخائر میں دسمبر 2020 کے 20.5 بلین امریکی ڈالر سے بڑھ کر ستمبر 2021 میں 26 بلین امریکی ڈالر ہونے کے باوجود، ستمبر 2021 میں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر 6.8 فیصد کی ساتھ 170.7 پر آگئی جو کہ دسمبر 2020 میں 159.8 تھی، جو کہ بڑے پیمانے پر مارکیٹ میں نرم شرائط کی حامل زرمبادلہ کی پالیسی اور کرنٹ اکاؤنٹ بیلنس (CA) خسارہ کی بڑھوتری کے سبب ہے۔ مزید یہ کہ امریکہ کے فیڈرل ریزرو کی جانب سے سخت مالیاتی پالیسی کے زیر غور آنے کی وجہ سے دیگر کرنسی کی قدر میں بھی حالیہ دنوں میں کمی واقع ہوئی ہے۔

مقامی طلب میں بڑھوتری اور درآمدات پر آنے والی بلند لاگت کی وجہ سے اجناس اور مقامی پیداوار کے نرخوں میں اضافے کی وجہ سے اس شعبہ میں سال پہ سال افراط زر کی شرح دسمبر 2020 کے 8 فیصد سے بڑھ کر ستمبر 2021 میں 9 فیصد ہو گئی۔ اسی پیش قدمی کو دیکھتے ہوئے، افراط زر کا زوایہ مقامی طلب اور عالمی سطح پر اجناس کے نرخوں کے رجحان پر منحصر ہے، جو امریکہ، کینیڈا، روس، برازیل، برطانیہ، فرانس، انڈیا، بنگلہ دیش اور آسٹریلیا جیسے ممالک میں مہنگائی کے رجحان کی وجہ سے لاگت میں ہونے والے اضافے سے نبرد آزما ہیں۔

مالی سال 2022 میں پاکستان کی جی ڈی پی نمو کی شرح تقریباً 4 فیصد بڑھنے کی توقع کی جا رہی ہے۔ اس بات کو مد نظر رکھتے ہوئے کہ آئی ایم ایف نے پاکستان کو زرمبادلہ کی شرح کی ایڈجسٹمنٹ کے ذریعے قرض کے بغیر ذرائع سے امریکی ڈالر کے حصول میں اضافے اور اسٹیٹ بینک آف پاکستان کی رعایتی شرح میں مزید اضافے کے ذریعے کرنٹ اکاؤنٹ خسارے کو کم کرنے کی تجویز دی ہے۔ یہ توقع کی جاتی ہے کہ مانیٹری پالیسی کمیٹی (MPC)، دوران سال مالیاتی پالیسی کو سخت اور پالیسی کی شرح میں مزید اضافہ کر سکتی ہے۔

اختذ کردہ: اسٹیٹ بینک آف پاکستان اور بلوم برگ

Condensed Interim
Unconsolidated Financial Statements
of
BankIslami Pakistan Limited
For the Quarter and Nine Months Ended
September 30, 2021

BankIslami Pakistan Limited

Condensed Interim Unconsolidated Statement of Financial Position

AS AT SEPTEMBER 30, 2021

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note		
		----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	19,689,199	22,034,025
Balances with other banks	7	3,712,473	12,308,269
Due from financial institutions	8	44,358,422	41,640,012
Investments	9	106,908,951	95,239,635
Islamic financing, related assets and advances	10	155,654,571	130,161,889
Fixed assets	11	12,637,896	11,741,506
Intangible assets	12	3,152,918	3,108,498
Deferred tax assets	13	4,728,750	5,824,886
Other assets	14	13,114,976	13,636,969
Non-current assets held for sale	15	-	601,609
		363,958,156	336,297,298
LIABILITIES			
Bills payable	16	4,058,810	3,324,085
Due to financial institutions	17	16,869,481	16,127,616
Deposits and other accounts	18	309,269,515	283,641,351
Subordinated sukuk	19	2,000,000	2,000,000
Deferred tax liabilities		-	-
Other liabilities	20	9,593,715	11,309,073
		341,791,521	316,402,125
NET ASSETS		22,166,635	19,895,173
REPRESENTED BY			
Share capital - net		11,007,991	11,007,991
Reserves		1,526,894	1,526,894
Surplus on revaluation of assets - net of tax	21	3,435,616	3,030,509
Unappropriated profit		6,196,134	4,329,779
		22,166,635	19,895,173
CONTINGENCIES AND COMMITMENTS			
	22		

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2021

		Quarter Ended		Nine Months Ended	
	Note	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
----- (Rupees in '000) -----					
Profit / return earned	23	5,971,860	5,754,452	16,929,113	20,523,594
Profit / return expensed	24	2,968,668	2,598,158	8,859,146	10,578,704
Net Profit / return		3,003,192	3,156,294	8,069,967	9,944,890
OTHER INCOME					
Fee and commission income	25	260,802	216,699	872,006	656,732
Dividend income		8,556	-	17,604	7,050
Foreign exchange income		118,892	90,166	288,471	303,940
Gain on securities	26	7,816	8,669	226,411	241,555
Other income	27	22,009	46,540	66,751	85,933
Total other income		418,075	362,074	1,471,243	1,295,210
Total Income		3,421,267	3,518,368	9,541,210	11,240,100
OTHER EXPENSES					
Operating expenses	28	2,340,446	2,115,381	6,824,919	6,257,329
Workers' Welfare Fund		21,223	20,419	62,157	58,061
Other charges	29	20	622	2,075	130,354
Total other expenses		2,361,689	2,136,422	6,889,151	6,445,744
Profit before provisions		1,059,578	1,381,946	2,652,059	4,794,356
Provisions and write offs - net	30	15,364	353,340	(271,914)	1,891,286
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		1,044,214	1,028,606	2,923,973	2,903,070
Taxation	31	350,944	340,035	1,068,675	1,140,891
PROFIT AFTER TAXATION		693,270	688,571	1,855,298	1,762,179
----- Rupees -----					
Basic earnings per share	32	0.6253	0.6211	1.6734	1.5894
Diluted earnings per share	32	0.6253	0.6211	1.6734	1.5894

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

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

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2021

	Quarter Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----			
Profit after taxation for the period	693,270	688,571	1,855,298	1,762,179
Other Comprehensive Income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments - net of tax	140,315	375,319	415,014	(1,374,228)
Items that will not be reclassified to profit and loss account in subsequent periods				
Movement in surplus on revaluation of operating fixed assets - net of tax	-	-	1,150	-
	-	-	1,150	-
Total comprehensive income	833,585	1,063,890	2,271,462	387,951

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2021

	Share capital	Discount on issue of shares	Statutory reserve	Revenue reserve for bad debts & contingencies	Surplus on revaluation of		Unappropriated profit	Total
					Investments	Fixed/ Non Banking Assets		
	----- (Rupees in '000) -----							
Balance as at December 31, 2019	11,087,033	(79,042)	936,267	250,000	2,988,734	1,637,630	2,875,710	19,696,332
Profit after taxation for the nine months ended September 30, 2020	-	-	-	-	-	-	1,762,179	1,762,179
Other comprehensive income for the nine months ended September 30, 2020	-	-	-	-	(1,374,228)	-	-	(1,374,228)
Total comprehensive income for the nine months ended September 30, 2020	-	-	-	-	(1,374,228)	-	1,762,179	387,951
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(3,199)	3,199	-
Transfer from surplus on revaluation of non-banking assets to unaappropriated profit - net of tax	-	-	-	-	-	(1,045)	1,045	-
Balance as at September 30, 2020	11,087,033	(79,042)	936,267	250,000	1,614,506	1,633,386	4,642,133	20,084,283
Loss after taxation for the period from October 01, 2020 to December 31, 2020	-	-	-	-	-	-	(59,044)	(59,044)
Other comprehensive income/ (loss) for the period from October 01, 2020 to December 31, 2020	-	-	-	-	(216,496)	83,150	3,280	(130,066)
Total comprehensive income/ (loss) for the period from October 01, 2020 to December 31, 2020	-	-	-	-	(216,496)	83,150	(55,764)	(189,110)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	439	(439)	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(818)	818	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(83,658)	83,658	-
Transfer to statutory reserve	-	-	340,627	-	-	-	(340,627)	-
Balance as at December 31, 2020	11,087,033	(79,042)	1,276,894	250,000	1,398,010	1,632,499	4,329,779	19,895,173
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	-	1,855,298	1,855,298
Other comprehensive income for the nine months ended September 30, 2021	-	-	-	-	415,014	1,150	-	416,164
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	415,014	1,150	1,855,298	2,271,462
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(2,070)	2,070	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(2,121)	2,121	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(6,866)	6,866	-
Balance as at September 30, 2021	11,087,033	(79,042)	1,276,894	250,000	1,813,024	1,622,592	6,196,134	22,166,635

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	Note	September 30, 2021	September 30, 2020
----- (Rupees in '000) -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		2,923,973	2,903,070
Less: Dividend Income		(17,604)	(7,050)
		<u>2,906,369</u>	<u>2,896,020</u>
Adjustments for non-cash charges and other items:			
Depreciation on fixed assets		590,485	535,645
Depreciation on non banking assets		8,977	3,382
Depreciation on right-of-use assets		632,251	607,620
Amortization		48,637	49,734
Depreciation on operating Ijarah assets		509,270	852,470
Finance cost on Ijarah (lease) liabilities	24	285,541	327,410
Provisions and write offs - net	30	(271,914)	1,891,286
Charge for defined benefit plan		94,919	87,095
Gain on sale of non-current assets held for sale		(151,601)	-
Gain on sale of property and equipment	27	(876)	(4,278)
		<u>1,745,689</u>	<u>4,350,364</u>
		<u>4,652,058</u>	<u>7,246,384</u>
(Increase) / decrease in operating assets			
Due from financial institutions		(2,718,410)	12,090,676
Islamic financing, related assets and advances		(26,470,827)	(5,357,912)
Others assets		<u>1,014,691</u>	<u>781,103</u>
		<u>(28,174,546)</u>	<u>7,513,867</u>
Increase in operating liabilities			
Bills payable		734,725	737,350
Due to financial institutions		741,865	(813,883)
Deposits and other accounts		25,628,164	25,627,517
Other liabilities (excluding current taxation)		<u>(1,447,943)</u>	<u>(2,177,867)</u>
		<u>25,656,811</u>	<u>23,373,117</u>
		<u>2,134,323</u>	<u>38,133,368</u>
Income tax paid		<u>(481,261)</u>	<u>(357,320)</u>
Net cash generated from operating activities		<u>1,653,062</u>	<u>37,776,048</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(10,631,489)	(6,364,941)
Dividend received		17,604	7,050
Payment of Ijarah (lease) liability against right-of-use assets		(782,430)	(714,183)
Investments in fixed assets		(1,891,382)	(295,697)
Investments in intangible assets		(93,057)	(55,045)
Proceeds from disposal of non-current assets held for sale		753,210	-
Proceeds from disposal of fixed assets		33,860	22,974
Net cash used in from investing activities		<u>(12,593,684)</u>	<u>(7,399,842)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
IPO proceeds of subordinated sukuk		-	300,000
Net cash generated from financing activities		<u>-</u>	<u>300,000</u>
(Decrease) / increase in cash and cash equivalents		<u>(10,940,622)</u>	<u>30,676,206</u>
Cash and cash equivalents at the beginning of the period		<u>34,342,294</u>	<u>16,517,671</u>
Cash and cash equivalents at the end of the period		<u><u>23,401,672</u></u>	<u><u>47,193,877</u></u>

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

1 STATUS AND NATURE OF BUSINESS

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 340 branches including 80 sub branches as at September 30, 2021 (2020: 343 branches including 81 sub branches). The registered office of the Bank is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited.

Based on financial statements of the Bank for the year ended December 31, 2020, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the Bank's long-term rating at 'A+' and the short-term rating at 'A1' with a positive outlook.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) and notified under Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

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.

- 2.2 The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These condensed interim unconsolidated financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2020.
- 2.3 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars. The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services.
- 2.4 Further, 'SBP, vide its BPRD Circular Letter No. 24 of 2021 dated 05 July 2021, has deferred the applicability of IFRS 9 on banks in Pakistan to accounting period beginning on or after January 01, 2022. The impact of application of IFRS 9 on Bank's financial statements is presently being assessed and the same will conclude subsequent to issuance of final application guidelines by SBP.
- 2.5 These condensed interim financial statements are separate condensed interim unconsolidated financial statements 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 statements of the Bank are being issued separately.
- 2.6 The Bank provides financing mainly through Murabahah, Ijarah, Istisna, Musharakah, Diminishing Musharakah, Muswammah and other Islamic modes.

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

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended December 31, 2020.

3.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

There are certain standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these condensed interim unconsolidated financial statements.

3.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for the accounting periods as stated below:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Reference to the Conceptual Framework –Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
Annual improvement process IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	January 01, 2022
Annual improvement process IFRS 9 Financial Instruments – Fees in the '10 per cent' test for de-recognition of financial liabilities	January 01, 2022
Annual improvement process IAS 41 Agriculture – Taxation in fair value measurements	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of International Financial Reporting Standards	January 01, 2014
IFRS 17 – Insurance Contracts	January 01, 2023

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements of the Bank for the year ended December 31, 2020.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual unconsolidated financial statements for the year ended December 31, 2020.

6 CASH AND BALANCES WITH TREASURY BANKS

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	------(Rupees in '000)-----	
In hand:		
- Local currency	8,218,256	6,153,879
- Foreign currency	467,220	601,823
	<u>8,685,476</u>	<u>6,755,702</u>
With the State Bank of Pakistan in:		
- Local currency current account	7,959,310	11,281,084
- Foreign currency deposit accounts:		
- Cash Reserve Account	569,484	431,873
- Special Cash Reserve Account	687,921	522,019
- US Dollar Clearing Account	43,141	21,184
	<u>1,300,546</u>	<u>975,076</u>
With National Bank of Pakistan in:		
- Local currency current account	1,723,429	2,955,558
National Prize Bonds	<u>20,438</u>	<u>66,605</u>
	<u><u>19,689,199</u></u>	<u><u>22,034,025</u></u>

7 BALANCES WITH OTHER BANKS

In Pakistan:		
- In current accounts	967	2,361
- In deposit accounts	124	369
	<u>1,091</u>	<u>2,730</u>
Outside Pakistan:		
- In current accounts	3,437,277	8,992,757
- In deposit accounts	274,105	3,312,782
	<u><u>3,712,473</u></u>	<u><u>12,308,269</u></u>

8 DUE FROM FINANCIAL INSTITUTIONS

		(Un-audited)			(Audited)		
		September 30, 2021			December 31, 2020		
Note		In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
----- (Rupees in '000) -----							
Secured							
Bai Muajjal Receivable							
- from Banks	8.1	6,932,701	-	6,932,701	-	-	-
- from Other Financial Institutions	8.1	15,217,073	-	15,217,073	16,888,683	-	16,888,683
Unsecured							
Wakalah Placement	8.2	3,300,000	2,217,457	5,517,457	-	3,073,290	3,073,290
Musharaka Placements	8.3	1,000,000	-	1,000,000	12,000,000	-	12,000,000
Bai Muajjal Receivable							
- from Banks	8.1	-	-	-	4,818,345	-	4,818,345
- from Other Financial Institutions	8.1	15,691,191	-	15,691,191	4,859,694	-	4,859,694
Other placements		25,110	-	25,110	27,540	-	27,540
		42,166,075	2,217,457	44,383,532	38,594,262	3,073,290	41,667,552
Provision against placements							
	8.4	(25,110)	-	(25,110)	(27,540)	-	(27,540)
		42,140,965	2,217,457	44,358,422	38,566,722	3,073,290	41,640,012

- 8.1 The return on these balances range between 6.40% to 7.32% (2020: 6.42% to 10.80%) per annum. The balances have maturities ranging between 01 day to 120 days (2020: 5 days to 46 days). These include Bai Muajjal secured against Federal Government securities received as collateral and having market value of Rs. 24,000 million (2020: Rs. 17,309 million).
- 8.2 These represents foreign and local placements and the profit rates on these agreements range between 0.04% to 8.10% (2020: 0.10% to 1.25%) per annum. These agreements have maturities ranging from 01 day to 98 days (2020: 6 to 180 days).
- 8.3 The profit rate on this agreement is 7.25% (2020: 7.00% to 7.20%) per annum and the agreement has maturity in 01 day (2020: 14 to 60 days).

8.4 Category of classification

(Un-audited)		(Audited)	
September 30, 2021		December 31, 2020	
Classified Placements	Provision held	Classified Placements	Provision held
(Rupees in '000)			
Loss	25,110	25,110	27,540
			27,540

- 8.4.1 The Bank does not hold overseas classified placements.

Note	(Un-audited)	(Audited)
	September 30, 2021	December 31, 2020
	(Rupees in '000)	

9 INVESTMENTS

Investments - Islamic	9.1 & 9.3	106,331,276	94,661,960
Investments - Conventional (relating to amalgamated entity)	9.2 & 9.4	577,675	577,675
		106,908,951	95,239,635

(Un-audited)				(Audited)			
September 30, 2021				December 31, 2020			
Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)							

9.1 Islamic Investments by type

Available for sale securities

Federal Government Securities

Non Government Shariah

Compliant Securities

Shares / Modaraba certificates

65,427,173	-	550,132	65,977,305	54,812,890	-	(9,222)	54,803,668
37,281,348	(35,880)	2,015,579	39,261,047	36,852,598	(35,880)	2,078,535	38,895,253
304,998	(63,573)	223,557	464,982	332,869	(79,244)	81,472	335,097
103,013,519	(99,453)	2,789,268	105,703,334	91,998,357	(115,124)	2,150,785	94,034,018

Associates

627,942	-	-	627,942	627,942	-	-	627,942
---------	---	---	---------	---------	---	---	---------

Total Islamic investments

103,641,461	(99,453)	2,789,268	106,331,276	92,626,299	(115,124)	2,150,785	94,661,960
-------------	----------	-----------	-------------	------------	-----------	-----------	------------

9.2 Conventional Investments by type*

Available for sale securities

Non Government Debt Securities

Shares

232,645	(232,645)	-	-	263,710	(263,710)	-	-
1,189,030	(611,355)	-	577,675	1,189,030	(611,355)	-	577,675
1,421,675	(844,000)	-	577,675	1,452,740	(875,065)	-	577,675

Held to maturity securities

Non Government Debt Securities

92,145	(92,145)	-	-	321,601	(321,601)	-	-
--------	----------	---	---	---------	-----------	---	---

Associates

1,032,169	(1,032,169)	-	-	1,032,169	(1,032,169)	-	-
-----------	-------------	---	---	-----------	-------------	---	---

Subsidiaries

104,771	(104,771)	-	-	104,771	(104,771)	-	-
---------	-----------	---	---	---------	-----------	---	---

Total conventional investments

2,650,760	(2,073,085)	-	577,675	2,911,281	(2,333,606)	-	577,675
-----------	-------------	---	---------	-----------	-------------	---	---------

Note	(Un-audited)				(Audited)			
	September 30, 2021				December 31, 2020			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
9.3 Islamic Investments by segments								
Federal Government Securities								
GOP Ijarah Sukuks	55,121,337	-	550,132	55,671,469	44,507,054	-	(9,222)	44,497,832
Bai Muajjal	10,305,836	-	-	10,305,836	10,305,836	-	-	10,305,836
	65,427,173	-	550,132	65,977,305	54,812,890	-	(9,222)	54,803,668
Non Government Shariah								
Compliant Securities								
Pakistan Energy Sukuk-I	27,146,945	-	1,832,419	28,979,364	27,503,500	-	1,925,245	29,428,745
Pakistan Energy Sukuk-II	3,393,034	-	41,936	3,434,970	2,000,000	-	12,000	2,012,000
Sukuk certificates - unlisted	6,741,369	(35,880)	141,224	6,846,713	7,349,098	(35,880)	141,290	7,454,508
	37,281,348	(35,880)	2,015,579	39,261,047	36,852,598	(35,880)	2,078,535	38,895,253
Shares								
Ordinary shares of listed companies	304,998	(63,573)	223,557	464,982	332,869	(79,244)	81,472	335,097
Associates - Unlisted								
Shakarganj Food Products Limited	627,942	-	-	627,942	627,942	-	-	627,942
	103,641,461	(99,453)	2,789,268	106,331,276	92,626,299	(115,124)	2,150,785	94,661,960

9.3.1 These represents Bank's investment in Pakistan Energy Sukuk-I issued by Power Holding (Private) Limited, wholly owned by the Government of Pakistan. These Energy Sukuk are guaranteed by the Government of Pakistan and are eligible for Statutory Liquidity Requirements. These Energy Sukuk are based on Islamic mode of Ijarah and has a 10 year maturity with semi-annual rental payments carrying profit rate at 6 months KIBOR + 80bps.

9.3.2 These represents Bank's investment in Pakistan Energy Sukuk-II issued by Power Holding (Private) Limited, wholly owned by the Government of Pakistan. These Energy Sukuk are guaranteed by the Government of Pakistan and are eligible for Statutory Liquidity Requirements. These Energy Sukuk are based on Islamic mode of Ijarah and has a 10 year maturity with semi-annual rental payments carrying profit rate at 6 months KIBOR - 10bps.

9.4 Conventional Investments by segments*

	(Un-audited)				(Audited)			
	September 30, 2021				December 31, 2020			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
Non Government Debt Securities								
Listed	82,785	(82,785)	-	-	85,888	(85,888)	-	-
Unlisted	242,005	(242,005)	-	-	499,423	(499,423)	-	-
	324,790	(324,790)	-	-	585,311	(585,311)	-	-
Shares								
Unlisted Companies	33,680	(33,680)	-	-	33,680	(33,680)	-	-
Foreign securities								
Equity securities	1,155,350	(577,675)	-	577,675	1,155,350	(577,675)	-	577,675
Associates - Unlisted								
KASB Capital Limited	41,867	(41,867)	-	-	41,867	(41,867)	-	-
KASB Funds Limited	432,302	(432,302)	-	-	432,302	(432,302)	-	-
New Horizon Exploration & Production Limited	558,000	(558,000)	-	-	558,000	(558,000)	-	-
	1,032,169	(1,032,169)	-	-	1,032,169	(1,032,169)	-	-
Subsidiaries								
My Solutions Corporation Limited	104,771	(104,771)	-	-	104,771	(104,771)	-	-
	2,650,760	(2,073,085)	-	577,675	2,911,281	(2,333,606)	-	577,675

* These assets are related to amalgamated entity. These investments are under process of conversion / liquidation / disposal.

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
9.5 Investments given as collateral			
Federal Government Securities		5,000,000	5,000,000
9.6 Provision for diminution in value of investments			
9.6.1 Opening balance		2,448,730	2,461,080
Charge / (reversal)			
Charge for the period / year		-	-
Reversals for the period / year		(18,774)	(12,350)
Provision for diminution in value of investments - net		(18,774)	(12,350)
Amounts written off		(257,418)	-
Closing Balance	9.6.1.1	2,172,538	2,448,730

9.6.1.1 Break up of provision for diminution in the value of investments is as follows:

Investments - Islamic	99,453	115,124
Investments - Conventional	2,073,085	2,333,606
	2,172,538	2,448,730

9.6.2 Particulars of provision against debt securities

	(Un-audited) September 30, 2021		(Audited) December 31, 2020	
Category of classification	Non-performing investments	Specific Provision	Non-performing investments	Specific Provision
	----- (Rupees in '000) -----			
Domestic				
Loss	636,921	360,670	897,442	621,191
Total	636,921	360,670	897,442	621,191

9.6.2.1 The Bank does not hold overseas classified debt securities.

10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
Islamic financing and related assets - net	10.1	155,465,718	129,896,587
Advances (relating to amalgamated entity) - net	10.2	188,853	265,302
		155,654,571	130,161,889

10.1 Islamic financing and related assets - net

Note

		Performing		Non Performing		Total	
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
(Rupees in '000)							
In Pakistan							
- Running Musharakah	10.11	46,647,671	39,189,963	1,487,510	1,668,510	48,135,181	40,858,473
- Diminishing Musharakah financing and related assets - Others	10.3	33,218,463	28,935,891	2,255,166	1,491,171	35,473,629	30,427,062
- Diminishing Musharakah financing and related assets - Auto		21,641,342	14,336,290	235,971	223,763	21,877,313	14,560,053
- Diminishing Musharakah - Housing		16,527,001	13,446,210	1,950,558	1,631,646	18,477,559	15,077,856
- Murabahah financing and related assets	10.6 & 10.9	12,259,997	3,496,899	309,659	440,795	12,569,656	3,937,694
- Istisna financing and related assets	10.5 & 10.10	9,027,549	11,397,127	1,193,404	1,022,049	10,220,953	12,419,176
- Investment Agency Wakalah		5,208,333	6,250,000	-	-	5,208,333	6,250,000
- Muswammah financing and related assets / Karobar financing	10.4 & 10.12	4,570,372	8,380,530	4,478,676	3,024,150	9,049,048	11,404,680
- Financing against Bills		1,184,999	23,236	-	-	1,184,999	23,236
- Murabahah against Bills		850,336	72,092	892	892	851,228	72,984
- Ijarah financing under IFAS 2 and related assets	10.7	835,563	1,573,616	139,850	186,736	975,413	1,760,352
- Musharakah financing		280,000	280,000	-	-	280,000	280,000
- Net investment in Ijarah financing in Pakistan		136,096	143,162	-	-	136,096	143,162
- Salam	10.8	100,000	109,900	-	-	100,000	109,900
- Housing finance portfolio - others		31,240	33,897	-	-	31,240	33,897
- Past Due Acceptance		29,153	29,153	-	-	29,153	29,153
- Qard e Hasana		-	946	121,860	541,060	121,860	542,006
Gross financing and related assets		152,548,115	127,698,912	12,173,546	10,230,772	164,721,661	137,929,684
Less: Provision against non-performing Islamic financing and related assets							
- Specific	10.14 & 10.15	-	-	(8,013,181)	(7,231,104)	(8,013,181)	(7,231,104)
- General	10.15	(1,242,762)	(801,993)	-	-	(1,242,762)	(801,993)
		(1,242,762)	(801,993)	(8,013,181)	(7,231,104)	(9,255,943)	(8,033,097)
Islamic financing and related assets-net of provisions		151,305,353	126,896,919	4,160,365	2,999,668	155,465,718	129,896,587

10.2 Advances (relating to amalgamated entity) - net

Loans, cash credits, running finances, etc. - In Pakistan*	95,089	110,380	4,906,438	6,009,473	5,001,527	6,119,853
Net investment in finance lease - In Pakistan	-	-	582,185	582,185	582,185	582,185
Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan	-	-	684,295	706,325	684,295	706,325
Advances - gross	95,089	110,380	6,172,918	7,297,983	6,268,007	7,408,363
Provision against advances						
- Specific	10.14 & 10.15	-	-	(6,172,918)	(7,260,504)	(6,172,918)
- General	10.15	(55)	(55)	-	-	(55)
		(55)	(55)	(6,172,918)	(7,260,504)	(6,172,973)
Advances - net of provision	95,034	110,325	93,819	37,479	95,034	147,804
Fair value adjustment	10.16	-	-	117,498	93,819	117,498
Advances - net of provision and fair value adjustment	95,034	110,325	93,819	154,977	188,853	265,302

* This includes non-interest bearing performing financing facilities amounting to Rs. 95.089 million (2020: Rs. 106.507 million).

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	------(Rupees in '000)-----	
10.3 Diminishing Musharakah financing and related assets - Others		
Diminishing Musharakah financing	32,177,388	30,180,621
Advance against Diminishing Musharakah financing	3,296,241	246,441
	<u>35,473,629</u>	<u>30,427,062</u>
10.4 Muswammah financing and related assets / Karobar financing		
Muswammah financing	6,137,014	8,036,816
Advance against Muswammah financing	124,590	205,000
Muswammah inventories	2,787,444	3,162,864
	<u>9,049,048</u>	<u>11,404,680</u>
10.5 Istisna financing and related assets		
Istisna financing	4,595,088	4,131,021
Advance against Istisna financing	5,625,865	8,254,755
Istisna inventories	-	33,400
	<u>10,220,953</u>	<u>12,419,176</u>
10.6 Murabahah financing and related assets		
Murabahah financing	7,292,618	2,292,974
Deferred murabahah income	230,863	71,613
Advances against Murabaha financing	1,485,516	252,008
Murabaha Inventories	3,560,659	1,321,099
	<u>12,569,656</u>	<u>3,937,694</u>
10.7 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	974,802	1,759,670
Advance against Ijarah financing	611	682
	<u>975,413</u>	<u>1,760,352</u>
10.8 Salam		
Salam financing	30,001	-
Advance against Salam	69,999	109,900
	<u>100,000</u>	<u>109,900</u>
10.9 Murabahah financing and related assets includes financing amounting to Nil (2020: Rs. 139.750 million) and advance amounting to Rs. Nil million (2020: Rs. 80 million) under Islamic Export Refinance Scheme.		
10.10 Istisna financing and related assets includes financing amounting to Rs. 0.012 million (2020: Rs. 154.188 million) and advance amounting to Rs. 1,926 million (2020: Rs. 1,580 million) under Islamic Export Refinance Scheme.		
10.11 Running musharakah financing includes financing amounting to Rs. 2,349 million (2020: 1,492 million) under Islamic Export Refinance Scheme.		
10.12 Musawamah financing includes financing amounting to Rs. Nil (2020: Nil) and advance amounting to Rs. 100 million (2020: Nil) under Islamic Export Refinance Scheme.		
	(Un-audited) September 30, 2021	(Audited) December 31, 2020
10.13 Particulars of Islamic financing, related assets and advances - gross	------(Rupees in '000)-----	
In local currency	169,439,760	144,618,552
In foreign currency	1,549,908	719,495
	<u>170,989,668</u>	<u>145,338,047</u>

- 10.14 Islamic financing, related assets and advances include Rs. 18,346.464 million (2020: Rs. 17,528.755 million) which have been placed under non-performing status as detailed below:

Category of classification

	(Un-audited)		(Audited)	
	September 30, 2021		December 31, 2020	
	Non-performing Islamic financing, related assets and advances	Specific Provision	Non-performing Islamic financing, related assets and advances	Specific Provision
----- (Rupees in '000) -----				
Domestic				
Other assets especially mentioned	491,820	-	149,428	-
Substandard	684,534	63,925	485,371	34,915
Doubtful	3,019,663	1,332,111	1,947,553	536,216
Loss	14,150,447	12,790,063	14,946,403	13,920,477
Total	18,346,464	14,186,099	17,528,755	14,491,608

- 10.14.1 The Bank does not hold overseas classified non performing Islamic financing, related assets and advances.

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

	(Un-audited)			(Audited)		
	September 30, 2021			December 31, 2020		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	14,491,608	802,048	15,293,656	12,726,980	337,812	13,064,792
Charge for the period / year	1,416,144	440,769	1,856,913	2,181,260	464,236	2,645,496
Reversals for the period / year	(1,411,717)	-	(1,411,717)	(416,632)	-	(416,632)
	4,427	440,769	445,196	1,764,628	464,236	2,228,864
Amount written off	(309,936)	-	(309,936)	-	-	-
Closing balance	14,186,099	1,242,817	15,428,916	14,491,608	802,048	15,293,656

- 10.15.1

Islamic	8,013,181	1,242,762	9,255,943	7,231,104	801,993	8,033,097
Conventional	6,172,918	55	6,172,973	7,260,504	55	7,260,559
	14,186,099	1,242,817	15,428,916	14,491,608	802,048	15,293,656

- 10.15.2 Provision / reversal of provision net of fair value adjustment taken to the profit and loss account

	(Un-audited)	(Audited)
	September 30, 2021	December 31, 2020
----- (Rupees in '000) -----		
Gross reversals for the period / year	1,411,717	416,632
Charge for the period / year	(1,856,913)	(2,645,496)
	(445,196)	(2,228,864)
Fair value adjusted - net	(23,679)	(1,361)
Net charge taken to the profit and loss account	(468,875)	(2,230,225)

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

	(Un-audited)			(Audited)		
	September 30, 2021			December 31, 2020		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
In local currency	14,186,099	1,242,817	15,428,916	14,491,608	802,048	15,293,656
	14,186,099	1,242,817	15,428,916	14,491,608	802,048	15,293,656

- 10.15.4 The Bank maintains general reserve (provision) amounting to Rs. 467.817 million (2020: 352.048 million) 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. In addition the Bank carries general provision of Rs. 775 million (December 31, 2020: 450 million) as a matter of prudence based on management estimate.

- 10.15.5 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at September 30, 2021 amounts to Rs.1,079.194 million (2020: Rs. 890.288 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 658.308 million (2020: Rs. 543.076 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

- 10.16 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.

- 10.17 Total gross financing and related assets includes financing amounting to Rs. 2,162.617 million, Rs. 330.123 million, Rs. 2,249.233 million, Rs. 18.289 million and Rs. 84.408 million, under "Islamic refinance scheme for payment of wages and salaries", "Islamic refinance scheme for combating COVID (IRFCC)", "Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)", "Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP) and Islamic refinance facility for Modernization of SMEs", respectively.

11 FIXED ASSETS

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
Capital work-in-progress	11.1 & 11.2	1,276,000	179,270
Property and equipment	11.2 & 11.3	8,746,780	8,575,597
Right of use assets	11.2	2,615,116	2,986,639
		<u>12,637,896</u>	<u>11,741,506</u>
11.1 Capital work-in-progress			
Advances to suppliers and contractors		91,518	138,670
Advance for acquiring properties: - Office premises	11.1.1	1,184,482	762,503
		1,276,000	901,173
Provision for impairment against advance for acquiring floors / office premises	11.1.1	-	(721,903)
		<u>1,276,000</u>	<u>179,270</u>
11.1.1	This includes advance against purchase of property amounting to Rs. 1,143.632 million (2020: Rs. 721.903 million). In view of settlement of dispute with a developer and withdrawal of related litigations, the provision against subject advance amounting to Rs. 721.903 million has been reversed during the period.		

11.2

Additions to fixed assets

(Un-audited)

September 30,

2021

(Un-audited)

September 30,

2020

----- (Rupees in '000) -----

The following additions have been made to fixed assets during the period:

Capital work-in-progress - net

472,993

148,978

Property and equipment

Leasehold Building

187,021

164,716

Furniture and fixture

232,818

27,114

Electrical office and computer equipment

384,974

198,290

Vehicles

7,754

4,014

812,567

394,134

Right of use assets

Leasehold Building

260,727

77,774

Total

1,546,287

620,886

11.3

Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

Building on freehold land

31,004

17,958

Furniture and fixture

23,270

35

Electrical office and computer equipment

135

703

Total

54,409

18,696

12 INTANGIBLE ASSETS

12	INTANGIBLE ASSETS		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		Note		
			----- (Rupees in '000) -----	
	Computer software	12.1	155,699	136,869
	Goodwill		2,944,297	2,944,297
	Core deposits		29,422	27,332
	Other intangibles		23,500	
			<u>3,152,918</u>	<u>3,108,498</u>
12.1	Additions to intangible assets		(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
			----- (Rupees in '000) -----	
	The following additions have been made to intangible assets during the period:			
	- Directly purchased		112,558	55,044
12.2	Disposals of intangible assets			
	There were no disposals of intangible assets during the period.			

13 DEFERRED TAX ASSETS

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
Deductible Temporary Differences on:		
Accumulated tax losses	2,590,850	2,748,819
Provision for diminution in the value of investments	205,601	326,246
Provision against non-performing Islamic financing and related assets and advances	3,510,690	3,797,882
Ijarah financing and related assets	253,789	207,080
Accelerated tax depreciation	152,997	61,891
Others	(20,753)	263,243
	6,693,174	7,405,161
Taxable Temporary Differences on:		
Fair value adjustments relating to net assets acquired upon amalgamation	(356,511)	(191,218)
Surplus on revaluation of fixed assets	(618,428)	(621,899)
Surplus on revaluation of non-banking assets	(13,241)	(14,383)
Surplus on revaluation of available for sale securities	(976,244)	(752,775)
	(1,964,424)	(1,580,275)
	<u>4,728,750</u>	<u>5,824,886</u>

- 13.1 The Bank has aggregate tax losses of Rs. 7,402.428 million as at September 30, 2021 (2020: Rs. 7,853.768 million) which includes tax losses of the amalgamated entity. The management has carried out an assessment for estimating the benefit of these losses. The Bank would be able to set off the profit earned in future years against these carry forward losses. Based on this assessment the management has recognized deferred tax debit balance amounting to Rs. 2,590.850 million (2020: Rs. 2,748.819 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 / financings and branch expansion plan. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.

14 OTHER ASSETS

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
Profit / return accrued in local currency		8,581,705	8,121,504
Profit / return accrued in foreign currency		8,225	7,772
Advances, deposits, advance rent and other prepayments		1,111,459	951,923
Non-banking assets acquired in satisfaction of claims		2,144,045	2,149,758
Takaful / insurance claim receivable		45,099	30,985
Receivable against First WAPDA Sukuk		50,000	50,000
Acceptances		1,126,818	2,392,561
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts		75,619	60,489
Amount held with financial institution		-	814,546
Others		616,084	419,274
		13,759,054	14,998,812
Less: Provision held against other assets	14.1	(867,123)	(1,588,151)
Other Assets (Net of Provision)		<u>12,891,931</u>	<u>13,410,661</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	21	223,045	226,308
Other assets - total		<u>13,114,976</u>	<u>13,636,969</u>
Market value of non-banking assets acquired in satisfaction of claims		<u>1,662,411</u>	<u>1,671,387</u>
14.1 Provision held against other assets			
Advances, deposits, advance rent & other prepayments		26,692	26,692
Non banking assets acquired in satisfaction of claims		704,679	704,679
Amount held with financial institution		-	719,218
Others		135,752	137,562
	14.1.1	<u>867,123</u>	<u>1,588,151</u>
14.1.1 Movement in provision held against other assets			
Opening balance		1,588,151	1,253,182
Charge for the period / year		4,374	369,238
Reversals for the period / year		(23,952)	(34,269)
Adjustment during the period / year		(701,450)	-
Closing balance		<u>867,123</u>	<u>1,588,151</u>

15 NON-CURRENT ASSETS HELD FOR SALE

On April 25, 2019, the Board of Directors announced their decision on Pakistan Stock Exchange to explore and evaluate the strategic options including divestment of shares held by the Bank in one or more associated and subsidiary companies. Subsequently, after following a detail process, the Bank signed Share Purchase Agreement with respect to sale of its investment in BankIslami Modaraba Investment Limited and BIPL Securities Limited (subsidiary companies) with respective buyers. These sale transactions have been concluded and investment in these subsidiary companies has been disposed off.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	------(Rupees in '000)-----	
Islamic Investment		
BankIslami Modaraba Investments Limited	-	78,808
Conventional Investment		
BIPL Securities Limited	-	522,801
	<u>-</u>	<u>601,609</u>

16 BILLS PAYABLE

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	------(Rupees in '000)-----	
In Pakistan	4,058,810	3,324,085
Outside Pakistan	-	-
	<u>4,058,810</u>	<u>3,324,085</u>

17 DUE TO FINANCIAL INSTITUTIONS

Secured

Acceptances from State Bank of Pakistan under Islamic Export Refinance Scheme	3,961,600	3,622,550
Acceptances from State Bank of Pakistan for financial assistance	3,611,462	3,375,410
Refinance facility for Islamic Mortgage	3,136,363	1,989,031
Islamic refinance scheme for payment of wages and salaries	2,179,604	2,805,692
Islamic refinance scheme for combating COVID (IRFCC)	27,908	31,895
Islamic refinance for Facility of Storage of Agricultural Produce (IFFSAP)	18,289	-
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	1,634,255	3,038
Total secured	14,569,481	11,827,616

Unsecured

Wakalah Acceptance	-	4,300,000
Musharakah Acceptance	2,300,000	-
Total unsecured	2,300,000	4,300,000
	<u>16,869,481</u>	<u>16,127,616</u>

18 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) September 30, 2021			(Audited) December 31, 2020		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	------(Rupees in '000)-----					
Customers						
Current deposits	103,564,427	3,583,273	107,147,700	89,268,714	3,068,383	92,337,097
Savings deposits	82,750,709	3,622,580	86,373,289	74,101,851	3,615,238	77,717,089
Term deposits	93,824,336	3,223,686	97,048,022	91,499,914	1,630,147	93,130,061
Others	2,275,618	65,968	2,341,586	2,701,340	56,786	2,758,126
	282,415,090	10,495,507	292,910,597	257,571,819	8,370,554	265,942,373
Financial Institutions						
Current deposits	221,176	5,863	227,039	286,076	3,880	289,956
Savings deposits	13,966,779	600	13,967,379	7,665,522	-	7,665,522
Term deposits	2,164,500	-	2,164,500	9,743,500	-	9,743,500
	16,352,455	6,463	16,358,918	17,695,098	3,880	17,698,978
	<u>298,767,545</u>	<u>10,501,970</u>	<u>309,269,515</u>	<u>275,266,917</u>	<u>8,374,434</u>	<u>283,641,351</u>

19 SUBORDINATED SUKUK

- 19.1 The Bank has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuk under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I (ADT-I) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

- 19.2 Salient features of the ADT-I sukuk are as follows:

Amount	Rs. 2,000 million.
Issue Date	April 21, 2020
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this sukuk at 'A-' (A minus).
Security	Unsecured
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Call option	The Bank may, at its sole discretion, call the sukuk, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	Profit on the sukuk shall only be paid from the current year's earnings and if the Bank is fully compliant with SBP's Minimum Capital Requirement (MCR), Capital Adequacy Ratio (CAR) and Liquidity Ratio (LR) requirements.
Loss absorbency clause	The sukuk shall, at the discretion of the SBP, be either permanently converted into ordinary shares or permanently written-off (partially or in full) pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

- 19.3 The funds raised through this instrument are being utilized towards Bank's General Pool, that is, financing and investment activities as permitted by Bank's Memorandum and Articles of Association. With permission of Sukuk holders, the proceeds of this issue have been commingled with other funds of the depositors (which may include Bank's own equity) i.e. invested in General Pool of the Bank.

20 OTHER LIABILITIES

Note	(Un-audited)	(Audited)
	September 30, 2021	December 31, 2020
	------(Rupees in '000)-----	
Profit / return payable in local currency	1,904,218	1,733,220
Profit / return payable in foreign currencies	16,843	14,583
Accrued expenses	832,830	877,787
Deferred Murabahah Income - Financing and IERS	189,956	104,322
Payable to defined contribution plan	25,040	2,876
Defined Benefit Plan liabilities	231,333	136,415
Security deposits against Ijarah	868,423	1,122,450
Ijarah (lease) Liability	3,207,712	3,443,873
Provision against off-balance sheet obligations	85,975	85,975
Acceptances	1,126,818	2,392,561
Receipt appropriation account	-	6,638
Current taxation (provisions less payments)	74,258	199,281
Provision against other tax liabilities	140,214	146,409
Sundry creditors	248,075	190,839
Payable to brokers against purchase of shares - net	119	-
Charity payable	6,724	14,712
Retention money payable	14,254	10,167
Provision for Workers' Welfare Fund	185,321	123,164
Branch adjustment account	31,675	30,867
Rental received in advance	162,555	348,243
Advance against disposal of Non current asset held for sale	-	188,303
Others	241,372	136,388
	<u>9,593,715</u>	<u>11,309,073</u>

21 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		(Un-audited)	(Audited)
		September 30, 2021	December 31, 2020
		----- (Rupees in '000) -----	
Surplus on revaluation of:			
Available for sale securities	9.1	2,789,268	2,150,785
Fixed Assets		2,031,216	2,042,473
Non-banking assets acquired in satisfaction of claims	14	223,045	226,308
		5,043,529	4,419,566
Deferred tax liability on surplus on revaluation of:			
Available for sale securities	13	(976,244)	(752,775)
Fixed Assets		(618,428)	(621,899)
Non-banking assets acquired in satisfaction of claims		(13,241)	(14,383)
		(1,607,913)	(1,389,057)
		3,435,616	3,030,509

22 CONTINGENCIES AND COMMITMENTS

- Guarantees	9,323,047	10,342,243
- Commitments	38,187,173	10,298,481
- Other contingent liabilities	229,652	1,360,580
	47,739,872	22,001,304

22.1 Guarantees

Financial guarantees	-	84,182
Performance guarantees	4,063,645	5,888,773
Other guarantees	5,259,402	4,369,288
	9,323,047	10,342,243

22.2 Commitments

Documentary credits and short-term trade-related transactions		
- letters of credit	25,835,866	12,003,211
Commitments in respect of:		
- Shariah compliant alternative of forward foreign exchange contracts	1,301,219	(9,435,135)
Commitments for acquisition of:		
- fixed assets	192,575	232,703
- intangible assets	70,278	15,559
Other commitments	10,787,235	7,482,143
	38,187,173	10,298,481

22.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange contracts

Purchase	13,223,818	11,389,226
Sale	(11,922,599)	(20,824,361)
	1,301,219	(9,435,135)

22.2.2 Other commitments

Bills for collection	10,787,235	7,482,143
----------------------	------------	-----------

22.3 Other contingent liabilities

Suit filed by customers for recovery of alleged losses suffered, pending in the High Court, which the Bank has not acknowledged as debt	4,200	11,200
Tax Contingencies	225,452	1,349,380
	229,652	1,360,580

22.3.1 There is no change in the status of contingencies related to pending legal cases, as set out in note 26.3.1 to 26.3.1.4 to the financials statements of the Bank for the year ended December 31, 2020 except for note 26.3.1.4 where the legal formalities have been completed and settlement with international payment scheme has been concluded. The financial effects of the settlement has been recorded in these unconsolidated condensed interim financial statements (refer note 14).

22.3.2 There is no change in the status of tax and other contingencies, as set out in note 26.3.2 to the annual financial statements of the Bank for the year ended December 31, 2020 except for note 26.3.2.7 where during the year 2021 the learned Commissioner Appeal has passed an order in favor of the Bank with regards to Assessment Order passed by the Learned DCIR relating to Tax Year 2014 and 2015, thereby nullifying the tax demand of Rs. 53.770 million and Rs.61.780 million, respectively. Furthermore, during the year, the allowed time period to pass an order by the Learned Commissioner under section 124(1) to give effect to findings in respect of the order passed by the Learned Commissioner (Appeals) with regards to tax year 2016 and tax year 2017 has been lapsed. Therefore, the tax related contingencies of Rs. 994.553 million and Rs. 13.825 million in relation to tax year 2016 and tax year 2017 has been deleted.

23 PROFIT / RETURN EARNED

Profit earned on:

	(Un-audited)	
	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----	
Financing	8,781,476	11,506,849
Investments	5,286,999	3,797,923
Placements	2,764,805	5,132,021
Others	95,833	86,801
	<u>16,929,113</u>	<u>20,523,594</u>

24 PROFIT / RETURN EXPENSED

Deposits and other accounts	7,841,040	9,417,450
Due to financial institutions	572,724	620,815
Cost of foreign currency swaps against foreign currency deposits	6,499	23,577
Finance cost on Ijarah (lease) liabilities	285,541	327,410
Additional Tier-1 sukuk	153,342	189,452
	<u>8,859,146</u>	<u>10,578,704</u>

25 FEE AND COMMISSION INCOME

Branch banking customer fees	39,397	42,067
Commission on bancatakaful	110,253	80,617
Card related fees	249,411	173,933
Commission on arrangement with financial institutions	74,363	45,176
Consumer finance related fees	51,586	22,687
Commission on guarantees	70,487	33,468
Investment banking fees	87,896	125,006
Commission on cash management	5,201	2,728
Commission on remittances including home remittances	21,206	23,993
Commission on trade	157,634	97,627
Others	4,572	9,430
	<u>872,006</u>	<u>656,732</u>

26 GAIN ON SECURITIES

Note	(Un-audited)	
	September 30, 2021	September 30, 2020
	------(Rupees in '000)-----	
Realized gain	226,411	241,555

26.1 Realized gain on:

Federal Government Securities	24,829	-
Non-Government Shariah compliant Securities	25,118	241,555
Shares	24,863	-
Non-Current Assets held for sale	151,601	-
	<u>226,411</u>	<u>241,555</u>

27 OTHER INCOME

Rent on property	938	7,763
Gain on termination of financing	57,503	65,298
Gain on sale of property and equipment	876	4,278
Recoveries against previously expensed items	7,434	8,594
	<u>66,751</u>	<u>85,933</u>

28 OPERATING EXPENSES

Total compensation expense	3,004,287	2,604,758
----------------------------	-----------	-----------

Property expense

Rent & taxes	44,602	52,367
Takaful charges	967	2,931
Utilities cost	336,160	248,343
Security (including guards)	267,964	273,444
Repair & maintenance (including janitorial charges)	154,941	127,231
Depreciation	270,083	255,095
Depreciation on right-of-use assets	632,251	607,620
Others	-	30
	<u>1,706,968</u>	<u>1,567,061</u>

Information technology expenses

Software maintenance	218,648	177,686
Hardware maintenance	69,842	94,051
Depreciation	176,039	145,487
Amortization	46,727	48,025
Network charges	137,270	113,493
	<u>648,526</u>	<u>578,742</u>

Other operating expenses

Directors' fees and allowances	8,760	7,070
Fees and allowances to Shariah Board	13,796	11,701
Legal & professional charges	140,052	82,979
Travelling & conveyance	29,846	22,818
NIFT clearing charges	20,004	21,464
Depreciation	144,363	135,063
Depreciation on non-banking assets	8,977	3,382
Entertainment expense	43,878	43,663
Training & development	3,139	6,298
Postage & courier charges	31,068	49,588
Communication	34,249	50,913
Stationery & printing	105,702	140,988
Marketing, advertisement & publicity	87,088	111,219
Repairs and maintenance	88,742	75,617
Takaful, tracker and other charges on car ljarah	144,411	135,241
Takaful charges	209,974	262,694
Fee and subscription	104,561	135,782
Vehicle running and maintenance	118,893	95,361
Donation	1,500	5,541
Auditors' remuneration	10,788	12,696
Amortization	1,910	1,709
CDC and share registrar services	6,786	7,510
Brokerage and commission	17,225	19,404
Stamp duty, registration & verification charges	57,033	12,204
Others	32,393	55,863
	<u>1,465,138</u>	<u>1,506,768</u>
	<u>6,824,919</u>	<u>6,257,329</u>

		(Un-audited)	
		September 30, 2021	September 30, 2020
		----- (Rupees in '000) -----	
29	OTHER CHARGES		
	Penalties imposed by the State Bank of Pakistan	<u>2,075</u>	<u>130,354</u>
30	PROVISIONS AND WRITE OFFS - NET		
	Provision / (reversal) for diminution in value of investments and due from financial institutions	(21,204)	11,719
	Provision against Islamic financing and related assets and advances - net	468,875	1,488,462
	Other provisions / (reversal) / write offs - net	(719,585)	391,105
		<u>(271,914)</u>	<u>1,891,286</u>
31	TAXATION		
	Current year	350,577	455,445
	Prior years	(156,696)	-
	Deferred	874,794	685,446
		<u>1,068,675</u>	<u>1,140,891</u>
32	BASIC AND DILUTED EARNINGS PER SHARE		
		(Un-audited)	
		September 30, 2021	September 30, 2020
		----- (Rupees in '000) -----	
	Profit after taxation for the period	<u>1,855,298</u>	<u>1,762,179</u>
		----- Number of shares -----	
	Weighted average number of ordinary shares in issue	<u>1,108,703,299</u>	<u>1,108,703,299</u>
		----- (Rupees) -----	
	Earnings per share - basic / diluted	<u>1.6734</u>	<u>1.5894</u>
32.1	There were no convertible / dilutive potential ordinary shares outstanding as at September 30, 2021 and September 30, 2020.		

33 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity or investments in subsidiaries & associates, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost less impairment losses. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted Shariah compliant securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

33.1 Fair value of financial assets

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

(Un-audited)			
September 30, 2021			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments				
Shares	464,982	-	-	464,982
GOP Ijara Sukuk	-	55,671,469	-	55,671,469
Non-Government Shariah compliant Securities	32,414,334	6,846,713	-	39,261,047
Non-current assets held for sale	-	-	-	-

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	-	6,541,187	6,541,187
Non-banking assets	-	-	1,662,411	1,662,411

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	13,710,011	-	13,710,011
Shariah compliant alternative of forward sale of foreign exchange	-	(12,344,753)	-	(12,344,753)

(Audited)			
December 31, 2020			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments				
Shares	335,097	-	-	335,097
GOP Ijara Sukuk	-	44,497,832	-	44,497,832
Non-Government Shariah compliant Securities	31,440,745	7,454,508	-	38,895,253
Non-current assets held for sale	-	-	601,609	601,609

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	-	6,491,725	6,491,725
Non-banking assets	-	-	1,671,387	1,671,387

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	11,246,372	-	11,246,372
Shariah compliant alternative of forward sale of foreign exchange	-	20,631,765	-	20,631,765

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 derived 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 six 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.
Shariah compliant alternative of 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.

- 33.2 The Bank's policy is to recognize 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 from last year.

34 SEGMENT INFORMATION

34.1 Segment Details with respect to Business Activities

	(Un-audited) September 30, 2021				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	(Rupees in '000)				
Profit & Loss					
Net profit / return	6,729,812	(5,005,039)	6,402,599	(57,405)	8,069,967
Inter segment revenue - net	(6,258,529)	11,926,049	(5,512,373)	(155,147)	-
Total other income	433,608	518,929	336,172	182,534	1,471,243
Total Income	904,891	7,439,939	1,226,398	(30,018)	9,541,210
Segment direct expenses	52,692	5,563,966	259,361	1,013,132	6,889,151
Inter segment expense allocation	57,049	472,396	434,662	(964,107)	-
Total expenses	109,741	6,036,362	694,023	49,025	6,889,151
Provisions / (reversals)	(21,204)	330,444	137,950	(719,104)	(271,914)
Profit before tax	816,354	1,073,133	394,425	640,061	2,923,973

(Un-audited) September 30, 2021					
Balance Sheet	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
(Rupees in '000)					
Assets					
Cash & Bank balances	12,962,686	10,438,369	-	617	23,401,672
Investments	106,908,951	-	-	-	106,908,951
Net inter segment placements	-	253,667,646	-	4,128,409	257,796,055
Due from financial institutions	44,358,422	-	-	-	44,358,422
Islamic financing and related assets - performing	-	34,324,593	113,844,905	3,230,889	151,400,387
- non-performing	-	1,534,992	2,581,486	137,706	4,254,184
Others	4,209,592	7,070,712	1,744,329	20,609,907	33,634,540
Total Assets	168,439,651	307,036,312	118,170,720	28,107,528	621,754,211
Liabilities					
Due to financial institutions	5,911,462	3,136,363	7,821,656	-	16,869,481
Subordinated sukuk	-	-	-	2,000,000	2,000,000
Deposits & other accounts	14,026,018	295,243,497	-	-	309,269,515
Net inter segment acceptances	148,450,202	-	109,345,853	-	257,796,055
Others	51,971	8,656,451	1,003,211	3,940,892	13,652,525
Total liabilities	168,439,653	307,036,311	118,170,720	5,940,892	599,587,576
Equity	-	-	-	22,166,635	22,166,635
Total Equity & liabilities	168,439,653	307,036,311	118,170,720	28,107,527	621,754,211
Contingencies & Commitments	1,301,219	-	45,946,148	492,505	47,739,872

(un-audited) September 30, 2020					
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
(Rupees in '000)					
Profit & Loss					
Net profit / return	6,937,513	(5,827,625)	8,937,866	(102,864)	9,944,890
Inter segment revenue - net	(5,353,610)	14,119,416	(8,765,806)	-	-
Total other income	597,721	411,596	265,259	20,634	1,295,210
Total Income	2,181,624	8,703,387	437,319	(82,230)	11,240,100
Segment direct expenses	47,057	3,839,731	175,201	2,383,755	6,445,744
Inter segment expense allocation	143,428	1,535,324	650,582	(2,329,334)	-
Total expenses	190,485	5,375,055	825,783	54,421	6,445,744
Provisions	11,719	147,293	1,350,788	381,486	1,891,286
Profit / (loss) before tax	1,979,420	3,181,039	(1,739,252)	(518,137)	2,903,070

(Audited) December 31, 2020					
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
(Rupees in '000)					
Assets					
Cash & Bank balances	23,781,391	10,560,903	-	-	34,342,294
Investments	95,239,635	-	-	-	95,239,635
Net inter segment placements	(137,226,369)	232,280,589	(97,855,923)	2,801,703	-
Due from financial institutions	41,640,012	-	-	-	41,640,012
Islamic financing and related assets - performing	-	24,718,161	99,668,978	2,887,371	127,274,510
- non-performing	-	1,265,885	1,505,851	115,643	2,887,379
Others	1,144,752	5,271,853	5,430,218	23,066,645	34,913,468
Total Assets	24,579,421	274,097,391	8,749,124	28,871,362	336,297,298
Liabilities					
Due to financial institutions	7,675,410	1,989,031	6,463,175	-	16,127,616
Subordinated sukuk	-	-	-	2,000,000	2,000,000
Deposits & other accounts	16,691,764	266,949,587	-	-	283,641,351
Net inter segment acceptances	-	-	-	-	-
Others	133,484	5,158,771	2,437,698	6,903,205	14,633,158
Total liabilities	24,500,658	274,097,389	8,900,873	8,903,205	316,402,125
Equity	-	-	-	19,895,173	19,895,173
Total Equity & liabilities	24,500,658	274,097,389	8,900,873	28,798,378	336,297,298
Contingencies & Commitments	(9,435,135)	-	22,345,454	9,090,985	22,001,304

35 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiaries, associates, employee benefit plans, its directors and Key Management Personnel.

The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

	(Un-audited) September 30, 2021					(Audited) December 31, 2020				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000) -----										
Investments / Non-current assets held for sale										
Opening balance	-	-	706,380	1,660,111	-	-	-	2,690,723	1,660,111	-
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	(601,609)	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	(1,984,343)	-	-
Closing balance	-	-	104,771	1,660,111	-	-	-	706,380	1,660,111	-
Provision for diminution in value of investments	-	-	(104,771)	(1,032,169)	-	-	-	(104,771)	(1,032,169)	-
Islamic financing and related assets										
Opening balance	19,239	305,603	192,779	489,677	496,392	22,538	194,707	154,779	525,179	1,193,862
Addition during the period / year	-	85,087	679,000	286,691	3,310,141	-	180,438	780,000	92,048	3,216,340
Repaid during the period / year	(2,881)	(26,602)	(619,956)	(295,496)	(3,186,139)	(3,299)	(66,942)	(742,000)	(127,550)	(3,404,528)
Transfer in / (out) - net	-	(104,971)	(251,823)	-	79,531	-	(2,600)	-	-	(509,282)
Closing balance	16,358	259,117	-	480,872	699,905	19,239	305,603	192,779	489,677	496,392
Other Assets										
Profit receivable on financings	103	17	-	4,217	4,743	812	167	-	1,626	3,153
Subordinated sukuk										
Opening balance	-	1,015	-	-	-	-	10,000	-	-	-
Issued / subscribed during the period / year	-	-	-	-	-	-	15	-	-	-
Redemption / Sold during the period / year	-	-	-	-	-	-	(9,000)	-	-	-
Closing balance	-	1,015	-	-	-	-	1,015	-	-	-
Deposits and other accounts										
Opening balance	18,887	25,210	704,601	85,142	1,171,529	3,534	6,260	269,777	82,086	1,062,262
Received during the period / year	38,291	326,698	19,340,729	1,887,246	6,617,589	96,690	694,472	23,549,788	1,641,620	8,820,606
Withdrawn during the period / year	(42,972)	(324,601)	(19,334,211)	(1,924,558)	(6,496,493)	(81,169)	(675,522)	(23,114,034)	(1,638,684)	(8,711,343)
Transfer in / (out) - net	(2)	(845)	(711,114)	(13,902)	(82,916)	(168)	-	(930)	120	4
Closing balance	14,204	26,462	5	33,928	1,209,709	18,887	25,210	704,601	85,142	1,171,529
Other Liabilities										
Profit / return payable	10	185	-	2	6,856	2	160	3,972	689	7,141
Meeting Fee / Remuneration Payable	-	-	-	-	-	2,260	-	-	-	-
Contingencies and Commitments										
Other contingencies	-	-	-	-	415,651	-	-	-	-	279,802
(Un-audited) September 30, 2021										
(Un-audited) September 30, 2020										
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000) -----										
Income										
Profit / return earned	1,238	6,329	-	25,972	43,629	2,413	6,397	19,178	21,467	55,236
Other income	-	6,071	579	-	-	-	2,425	755	-	-
Expense										
Profit / return expended	55	459	28,047	621	69,943	15	226	23,752	701	83,434
Other administrative expenses	-	2,824	251	-	7,938	86	1,636	355	-	5,005
Meeting Fee / Remuneration	8,760	192,683	-	-	-	7,070	139,871	-	-	-
Contribution to employees provident fund	-	-	-	-	100,272	-	-	-	-	88,774
Charge for defined benefit plan	-	-	-	-	94,919	-	-	-	-	87,095

36 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

The State Bank of Pakistan vide its letter no BPRD/BA&CP/649/3634/2019 dated February 15, 2019 has advised the Bank to apply regulatory deductions with respect to the balance sheet amount of "Goodwill" and "Deferred Tax Assets" pertaining to Defunct KASB Bank in the year ending 31 December 2019, 31 December 2020, 31 December 2021 at the cumulative rate of 25%, 60% and 100% respectively. Accordingly, the amounts of goodwill and deferred tax asset pertaining to defunct KASB Bank Limited have been deducted at the rate of 60% from CET 1 capital as at 31 December 2020 and September 30, 2021.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
Minimum Capital Requirement (MCR):	11,007,991	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	15,409,321	13,347,239
Eligible Additional Tier 1 (ADT 1) Capital	2,000,000	2,000,000
Total Eligible Tier 1 Capital	17,409,321	15,347,239
Eligible Tier 2 Capital	5,560,565	4,779,847
Total Eligible Capital (Tier 1 + Tier 2)	22,969,886	20,127,086
Risk Weighted Assets (RWAs):		
Credit Risk	115,339,566	103,520,752
Market Risk	1,694,850	956,425
Operational Risk	20,563,275	20,563,275
Total	137,597,691	125,040,452
Common Equity Tier 1 Capital Adequacy ratio	11.20%	10.67%
Tier 1 Capital Adequacy Ratio	12.65%	12.27%
Total Capital Adequacy Ratio	16.69%	16.10%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
CCB (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

The capital to risk weighted assets ratio is calculated in accordance with the SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardized Approach for credit and market risk and Basic Indicator Approach for operational Risk.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	17,409,321	15,347,239
Total Exposures	413,659,378	367,824,737
	4.21%	4.17%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	112,171,806	66,806,359
Total Net Cash Outflow	46,372,948	33,817,378
Liquidity Coverage Ratio	246.27%	210.41%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	311,385,451	282,534,177
Total Required Stable Funding	131,428,667	112,435,298
Net Stable Funding Ratio	236.92%	251.29%

37 NON - ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on October 27, 2021 have transferred an amount of Rs. 250 million out of 'Reserve for Bad Debts and Contingencies' to 'Unappropriated Profit'. The financial statements for the nine months ended September 30, 2021 does not include the effect of this appropriation which will be accounted for in the financial statements for the year ending December 31, 2021.

38 GENERAL

38.1 Captions, as prescribed by BPRD Circular Letter No. 5 dated March 22, 2019 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these financial statements, except for captions of the Statement of Financial Position and Profit and Loss Account.

38.2 These unconsolidated financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

38.3 The figures in the financial statements have been rounded off to the nearest thousand rupee.

38.4 Corresponding figures

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

Transfer from	Transfer to	As at December 31, 2020 (Rupees in '000)
Statement of Financial Position		
Bills Payable	Deposits	<u>1,625,401</u>

39 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on October 27, 2021 by the Board of Directors of the Bank.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

Condensed Interim
Consolidated Financial Statements
of
BankIslami Pakistan Limited
For the Quarter and Nine Months Ended
September 30, 2021

BankIslami Pakistan Limited

Condensed Interim Consolidated Statement of Financial Position

AS AT SEPTEMBER 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
----- Rupees in '000 -----			
ASSETS			
Cash and balances with treasury banks	6	19,689,199	22,034,025
Balances with other banks	7	3,715,434	12,310,472
Due from financial institutions	8	44,358,422	41,640,012
Investments	9	107,335,456	95,622,282
Islamic financing, related assets and advances	10	155,654,571	129,971,889
Fixed assets	11	12,618,263	11,721,873
Intangible assets	12	3,199,929	3,155,509
Deferred tax assets	13	4,603,664	5,699,800
Other assets	14	13,115,733	13,637,939
Assets classified as held for sale	15	-	2,146,789
Total Assets		364,290,671	337,940,590
LIABILITIES			
Bills payable	16	4,058,810	3,324,085
Due to financial institutions	17	16,869,481	16,127,616
Deposits and other accounts	18	309,269,510	282,936,750
Subordinated Sukuk	19	2,000,000	2,000,000
Other liabilities	20	9,614,038	11,343,041
Liabilities directly associated with assets held for sale	15	-	1,696,016
		341,811,839	317,427,508
NET ASSETS		22,478,832	20,513,082
REPRESENTED BY			
Share capital - net		11,007,991	11,007,991
Reserves		1,526,894	1,526,894
Surplus on revaluation of assets - net of tax	21	3,426,551	3,026,358
Unappropriated profit		6,517,396	4,734,999
		22,478,832	20,296,242
Non-controlling interest		-	216,840
		22,478,832	20,513,082
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2021

Note	Quarter Ended		Nine Months Ended		
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	
Rupees in '000					
Profit / return earned	23	5,971,860	5,754,457	16,920,581	20,510,569
Profit / return expensed	24	2,968,668	2,598,158	8,831,114	10,562,930
Net Profit / return		3,003,192	3,156,299	8,089,467	9,947,639
OTHER INCOME					
Fee and commission income	25	260,802	216,699	872,006	656,732
Dividend income		8,556	-	17,604	7,050
Foreign exchange income		118,892	90,166	288,471	303,940
Gain on securities	26	7,816	8,669	36,757	241,555
Other income	27	22,009	46,540	66,172	85,840
Total other income		418,075	362,074	1,281,010	1,295,117
Total Income		3,421,267	3,518,373	9,370,477	11,242,756
OTHER EXPENSES					
Operating expenses	28	2,340,446	2,115,082	6,824,919	6,250,900
Workers welfare fund		21,223	20,419	62,157	58,061
Other charges	29	20	622	2,075	130,354
Total other expenses		2,361,689	2,136,123	6,889,151	6,439,315
Profit before provisions		1,059,578	1,382,250	2,481,326	4,803,441
Provisions and write offs - net	30	15,364	353,340	(251,914)	1,891,286
Extra ordinary / unusual items		-	-	-	-
Share of profit / (loss) from associate - net of tax		-	(80,876)	43,858	(221,451)
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		1,044,214	948,034	2,777,098	2,690,704
Taxation	31	350,944	340,035	1,068,675	1,140,891
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		693,270	607,999	1,708,423	1,549,813
DISCONTINUED OPERATIONS					
Profit after taxation from Discontinued Operations		-	40,478	92,609	49,122
PROFIT AFTER TAXATION		693,270	648,477	1,801,032	1,598,935
ATTRIBUTABLE TO:					
Equity shareholders of the Bank		693,270	638,972	1,771,340	1,585,871
Non-controlling interest		-	9,505	29,692	13,064
		693,270	648,477	1,801,032	1,598,935
Rupees					
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Bank					
Basic and diluted	32	0.6253	0.5484	1.5409	1.3979
Earnings per share for profit attributable to the ordinary equity holders of the Bank					
Basic and diluted	32	0.6253	0.5849	1.5977	1.4304

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

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

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2021

	Quarter Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- Rupees in '000 -----			
Profit after taxation for the year attributable to:				
Equity shareholders of the Bank	693,270	638,972	1,771,340	1,585,871
Non-controlling interest	-	9,505	29,692	13,064
	<u>693,270</u>	<u>648,477</u>	<u>1,801,032</u>	<u>1,598,935</u>
Other Comprehensive Income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of investments - net of tax attributable to:				
Equity shareholders of the Bank	291,584	(721,919)	410,100	(1,756,594)
Non-controlling interest	284	2,479	4,048	2,479
	<u>291,868</u>	<u>(719,440)</u>	<u>414,148</u>	<u>(1,754,115)</u>
Items that may not be reclassified to profit and loss account in subsequent periods				
Movement in surplus on revaluation of operating fixed assets - net of tax	-	-	1,150	-
	<u>-</u>	<u>-</u>	<u>1,150</u>	<u>-</u>
Total comprehensive income	<u>985,138</u>	<u>(70,963)</u>	<u>2,216,330</u>	<u>(155,180)</u>
Total comprehensive income attributable to:				
Equity shareholders of the Bank	984,854	(82,947)	2,182,590	(170,723)
Non-controlling interest	284	11,984	33,740	15,543
	<u>985,138</u>	<u>(70,963)</u>	<u>2,216,330</u>	<u>(155,180)</u>
Total comprehensive income attributable to equity shareholders of the Bank:				
Continuing operations	950,240	(122,568)	2,147,017	(185,176)
Discontinued operations	34,614	39,621	35,573	14,453
	<u>984,854</u>	<u>(82,947)</u>	<u>2,182,590</u>	<u>(170,723)</u>

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	Share capital	Discount on Issue of shares	Statutory reserve	Revenue reserve for bad debts & contingencies	Surplus on revaluation of Investments		Unappropriated profit	Sub total	Non-controlling interest	Total
	Rupees in '000									
Balance as at December 31, 2019	11,087,033	(79,042)	937,624	250,000	2,989,143	1,637,630	3,436,341	20,258,729	194,787	20,453,516
Profit after taxation for the Nine months ended September 30, 2020	-	-	-	-	-	-	1,585,871	1,585,871	13,064	1,598,935
Other comprehensive income for the Nine months ended September 30, 2020	-	-	-	-	(1,386,265)	-	-	(1,386,265)	7,469	(1,378,796)
Total comprehensive income for the Nine months ended September 30, 2020	-	-	-	-	(1,386,265)	-	1,585,871	199,606	20,533	220,139
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(3,199)	3,199	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(1,045)	1,045	-	-	-
Balance as at September 30, 2020	11,087,033	(79,042)	937,624	250,000	1,602,878	1,633,386	5,026,456	20,458,335	215,320	20,673,655
Loss after taxation for the period from October 01, 2020 to December 31, 2020	-	-	-	-	-	-	(39,504)	(39,504)	8,131	(31,373)
Other comprehensive income/ (loss) for the period from October 01, 2020 to December 31, 2020	-	-	-	-	(209,019)	83,150	3,280	(122,589)	(6,611)	(129,200)
Total comprehensive income/ (loss) for the period from October 01, 2020 to December 31, 2020	-	-	-	-	(209,019)	83,150	(36,224)	(162,093)	1,520	(160,573)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	439	(439)	-	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	(818)	818	-	-	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(83,658)	83,658	-	-	-
Transfer to statutory reserve	-	-	339,270	-	-	-	(339,270)	-	-	-
Balance as at December 31, 2020	11,087,033	(79,042)	1,276,894	250,000	1,393,859	1,632,499	4,734,999	20,296,242	216,840	20,513,082
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	-	1,771,340	1,771,340	29,692	1,801,032
Other comprehensive income for the nine months ended September 30, 2021	-	-	-	-	410,100	1,150	-	411,250	4,048	415,298
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	410,100	1,150	1,771,340	2,182,590	33,740	2,216,330
Elimination of non-controlling interest at disposal of subsidiaries	-	-	-	-	-	-	-	-	(250,580)	(250,580)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(2,070)	2,070	-	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	(2,121)	2,121	-	-	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(6,866)	6,866	-	-	-
Balance as at September 30, 2021	11,087,033	(79,042)	1,276,894	250,000	1,803,959	1,622,592	6,517,396	22,478,832	-	22,478,832

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	September 30, 2021	September 30, 2020
Note	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation from Continuing Operations	2,777,098	2,690,704
Profit before taxation from Discontinued Operations	141,722	79,852
Less: Dividend Income	(17,604)	(7,050)
Less: Share of loss from associate	(43,858)	221,451
	<u>2,857,358</u>	<u>2,984,957</u>
Adjustments for non-cash charges and other items:		
Depreciation on fixed assets	590,485	534,970
Depreciation on non banking assets	8,977	3,382
Depreciation on right-of-use assets	632,251	607,620
Amortization	48,637	49,734
Depreciation on operating Ijarah assets	1,112,358	852,470
Finance cost on Ijarah (lease) liabilities	285,541	327,410
Provisions and write offs - net	30 (285,914)	1,891,286
Charge for defined benefit plan	94,919	87,095
Loss on sale of non-current assets held for sale	38,053	-
Gain on sale of property and equipment	27 (876)	(4,278)
	<u>2,558,431</u>	<u>4,349,689</u>
	<u>5,415,789</u>	<u>7,334,646</u>
(Increase) / decrease in operating assets		
Due from financial institutions	(2,718,410)	12,090,676
Islamic financing and related assets and advances	(27,263,915)	(5,358,911)
Others assets	1,567,402	(3,330,649)
	<u>(28,414,923)</u>	<u>3,401,116</u>
Increase in operating liabilities		
Bills payable	734,725	737,350
Due to financial institutions	741,865	(813,883)
Deposits and other accounts	26,332,760	25,460,143
Other liabilities (excluding current taxation)	(1,450,737)	2,444,675
	<u>26,358,613</u>	<u>27,828,285</u>
	<u>3,359,479</u>	<u>38,564,047</u>
	<u>(481,261)</u>	<u>(357,320)</u>
Income tax paid		
Net cash generated from Continuing Operations	<u>2,878,218</u>	<u>38,206,727</u>
Net cash used in Discontinued Operations	<u>(591,071)</u>	<u>(447,863)</u>
Net cash generated from operating activities	<u>2,287,147</u>	<u>37,758,864</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(11,253,965)	(6,369,507)
Dividend received	17,604	7,050
Payment of Ijarah (lease) liability against right-of-use assets	(794,431)	(714,183)
Investments in fixed assets	(1,889,625)	(274,895)
Investments in intangible assets	(93,057)	(55,045)
Proceeds from disposal of non-current assets held for sale	753,210	-
Proceeds from disposal of fixed assets	33,253	22,974
Net cash used in from investing activities	<u>(13,227,011)</u>	<u>(7,383,607)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of subordinated sukuk	-	300,000
Net cash generated from financing activities	<u>-</u>	<u>300,000</u>
(Decrease) / increase in cash and cash equivalents	<u>(10,939,864)</u>	<u>30,675,257</u>
Cash and cash equivalents at the beginning of the period	34,344,497	16,520,755
Cash and cash equivalents at the end of the period	<u>23,404,633</u>	<u>47,196,012</u>

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

1.1 BankIslami Pakistan Limited (Holding Company or the Bank)

BankIslami Pakistan Limited (the Holding Company) 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 Holding Company 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 Holding Company is principally engaged in corporate, commercial, consumer, retail banking and investment activities.

The Holding Company is operating through 340 branches including 80 sub branches as at September 30, 2021 (2020: 343 branches including 81 sub branches). The registered office of the Holding Company is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. The shares of the Holding Company are quoted on the Pakistan Stock Exchange Limited (PSX).

Based on financial statements of the Holding Company for the year ended December 31, 2020, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the Holding Company's long-term rating at 'A+' and the short-term rating at 'A1' with a positive outlook.

1.2 Subsidiary Companies

1.2.1 Subsidiary Companies Disposed During the Current Period

1.2.1.1 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.

In the year 2019, the Holding Company decided to sell its investment in BankIslami Modaraba Investments Limited (refer note 15). During the current period, the members of the Holding Company, in an Extraordinary General Meeting (EOGM), passed a resolution to approve the sale of BankIslami Modaraba Investments Limited. Subsequently, the sale transaction of the subsidiary was concluded on May 18, 2021 after which the subject subsidiary company ceased to be the subsidiary of the Holding Company. Accordingly, the financial results of the subsidiary company have been consolidated based on the condensed interim financial information for the period ended May 18, 2021.

1.2.1.2 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 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 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.

During the year 2019, the Holding Company had decided to sell its investment in BIPL Securities Limited (refer note 15). During the current period, the members of the Holding Company, in an Extraordinary General Meeting (EOGM), passed a resolution to approve the sale of BIPL Securities Limited. Subsequently, the sale transaction of the subsidiary was concluded on June 28, 2021 after which the subject subsidiary company ceased to be the subsidiary of the Holding Company. Accordingly, the financial results of the subsidiary company have been consolidated based on the condensed interim financial information for the period ended June 28, 2021.

1.2.2 Other Subsidiary Companies

1.2.2.1 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.

1.2.2.2 Structured Ventures (Private) Limited - 77.12 percent holding - (Indirect 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. On account of disposal of investment in BIPL Securities Limited, effective from June 28, 2021, the subject sub-subsidiary has ceased to be the sub-subsidiary of the Holding Company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) and notified under Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (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.

- 2.2 The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These condensed interim consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020.
- 2.3 The SBP, vide its BSD Circular Letter no. 10 dated 26 August 2002 has deferred the applicability of International Accounting Standard 40, Investment Property, for banking companies till further instructions. Moreover, SBP vide BPRD circular no. 4, dated 25 February 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP, through S.R.O 411 (1) / 2008 dated 28 April 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Further, the SBP has deferred the applicability of International Accounting Standard (IAS) 39, Financial Instruments, Recognition and Measurement, and has directed all Banks to implement IFRS 9, Financial Instruments, with effect from 01 January 2021 vide BPRD Circular No. 04 of 2019 dated 23 October 2019. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 2.4 Further, 'SBP, vide its BPRD Circular Letter No. 24 of 2021 dated 05 July 2021, has deferred the applicability of IFRS 9 on banks in Pakistan to accounting period beginning on or after January 01, 2022. The impact of application of IFRS 9 on Bank's financial statements is presently being assessed and the same will conclude subsequent to issuance of final application guidelines by SBP.
- 2.5 The Holding Company provides financing mainly through Murabahah, Ijarah, Istisna, Diminishing Musharakah, Muswammah and other Islamic modes.

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

2.6 Basis of Consolidation

The condensed interim consolidated financial statements incorporate the financial statements of the Holding Company and the financial statements of subsidiary companies from the date that control of the subsidiary by the Holding Company commences until the date that control ceases. The financial statements of the subsidiary companies, other than those classified as 'Held for Sale' (refer note 15), are incorporated on a line-by-line basis and the investment held by the Holding Company is eliminated against the corresponding share capital of subsidiaries in these consolidated financial statements.

The financial statements of all material 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 IFRS 9: Financial Instruments, 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 Holding Company has significant influence, but does not have control, over the financial and operating policies. Joint ventures are those entities over whose activities the Holding Company has joint control established by contractual agreement. Associates and joint ventures are accounted for using the equity method.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2020.

3.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

There are certain standards, interpretations and amendments that are mandatory for the Holding Company's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Holding Company's operations and therefore not detailed in these condensed interim unconsolidated financial statements.

3.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for the accounting periods as stated below:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Reference to the Conceptual Framework –Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
Annual improvement process IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	January 01, 2022
Annual improvement process IFRS 9 Financial Instruments – Fees in the '10 per cent' test for de-recognition of financial liabilities	January 01, 2022
Annual improvement process IAS 41 Agriculture – Taxation in fair value measurements	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of International Financial Reporting Standards	January 01, 2014
IFRS 17 – Insurance Contracts	January 01, 2023

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the annual consolidated financial statements of the Holding Company for the year ended December 31, 2020.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Holding Company are consistent with those disclosed in the annual consolidated financial statements for the year ended December 31, 2020.

6 CASH AND BALANCES WITH TREASURY BANKS

In hand:

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
- local currency	8,218,256	6,153,879
- foreign currency	467,220	601,823
	<u>8,685,476</u>	<u>6,755,702</u>

With the State Bank of Pakistan in:

- local currency current account	7,959,310	11,281,084
- foreign currency deposit accounts:		
- Cash Reserve Account	569,484	431,873
- Special Cash Reserve Account	687,921	522,019
- US Dollar Clearing Account	43,141	21,184
	<u>1,300,546</u>	<u>975,076</u>

With National Bank of Pakistan in:

- local currency current account	1,723,429	2,955,558
----------------------------------	-----------	-----------

National Prize Bonds

20,438	66,605
<u>19,689,199</u>	<u>22,034,025</u>

7 BALANCES WITH OTHER BANKS

In Pakistan:

- in current accounts	967	2,356
- in deposit accounts	3,085	2,577
	<u>4,052</u>	<u>4,933</u>

Outside Pakistan:

- in current accounts	3,437,277	8,992,757
- in deposit accounts	274,105	3,312,782
	<u>3,715,434</u>	<u>12,310,472</u>

8 DUE FROM FINANCIAL INSTITUTIONS

Note	(Un-audited)			(Audited)		
	September 30, 2021			December 31, 2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000						
Secured						
Bai Muajjal Receivable						
-from Banks	8.1	6,932,701	-	6,932,701	-	-
-from Other Financial Institutions	8.1	15,217,073	-	15,217,073	16,888,683	-
						16,888,683
Unsecured						
Wakalah Placement	8.2	3,300,000	2,217,457	5,517,457	-	3,073,290
Musharaka Placements	8.3	1,000,000	-	1,000,000	12,000,000	-
						12,000,000
Bai Muajjal Receivable						
-from Banks	8.1	-	-	-	4,818,345	-
						4,818,345
-from other financial Institutions	8.1	15,691,191	-	15,691,191	4,859,694	-
						4,859,694
Other placements		25,110	-	25,110	27,540	-
						27,540
		42,166,075	2,217,457	44,383,532	38,594,262	3,073,290
						41,667,552
Provision against placements	8.4	(25,110)	-	(25,110)	(27,540)	-
						(27,540)
		42,140,965	2,217,457	44,358,422	38,566,722	3,073,290
						41,640,012

- 8.1 The return on these balances range between 6.40% to 7.32% (2020: 6.42% to 10.80%) per annum. The balances have maturities ranging between 01 day to 120 days (2020: 5 days to 46 days). These include Bai Muajjal secured against Federal Government securities received as collateral and having market value of Rs. 24,000 million (2020: Rs. 17,309 million).
- 8.2 These represents foreign and local placements and the profit rates on these agreements range between 0.04% to 8.10% (2020: 0.10% to 1.25%) per annum. These agreements have maturities ranging from 01 day to 98 days (2020: 6 to 180 days).
- 8.3 The profit rate on this agreement is 7.25% (2020: 7.00% to 7.20%) per annum and the agreement has maturity in 01 day (2020: 14 to 60 days).

8.4 Category of classification

	(Un-audited)		(Audited)	
	September 30, 2021		December 31, 2020	
	Classified Placements	Provision held	Classified Placements	Provision held
Rupees in '000				
Loss	25,110	25,110	30,780	30,780

- 8.4.1 The Holding Company does not hold overseas classified placements.

9 INVESTMENTS

	Note	(Un-audited)	(Audited)
		September 30, 2021	December 31, 2020
		Rupees in '000	
Investments - Islamic	9.1 & 9.3	106,757,781	95,044,607
Investments - Conventional (relating to amalgamated entity)	9.2 & 9.4	577,675	577,675
		107,335,456	95,622,282

Note	(Un-audited)				(Audited)			
	September 30, 2021				December 31, 2020			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value

Rupees in '000

9.1 Islamic Investments by type

Available for sale securities
Federal Government Securities
Non Government Shariah
compliant Securities
Shares / Modaraba certificates

65,427,173	-	550,132	65,977,305	54,812,890	-	(9,222)	54,803,668
37,281,348	(35,880)	2,015,579	39,261,047	36,852,598	(35,880)	2,078,535	38,895,253
304,998	(63,573)	223,557	464,982	332,869	(79,244)	81,472	335,097
103,013,519	(99,453)	2,789,268	105,703,334	91,998,357	(115,124)	2,150,785	94,034,018

Associates

1,054,447	-	-	1,054,447	1,010,589	-	-	1,010,589
-----------	---	---	-----------	-----------	---	---	-----------

Total Islamic investments

104,067,966	(99,453)	2,789,268	106,757,781	93,008,946	(115,124)	2,150,785	95,044,607
-------------	----------	-----------	-------------	------------	-----------	-----------	------------

9.2 Conventional Investments by type*

Available for sale securities
Non Government Debt Securities
Shares

232,645	(232,645)	-	-	263,710	(263,710)	-	-
1,189,030	(611,355)	-	577,675	1,189,030	(611,355)	-	577,675
1,421,675	(844,000)	-	577,675	1,452,740	(875,065)	-	577,675

Held to maturity securities
Non Government Debt Securities

92,145	(92,145)	-	-	321,601	(321,601)	-	-
--------	----------	---	---	---------	-----------	---	---

Associates

1,032,746	(1,032,746)	-	-	1,032,746	(1,032,746)	-	-
-----------	-------------	---	---	-----------	-------------	---	---

Total conventional investments

2,546,566	(1,968,891)	-	577,675	2,807,087	(2,229,412)	-	577,675
-----------	-------------	---	---------	-----------	-------------	---	---------

9.3 Islamic Investments by segments

Federal Government Securities

GOP Ijarah Sukuks
Bai Muajjal

55,121,337	-	550,132	55,671,469	44,507,054	-	(9,222)	44,497,832
10,305,836	-	-	10,305,836	10,305,836	-	-	10,305,836
65,427,173	-	550,132	65,977,305	54,812,890	-	(9,222)	54,803,668

Non Government Shariah
compliant Securities

Pakistan Energy Sukuk-I
Pakistan Energy Sukuk-II
Other sukuk certificates-unlisted

9.3.1	27,146,945	-	1,832,419	28,979,364	27,503,500	-	1,925,245	29,428,745
9.3.2	3,393,034	-	41,936	3,434,970	2,000,000	-	12,000	2,012,000
	6,741,369	(35,880)	141,224	6,846,713	7,349,098	(35,880)	141,290	7,454,508
	37,281,348	(35,880)	2,015,579	39,261,047	36,852,598	(35,880)	2,078,535	38,895,253

Shares

Ordinary shares of listed companies

304,998	(63,573)	223,557	464,982	332,869	(79,244)	81,472	335,097
---------	----------	---------	---------	---------	----------	--------	---------

Associates - Unlisted

Shakarganj Food Products Limited

1,054,447	-	-	1,054,447	1,010,589	-	-	1,010,589
-----------	---	---	-----------	-----------	---	---	-----------

104,067,966	(99,453)	2,789,268	106,757,781	93,008,946	(115,124)	2,150,785	95,044,607
-------------	----------	-----------	-------------	------------	-----------	-----------	------------

* These assets are related to amalgamated entity. These investments are either fully provided or in the process of conversion / liquidation / disposal.

9.3.1 These represents Holding Company's investment in Pakistan Energy Sukuk-I issued by Power Holding (Private) Limited, wholly owned by the Government of Pakistan. These Energy Sukuk are guaranteed by the Government of Pakistan and are eligible for Statutory Liquidity Requirements. These Energy Sukuk are based on Islamic mode of Ijarah and has a 10 year maturity with semi-annual rental payments carrying profit rate at 6 months KIBOR + 80bps.

9.3.2 These represents Holding Company's investment in Pakistan Energy Sukuk-II issued by Power Holding (Private) Limited, wholly owned by the Government of Pakistan. These Energy Sukuk are guaranteed by the Government of Pakistan and are eligible for Statutory Liquidity Requirements. These Energy Sukuk are based on Islamic mode of Ijarah and has a 10 year maturity with semi-annual rental payments carrying profit rate at 6 months KIBOR -10bps.

9.4 Conventional Investments by segments*

	(Un-audited)				(Audited)			
	September 30, 2021				December 31, 2020			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
Non Government Debt Securities								
Listed	82,785	(82,785)	-	-	85,888	(85,888)	-	-
Unlisted	242,005	(242,005)	-	-	499,423	(499,423)	-	-
	324,790	(324,790)	-	-	585,311	(585,311)	-	-
Shares								
Unlisted Companies	33,680	(33,680)	-	-	33,680	(33,680)	-	-
Foreign Securities								
Equity Securities	1,155,350	(577,675)	-	577,675	1,155,350	(577,675)	-	577,675
Associates - Unlisted								
KASB Capital Limited	41,867	(41,867)	-	-	41,867	(41,867)	-	-
KASB Funds Limited	432,302	(432,302)	-	-	432,302	(432,302)	-	-
New Horizon Exploration & Production Limited	558,577	(558,577)	-	-	558,577	(558,577)	-	-
	1,032,746	(1,032,746)	-	-	1,032,746	(1,032,746)	-	-
	2,546,566	(1,968,891)	-	577,675	2,807,087	(2,229,412)	-	577,675

* These assets are related to amalgamated entity. These investments are either fully provided or in the process of conversion / liquidation / disposal.

		(Un-audited)	(Audited)
	Note	September 30, 2021	December 31, 2020
----- Rupees in '000 -----			
9.5	Investments given as collateral		
	Federal Government Securities	5,000,000	5,000,000
9.6	Provision for diminution in value of investments		
9.6.1	Opening balance	2,344,536	2,356,886
	Charge / (reversals)		
	Charge for the period / year	-	-
	Reversals for the period / year	(18,774)	(12,350)
	Provision for diminution in value of investments - net	(18,774)	(12,350)
	Amounts written off	(257,418)	-
	Closing Balance	2,068,344	2,344,536
9.6.1.1	Break up of provision for diminution in the value of investments is as follows:		
	Investments - Islamic	99,453	115,124
	Investments - Conventional	1,968,891	2,229,412
		2,068,344	2,344,536

9.6.2 Particulars of provision against debt securities

Category of classification	(Un-audited)		(Audited)	
	September 30, 2021		December 31, 2020	
	Non-performing investments	Specific Provision	Non-performing investments	Specific Provision
Rupees in '000				
Domestic				
Loss	636,921	360,670	897,442	621,191
Total	636,921	360,670	897,442	621,191

9.6.2.1 The Holding Company does not hold overseas classified debt securities.

10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Islamic financing and related assets - net	10.1	155,465,718	129,706,587
Advances (relating to amalgamated entity) - net	10.2	188,853	265,302
		<u>155,654,571</u>	<u>129,971,889</u>

Note	Performing		Non Performing		Total	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Rupees in '000						
10.1 ISLAMIC FINANCING AND RELATED ASSETS						
In Pakistan						
- Running Musharakah	10.11	46,547,671	39,189,963	1,487,510	1,668,510	48,035,181
- Diminishing Musharakah financing and related assets - Others	10.3	33,318,463	28,745,891	2,255,166	1,491,171	35,573,629
- Diminishing Musharakah financing and related assets - Auto		21,641,342	14,336,290	235,971	223,763	21,877,313
- Diminishing Musharakah - Housing		16,527,001	13,446,210	1,950,558	1,631,646	18,477,559
- Murabahah financing and related assets	10.6 & 10.9	12,259,997	3,496,899	309,659	440,795	12,569,656
- Istisna financing and related assets	10.5 & 10.10	9,027,549	11,397,127	1,193,404	1,022,049	10,220,953
- Investment Agency Wakalah		5,208,333	6,250,000	-	-	5,208,333
- Muswammah financing and related assets / Karobar financing	10.4	4,570,372	8,380,530	4,478,676	3,024,150	9,049,048
- Financing against Bills		1,184,999	23,236	-	-	1,184,999
- Murabahah against Bills		850,336	72,092	892	892	851,228
- Ijarah financing under IFAS 2 and related assets	10.7	835,563	1,573,616	139,850	186,736	975,413
- Musharakah financing		280,000	280,000	-	-	280,000
- Net investment in Ijarah financing in Pakistan		136,096	143,162	-	-	136,096
- Salam	10.8	100,000	109,900	-	-	100,000
- Housing finance portfolio - others		31,240	33,897	-	-	31,240
- Past Due Acceptance		29,153	29,153	-	-	29,153
- Qardh e Hasana		-	946	121,860	541,060	121,860
Gross financing and related assets		152,548,115	127,508,912	12,173,546	10,230,772	164,721,661
Less: Provision against non-performing Islamic financing and related assets						
- Specific	10.14 & 10.15	-	-	(8,013,181)	(7,231,104)	(8,013,181)
- General	10.15	(1,242,762)	(801,993)	-	-	(1,242,762)
		<u>(1,242,762)</u>	<u>(801,993)</u>	<u>(8,013,181)</u>	<u>(7,231,104)</u>	<u>(9,255,943)</u>
Islamic financing and related assets - net of provisions		151,305,353	126,706,919	4,160,365	2,999,668	155,465,718
10.2 ADVANCES						
Loans, cash credits, running finances, etc. - In Pakistan*		95,089	110,380	4,906,438	6,009,473	5,001,527
Net investment in finance lease - In Pakistan	10.12	-	-	582,185	582,185	582,185
Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan		-	-	684,295	706,325	684,295
Advances - gross		95,089	110,380	6,172,918	7,297,983	6,268,007
Provision against advances						
- Specific	10.14 & 10.15	-	-	(6,172,918)	(7,260,504)	(6,172,918)
- General	10.15	(55)	(55)	-	-	(55)
		<u>(55)</u>	<u>(55)</u>	<u>(6,172,918)</u>	<u>(7,260,504)</u>	<u>(6,172,973)</u>
Advances - net of provision		95,034	110,325	-	37,479	95,034
Fair Value adjustment	10.16	-	-	93,819	117,498	93,819
Advances - net of provision and fair value adjustment		95,034	110,325	93,819	154,977	188,853

* This includes non-interest bearing performing financing facilities amounting to Rs. 95.089 million (2020: Rs. 106.507 million).

		(Un-audited)	(Audited)
		September 30,	December 31,
		2021	2020
		----- Rupees in '000 -----	
10.3	Diminishing Musharakah financing and related assets - Others		
	Diminishing Musharakah financing	32,277,388	29,990,621
	Advance against Diminishing Musharakah financing	3,296,241	246,441
		<u>35,573,629</u>	<u>30,237,062</u>
10.4	Musawamah financing and related assets / Karobar financing		
	Musawamah financing	6,137,014	8,036,816
	Advance against Musawamah financing	124,590	205,000
	Musawamah inventories	2,787,444	3,162,864
		<u>9,049,048</u>	<u>11,404,680</u>
10.5	Istisna financing and related assets		
	Istisna financing	4,595,088	4,131,021
	Advance against Istisna financing	5,625,865	8,254,755
	Istisna inventories	-	33,400
		<u>10,220,953</u>	<u>12,419,176</u>
10.6	Murabahah financing and related assets		
	Murabahah financing	7,292,618	2,292,974
	Deferred murabahah income	230,863	71,613
	Advances against Murabaha financing	1,485,516	252,008
	Murabaha Inventories	3,560,659	1,321,099
		<u>12,569,656</u>	<u>3,937,694</u>
10.7	Ijarah financing under IFAS 2 and related assets		
	Net book value of assets under IFAS 2	974,802	1,759,670
	Advance against Ijarah financing	611	682
		<u>975,413</u>	<u>1,760,352</u>
10.8	Salam		
	Salam financing	30,001	-
	Advance against Salam	69,999	109,900
		<u>100,000</u>	<u>109,900</u>
10.9	Murabahah financing and related assets includes financing amounting to Nil (2020: Rs. 139.750 million) and advance amounting to Rs. Nil million (2020: Rs. 80 million) under Islamic Export Refinance Scheme.		
10.10	Istisna financing and related assets includes financing amounting to Rs. 0.012 million (2020: Rs. 154.188 million) and advance amounting to Rs. 1,926 million (2020: Rs. 1,580 million) under Islamic Export Refinance Scheme.		
10.11	Running musharakah financing includes financing amounting to Rs. 2,349 million (2020: 1,492 million) under Islamic Export Refinance Scheme.		
10.12	Musawamah financing includes financing amounting to Rs. Nil (2020: Nil) and advance amounting to Rs. 100 million (2020: Nil) under Islamic Export Refinance Scheme.		
		(Un-audited)	(Audited)
		September 30,	December 31,
		2021	2020
		----- Rupees in '000-----	
10.13	Particulars of Islamic financing and related assets and advances - gross		
	In local currency	169,439,760	143,965,752
	In foreign currency	1,549,908	1,182,295
		<u>170,989,668</u>	<u>145,148,047</u>

- 10.14** Islamic financing, related assets and advances include Rs. 18,346.464 million (2020: Rs. 17,528.755 million) which have been placed under non-performing status as detailed below:

Category of classification

	(Un-audited)		(Audited)	
	September 30, 2021		December 31, 2020	
	Non-performing Islamic financing, related assets and advances	Specific Provision	Non-performing Islamic financing, related assets and advances	Specific Provision
----- Rupees in '000 -----				
Domestic				
Other assets especially mentioned	491,820	-	149,428	-
Substandard	684,534	63,925	485,371	34,915
Doubtful	3,019,663	1,332,111	1,947,553	536,216
Loss	14,150,447	12,790,063	14,946,403	13,920,477
Total	18,346,464	14,186,099	17,528,755	14,491,608

- 10.14.1** The Holding Company does not hold overseas classified non performing Islamic financing, related assets and advances.

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

	(Un-audited)			(Audited)		
	September 30, 2021			December 31, 2020		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	14,491,608	802,048	15,293,656	12,726,980	337,812	13,064,792
Charge for the period / year	1,416,144	440,769	1,856,913	2,181,260	464,236	2,645,496
Reversals for the period / year	(1,411,717)	-	(1,411,717)	(416,632)	-	(416,632)
	4,427	440,769	445,196	1,764,628	464,236	2,228,864
Amount written off	(309,936)	-	(309,936)	-	-	-
Closing balance	14,186,099	1,242,817	15,428,916	14,491,608	802,048	15,293,656
10.15.1 Islamic	8,013,181	1,242,762	9,255,943	7,231,104	801,993	8,033,097
Conventional	6,172,918	55	6,172,973	7,260,504	55	7,260,559
	14,186,099	1,242,817	15,428,916	14,491,608	802,048	15,293,656

	(Un-audited)		(Audited)	
	September 30, 2021		December 31, 2020	
----- Rupees in '000 -----				
10.15.2 Provision/ reversal of provision net of fair value adjustment taken to the profit and loss account				
Gross reversals for the period / year			1,411,717	416,632
Charge for the period / year			(1,856,913)	(2,645,496)
			(445,196)	(2,228,864)
Fair value adjusted - net			(23,679)	(1,361)
Net charge taken to the profit and loss account			(468,875)	(2,230,225)

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

	(Un-audited)			(Audited)		
	September 30, 2021			December 31, 2020		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
In local currency	14,186,099	1,242,817	15,428,916	14,491,608	802,048	15,293,656
	14,186,099	1,242,817	15,428,916	14,491,608	802,048	15,293,656

- 10.15.4** The Holding Company maintains general reserve (provision) amounting to Rs. 467.817 million (2020: 352.048 million) 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 SBI. In addition the Holding Company carries general provision of Rs. 775 million (December 31, 2020: 450 million) as a matter of prudence based on management estimate.

- 10.15.5** In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBI, the Holding Company has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at September 30, 2021 amounts to Rs. 1,079.194 million (2020: Rs. 890.288 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 658.308 million (2020: Rs. 543.076 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

- 10.16** 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.

- 10.17** Total gross financing and related assets includes financing amounting to Rs. 2,162.617 million, Rs. 330.123 million, Rs. 2,249.233 million, Rs. 18.289 million and Rs. 84.408 million, under "Islamic refinance scheme for payment of wages and salaries", "Islamic refinance scheme for combating COVID (IRFCC)", "Refinance facility for Islamic Temporary Economic Refinance Facility (ITERF)", "Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP) and Islamic refinance facility for Modernization of SMEs", respectively.

11 FIXED ASSETS

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
Capital work-in-progress	11.1 & 11.2	1,276,000	179,270
Property and equipment	11.2 & 11.3	8,727,147	8,555,964
Right of use assets	11.2	2,615,116	2,986,639
		<u>12,618,263</u>	<u>11,721,873</u>

11.1 Capital work-in-progress

Advances to suppliers and contractors		91,518	138,670
Advance for acquiring properties:			
- Office premises	11.1.1	1,184,482	762,503
		1,276,000	901,173
Provision for impairment against advance for acquiring floor / office premises	11.1.1	-	(721,903)
		<u>1,276,000</u>	<u>179,270</u>

11.1.1 This includes advance against purchase of property amounting to Rs. 1,143.632 million (2020: Rs. 721.903 million). In view of settlement of dispute with a developer and withdrawal of related litigations, the provision against subject advance amounting to Rs. 721.903 million has been reversed during the period.

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	----- (Rupees in '000) -----	

11.2 Additions to fixed assets

The following additions have been made to fixed assets during the period:

Capital work-in-progress	472,993	148,978
Property and equipment		
Leasehold building	187,021	164,716
Furniture and fixture	232,818	27,114
Electrical office and computer equipment	384,974	198,290
Vehicles	7,754	4,014
	<u>812,567</u>	<u>394,134</u>
Right of use assets		
Leasehold building	260,727	77,774
Total	<u>1,546,287</u>	<u>620,886</u>

11.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

Building on freehold land	31,004	17,958
Furniture and fixture	23,270	35
Electrical office and computer equipment	135	703
	<u>54,409</u>	<u>18,696</u>

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	

12 INTANGIBLE ASSETS

Computer software	12.1	155,699	137,722
Core deposits		29,422	26,479
Other intangibles		23,500	-
Goodwill		2,991,308	2,991,308
		<u>3,199,929</u>	<u>3,155,509</u>

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	----- (Rupees in '000) -----	

12.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

- Directly purchased	112,558	55,044
----------------------	---------	--------

12.2 Disposals of intangible assets

There were no disposals of intangible assets during the period

13 DEFERRED TAX ASSETS

Deductible temporary differences on:

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Accumulated tax losses	2,590,850	2,748,819
Provision for diminution in the value of investments	80,515	201,160
Provision against non-performing islamic financing and related assets and advances	3,510,690	3,797,882
Ijarah financing and related assets	253,789	207,080
Accelerated tax depreciation	152,997	61,891
Others	(20,753)	263,243
	6,568,088	7,280,075

Taxable temporary difference on:

Fair value adjustments relating to assets acquired upon amalgamation	(356,511)	(191,218)
Surplus on revaluation of fixed assets	(618,428)	(621,899)
Surplus on revaluation of non-banking assets	(13,241)	(14,383)
Surplus on revaluation of available for sale securities	(976,244)	(752,775)
	(1,964,424)	(1,580,275)
	4,603,664	5,699,800

- 13.1 The Holding Company has aggregate tax losses of Rs. 7,402.428 million as at September 30, 2021 (2020: Rs. 7,853.768 million) which includes tax losses of the amalgamated entity. The management has carried out an assessment for estimating the benefit of these losses. The Holding Company would be able to set off the profit earned in future years against these carry forward losses. Based on this assessment the management has recognized deferred tax debit balance amounting to Rs. 2,590.850 million (2020: Rs. 2,748.819 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 Holding Company, 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.

14 OTHER ASSETS

	Note	September 30, 2021	December 31, 2020
		----- (Rupees in '000) -----	
Profit / return accrued in local currency		8,581,707	8,121,506
Profit / return accrued in foreign currency		8,225	7,772
Advances, deposits, advance rent and other prepayments		1,111,672	952,136
Non-banking assets acquired in satisfaction of claims		2,144,045	2,149,758
Takaful / insurance claim receivable		45,099	30,985
Receivable against First WAPDA Sukuk		50,000	50,000
Trade debts		532	532
Acceptances		1,126,818	2,392,561
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts		75,619	60,489
Amount held with financial institution		-	814,546
Other receivables		616,094	419,497
		13,759,811	14,999,782
Less: Provision held against other assets	14.1	(867,123)	(1,588,151)
Other Assets (net of provision)		12,892,688	13,411,631
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	21	223,045	226,308
Total other assets		13,115,733	13,637,939
Market value of non-banking assets acquired in satisfaction of claims		1,661,648	1,671,387

Note	(Un-audited)	(Audited)
	September 30, 2021	December 31, 2020
	----- (Rupees in '000) -----	
14.1 Provision held against other assets		
Advances, deposits, advance rent & other prepayments	26,692	26,692
Non banking assets acquired in satisfaction of claims	704,679	704,679
Amount held with financial institution	-	719,218
Others	135,752	137,562
14.1.1	867,123	1,588,151
14.1.1 Movement in provision held against other assets		
Opening balance	1,588,151	1,253,182
Charge for the period / year	4,374	369,238
Reversals for the period / year	(23,952)	(34,269)
Adjustment during the period / year	(701,450)	-
Closing balance	867,123	1,588,151

15 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On April 25, 2019, the Board of Directors announced their decision on Pakistan Stock Exchange to explore and evaluate the strategic options including divestment of shares held by the Holding Company in one or more associated and subsidiary companies. Subsequently, after following a detail process, the Holding Company signed Share Purchase Agreement with respect to sale of its investment in BankIslami Modaraba Investment Limited and BIPL Securities Limited (subsidiary companies) with respective buyers. These sale transactions have been concluded and investment in these subsidiary companies has been disposed off.

	(Un-audited)	(Audited)
	September 30, 2021	December 31, 2020
	----- (Rupees in '000) -----	
16 BILLS PAYABLE		
In Pakistan	4,058,810	3,324,085
Outside Pakistan	-	-
	4,058,810	3,324,085

17 DUE TO FINANCIAL INSTITUTIONS

Secured

Acceptances from State Bank of Pakistan under Islamic Export Refinance Scheme	3,961,600	3,622,550
Acceptances from State Bank of Pakistan for financial assistance	3,611,462	3,375,410
Refinance facility for Islamic Mortgage	3,136,363	1,989,031
Islamic refinance scheme for payment of wages and salaries	2,179,604	2,805,692
Islamic refinance scheme for combating COVID (IRFCC)	27,908	31,895
Islamic refinance for Facility of Storage of Agricultural Produce (IFFSAP)	18,289	-
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	1,634,255	3,038
Total secured	14,569,481	11,827,616

Unsecured

Wakalah Acceptance	-	4,300,000
Musharakah Acceptance	2,300,000	-
Total unsecured	2,300,000	4,300,000
	16,869,481	16,127,616

18 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	September 30, 2021			December 31, 2020		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
-----Rupees in '000-----						
Customers						
Current deposits	103,564,427	3,583,273	107,147,700	89,268,714	3,068,383	92,337,097
Savings deposits	82,750,709	3,622,580	86,373,289	74,101,851	3,615,238	77,717,089
Term deposits	93,824,336	3,223,686	97,048,022	91,499,914	1,630,147	93,130,061
Others	2,275,618	65,968	2,341,586	2,701,340	56,786	2,758,126
	282,415,090	10,495,507	292,910,597	257,571,819	8,370,554	265,942,373
Financial Institutions						
Current deposits	221,176	5,863	227,039	285,829	3,880	289,709
Savings deposits	13,966,774	600	13,967,374	6,961,168	-	6,961,168
Term deposits	2,164,500	-	2,164,500	9,743,500	-	9,743,500
	16,352,450	6,463	16,358,913	16,990,497	3,880	16,994,377
	298,767,540	10,501,970	309,269,510	274,562,316	8,374,434	282,936,750

19 SUBORDINATED SUKUK

19.1 The Holding Company has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuk under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I (ADT-1) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

19.2 Salient features of the ADT-1 sukuk are as follows:

Amount	Rs. 2,000 million.
Issue Date	April 21, 2020
Tenor	Perpetual (i.e. no fixed or final redemption date)
Security	Unsecured
Expected Profit Rate	The Sukuk carries profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding Company inline with SBP's guidelines of pool management.
Instrument Rating	PACRA has rated this sukuk at 'A-' (A minus).
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Call option	The Holding Company may, at its sole discretion, call the sukuk, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	Profit on the sukuk shall only be paid from the current year's earnings and if the Holding Company is fully compliant with SBP's Minimum Capital Requirement (MCR), Capital Adequacy Ratio (CAR) and Liquidity Ratio (LR) requirements.
Loss absorbency clause	The sukuk shall, at the discretion of the SBP, be either permanently converted into ordinary shares or permanently written-off (partially or in full) pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

19.3 The funds raised through this instrument are being utilized towards the Holding Company's General Pool, that is, financing and investment activities as permitted by Holding Company's Memorandum and Articles of Association. With permission of Sukuk holders, the proceeds of this issue have been commingled with other funds of the depositors (which may include Holding Company's own equity) i.e. invested in General Pool of the Holding Company.

20 OTHER LIABILITIES

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
Profit / return payable in local currency	1,904,786	1,733,615
Profit / return payable in foreign currencies	16,843	14,583
Accrued expenses	849,586	894,463
Deferred Murabahah Income - Financing and IERS	189,956	104,322
Payable to defined contribution plan	25,040	2,877
Defined Benefit Plan liabilities	231,333	136,415
Security deposits against Ijarah	868,658	1,122,685
Ijarah (lease) Liability	3,207,712	3,455,874
Provision against off-balance sheet obligations	85,975	85,975
Acceptances	1,126,818	2,392,561
Receipt appropriation account	-	6,638
Current taxation (provisions less payments)	63,774	188,797
Provision against other tax liabilities	140,214	148,305
Sundry creditors	248,075	190,839
Payable to brokers against purchase of shares - net	119	-
Charity payable	6,724	14,712
Retention money payable	14,254	10,167
Provision for Workers' Welfare Fund	185,321	123,164
Branch adjustment account	31,675	30,867
Rental received in advance	162,555	348,243
Advance against disposal of Non current asset held for sale	-	188,303
Others	254,620	149,636
	<u>9,614,038</u>	<u>11,343,041</u>

21 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of:

Available for sale securities	9.1	2,789,268	2,150,785
Fixed Assets		2,031,216	2,042,473
Non-banking assets acquired in satisfaction of claims	14	223,045	226,308
		5,043,529	4,419,566

Deferred tax liability on surplus on revaluation of:

Available for sale securities	13	(976,244)	(751,909)
Fixed Assets		(618,428)	(621,899)
Non-banking assets acquired in satisfaction of claims		(13,241)	(14,383)
		(1,607,913)	(1,388,191)

Total surplus on revaluation of assets- net of tax

Less: Share of non-controlling interest

Holding Company's share

		3,435,616	3,031,375
		(9,065)	(5,017)
		<u>3,426,551</u>	<u>3,026,358</u>

22 CONTINGENCIES AND COMMITMENTS

- Guarantees	22.1	9,323,047	10,342,243
- Commitments	22.2	38,187,173	10,298,481
- Other contingent liabilities	22.3	229,652	1,360,580
		<u>47,739,872</u>	<u>22,001,304</u>

22.1 Guarantees:

Financial guarantees	-	782,961
Performance guarantees	4,063,645	5,888,773
Other guarantees	5,259,402	3,670,509
	<u>9,323,047</u>	<u>10,342,243</u>

	Note	September 30, 2021	December 31, 2020
		----- Rupees in '000 -----	
22.2 Commitments:			
Documentary credits and short-term trade-related transactions - letters of credit		25,835,866	12,003,211
Commitments in respect of:			
- Shariah compliant alternative of forward foreign Exchange contracts	22.2.1	1,301,219	(9,435,135)
Commitments for acquisition of:			
- operating fixed assets		192,575	232,703
- intangible assets		70,278	15,559
Other commitments	22.2.2	10,787,235	7,482,143
		<u>38,187,173</u>	<u>10,298,481</u>
22.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange contracts			
Purchase		13,223,818	11,389,226
Sale		(11,922,599)	(20,824,361)
		1,301,219	(9,435,135)
22.2.2 Other commitments			
Bills for collection		<u>10,787,235</u>	<u>7,482,143</u>
22.3 Other contingent liabilities			
Suit filed by customers for recovery of alleged losses suffered, pending in the High Court, which the Holding Company has not acknowledged as debt	22.3.1	4,200	11,200
Tax Contingencies	22.3.2	225,452	1,349,380
		<u>229,652</u>	<u>1,360,580</u>
22.3.1 There is no change in the status of contingencies related to pending legal cases, as set out in note 26.3.1 to 26.3.1.4 to the consolidated financials statements of the Holding Company for the year ended December 31, 2020 except for note 26.3.1.4 where the legal formalities have been completed and settlement with international payment scheme has been concluded. The financial effects of the settlement has been recorded in these consolidated condensed interim financial statements (refer note 14).			
22.3.2 There is no change in the status of tax and other contingencies, as set out in note 26.3.2 to the annual financial statements of the Holding Company for the year ended December 31, 2020 except for note 26.3.2.7 where during the year 2021 the learned Commissioner Appeal has passed an order in favor of the Bank with regards to Assessment Order passed by the Learned DCIR relating to Tax Year 2014 and 2015, thereby nullifying the tax demand of Rs. 53.770 million and Rs.61.780 million, respectively. Furthermore, during the year, the allowed time period to pass an order by the Learned Commissioner under section 124(1) to give effect to findings in respect of the order passed by the Learned Commissioner (Appeals) with regards to tax year 2016 and tax year 2017 has been lapsed. Therefore, the tax related contingencies of Rs. 994.553 million and Rs. 13.825 million in relation to tax year 2016 and tax year 2017 has been deleted.			

----- (Un-audited) -----	
September 30, 2021	September 30, 2020
----- Rupees in '000 -----	

23 PROFIT / RETURN EARNED

Profit earned on:

Financing	8,772,944	11,493,807
Investments	5,286,999	3,797,923
Placements	2,764,805	5,132,038
Others	95,833	86,801
	<u>16,920,581</u>	<u>20,510,569</u>

24 PROFIT / RETURN EXPENSED

Deposits and other accounts	7,813,008	9,414,434
Due to financial institutions	572,724	608,057
Cost of foreign currency swaps against foreign currency deposits	6,499	23,577
Finance cost on ijarah (lease) liabilities	285,541	327,410
Additional Tier-1 sukuk	153,342	189,452
	<u>8,831,114</u>	<u>10,562,930</u>

25 FEE AND COMMISSION INCOME

Branch banking customer fees	39,397	42,067
Commission on bancatakaful	110,253	80,617
Card related fees	249,411	173,933
Commission on arrangement with financial institutions	74,363	45,176
Consumer finance related fees	51,586	22,687
Commission on guarantees	70,487	33,468
Investment banking fees	87,896	125,006
Commission on cash management	5,201	2,728
Commission on remittances including home remittances	21,206	23,993
Commission on trade	157,634	97,627
Others	4,572	9,430
	<u>872,006</u>	<u>656,732</u>

		----- (Un-audited) -----	
		September	September
		30, 2021	30, 2020
		----- Rupees in '000 -----	
26	GAIN ON SECURITIES		
	Realized gain	26.1	36,757 241,555
26.1	Realized gain / (loss) on:		
	Federal Government Securities	24,829	-
	Non-Government Shariah compliant Securities	25,118	241,555
	Shares / Mutual Funds Units	24,863	-
	Non-Current Assets held for sale	26.1.1 & 26.1.2 (38,053)	-
		36,757	241,555
26.1.1	Summary of gain on disposal of BankIslami Modaraba Investments Limited		
		(Un-audited)	
		September	
		30, 2021	
	Sale proceeds on disposal	- Rs. In '000 - 90,000	
	Less: Net assets of a subsidiary at the date of derecognition	(27,427)	
		62,573	
26.1.2	Summary of loss on disposal of BIPL Securities Limited		
		(Un-audited)	
		September	
		30, 2021	
	Sale proceeds on disposal	- Rs. In '000 - 663,211	
	Less: Net assets of a subsidiary at the date of derecognition	(1,014,417)	
	Add: Non-controlling interest	250,580	
		(100,626)	
		----- (Un-audited) -----	
		September	September
		30, 2021	30, 2020
		----- Rupees in '000 -----	
27	OTHER INCOME		
	Rent on property	359	7,763
	Gain on termination of financing	57,503	65,298
	Gain on sale of property and equipment	876	4,278
	Recoveries against previously expensed items	7,434	8,501
		66,172	85,840

	----- (Un-audited) -----	
	September 30, 2021	September 30, 2020
	----- Rupees in '000 -----	
Total compensation expense	3,004,287	2,604,758
Property expense		
Rent & taxes	44,602	52,367
Takaful / insurance	967	2,931
Utilities cost	336,160	248,343
Security (including guards)	267,964	273,444
Repair & maintenance (including janitorial charges)	154,941	127,231
Depreciation	270,083	255,095
Depreciation on right-of-use assets	632,251	607,620
Others	-	30
	1,706,968	1,567,061
Information technology expenses		
Software maintenance	218,648	174,043
Hardware maintenance	69,842	97,694
Depreciation	176,039	145,487
Amortisation	46,727	48,025
Network charges	137,270	113,493
	648,526	578,742
Other operating expenses		
Directors' fees and allowances	8,760	7,070
Fees and allowances to Shariah Board	13,796	11,701
Legal & professional charges	140,052	83,075
Travelling & conveyance	29,846	22,818
NIFT clearing charges	20,004	21,464
Depreciation	144,363	134,388
Depreciation on non banking assets	8,977	3,382
Entertainment expense	43,878	43,663
Training & development	3,139	6,298
Postage & courier charges	31,068	49,588
Communication	34,249	50,913
Marketing, advertisement & publicity	87,088	140,988
Repairs and maintenance	88,742	111,219
Takaful, tracker and other charges on car Ijarah	144,411	75,617
Stationery & printing	105,702	135,241
Takaful / Insurance	209,974	262,694
Fee and subscription	104,561	135,784
Vehicle running and maintenance	118,893	95,361
Donation	1,500	12,740
Auditors' remuneration	10,788	1,709
Amortization	1,910	7,510
CDC and share registrar services	6,786	19,049
Brokerage and commission	17,225	12,204
Stamp duty, registration & verification charges	57,033	-
Others	32,393	55,863
	1,465,138	1,500,339
	6,824,919	6,250,900

		----- (Un-audited) -----	
Note		September 30, 2021	September 30, 2020
		----- Rupees in '000 -----	
29	OTHER CHARGES		
	Penalties imposed by the State Bank of Pakistan	<u>2,075</u>	<u>130,354</u>
30	PROVISIONS AND WRITE OFFS - NET		
	Provision / (reversal of provision) for diminution in value of investments and due from financial institutions	(1,204)	11,719
	Provision against Islamic financing and related assets and advances - net	468,875	1,488,462
	Other provisions / (reversal) / write offs - net	(719,585)	391,105
		<u>(251,914)</u>	<u>1,891,286</u>
31	TAXATION		
	Current	350,577	455,445
	Prior years	(156,696)	-
	Deferred	874,794	685,446
		<u>1,068,675</u>	<u>1,140,891</u>
		----- (Un-audited) -----	
Note		September 30, 2021	September 30, 2020
		----- Rupees in '000 -----	
32	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit after taxation for the period from continuing operations (Attributable to equity shareholders of the Holding Company)	1,708,423	1,549,813
	Profit after taxation for the period from discontinued operations (Attributable to equity shareholders of the Holding Company)	62,917	36,058
	Profit after taxation for the period (Attributable to equity shareholders of the Holding Company)	<u>1,771,034</u>	<u>1,585,871</u>
		----- Number of shares -----	
	Weighted average number of ordinary shares in issue	<u>1,108,703,299</u>	<u>1,108,703,299</u>
		----- Rupees -----	
	Earnings per share - basic / diluted from continuing operations	1.5409	1.3979
	Earnings per share - basic / diluted from discontinued operations	0.0567	0.0325
	Earnings per share - basic / diluted	<u>1.5977</u>	<u>1.4304</u>
32.1	There were no convertible / dilutive potential ordinary shares outstanding as at September 30, 2021 and September 30, 2020.		

33 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity is based on quoted market price. Quoted securities classified as held to maturity are carried at cost less impairment losses. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted Shariah compliant securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

33.1 Fair value of financial assets

The Holding Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

September 30, 2021			
Level 1	Level 2	Level 3	Total

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

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Shares	464,982	-	-	464,982
GOP Ijara Sukuk	-	55,671,469	-	55,671,469
Non-Government Shariah compliant Securities	32,414,334	6,846,713	-	39,261,047

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	-	6,541,187	6,541,187
Non-banking assets	-	-	1,661,648	1,661,648

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	13,710,011	-	13,710,011
Shariah compliant alternative of forward sale of foreign exchange	-	(12,344,753)	-	(12,344,753)

December 31, 2020			
Level 1	Level 2	Level 3	Total

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

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Shares	335,097	-	-	335,097
GOP Ijara Sukuk	-	44,497,832	-	44,497,832
Non-Government Shariah compliant Securities	31,440,745	7,454,508	-	38,895,253

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	-	6,891,351	6,891,351
Non-banking assets	-	-	1,671,387	1,671,387

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	11,246,372	-	11,246,372
Shariah compliant alternative of forward sale of foreign exchange	-	20,631,765	-	20,631,765

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 Sukuk are derived 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 six 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.
Shariah compliant alternative of 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.

- 33.2 The Holding Company's policy is to recognize 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 from last year.

34 SEGMENT INFORMATION

34.1 Segment Details with respect to Business Activities

(Un-audited)

September 30, 2021

Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
-----------------	----------------	--------------------	----------------	-------

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

Profit & Loss

Net profit / return	6,729,812	(5,005,039)	6,402,599	(37,905)	8,089,467
Inter segment revenue - net	(6,258,529)	11,926,049	(5,512,373)	(155,147)	-
Total other income	433,608	518,929	336,172	128,768	1,417,477
Total Income	904,891	7,439,939	1,226,398	(64,284)	9,506,944

Segment direct expenses

Segment direct expenses	52,692	5,563,966	259,361	1,013,132	6,889,151
Inter segment expense allocation	57,049	472,396	434,662	(964,107)	-
Total expenses	109,741	6,036,362	694,023	49,025	6,889,151
Provisions / (reversals)	(21,204)	330,444	137,950	(699,104)	(251,914)
Profit / loss before tax	816,354	1,073,133	394,425	585,795	2,869,707

(Un-audited)
September 30, 2021

Balance Sheet

	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
----- Rupees in '000 -----					
Assets					
Cash & Bank balances	12,962,686	10,438,369	-	3,578	23,404,633
Investments	107,335,456	-	-	-	107,335,456
Net inter segment placements	-	253,667,646	-	4,128,409	257,796,055
Due from financial institutions	44,358,422	-	-	-	44,358,422
Islamic financing and related assets					
- performing	-	34,324,593	113,844,905	3,230,889	151,400,387
- non-performing	-	1,534,992	2,581,486	137,706	4,254,184
Others	4,209,592	7,070,712	1,744,329	20,512,956	33,537,589
Total Assets	168,866,156	307,036,312	118,170,720	28,013,538	622,086,726
Liabilities					
Due to financial institutions	5,911,462	3,136,363	7,821,656	-	16,869,481
Subordinated sukuk	-	-	-	2,000,000	2,000,000
Deposits & other accounts	14,026,013	295,243,497	-	-	309,269,510
Net inter segment acceptances	148,450,202	-	109,345,853	-	257,796,055
Others	51,971	8,656,451	1,003,211	3,961,215	13,672,848
Total liabilities	168,439,648	307,036,311	118,170,720	5,961,215	599,607,894
Equity	-	-	-	22,478,832	22,478,832
Total Equity & liabilities	168,439,648	307,036,311	118,170,720	28,440,047	622,086,726
Contingencies & Commitments	1,301,219	-	45,946,148	301,192	47,548,559

(Un-audited)
September 30, 2020

Profit & Loss

	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
----- Rupees in '000 -----					
Profit / return earned	6,937,513	(5,824,876)	8,937,866	(102,864)	9,947,639
Inter segment revenue - net	(5,353,610)	14,119,416	(8,765,806)	-	-
Other income	597,721	239,174	265,259	20,635	1,122,788
Total Income	2,181,624	8,533,713	437,319	(82,229)	11,070,427
Segment direct expenses	47,057	3,833,302	175,201	2,383,755	6,439,315
Inter segment expense allocation	143,428	1,535,324	650,582	(2,329,334)	0
Total expenses	190,485	5,368,626	825,783	54,421	6,439,315
Provisions / (reversals)	11,719	147,293	1,350,788	381,485	1,891,286
Profit before tax	1,979,419	3,017,794	(1,739,253)	(518,135)	2,739,825

(Audited)
December 31, 2020

Assets

	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
----- Rupees in '000 -----					
Cash & Bank balances	23,783,594	10,560,903	-	-	34,344,497
Investments	95,622,282	-	-	-	95,622,282
Net inter segment placements	(137,226,368)	232,280,586	(97,855,921)	2,801,703	-
Due from financial institutions	41,640,012	-	-	-	41,640,012
Islamic financing and related assets					
- performing	-	24,718,161	99,428,978	2,887,371	127,034,510
- non-performing	-	1,265,885	1,555,851	115,643	2,937,379
Others	1,171,691	5,271,853	5,430,218	24,488,148	36,361,910
Total Assets	24,991,211	274,097,388	8,559,126	30,292,865	337,940,590
Liabilities					
Borrowings	7,675,409	1,989,031	6,463,176	-	16,127,616
Subordinated debt	-	-	-	2,000,000	2,000,000
Deposits & other accounts	15,987,163	266,949,587	-	-	282,936,750
Others	133,484	5,158,771	2,437,698	8,633,189	16,363,142
Total liabilities	23,796,056	274,097,389	8,900,874	10,633,189	317,427,508
Equity	-	-	-	20,513,082	20,513,082
Total Equity & liabilities	23,796,056	274,097,389	8,900,874	31,146,271	337,940,590
Contingencies & Commitments	(9,435,135)	-	22,345,454	9,090,985	22,001,304

35 RELATED PARTY TRANSACTIONS

The Holding Company has related party transactions with its associates, employee benefit plans and its directors and Key Management Personnel.

The Holding Company enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

	(Un-audited)				(Audited)			
	September 30, 2021				December 31, 2020			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
Rupees in '000								
Investments								
Opening balance	-	-	1,660,111	-	-	-	1,660,111	-
Investment made during the period / year	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-
Closing balance	-	-	1,660,111	-	-	-	1,660,111	-
Provision for diminution in value of investments	-	-	(1,032,169)	-	-	-	(1,032,169)	-
Islamic financing and related assets								
Opening balance	19,239	305,603	489,677	496,392	22,538	194,707	525,179	1,193,862
Addition during the period / year	-	85,087	286,691	3,310,141	-	180,438	92,048	3,216,340
Repaid during the period / year	(2,881)	(26,602)	(295,496)	(3,186,159)	(3,299)	(66,942)	(127,550)	(3,404,528)
Transfer in / (out) - net	-	(104,971)	-	79,531	-	(2,600)	-	(509,282)
Closing balance	16,358	259,117	480,872	699,905	19,239	305,603	489,677	496,392
Provision held against Islamic financing and related assets	-	-	-	-	-	-	-	-
Other Assets								
Profit receivable on financings	103	17	4,217	4,743	812	167	1,626	3,153
Subordinated debt								
Opening balance	-	1,015	-	-	-	10,000	-	-
Issued / Purchased during the period / year	-	-	-	-	-	15	-	-
Redemption / Sold during the period / year	-	-	-	-	-	(9,000)	-	-
Closing balance	-	1,015	-	-	-	1,015	-	-
Deposits and other accounts								
Opening balance	18,887	25,210	85,142	1,171,529	3,534	6,260	82,086	1,062,262
Received during the period / year	38,291	326,698	1,887,246	6,617,589	96,690	694,472	1,641,620	8,820,606
Withdrawn during the period / year	(42,972)	(324,601)	(1,924,558)	(6,496,493)	(81,169)	(675,522)	(1,638,684)	(8,711,343)
Transfer in / (out) - net	(2)	(845)	(13,902)	(82,916)	(168)	-	120	4
Closing balance	14,204	26,462	33,928	1,209,709	18,887	25,210	85,142	1,171,529
Other Liabilities								
Profit / return payable	10	185	2	6,856	2	160	689	7,141
Meeting Fee / Remuneration Payable	-	-	-	-	2,260	-	-	-
Contingencies and Commitments								
Other contingencies	-	-	-	415,651	-	-	-	279,802
Rupees in '000								
	(Un-audited)				(Un-audited)			
	September 30, 2021				September 30, 2020			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
Income								
Profit / return earned	1,238	6,329	25,972	43,629	2,413	6,397	21,467	55,236
Other income	-	6,071	-	-	-	2,425	-	-
Expense								
Profit / return expensed	55	459	621	69,943	15	226	701	83,434
Other administrative expenses	-	2,824	-	7,938	86	1,636	-	5,005
Meeting Fee / Remuneration	8,760	192,683	-	-	7,070	139,871	-	-
Contribution to employees provident fund	-	-	-	100,272	-	-	-	88,774
Charge for employees gratuity fund	-	-	-	94,919	-	-	-	87,095

36 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

The State Bank of Pakistan vide its letter no BPRD/BA&CP/649/3634/2019 dated February 15, 2019 has advised the Holding Company to apply regulatory deductions with respect to the balance sheet amount of "Goodwill" and "Deferred Tax Assets" pertaining to Defunct KASB Bank in the year ending 31 December 2019, 31 December 2020, 31 December 2021 at the cumulative rate of 25%, 60% and 100% respectively. Accordingly, the amounts of goodwill and deferred tax asset pertaining to defunct KASB Bank Limited have been deducted at the rate of 60% from CET 1 capital as at 31 December 2020 and September 30, 2021.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,007,991	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	15,730,573	13,877,167
Eligible Additional Tier 1 (ADT 1) Capital	2,000,000	2,007,989
Total Eligible Tier 1 Capital	17,730,573	15,885,156
Eligible Tier 2 Capital	5,669,134	4,972,587
Total Eligible Capital (Tier 1 + Tier 2)	23,399,707	20,857,743
Risk Weighted Assets (RWAs):		
Credit Risk	119,395,671	107,957,298
Market Risk	1,694,850	1,020,400
Operational Risk	20,552,900	20,552,900
Total	141,643,421	129,530,598
Common Equity Tier 1 Capital Adequacy ratio	11.11%	10.71%
Tier 1 Capital Adequacy Ratio	12.52%	12.26%
Total Capital Adequacy Ratio	16.52%	16.10%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
CCB (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

The capital to risk weighted assets ratio is calculated in accordance with the SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardized Approach for credit and market risk and Basic Indicator Approach for operational Risk.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	17,730,573	15,885,156
Total Exposures	413,991,884	369,368,591
Leverage Ratio	4.28%	4.30%
Liquidity Coverage Ratio (LCR)*:		
Total High Quality Liquid Assets	112,171,806	66,806,359
Total Net Cash Outflow	46,372,948	33,817,378
Liquidity Coverage Ratio	246.27%	210.41%
Net Stable Funding Ratio (NSFR)*:		
Total Available Stable Funding	311,385,451	282,534,177
Total Required Stable Funding	131,428,667	112,435,298
Net Stable Funding Ratio	236.92%	251.29%

* Holding Company's LCR and NSFR ratios have been presented.

37 NON - ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on October 27, 2021 have transferred an amount of Rs. 250 million out of 'Reserve for Bad Debts and Contingencies' to 'Unappropriated Profit'. The consolidated financial statements for the nine months ended September 30, 2021 does not include the effect of this appropriation which will be accounted for in the financial statements for the year ending December 31, 2021.

38 GENERAL

38.1 Captions, as prescribed by BPRD Circular Letter No. 5 dated March 22, 2019 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these financial statements, except for captions of the Statement of Financial Position and Profit and Loss Account.

38.2 These consolidated financial statements are presented in Pakistani Rupees, which is the Holding Company's functional and presentation currency.

38.3 The figures in these financial statements have been rounded off to the nearest thousand rupee.

38.4 Corresponding figures

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

Transfer from	Transfer to	As at December 31,2020 (Rupees in '000)
Statement of Financial Position		
Bills Payable	Deposits	1,625,401

39 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorized for issue on October 27, 2021 by the Board of Directors of the Holding Company.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

This page has been left blank intentionally



BankIslami Pakistan Limited
11th Floor, Executive Tower, Dolmen City,
Marine Clifton, Drive Block-4, Karachi, Pakistan
UAN: (021) - 111 - BIP - 111 (111 - 247 - 111)
Fax: (021) - 35378373
E-mail: info@bankislami.com.pk

