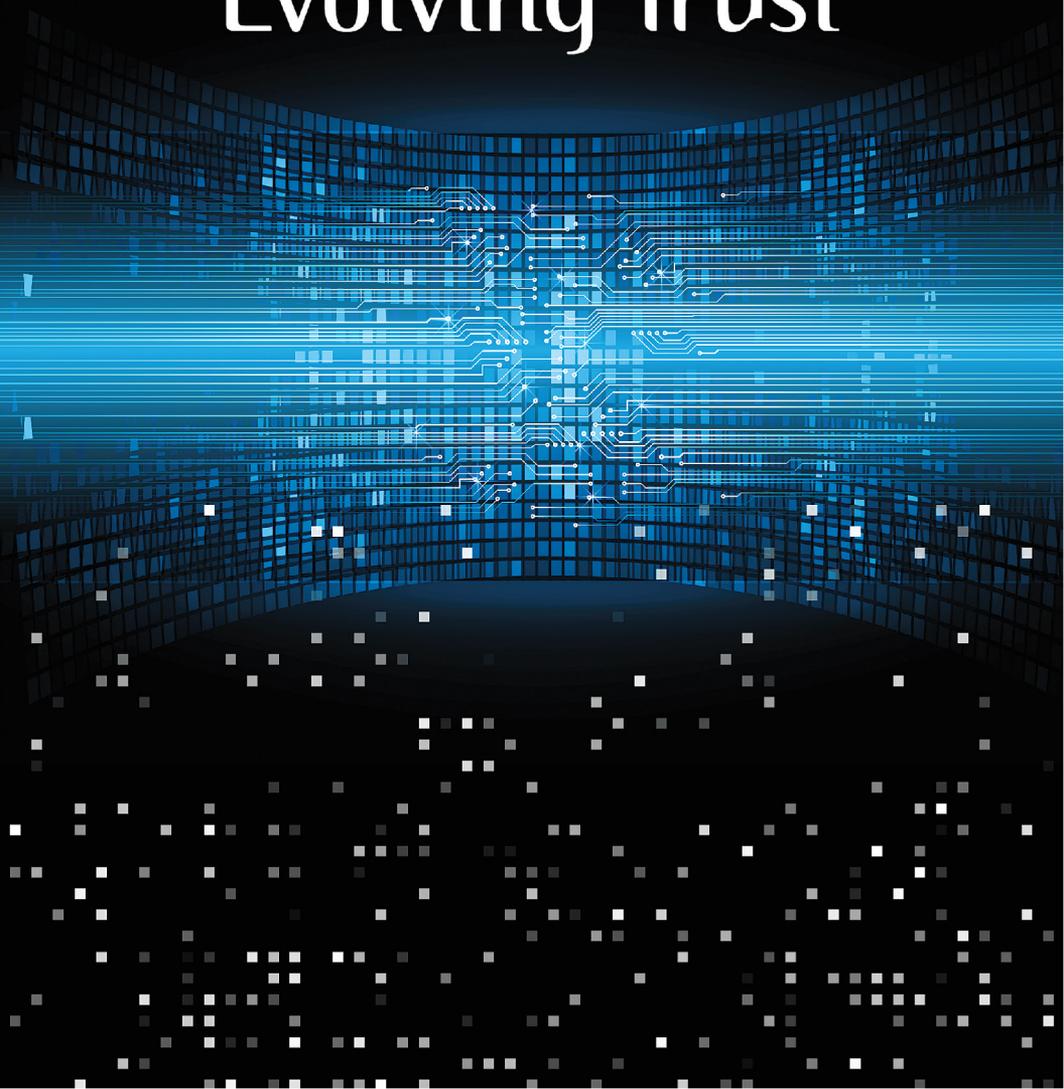
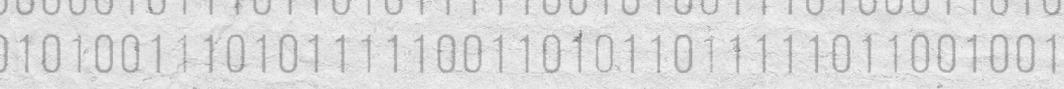




QUARTERLY REPORT SEPTEMBER 2022

Evolving Trust





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Corporate Information

Board of Directors

Mr. Ali Hussain
Mr. Syed Amir Ali
Dr. Amjad Waheed
Mr. Haider Ali Hilaly
Dr. Lalarukh Ejaz
Mr. Sulaiman Sadruddin Mehdi
Mr. Syed Ali Hasham
Mr. Tasnim-ul-Haq Farooqui

Chairman (Non-Executive Director)
President & Chief Executive Officer
Independent Director
Independent Director
Independent Director
Independent Director
Non-Executive Director
Non-Executive Director

Shariah Supervisory Board

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

Chairperson
Member
Member
Member

Audit Committee

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

Chairperson
Member
Member
Member
Member

Risk Management Committee

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

Chairperson
Member
Member
Member

Board Human Resources & Remuneration Committee

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

Chairperson
Member
Member
Member
Member
Member

Information Technology (IT) Committee

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

Chairperson
Member
Member
Member

Company Secretary

Mr. Muhammad Shoaib

Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

Legal Adviser

1- Haidermota & Co.
2- Mohsin Tayebaly & Co.

Management (in alphabetical order)

Asim Salim	General Manager Central
Bilal Fiaz	Group Head, Consumer Banking
Burhan Hafeez Khan	General Manager South West
Kashif Nisar	Head, Products & Shariah Structuring
Mahmood Rashid	Head, Security & Government Relations
Masood Muhammad Khan	Head, Compliance
Mateen Mahmood	General Manager South East
Muhammad Adnan Siddiqui	Head, Information Technology
Muhammad Asadullah Chaudhry	Head, Human Resource
Muhammad Irfan Ahmed	Head, Shariah Compliance
Muhammad Shoaib	Company Secretary
Muhammad Uzair Sipra	Head, Legal
Mukarram Hasan	Head, Operations
Rizwan Ata	Group Head, Distribution
Rizwan Qamar Lari	Group Head, Internal Audit
Sohail Sikandar	Chief Financial Officer
Syed Amir Ali	President & Chief Executive Officer
Syed Muhammad Aamir Shamim	Group Head, Treasury & Financial Institutions
Tariq Ali Khan	General Manager North
Usman Shahid	Group Head, Risk Management
Zaheer Elahi Babar	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 Shakra-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, 2022.

Economic Snapshot

The Monetary Policy Committee (MPC) subsequent to an increase of 125 bps in policy rate during July 2022, decided to maintain the policy rate at 15% in its meetings held in August and October 2022. The decision was mainly backed by deceleration in economic activity as well as decline in inflation and Current Account Deficit (CAD). As per MPC, in view of recent floods in the country, current policy rate would provide a balance between managing inflationary pressure and maintaining economic growth.

Due to recent administrative reduction in electricity prices, inflation has reduced to 23.2% in Sep 2022. Moving forward, the impact of floods is expected to be felt in food prices, due to which inflation would climb higher than the pre-flood projection of 18%-20% for FY2023. Trade deficit reduced to USD 2.9 Bn, a 30.6% decrease on YoY basis, due to: (a) decline in both energy and non-energy imports, which stood at around USD 16.3 Bn during the third quarter of FY2022; and (b) stability in exports, which were at USD 7.0 Bn. Looking ahead, the impact on CAD is expected to be muted, as post-floods food imports are likely to increase and export of rice and textile are also expected to drop. However, the pressure on CAD might subside to certain extent due to decrease in pressure on imports, owing to slowdown in domestic demand, falling global commodity prices and shipping costs.

On account of increase in global commodity prices, higher demand and pressure on import bills, FX reserves of the country declined from USD 23.9 Bn in December 2021 to USD 13.6 Bn in September 2022. Consequently, USD-PKR parity remained under pressure and closed at Rs. 228.45 at the end of September 2022. Later, PKR gained strength and in October 2022 exchange rate recovered to Rs. 219.71 (October 18, 2022). Given secured external financing and additional commitments in the wake of the floods, FX reserves is expected to improve through the course of the year.

Based on the foregoing, GDP growth of the country is expected to decrease to around 2% in FY23 against the previous forecast of 3%-4%.

Source: State Bank of Pakistan

Financial Performance

Following are the key financial highlights for the nine months ended September 30, 2022:

<i>Financial Position</i>	As at Sep 2022	As at Dec 2021	As at Sep 2021	Growth %	
Particulars	----- Rupees in Million -----			Vs Dec 2021	Vs Sep 2021
	Total Deposits	388,129	344,788	309,270	12.6%
Total Assets	454,717	408,390	363,958	11.3%	24.9%
Total Financing and Related Assets – net	205,283	181,176	155,655	13.3%	31.9%
Investments – net	139,364	124,838	106,909	11.6%	30.4%
Treasury and Bank Placements	44,887	38,637	48,070	16.2%	-6.6%
Net Assets	25,611	22,511	22,167	13.8%	15.5%
Branches network (number)	353	340	340	3.8%	3.8%

<i>Profit and Loss</i>	Nine Months Ended		Growth %
Particulars	Sep 2022	Sep 2021	
	----- Rupees in million -----		
Net Profit/Return	13,644	8,070	69.1%
Total Other Income	2,842	1,471	93.2%
Operating Expenses	8,576	6,825	25.7%
Operating Profit	7,790	2,652	193.8%
Provisions and Write Offs-Net	2,246	(272)	-925.9%
Profit Before Tax	5,544	2,924	89.6%
Profit After Tax	2,852	1,855	53.8%
Basic Earnings per share (Rupees)	2.57	1.67	53.8%

Deposits remained the major contributor towards the growth in the balance sheet. Total deposits grew by 12.6% since December 2021 and by 25.5% as compared to same period last year, whereas Current account grew by 10.3% since December 2021 and by 35.9% as compared to same period last year. With the increase in policy rate, public savings diverted towards bank deposits. The Bank, in order to tap growth in the market, introduced various term deposit products with attractive rates which resulted in growth in term deposits by 33.2% since December 2021. Moving ahead, the Bank will keep its focus to grow the deposit base with primary emphasis on low cost deposits while further expanding its branch network.

With the increase in policy rates and various regulatory initiatives taken by GoP and SBP to contain imports, the growth in consumer financing remained under pressure, but still the Bank was able to grow its Islamic Financing Portfolio (net) by 13.3% since December 2021 and by 31.9% as compared to same period last year. Infection ratio has improved to 8.1% as compared to 8.7% as at December 31, 2021. As a matter of prudence, the Bank took additional general provision of Rs. 1.65 Bn during nine months against potential losses in financing portfolio due to which coverage ratio has improved from 90% as at December 31, 2021 to 97%. On the investment front, the Bank placed its surplus liquidity towards GoP Ijarah Sukuk to close its investment portfolio at Rs. 205.3 Bn, depicting growth of 11.6% in investment portfolio since December 2021. Due to improvement in overall quality of assets portfolio and profitability, Capital Adequacy Ratio (CAR) clocked at 15.92% as compared to 14.15% as at December 31, 2021.

Owing to growth in overall balance sheet along with rise in policy rate, the net spread earned of the Bank during nine months ended September 2022 grew by 69.1% as compared to same period last year. Non-funded income of the Bank also registered a growth of 93.2% as compared to same period last year. With country going through a high cycle of inflation, the Bank announced a monthly inflation allowance for its low and middle cadre staff to provide a measure of relief to them in these testing times; it's a proof of Bank's commitment to take care of its employees' well-being. Due to higher inflationary impact, expansion in its branch network, increase in headcount primarily on business side and increase in marketing activities, the overall operating expenses of the Bank has increased by 25.7% as compared to same period last year.

Based on growth in net profit/return together with higher non-funded income, the Bank registered 193.8% increase in operating profit as compared to same period last year and closed at Rs. 7.8 Bn. Net provisioning for nine months against the non-performing financing of the Bank stood at Rs. 2.2 Bn. Resultantly, the Bank posted profit after tax of Rs. 2.85 Bn which is 53.8% higher than profit after tax for the same period last year, *Alhamdulillah*.

Group Results

As at September 30 2022, total assets of the Group grew by 11.3% as compared to December 2021, with net assets showing growth of 13.6%. This growth is the result of increase in Deposits which was deployed in Core earning assets of the Group, resulting in increase of 13.3% in Islamic Financing (net) and 11.6% increase in investments of the Group. Profit after tax of the Group rose by 58.9% and closed at Rs. 2.8 Bn as compared to the same period last year owing to growth in and repricing of the earning assets after increase in policy rate, which together resulted in 68.7% increase in net profit/return by 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 mentioned in the corporate information section of this report.

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. The Board would also like to express its gratitude to Bank's valued customers, business partners and shareholders for their continued patronage and trust. Moreover, the Board would also like to acknowledge the dedication, commitment and hard work put in by the 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
President & Chief Executive Officer

-Sd-

Ali Hussain
Chairman of the Board

October 26, 2022

اظہارِ تشکر

بورڈ، اسٹیٹ بینک آف پاکستان کی جانب سے فراہم کردہ معاونت اور رہنمائی پر اس کا تہہ دل سے مشکور ہے اور اسے ریکارڈ کا حصہ بنانے کا خواہاں ہے۔ اس کے ساتھ بورڈ، سیکورٹیز 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 گراماں 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 بورڈ

-Sd-

سید عامر علی

صدر اور چیف ایگزیکٹو آفیسر

26 اکتوبر، 2022

گروپ کے نتائج

مجموعی اثاثہ جات میں 11.3 فیصد کی نمو ظاہر کرتے ہوئے 30 ستمبر، 2022 کو گروپ کے صافی اثاثہ جات میں دسمبر 2021 کے مقابلے میں 13.6 فیصد تک اضافہ ہوا۔ یہ نمو، ڈپازٹس میں ہونے والے اضافے کی وجہ سے ہے، جسے گروپ کے بنیادی آمدن والے اثاثہ جات میں لگا یا گیا تھا، جس کے نتیجے میں اسلامک فنانسنگ (نیٹ) میں 13.3 فیصد اضافہ ہوا اور گروپ میں ہونے والی سرمایہ کاری 11.6 فیصد تک بڑھی۔ گروپ کے بعد از محصول منافع میں گزشتہ سال کی اسی مدت کے مقابلے میں 58.9 فیصد اضافے کے ساتھ 2.8 بلین روپے پر بند ہوا، جو کہ پالیسی شرح میں اضافے کے بعد آمدن کے اثاثہ جات میں ہونے والے اضافے اور قیمت کے دوبارہ تعین کا مرہون منت ہے، جس کے نتیجے میں گروپ کے خالص منافع میں 68.7 فیصد اضافہ ہوا۔

بورڈ کی تشکیل

بورڈ کی موجودہ تشکیل درج ذیل کے مطابق ہے:

ڈائریکٹرز کی مجموعی تعداد 8*

تشکیل:

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

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

بیلنس شیٹ کی نمومیں ڈپازٹس نے کلیدی کردار ادا کیا۔ مجموعی ڈپازٹس میں دسمبر 2021 سے 12.6 فیصد تک اضافہ ہوا اور گزشتہ سال اسی مدت کے مقابلے میں 25.5 فیصد تک بڑھے، جبکہ کرنٹ اکاؤنٹ میں دسمبر 2021 سے 10.3 فیصد تک اضافہ ہوا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 35.9 فیصد تک زیادہ ہے۔ پالیسی شرح میں ہونے والے اضافے کے ساتھ ساتھ عوامی سطح پر کی جانے والی بچت کا رخ بینک ڈپازٹس کی جانب موڑ دیا گیا۔ بینک نے مارکیٹ کی شرح نمومیں اضافے کی غرض سے پرکشش شرح منافع کے ساتھ مختلف قسم کی ٹرم ڈپازٹ پراڈکٹس متعارف کرانے، جس کے نتیجے میں دسمبر 2021 سے ٹرم ڈپازٹ کی نمومیں 33.2 فیصد اضافہ ہوا۔ اسی ترقی کے ساتھ بینک اپنے برانچ نیٹ ورک کو مزید وسعت دیتے ہوئے کم لاگت کے ڈپازٹس کو فروغ دے کر اپنے ڈپازٹس میں کو مزید بڑھانے پر اپنی پوری توجہ مرکوز رکھے گا۔

پالیسی ریٹ میں اضافے اور حکومت پاکستان اور اسٹیٹ بینک آف پاکستان کی جانب سے درآمدات پر قابو پانے کے حوالے سے اٹھائے جانے والے باضابطہ اقدامات سے کنزیومرفنانسنگ میں ہونے والی نمود باؤ کا شکار رہی، تاہم اب تک بینک دسمبر 2021 سے اپنے اسلامک فنانسنگ پورٹ فولیو (نیٹ) کو 13.3 فیصد تک بڑھانے میں کامیاب رہا اور گزشتہ سال کی اسی مدت کے مقابلے میں 31.9 فیصد تک اضافہ ہوا۔ انفیشن کی شرح، 31 دسمبر 2021 کے 8.7 فیصد کے مقابلے میں 8.1 فیصد تک بہتر ہوئی۔ احتیاط کے طور پر بینک نے نوٹہینوں کے دوران، فنانسنگ پورٹ فولیو میں ہونے والے ممکنہ نقصانات کے عوض 1.65 بلین روپے کا اضافی جنرل پروویژن لیا، جس کی وجہ سے کوریج کا تناسب 31 دسمبر، 2021 کے 90 فیصد سے بہتر ہو کر 97 فیصد ہو گیا۔ سرمایہ کاری کے حوالے سے بینک نے اپنے انویسٹمنٹ پورٹ فولیو کو 205.3 بلین روپے پر بند کرنے کے لیے اپنے اضافی ترسیل زر نقد کو حکومت پاکستان کے اجارہ صکوک کے لیے رکھ دیا، جو دسمبر 2021 سے انویسٹمنٹ پورٹ فولیو میں 11.6 فیصد کی نمو ظاہر کرتا ہے۔ اثاثہ جات کے پورٹ فولیو اور منافع جات کے مجموعی معیار میں بہتری کی وجہ سے 31 دسمبر، 2021 کو سرمایہ کی موزونیت کا تناسب (CAR) 14.15 فیصد کے مقابلے میں 15.92 فیصد پر پہنچ گیا۔

پالیسی کی شرح میں اضافے کے ساتھ ساتھ مجموعی بیلنس شیٹ میں ہونے والے اضافے کی وجہ سے ستمبر 2022 میں ختم ہونے والی سہ ماہی کی مدت کے دوران بینک کو حاصل ہونے والے صافی (نیٹ) اسپرڈ میں گزشتہ سال کی اسی مدت کے مقابلے میں 69.1 فیصد اضافہ ہوا۔ بینک کی نان فنڈڈ آمدن بھی گزشتہ سال کی اسی مدت کے مقابلے میں 93.2 فیصد بڑھی۔ ملک میں بلند افراط زر اور راہنما حالات کی وجہ سے، بینک نے اپنے کم اور درمیانے درجے کے عملے کے افراد کو ان مشکل حالات سے نبرد آزما ہونے میں مدد فراہم کرنے کی غرض سے ماہانہ افراط زر الاؤنس دینے کا اعلان کیا؛ جو کہ بینک کی جانب سے اپنے ملازمین کو خوشحال رکھنے اور ان کا خیال رکھنے کے عزم کا عملی ثبوت ہے۔ بلند ترین افراط زر کے اثرات، اپنے برانچ نیٹ ورک میں توسیع، بنیادی طور پر کاروباری سطح پر ہیڈ کاؤنٹ میں اضافے نیز مارکیٹنگ کی سرگرمیوں میں اضافے کی وجہ سے بینک کے مجموعی آپریٹنگ اخراجات میں گزشتہ سال کی اسی مدت کے مقابلے میں 25.7 فیصد تک اضافہ ہوا۔

بلند ترین نان فنڈڈ آمدن کے ساتھ صافی منافع میں ہونے والے اضافے کی بنیاد پر، بینک نے 7.8 بلین روپے آپریٹنگ منافع حاصل کیا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 193.8 فیصد تک زیادہ ہے۔ ان نوٹہینوں کے حوالے سے پروڈونگ، بینک کی غیر فعال فنانسنگ کے مقابلے میں 2.2 بلین روپے پر رہی۔ جس کے نتیجے میں بینک نے گزشتہ سال کی اسی مدت کے مقابلے میں 2.85 بلین روپے کے بعد از محمول منافع کا اندراج کیا جو کہ گزشتہ سال کی اسی مدت کے بعد از محمول منافع سے 53.8 فیصد زیادہ ہے۔ الحمد للہ

مذکورہ بالا احوال کی بنیاد پر ملک کی جی ڈی پی کی شرح، 3 سے 4 فیصد کی سابقہ کی جانے والی پیشگوئی کے مقابلے میں مالی سال 2023 میں تقریباً 2 فیصد ہونے کی توقع ہے۔

اخذ کردہ: اسٹیٹ بینک آف پاکستان

مالی کارکردگی

30 ستمبر 2022 کو ختم ہونے والے نو (09) مہینوں کے حوالے سے اہم مالیاتی نکات درج ذیل ہیں:

نموہ %	2021 ستمبر	دسمبر 2021	ستمبر 2022	مالی حیثیت کا گوشوارہ	
2021 Vs 2021 ستمبر، نموہ %		روپے بلین میں		کوائف	
25.5%	12.6%	309,270	344,788	388,129	مجموعی ڈپازٹس
24.9%	11.3%	363,958	408,390	454,717	مجموعی اثاثہ جات
31.9%	13.3%	155,655	181,176	205,283	مجموعی فنانسنگ اور متعلقہ اثاثہ جات۔ صافی
30.4%	11.6%	106,909	124,838	139,364	سرمایہ کاری۔ صافی
-6.6%	16.2%	48,070	38,637	44,887	ٹریڈری اور بینک پلیسمنٹس
15.5%	13.8%	22,167	22,511	25,611	صافی اثاثہ جات
3.8%	3.8%	340	340	353	برانچز کا نیٹ ورک (نمبر)

نموہ %	ستمبر 2021	ستمبر 2022	نفع و نقصان کا کھاتہ
نموہ %	روپے بلین میں		کوائف
69.1%	8,070	13,644	حاصل کردہ صافی آمدن / نفع
93.2%	1,471	2,842	دیگر مجموعی آمدن
25.7%	6,825	8,576	آپریٹنگ اخراجات
193.8%	2,652	7,790	آپریٹنگ منافع
-925.9%	(272)	2,246	فرائضی اور صافی دستبرداری
89.6%	2,924	5,544	قبل از محصول منافع
53.8%	1,855	2,852	بعد از محصول منافع
53.8%	1.67	2.57	فی حصص بنیادی آمدن (روپے)

ڈائریکٹرز کی رپورٹ

معزز حاملین حصص

ہم بورڈ کی جانب سے 30 ستمبر، 2022 کو ختم ہونے والے نو (9) ماہ کے حوالے سے بینک اسلامی پاکستان لمیٹڈ ("بینک" یا "بینک اسلامی") کی عبوری رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

معاشی جائزہ

جولائی 2022 کے دوران پالیسی شرح کو 125bps تک بڑھانے کے بعد مائٹری پالیسی کمیٹی (ایم پی سی) نے اگست اور اکتوبر 2022 میں منعقد ہونے والے اپنے اجلاسوں میں پالیسی کی شرح کو 15% پر برقرار رکھنے کا فیصلہ کیا ہے۔ یہ فیصلہ بنیادی طور پر معاشی سرگرمیوں میں ہونے والی کمی نیز افراط زر اور کرنٹ اکاؤنٹ خسارے (CAD) میں کمی کو مدنظر رکھتے ہوئے کیا گیا تھا۔ ایم پی سی کے مطابق، ملک میں آنے والے حالیہ سیلاب کے تناظر میں موجودہ پالیسی شرح، افراط زر کے دباؤ کو متوازن رکھتے ہوئے معاشی نمو کو برقرار رکھے گی۔

بجلی کے نرخوں میں انتظامی بنیاد پر ہونے والی حالیہ کمی کی وجہ سے ستمبر 2022 میں افراط زر میں 23.2% تک کمی واقع ہوئی۔ دریں اثناء سیلاب سے خوراک (فوڈ) کے نرخوں کے متاثر ہونے کی توقع کی گئی ہے جس کی وجہ سے مالی سال 2023 کے حوالے سے افراط زر کی شرح سیلاب سے پہلے لگائے گئے تخمینے کے مقابلے میں 18 سے 20 فیصد تک ہو جائے گی۔ سال بہ سال کا تجارتی خسارہ، 30.6 فیصد کمی کے ساتھ 2.9 بلین امریکی ڈالر ہو گیا جس کی وجوہات میں (a) توانائی اور غیر توانائی درآمدات میں کمی، جو مالی سال 2022 کی تیسری سہ ماہی کے دوران تقریباً 16.3 بلین امریکی ڈالر رہی اور (b) برآمدات میں استحکام جو 7.0 بلین امریکی ڈالر پر تھے، شامل ہیں۔ یہ امید کی جاتی ہے کہ CAD پر مرتب ہونے والے مثبت اثرات زائل ہو جائیں گے کیوں کہ خوراک کی درآمدات میں اضافہ ہونے کا امکان ہے نیز اس کے ساتھ چاول اور نیگٹائٹس کی برآمدات میں کمی بھی متوقع ہے۔ تاہم درآمدات پر موجود دباؤ میں کمی، گھریلو طلب میں کمی، عالمی سطح پر اجناس اور شپنگ کے اخراجات کے گرتے ہوئے نرخ کی وجہ سے CAD پر کسی حد تک دباؤ میں کمی واقع ہو سکتی ہے۔

عالمی سطح پر اجناس کی قیمتوں میں ہونے والے اضافے، درآمدی بلز کی طلب میں اضافے اور دباؤ کی وجہ سے ملک کے غیر ملکی زرمبادلہ (FX) کے ذخائر ستمبر 2021 کے 23.9 بلین امریکی ڈالر سے کم ہو کر ستمبر 2022 میں 13.6 بلین امریکی ڈالر ہو گئے۔ جس کے نتیجے میں امریکی ڈالر اور پاکستانی روپے کی مطابقت دباؤ کا شکار رہی اور ستمبر 2022 کے اختتام پر 228.45 روپے پر بند ہوئی۔ بعد ازاں پاکستانی روپے کی قدر مستحکم ہوئی اور اکتوبر 2022 میں زرمبادلہ کی شرح 219.71 (18 اکتوبر، 2022) پر بحال ہو گئی۔ ملک میں آنے والے حالیہ سیلاب کے تناظر میں محفوظ بیرونی سرمایہ کاری و رفرانسینگ اور اضافی اعانت کے حوالے سے ہونے والے وعدوں کے پیش نظر، پورے سال کے دوران زرمبادلہ کے ذخائر میں بہتری متوقع ہے۔

Condensed Interim
Unconsolidated Financial Statements
of
BankIslami Pakistan Limited
For the Quarter and Nine Months Ended
September 30, 2022

BankIslami Pakistan Limited

Condensed Interim Unconsolidated Statement of Financial Position

AS AT SEPTEMBER 30, 2022

	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
----- Rupees in '000 -----			
ASSETS			
Cash and balances with treasury banks	6	25,394,338	24,552,347
Balances with other banks	7	1,931,744	3,691,953
Due from financial institutions - net	8	42,955,673	34,945,365
Investments - net	9	139,363,656	124,838,317
Islamic financing, related assets and advances - net	10	205,282,924	181,176,239
Fixed assets	11	13,372,019	13,617,439
Intangible assets	12	3,239,440	3,176,180
Deferred tax assets	13	3,302,008	4,308,141
Other assets - net	14	19,875,336	18,084,193
Total Assets		454,717,138	408,390,174
LIABILITIES			
Bills payable	15	3,100,398	3,484,210
Due to financial institutions	16	20,940,017	21,193,332
Deposits and other accounts	17	388,128,524	344,787,956
Subordinated sukuk	18	2,000,000	2,000,000
Deferred tax liabilities		-	-
Other liabilities	19	14,937,409	14,413,474
		429,106,348	385,878,972
NET ASSETS		25,610,790	22,511,202
REPRESENTED BY			
Share capital - net		11,007,991	11,007,991
Reserves		1,703,164	1,703,164
Surplus on revaluation of assets - net of tax	20	3,569,139	3,464,337
Unappropriated profit		9,330,496	6,335,710
		25,610,790	22,511,202
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes 1 to 37 form an integral part of these condensed interim unconsolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

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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, 2022

Note	Quarter Ended		Nine Months Ended		
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	
----- Rupees in '000 -----					
Profit / return earned	22	13,220,921	5,971,860	31,591,490	16,929,113
Profit / return expensed	23	7,495,521	2,968,668	17,947,864	8,859,146
Net Profit / return		5,725,400	3,003,192	13,643,626	8,069,967
OTHER INCOME					
Fee and commission income	24	315,685	260,802	1,044,835	872,006
Dividend income		5,188	8,556	17,753	17,604
Foreign exchange income		637,327	118,892	1,228,708	288,471
Gain on securities	25	58,342	7,816	77,067	226,411
Other income - net	26	115,847	22,009	473,850	66,751
Total other income		1,132,389	418,075	2,842,213	1,471,243
Total Income		6,857,789	3,421,267	16,485,839	9,541,210
OTHER EXPENSES					
Operating expenses	27	3,063,344	2,340,446	8,576,209	6,824,919
Workers' Welfare Fund		56,930	21,223	110,881	62,157
Other charges	28	600	20	8,301	2,075
Total other expenses		3,120,874	2,361,689	8,695,391	6,889,151
Profit before provisions		3,736,915	1,059,578	7,790,448	2,652,059
Provisions and write offs - net	29	890,417	15,364	2,246,379	(271,914)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		2,846,498	1,044,214	5,544,069	2,923,973
Taxation	30	1,430,526	350,944	2,691,840	1,068,675
PROFIT AFTER TAXATION		1,415,972	693,270	2,852,229	1,855,298
----- Rupees -----					
Basic / Diluted earnings per share	31	1.2771	0.6253	2.5726	1.6734

The annexed notes 1 to 37 form an integral part of these condensed interim unconsolidated financial statements.

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

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

	Quarter Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	----- Rupees in '000 -----			
Profit after taxation for the period	1,415,972	693,270	2,852,229	1,855,298
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	147,935	140,315	247,359	415,014
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of fixed assets - net of tax	-	-	-	1,150
	-	-	-	1,150
Total comprehensive income	1,563,907	833,585	3,099,588	2,271,462

The annexed notes 1 to 37 form an integral part of these condensed interim unconsolidated financial statements.

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BankIslami Pakistan Limited

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

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

	Share capital	Discount on issue of shares	Statutory reserve	Revenue reserve for bad debts & contingency	Surplus on revaluation of		Unappropriated profit	Total
					Investments	Fixed / Non-Banking Assets		
----- Rupees in '000 -----								
Opening Balance as at January 1, 2021	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
	-	-	-	-	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	-
Opening Balance as at October 1, 2021	11,087,033	(79,042)	1,276,894	250,000	1,813,024	1,622,592	6,196,134	22,166,635
Profit after taxation for the period from October 1, 2021 to December 31, 2021	-	-	-	-	-	-	276,052	276,052
Other comprehensive (loss) / income for the period from October 1, 2021 to December 31, 2021	-	-	-	-	(423,688)	525,982	(33,779)	68,515
	-	-	-	-	(423,688)	525,982	242,273	344,567
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(55,711)	55,711	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	740	(740)	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	-	-	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(18,602)	18,602	-
Transfer to statutory reserve	-	-	426,270	-	-	-	(426,270)	-
Transfer from revenue reserve for bad debts & contingency to unappropriated profit	-	-	-	(250,000)	-	-	250,000	-
Opening Balance as at January 1, 2022	11,087,033	(79,042)	1,703,164	-	1,389,336	2,075,001	6,335,710	22,511,202
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	2,852,229	2,852,229
Other comprehensive income for the nine months ended September 30, 2022	-	-	-	-	247,359	-	-	247,359
	-	-	-	-	247,359	-	2,852,229	3,099,588
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(88,225)	88,225	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(573)	573	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(10,412)	10,412	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(43,347)	43,347	-
Closing Balance as at September 30, 2022	11,087,033	(79,042)	1,703,164	-	1,636,695	1,932,444	9,330,496	25,610,790

The annexed notes 1 to 57 form an integral part of these condensed interim unconsolidated financial statements.

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DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

Condensed Interim Unconsolidated Cash Flow Statement

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

Note	September 30, 2022	September 30, 2021
----- Rupees in '000 -----		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,544,069	2,923,973
Less: Dividend income	(17,753)	(17,604)
	5,526,316	2,906,369
Adjustments for non-cash charges and other items:		
Depreciation on fixed assets	712,263	590,485
Depreciation on non-banking assets	2,643	8,977
Depreciation on right-of-use assets	629,591	632,251
Amortization	67,344	48,637
Depreciation on operating Ijarah assets	56,771	509,270
Amortisation of lease liability against right of use assets	23 259,487	285,541
Provisions and write offs - net	29 2,246,379	(271,914)
Charge for defined benefit plan	114,594	94,919
Gain on sale of non-current assets held for sale	25.1 -	(151,601)
Gain on sale of fixed assets	26 (11,697)	(876)
Gain on sale of non-banking assets	26 (208,967)	-
	3,868,408	1,745,689
	9,394,724	4,652,058
(Increase) / decrease in operating assets		
Due from financial institutions	(8,010,308)	(2,718,410)
Islamic financing and related assets and advances - net	(26,403,604)	(26,470,827)
Other assets (excluding advance taxation)	(1,457,779)	1,014,691
	(35,871,691)	(28,174,546)
Increase / (decrease) in operating liabilities		
Bills payable	(383,812)	734,725
Due to financial institutions	(253,315)	741,865
Deposits and other accounts	43,340,568	25,628,164
Other liabilities (excluding current taxation)	(377,234)	(1,447,943)
	42,326,207	25,656,811
	15,849,240	2,134,323
Income tax paid	(567,756)	(481,261)
Net cash generated from operating activities	15,281,484	1,653,062
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(14,283,308)	(10,631,489)
Dividends received	17,753	17,604
Payment of Ijarah (lease) liability against right-of-use assets	(908,200)	(782,430)
Investments in fixed assets	(972,392)	(1,891,382)
Investments in intangible assets	(130,604)	(93,057)
Proceeds from sale of non-current assets held for sale	-	753,210
Proceeds from sale of fixed assets	77,049	33,860
Net cash used in investing activities	(16,199,702)	(12,593,684)
Increase / (decrease) in cash and cash equivalents	(918,218)	(10,940,622)
Cash and cash equivalents at the beginning of the period	28,244,300	34,342,294
Cash and cash equivalents at the end of the period	27,326,082	23,401,672

The annexed notes 1 to 37 form an integral part of these condensed interim unconsolidated financial statements.

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BankIslami Pakistan Limited

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

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

1 STATUS AND NATURE OF BUSINESS

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

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

The Bank is operating through 353 branches including 80 sub-branches as at September 30, 2022 (December 31, 2021: 340 branches including 80 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.

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Bank's long-term rating as 'A+' and the short-term rating as 'A1' 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 Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the 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.

Wherever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IFRS or IFAS, the 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, 2021.
- 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, as per SBP's BPRD circular no. 03 of 2022, IFRS 9 'Financial Instruments' is applicable:
- Effective from 1 January 2023 for banks having asset size of PKR 500 billion or above as per their Annual Financial Statements of December 31, 2021.
 - Effective from 1 January 2024 for all other banks.

However, an option of early adoption of the standard has been made permissible.

- 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, 2021.

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, 2022 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 and application of materiality to disclosure of accounting policies - Amendments to IAS 1.	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

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 audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2021.

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, 2021.

(Un-audited) September 30, 2022	(Audited) December 31, 2021
-----Rupees in '000-----	

6 CASH AND BALANCES WITH TREASURY BANKS

In hand:

- Local currency	8,809,779	8,369,573
- Foreign currency	854,070	710,923
	9,663,849	9,080,496

With the State Bank of Pakistan in:

- Local currency current account	12,050,600	10,641,385
- Foreign currency deposit accounts:		
- Cash reserve account	710,486	565,020
- Special cash reserve account	858,522	682,577
- US dollar clearing account	8,518	11,674
	1,577,526	1,259,271

With National Bank of Pakistan in:

- Local currency current account	2,102,355	3,563,460
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Prize Bonds

8	7,735
25,394,338	24,552,347

(Un-audited) (Audited)
 September 30, December 31,
 2022 2021
 -----Rupees in '000-----

7 BALANCES WITH OTHER BANKS

In Pakistan:

- In current accounts	927	967
- In deposit accounts	130	125
	1,057	1,092

Outside Pakistan:

- In current accounts	1,810,788	3,501,107
- In deposit accounts	119,899	189,754
	1,930,687	3,690,861
	1,931,744	3,691,953

8 DUE FROM FINANCIAL INSTITUTIONS - NET

Note	(Un-audited)			(Audited)		
	September 30, 2022			December 31, 2021		
	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	-	-	4,951,909	-	4,951,909
-from Other Financial Institutions	8.1	11,107,946	-	11,107,946	-	4,008,737
Unsecured						
Wakalah Placement	8.2	5,000,000	-	-	518,416	518,416
Musharaka Placements	8.3	9,000,000	-	15,000,000	-	15,000,000
Bai Muajjal Receivable						
-from Banks	8.1	-	-	1,980,792	-	1,980,792
-from Other Financial Institutions	8.1	17,847,727	-	17,847,727	-	8,485,511
Other placements		21,870	-	24,300	-	24,300
		42,977,543	-	34,451,249	518,416	34,969,665
Provision held against						
Financial Institution Placements	8.4	(21,870)	-	(24,300)	-	(24,300)
		42,955,673	-	34,426,949	518,416	34,945,365

8.1 The average return on this product ranges between 11.15% to 16.25% (2021: 7.35% to 11.52%) per annum. The balances have maturities ranging between 3 days to 364 days (2021: 21 days to 363 days). The Secured Bai Muajjal receivable are secured against Federal Government securities received as collateral and having market value of Rs.11,340 million as at September 30, 2022 (2021: Rs. 8,900 million).

8.2 The expected profit rate on these agreements is 15% (2021: 0.04% to 0.2%) per annum. The agreements have remaining maturities of 5 days (2021: 6 days).

8.3 The expected profit rate on these agreements is 15% to 15.95% (2021: 10% to 11%) per annum and the agreements have maturities ranging between 3 to 14 days (2021: 4 to 7 days).

8.4 Category of classification

	(Un-audited)		(Audited)	
	September 30, 2022		December 31, 2021	
	Classified Placements	Provision held	Classified Placements	Provision held
	----- Rupees in '000 -----			
Loss	21,870	21,870	24,300	24,300

8.4.1 The Bank does not hold overseas classified placements.

9 INVESTMENTS - NET

	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
-----Rupees in '000-----			
Investments - Islamic	9.1 & 9.3	138,785,981	124,260,642
Investments - Conventional (relating to amalgamated entity)	9.2 & 9.4	577,675	577,675
		<u>139,363,656</u>	<u>124,838,317</u>

9.1 Islamic Investments by type

Note	(Un-audited) September 30, 2022				(Audited) December 31, 2021			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
-----Rupees in '000-----								
Available for sale securities								
Federal Government Shariah Compliant Securities	98,777,322	-	167,286	98,944,608	83,614,067	-	22,710	83,636,777
Shares / Modaraba certificates	378,604	(76,005)	118,477	421,076	277,373	(70,677)	153,826	360,522
Non-Government Shariah Compliant Securities	36,596,005	(35,880)	2,232,230	38,792,355	37,710,377	(35,880)	1,960,904	39,635,401
	<u>135,751,931</u>	<u>(111,885)</u>	<u>2,517,993</u>	<u>138,158,039</u>	<u>121,601,817</u>	<u>(106,557)</u>	<u>2,137,440</u>	<u>123,632,700</u>
Associates	627,942	-	-	627,942	627,942	-	-	627,942
Total Islamic investments	<u>136,379,873</u>	<u>(111,885)</u>	<u>2,517,993</u>	<u>138,785,981</u>	<u>122,229,759</u>	<u>(106,557)</u>	<u>2,137,440</u>	<u>124,260,642</u>

9.2 Conventional Investments by type*

Available for sale securities								
Shares	1,747,030	(1,169,355)	-	577,675	1,747,030	(1,169,355)	-	577,675
Non-Government Debt Securities	230,292	(230,292)	-	-	230,292	(230,292)	-	-
	<u>1,977,322</u>	<u>(1,399,647)</u>	<u>-</u>	<u>577,675</u>	<u>1,977,322</u>	<u>(1,399,647)</u>	<u>-</u>	<u>577,675</u>
Held to maturity securities								
Non-Government Debt Securities	92,145	(92,145)	-	-	92,145	(92,145)	-	-
Associates	474,169	(474,169)	-	-	474,169	(474,169)	-	-
Subsidiary	104,771	(104,771)	-	-	104,771	(104,771)	-	-
Total conventional investments	<u>2,648,407</u>	<u>(2,070,732)</u>	<u>-</u>	<u>577,675</u>	<u>2,648,407</u>	<u>(2,070,732)</u>	<u>-</u>	<u>577,675</u>

9.3 Islamic Investments by segments

Federal Government Shariah Compliant Securities								
GoP Ijarah Sukuks	98,777,322	-	167,286	98,944,608	73,308,231	-	22,710	73,330,941
Bai Muijajjal	-	-	-	-	10,305,836	-	-	10,305,836
	<u>98,777,322</u>	<u>-</u>	<u>167,286</u>	<u>98,944,608</u>	<u>83,614,067</u>	<u>-</u>	<u>22,710</u>	<u>83,636,777</u>
Shares								
Listed companies	371,784	(76,005)	118,477	414,256	270,553	(70,677)	153,826	353,702
Non-Government Shariah Compliant Securities								
Listed								
Pakistan Energy Sukuk-I	9.3.1	27,146,945	-	1,845,992	28,992,937	-	1,832,419	28,979,364
Pakistan Energy Sukuk-II	9.3.2	3,391,592	-	7,592	3,399,184	-	42,172	3,434,760
		<u>30,538,537</u>	<u>-</u>	<u>1,853,584</u>	<u>32,392,121</u>	<u>-</u>	<u>1,874,591</u>	<u>32,414,124</u>
Unlisted								
Sukuk certificates	6,057,468	(35,880)	378,646	6,400,234	7,170,844	(35,880)	86,313	7,221,277
Foreign securities								
Equity securities	6,820	-	-	6,820	6,820	-	-	6,820
Associates								
Shakarganj Food Products Limited	627,942	-	-	627,942	627,942	-	-	627,942
	<u>136,279,873</u>	<u>(111,885)</u>	<u>2,517,993</u>	<u>138,785,981</u>	<u>122,229,759</u>	<u>(106,557)</u>	<u>2,137,440</u>	<u>124,260,642</u>

* 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 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, 2022				December 31, 2021			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
-----Rupees in '000-----								
Shares								
Unlisted Companies	591,680	(591,680)	-	-	591,680	(591,680)	-	-
	591,680	(591,680)	-	-	591,680	(591,680)	-	-
Non Government Debt Securities								
Listed	80,432	(80,432)	-	-	80,432	(80,432)	-	-
Unlisted	242,005	(242,005)	-	-	242,005	(242,005)	-	-
	322,437	(322,437)	-	-	322,437	(322,437)	-	-
Foreign securities								
Equity securities	1,155,350	(577,675)	-	577,675	1,155,350	(577,675)	-	577,675
Associates								
KASB Capital Limited	41,867	(41,867)	-	-	41,867	(41,867)	-	-
KASB Funds Limited	432,302	(432,302)	-	-	432,302	(432,302)	-	-
	474,169	(474,169)	-	-	474,169	(474,169)	-	-
Subsidiary								
My Solutions Corporation Limited	104,771	(104,771)	-	-	104,771	(104,771)	-	-
	104,771	(104,771)	-	-	104,771	(104,771)	-	-
	2,648,407	(2,070,732)	-	577,675	2,648,407	(2,070,732)	-	577,675

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

9.5 Investments given as collateral	Note	(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
-----Rupees in '000-----			
Federal Government Securities		8,889,000	5,889,000

9.6 Provision for diminution in value of investments

9.6.1 Opening balance		2,177,289	2,448,730
Charge / (reversal)			
Charge for the period / year		5,328	-
Reversals for the period / year		-	(14,022)
		5,328	(14,022)
Amounts written off		-	(257,419)
Closing Balance	9.6.1.1	<u>2,182,617</u>	<u>2,177,289</u>

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

Investments - Islamic	111,885	106,557
Investments - Conventional	2,070,732	2,070,732
	<u>2,182,617</u>	<u>2,177,289</u>

9.6.2 Particulars of provision against debt securities

Category of classification	(Un-audited)		(Audited)	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
	Non-performing investments	Specific Provision	Non-performing investments	Specific Provision
-----Rupees in '000-----				
Domestic				
Loss	634,568	358,317	634,568	358,317
Total	<u>634,568</u>	<u>358,317</u>	<u>634,568</u>	<u>358,317</u>

9.6.2.1 The Bank does not hold overseas classified debt securities.

10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES - NET

	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
Islamic financing and related assets - net	10.1	205,110,159	180,992,699
Advances (relating to amalgamated entity) - net	10.2	172,765	183,540
		<u>205,282,924</u>	<u>181,176,239</u>

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

10.1 ISLAMIC FINANCING AND RELATED ASSETS

Note		(Un-audited)		(Audited)		(Un-audited)		(Audited)	
		Performing		Non Performing		Total			
		September 30, 2022	December 31, 2021						
----- Rupees in '000 -----									
	In Pakistan								
	- Running Musharakah	10.9	68,966,646	62,385,085	1,324,955	1,424,510	70,291,601	63,809,595	
	- Diminishing Musharakah financing and related assets - Others	10.3	39,157,121	32,865,920	2,733,832	1,616,390	41,890,953	34,482,310	
	- Diminishing Musharakah - Housing		26,915,240	18,814,897	379,546	1,621,348	27,294,786	20,436,245	
	- Diminishing Musharakah financing and related assets - Auto		22,732,041	22,580,287	1,666,672	267,268	24,398,713	22,847,555	
	- Istisna financing and related assets	10.4 & 10.10	17,195,483	14,388,358	2,134,034	948,614	19,329,517	15,336,972	
	- Murabahah financing and related assets	10.5 & 10.11	14,584,076	14,608,663	246,604	581,036	14,830,680	15,189,699	
	- Musawamah financing and related assets / Tijarah	10.6 & 10.12	7,286,438	4,709,506	3,196,391	4,059,763	10,482,829	8,769,269	
	- Investment Agency Wakalah		4,166,667	5,208,333	-	-	4,166,667	5,208,333	
	- Murabahah against Bills		1,252,215	970,192	143,507	-	1,395,722	970,192	
	- Financing against Bills		1,355,409	1,593,966	-	-	1,355,409	1,593,966	
	- Ijarah financing under IFAS 2 and related assets	10.7	337,360	504,768	138,622	338,865	475,982	843,633	
	- Salam	10.8	83,346	104,898	120,554	-	203,900	104,898	
	- Past Due Acceptance		158,771	32,280	29,153	-	187,924	32,280	
	- Musharakah financing		160,000	280,000	-	-	160,000	280,000	
	- Qardh-e-Hasana		156,113	1,680	-	121,860	156,113	123,540	
	- Net investment in Ijarah financing in Pakistan		106,852	131,545	-	-	106,852	131,545	
	- Housing finance portfolio - others		25,187	31,241	-	-	25,187	31,241	
	Islamic financing and related assets - gross		<u>204,638,965</u>	<u>179,211,619</u>	<u>12,113,870</u>	<u>10,979,654</u>	<u>216,752,835</u>	<u>190,191,273</u>	
	Less: Provision against non-performing Islamic financing and related assets								
	- Specific	10.15	-	-	(9,148,528)	(8,431,606)	(9,148,528)	(8,431,606)	
	- General	10.15	(2,494,148)	(766,968)	-	-	(2,494,148)	(766,968)	
			<u>(2,494,148)</u>	<u>(766,968)</u>	<u>(9,148,528)</u>	<u>(8,431,606)</u>	<u>(11,642,676)</u>	<u>(9,198,574)</u>	
	Islamic financing and related assets - net of provision		<u>202,144,817</u>	<u>178,444,651</u>	<u>2,965,342</u>	<u>2,548,048</u>	<u>205,110,159</u>	<u>180,992,699</u>	

10.2 ADVANCES

	- Loans, cash credits, running finances, etc. - In Pakistan*		19,735	89,776	4,685,848	4,830,544	4,705,583	4,920,320	
	- Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan		-	-	684,295	684,295	684,295	684,295	
	- Net investment in finance lease - In Pakistan	10.13	-	-	582,185	582,185	582,185	582,185	
	Advances - gross		<u>19,735</u>	<u>89,776</u>	<u>5,952,328</u>	<u>6,097,024</u>	<u>5,972,063</u>	<u>6,186,800</u>	
	Provision against advances								
	- Specific	10.15	-	-	(5,893,062)	(6,097,024)	(5,893,062)	(6,097,024)	
	- General	10.15	(55)	(55)	-	-	(55)	(55)	
			<u>(55)</u>	<u>(55)</u>	<u>(5,893,062)</u>	<u>(6,097,024)</u>	<u>(5,893,117)</u>	<u>(6,097,079)</u>	
	Advances - net of provision		<u>19,680</u>	<u>89,721</u>	<u>59,266</u>	<u>93,819</u>	<u>78,946</u>	<u>89,721</u>	
	Fair value adjustment	10.16	-	-	93,819	93,819	93,819	93,819	
	Advances - net of provision and fair value adjustment		<u>19,680</u>	<u>89,721</u>	<u>153,085</u>	<u>93,819</u>	<u>172,765</u>	<u>183,540</u>	

* This includes non-interest bearing performing financing facilities amounting to Rs. 19,735 million (2021: Rs. 89,776 million).

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	-----Rupees in '000-----	
10.3 Diminishing Musharakah financing and related assets - Others		
Diminishing Musharakah financing	36,483,686	29,496,294
Advance against Diminishing Musharakah financing	5,407,267	4,986,016
	<u>41,890,953</u>	<u>34,482,310</u>
10.4 Istisna financing and related assets		
Istisna financing	9,089,596	6,984,506
Advance against Istisna financing	10,239,921	8,352,466
	<u>19,329,517</u>	<u>15,336,972</u>
10.5 Murabahah financing and related assets		
Murabahah financing	8,676,195	7,461,935
Deferred murabahah income	540,650	288,114
Advances against Murabahah financing	244,943	1,927,813
Murabaha Inventories	5,368,892	5,511,837
	<u>14,830,680</u>	<u>15,189,699</u>
10.6 Musawamah financing and related assets / Tijarah		
Musawamah financing	7,926,316	6,246,037
Advance against Musawamah financing	107,967	266,839
Musawamah inventories	2,448,546	2,256,393
	<u>10,482,829</u>	<u>8,769,269</u>
10.7 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	472,434	843,022
Advance against Ijarah financing	3,548	611
	<u>475,982</u>	<u>843,633</u>
10.8 Salam		
Salam financing	10,000	54,999
Advance against Salam	193,900	49,899
	<u>203,900</u>	<u>104,898</u>
10.9 Running musharakah financing and related assets includes financing amounting to Rs. 2,223 million (2021: Rs. 2,554 million) under Islamic Export Refinance Scheme.		
10.10 Istisna financing and related assets includes financing amounting to Rs. 427.789 million (2021: Rs. 1,586 million) and advance amounting to Rs. 1,432.10 million (2021: Rs. 678.800 million) under Islamic Export Refinance Scheme.		
10.11 Murabahah financing and related assets includes financing amounting to Rs. Nil (2021: Rs.192.500 million) under Islamic Export Refinance Scheme.		
10.12 Musawamah financing and related assets / Tijarah includes financing amounting to Rs. 50 million (2021: Rs. Nil) and Advance amounting to Rs. 100 million (2021: Rs. 100 million) under Islamic Export Refinance Scheme.		
	(Un-audited) September 30, 2022	(Audited) December 31, 2021
10.13 Particulars of Islamic financing and related assets and advances - gross	----- Rupees in '000-----	
In local currency	220,726,859	195,464,197
In foreign currency	1,998,039	913,876
	<u>222,724,898</u>	<u>196,378,073</u>

- 10.14 Islamic financing and related assets and advances include Rs. 18,066.198 million (2021: Rs.17,076.678 million) which have been placed under non-performing status as detailed below:

Category of classification

	(Un-audited)		(Audited)	
	September 30, 2022		December 31, 2021	
	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	282,676	-	164,571	-
Substandard	857,743	122,409	554,426	92,057
Doubtful	1,275,342	416,061	1,113,707	334,116
Loss	15,650,437	14,503,120	15,243,974	14,102,457
Total	18,066,198	15,041,590	17,076,678	14,528,630

- 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, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
Opening balance	14,528,630	767,023	15,295,653	14,491,608	802,048	15,293,656
Charge for the period / year	1,250,958 (737,989)	1,727,180	2,978,138 (737,989)	2,736,255 (2,389,299)	(35,025)	2,701,230 (2,389,299)
Reversals for the period / year	512,969	1,727,180	2,240,149	346,956	(35,025)	311,931
Amount written off	(9)	-	(9)	(309,934)	-	(309,934)
Closing balance	15,041,590	2,494,203	17,535,793	14,528,630	767,023	15,295,653
10.15.1 Islamic	9,148,528	2,494,148	11,642,676	8,431,606	766,968	9,198,574
Conventional	5,893,062	55	5,893,117	6,097,024	55	6,097,079
	15,041,590	2,494,203	17,535,793	14,528,630	767,023	15,295,653

	(Un-audited)		(Audited)	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
----- 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		737,989		2,389,299
Charge for the period / year		(2,978,138)		(2,701,230)
Fair value adjusted - net		(2,240,149)		(311,931)
Net charge taken to the profit and loss account		-		(23,679)
		(2,240,149)		(335,610)

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

	(Un-audited)			(Audited)		
	September 30, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
In local currency	15,041,590	2,494,203	17,535,793	14,528,630	767,023	15,295,653
In foreign currency	-	-	-	-	-	-
	15,041,590	2,494,203	17,535,793	14,528,630	767,023	15,295,653

- 10.15.4 The Bank maintains general reserve (provision) amounting to Rs. 494.203 million (2021: Rs. 417.023 million) in accordance with the applicable requirements of the Prudential Regulations for Consumer Financing. In addition, the Bank carries general provision of Rs. 2,000 million (December 31, 2021: Rs. 350 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, 2022 amounts to Rs. 1,000.399 million (2021: Rs. 1,043.691 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 610.244 million (2021: Rs. 636.651 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.

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	-----Rupees in '000-----	
10.17 SBP other refinance schemes			
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		6,893,878	4,489,370
Islamic refinance scheme for payment of wages and salaries		793,746	1,824,118
Islamic Long-Term Financing Facility		719,851	-
Islamic refinance scheme for Renewable Energy		303,720	-
Islamic refinance scheme for combating COVID (IRFCC)		289,702	328,351
Islamic refinance facility for Modernization of SMEs		76,699	115,470
Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)		60,972	18,289
Islamic Refinance and Credit Guarantee Scheme For Women		9,750	-
		<u>9,148,317</u>	<u>6,775,598</u>

11 FIXED ASSETS

Capital work-in-progress	11.1	1,534,438	1,264,988
Property and equipment		9,635,107	9,709,779
Right of use assets		2,202,474	2,642,672
		<u>13,372,019</u>	<u>13,617,439</u>

11.1 Capital work-in-progress

Advances to suppliers and contractors		343,715	74,265
Advance for acquiring properties:			
- Office premises		1,190,723	1,190,723
		<u>1,534,438</u>	<u>1,264,988</u>

	(Un-audited) September 30, 2022	(Un-audited) September 30, 2021
	---- 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	297,154	472,993
Property and equipment		
Leasehold building	209,436	187,021
Furniture and fixture	181,236	232,818
Electrical office and computer equipment	297,359	384,974
Vehicles	18,864	7,754
	706,895	812,567
Right of use assets		
Leasehold building	194,179	260,727
Total	<u>1,198,228</u>	<u>1,546,287</u>

11.3 Disposal of fixed assets

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

Leasehold building		59,620	31,004
Furniture and fixture	11.3.1	7,447	23,270
Electrical office and computer equipment		2,428	135
Total		<u>69,495</u>	<u>54,409</u>

11.3.1 Furniture & Fixtures includes write-offs amounting to Rs. 5.83 million (September 30, 2021: Rs. 23.27 million)

12 INTANGIBLE ASSETS

(Un-audited) (Audited)
September 30, December 31,
2022 2021
----- Rupees in '000 -----

Computer software	247,705	184,539
Core deposits	23,397	25,080
Membership & Subscription	24,041	22,264
Goodwill	2,944,297	2,944,297
	3,239,440	3,176,180

(Un-audited) (Un-audited)
September 30, September 30,
2022 2021
----- Rupees in '000 -----

12.1 Additions to intangible assets

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

- Directly purchased

	131,869	112,558
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12.2 Disposals of intangible assets

Membership & Subscription

	1,837	-
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(Un-audited) (Audited)
September 30, December 31,
2022 2021
----- (Rupees in '000) -----

13 DEFERRED TAX ASSETS

Deductible Temporary Differences on:

Accumulated tax losses	1,496,220	2,591,239
Tax credit against minimum tax	-	32,238
Provision for diminution in the value of investments	199,769	199,769
Provision against non-performing Islamic financing and related assets and advances	3,689,971	3,344,708
Ijarah financing and related assets	85,391	234,991
Accelerated tax depreciation	178,135	128,401
Others	(124,444)	(13,052)
	5,525,042	6,518,294

Taxable Temporary Differences on:

Fair value adjustments relating to net assets acquired upon amalgamation	(300,714)	(344,266)
Surplus on revaluation of available for sale securities	(881,298)	(748,104)
Surplus on revaluation of fixed assets	(998,300)	(1,051,413)
Surplus on revaluation of non-banking assets	(42,722)	(66,370)
Net investment in finance lease	-	-
	(2,223,034)	(2,210,153)
	3,302,008	4,308,141

- 13.1 The Bank has aggregate tax losses of Rs. 4,274.914 million as at September 30, 2022 (2021: Rs.7,403.539 million) which includes tax losses of 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.1,496,220 million (2021: Rs. 2,591.239 million). The amount of this benefit has been determined based on the projected financial statements for the future periods as approved by the management. 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, labor rates, growth of deposits and financing, investment returns, product mix of financing, potential provision against assets / financings, recoveries from non-performing financing and branch expansion plan. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.

	Note	September 30, 2022	December 31, 2021
		-----Rupees in '000-----	
14 OTHER ASSETS - NET			
Profit / return accrued in local currency		12,472,482	9,110,889
Profit / return accrued in foreign currency		20,051	194
Advances, deposits, advance rent and other prepayments		1,789,602	1,105,402
Non-banking assets acquired in satisfaction of claims		1,458,562	2,116,519
Branch Adjustment Account		394,332	440,114
Takaful / insurance claim receivable		39,559	69,511
Receivable against takaful and registration charges - Diminishing Musharakah Auto Financing		377,283	313
Receivable against First WAPDA Sukuk		50,000	50,000
Acceptances		3,117,021	5,462,889
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts		-	28,980
Others		799,340	771,124
		<u>20,518,232</u>	<u>19,155,935</u>
Less: Provision held against other assets	14.2	(764,955)	(1,261,370)
Other Assets (net of provision)		<u>19,753,277</u>	<u>17,894,565</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		<u>122,059</u>	<u>189,628</u>
Other assets - total		<u><u>19,875,336</u></u>	<u><u>18,084,193</u></u>
14.1 Market value of non-banking assets acquired in satisfaction of claims		<u>1,274,859</u>	<u>1,506,468</u>
14.2 Provision held against other assets			
Advances, deposits, advance rent & other prepayments		26,692	26,692
Non banking assets acquired in satisfaction of claims		305,762	799,679
Others		432,501	434,999
	14.2.1	<u>764,955</u>	<u>1,261,370</u>
14.2.1 Movement in provision held against other assets			
Opening balance		1,261,370	1,588,151
Charge for the period / year		-	399,738
Reversals during the period / year		(2,498)	(25,069)
Adjustment during the period / year		(493,917)	(701,450)
Closing balance		<u>764,955</u>	<u>1,261,370</u>
15 BILLS PAYABLE		(Un-audited) September 30, 2022	(Audited) December 31, 2021
		-----Rupees in '000-----	
In Pakistan		3,100,398	3,484,210
Outside Pakistan		-	-
		<u>3,100,398</u>	<u>3,484,210</u>
16 DUE TO FINANCIAL INSTITUTIONS			
<i>Secured</i>			
Due to State Bank of Pakistan			
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		5,832,375	4,349,261
Acceptances for financial assistance		3,949,133	3,691,010
Acceptances under Islamic Export Refinance Scheme		3,111,817	5,143,000
Acceptances from SBP under Mudaraba		2,954,336	-
Islamic refinance scheme for payment of wages and salaries		746,057	1,805,305
Islamic Long-Term Financing Facility		665,160	-
Islamic refinance scheme for Renewable Energy		214,939	-
Islamic refinance scheme for combating COVID (IRFCC)		89,446	23,921
Islamic Refinance Scheme for Modernization of SMEs		80,751	-
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)		58,083	18,289
		<u>17,702,097</u>	<u>15,030,786</u>
Refinance facility for Islamic Mortgage		3,237,920	3,762,546
<i>Total secured</i>		<u>20,940,017</u>	<u>18,793,332</u>
<i>Unsecured</i>			
Musharakah Acceptance		-	2,400,000
<i>Total unsecured</i>		<u>-</u>	<u>2,400,000</u>
		<u>20,940,017</u>	<u>21,193,332</u>

17 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	September 30, 2022			December 31, 2021		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	135,847,329	4,406,418	140,253,747	128,156,769	3,998,743	132,155,512
Savings deposits	78,810,270	3,718,474	82,528,744	80,518,080	3,609,545	84,127,625
Term deposits	138,588,217	4,933,271	143,521,488	103,796,987	3,357,730	107,154,717
Others	7,721,785	85,741	7,807,526	1,979,022	85,336	2,064,358
	360,967,601	13,143,904	374,111,505	314,450,858	11,051,354	325,502,212
Financial Institutions						
Current deposits	284,022	6,179	290,201	258,791	12,098	270,889
Savings deposits	13,390,818	-	13,390,818	18,187,489	-	18,187,489
Term deposits	336,000	-	336,000	827,366	-	827,366
	14,010,840	6,179	14,017,019	19,273,646	12,098	19,285,744
	374,978,441	13,150,083	388,128,524	333,724,504	11,063,452	344,787,956

18 SUBORDINATED SUKUK

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-1) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

18.1 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)
Instrument Rating	PACRA has rated this Sukuk at 'A-' (A minus).
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
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.
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 Leverage 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.

18.2 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.

19 OTHER LIABILITIES	Note	(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
-----Rupees in '000-----			
Profit / return payable in local currency		3,944,838	2,065,774
Profit / return payable in foreign currencies		44,340	15,883
Accrued expenses		1,380,341	1,212,470
Deferred Murabahah Income Financing and IERS		345,934	224,673
Payable to defined benefit plan		4,677	4,677
Payable to defined contribution plan		29,676	26,008
Defined Benefit Plan liabilities		288,224	173,630
Security deposits against Ijarah		448,137	802,252
Lease liability against right-of-use assets		2,754,136	3,213,456
Provision against off-balance sheet obligations		85,975	85,975
Acceptances		3,117,021	5,462,889
Current taxation (provisions less payments)		1,298,720	52,825
Provision against other tax liabilities		163,712	104,864
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		11,195	-
Sundry creditors		356,706	362,068
Payable to brokers against purchase of shares - net		442	270
Charity payable		5,540	2,360
Retention money payable		19,552	13,402
Provision for Workers' Welfare Fund		304,739	193,857
Branch adjustment account		-	-
Rental received in advance		-	99,555
Others		333,504	296,586
		<u>14,937,409</u>	<u>14,413,474</u>

20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of:

Available for sale securities	9.1	2,517,993	2,137,440
Fixed assets		2,851,407	3,003,156
Non-banking assets acquired in satisfaction of claims		122,059	189,628
		5,491,459	5,330,224

Deferred tax liability on surplus on revaluation of:

Available for sale securities	13	(881,298)	(748,104)
Fixed assets		(998,300)	(1,051,413)
Non-banking assets acquired in satisfaction of claims		(42,722)	(66,370)
		(1,922,320)	(1,865,887)
		<u>3,569,139</u>	<u>3,464,337</u>

21 CONTINGENCIES AND COMMITMENTS

- Guarantees	21.1	2,917,388	8,224,035
- Commitments	21.2	33,010,195	31,351,208
- Other contingent liabilities	21.3	229,652	229,652
		<u>36,157,235</u>	<u>39,804,895</u>

	(Un-audited)	(Audited)
Note	September 30, 2022	December 31, 2021
	-----Rupees in '000-----	
21.1 Guarantees:		
Performance guarantees	2,114,582	3,920,100
Other guarantees	802,806	4,303,935
	2,917,388	8,224,035
21.2 Commitments:		
Documentary credits and short-term trade-related transactions:		
- letters of credit	31,346,529	27,081,324
Commitments in respect of:		
- Shariah compliant alternative of forward foreign exchange contracts	21.2.1 1,284,814	3,963,854
Commitments for acquisition of:		
- fixed assets	348,999	198,978
- intangible assets	29,853	107,052
	33,010,195	31,351,208
21.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions		
Purchase	11,692,596	15,970,727
Sale	(10,407,782)	(12,006,873)
	1,284,814	3,963,854
21.3 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	21.3.1 4,200	4,200
Tax Contingencies	21.3.2 225,452	225,452
	229,652	229,652
21.3.1 There is no change in the status of contingencies related to pending legal cases, as set out in note 26.3.1 to the annual financial statements of the Bank for the year ended December 31, 2021.		
21.3.2 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, 2021.		

		----- (Un-audited) -----		
22	PROFIT / RETURN EARNED	Note	September 30, 2022	September 30, 2021
		-----Rupees in '000-----		
	Profit earned on:			
	Financing		16,899,304	8,781,476
	Investments		11,047,654	5,286,999
	Placements		3,529,114	2,764,805
	Others		115,418	95,833
			31,591,490	16,929,113
			31,591,490	16,929,113
	23 PROFIT / RETURN EXPENSED			
	Deposits and other accounts		14,398,920	7,841,040
	Due to financial institutions		2,947,649	572,724
	Cost of foreign currency swaps against foreign currency deposits		114,868	6,499
	Amortisation of lease liability against right of use assets		259,487	285,541
	Subordinated Sukuk		226,940	153,342
			17,947,864	8,859,146
			17,947,864	8,859,146
	24 FEE AND COMMISSION INCOME			
	Branch banking customer fees		42,811	39,397
	Commission on bancatakaful		76,038	110,253
	Card related fees		401,866	249,411
	Commission on arrangement with financial institutions		76,248	74,363
	Consumer finance related fees		48,163	51,586
	Guarantees related fee		41,678	70,487
	Investment banking fees		58,930	87,896
	Commission on cash management		14,661	5,201
	Commission on remittances including home remittances		44,238	21,206
	Commission on trade		232,642	157,634
	Others		7,560	4,572
			1,044,835	872,006
			1,044,835	872,006
	25 GAIN ON SECURITIES			
	Realized gain	25.1	77,067	226,411
	25.1 Realized gain on:			
	Federal Government Shariah Compliant Securities		77,067	24,829
	Non-Government Shariah compliant Securities		-	25,118
	Shares		-	24,863
	Non-Current Assets held for sale		-	151,601
			77,067	226,411
			77,067	226,411
	26 OTHER INCOME - NET			
	Rent on property		851	938
	Gain on termination of financing		88,843	57,503
	Gain on sale of property and equipment		11,697	876
	Gain on sale of non-banking assets		208,967	-
	Recoveries against previously expensed items		160,375	7,434
	Others		3,117	-
			473,850	66,751
			473,850	66,751

27 OPERATING EXPENSES

----- (Un-audited) -----
September 30, September 30,
2022 2021
 -----Rupees in '000-----

Total compensation expense	3,846,243	3,004,287
Property expense		
Rent & taxes	81,663	44,602
Takaful cost	1,169	1,904
Utilities cost	498,155	336,160
Security (including guards)	321,421	267,964
Repair & maintenance (including janitorial charges)	167,552	154,941
Depreciation	362,695	270,083
Depreciation on right-of-use assets	629,591	632,251
	2,062,246	1,707,905
Information technology expenses		
Software maintenance	257,658	218,648
Hardware maintenance	112,518	69,842
Depreciation	197,482	176,039
Amortization	63,827	46,727
Network charges	181,592	137,270
	813,077	648,526
Other operating expenses		
Directors' fees and allowances	8,820	8,760
Fees and allowances to Shariah Board	16,524	13,796
Legal & professional charges	96,683	140,052
Travelling & conveyance	52,086	29,846
NIFT clearing charges	22,356	20,004
Depreciation	152,086	144,363
Depreciation on non-banking assets	2,643	8,977
Entertainment expense	77,026	43,878
Training & development	4,887	3,139
Postage & courier charges	32,617	31,068
Communication	35,652	34,249
Stationery & printing	197,794	105,702
Marketing, advertisement & publicity	266,199	87,088
Repairs and maintenance	117,381	88,742
Takaful, tracker and other charges on car Ijarah - net of income	-	144,411
Takaful / Insurance	255,204	209,037
Fee and subscription	142,041	104,561
Vehicle running and maintenance	220,926	118,893
Donations	8,846	1,500
Auditors' remuneration	15,816	10,788
Amortization	3,517	1,910
CDC and share registrar services	6,670	6,786
Brokerage and commission	19,601	17,225
Stamp duty, registration & verification charges	64,968	57,033
Others	34,300	32,393
	1,854,643	1,464,201
	8,576,209	6,824,919

		----- (Un-audited) -----	
Note		September 30, 2022	September 30, 2021
		-----Rupees in '000-----	
28	OTHER CHARGES		
	Penalties imposed by the State Bank of Pakistan	8,301	2,075
29	PROVISIONS AND WRITE OFFS - NET		
	Reversal of provision against Due from financial institutions	(2,430)	(2,430)
	Charge / (reversal) of provision for diminution in value of Investments	5,328	(18,774)
	Provision against Islamic financing and related assets and advances - net	2,240,149	468,875
10.15.2	Other provisions / (reversal) / write offs - net	3,332	(719,585)
		<u>2,246,379</u>	<u>(271,914)</u>
30	TAXATION		
	Current	1,813,651	350,577
	Prior years	-	(156,696)
	Deferred	878,189	874,794
		<u>2,691,840</u>	<u>1,068,675</u>
31	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit after taxation for the period	<u>2,852,229</u>	<u>1,855,298</u>
		----- Number of shares -----	
	Weighted average number of ordinary shares	<u>1,108,703,299</u>	<u>1,108,703,299</u>
		----- Rupees -----	
	Basic and diluted EPS	<u>2.5726</u>	<u>1.6734</u>

31.1 There were no convertible / dilutive potential ordinary shares outstanding as at September 30, 2022 and September 30, 2021, therefore diluted earning per share has not been presented separately.

32 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity or investments in associates and subsidiary, 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 subsidiary, 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 financing, 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.

32.1 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, 2022			
Level 1	Level 2	Level 3	Total

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

On balance sheet financial instruments

Financial assets - measured at fair value

Investments				
Shares	414,256	-	584,495	998,751
GoP Ijarah Sukuk	-	98,944,608	-	98,944,608
Non-Government Shariah compliant securities	32,392,121	6,400,234	-	38,792,355

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	-	7,476,801	7,476,801
Non-banking assets acquired in satisfaction of claims	-	-	1,274,859	1,274,859

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	11,692,596	-	11,692,596
Shariah compliant alternative of forward sale of foreign exchange	-	10,407,782	-	10,407,782

(Audited)			
December 31, 2021			
Level 1	Level 2	Level 3	Total

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

On balance sheet financial instruments

Financial assets - measured at fair value

Investments				
Shares	353,702	-	584,495	938,197
GoP Ijarah Sukuk	-	73,330,941	-	73,330,941
Non-Government Shariah compliant Securities	32,414,124	7,221,277	-	39,635,401

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	-	7,559,697	7,559,697
Non-banking assets acquired in satisfaction of claims	-	-	1,506,468	1,506,468

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	15,970,727	-	15,970,727
Shariah compliant alternative of forward sale of foreign exchange	-	12,006,873	-	12,006,873

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
GoP Ijarah 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 & PIA Sukuks	Investment in WAPDA and PIA 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

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 acquired in satisfaction of claims	Non-banking assets acquired in satisfaction of claims are revalued by professionally qualified valuers as per the accounting policy. The valuers are listed on the panel of the Pakistan Banks' Association. The valuation is based on their assessment of market value of the properties.

32.2 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.

33 SEGMENT INFORMATION

33.1 Segment Details with respect to Business Activities

(Un-audited)
September 30, 2022

Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total	
----- Rupees in '000 -----					
Profit & Loss					
Net profit / return	10,721,992	(9,178,348)	12,365,941	(265,959)	13,643,626
Inter segment revenue - net	(11,662,994)	24,500,881	(12,941,859)	103,972	-
Total other income	1,399,776	848,149	364,247	230,041	2,842,213
Total income	458,774	16,170,682	(211,671)	68,054	16,485,839
Segment direct expenses	65,153	5,112,404	410,735	3,107,099	8,695,391
Inter segment expense allocation	24,914	1,669,842	455,954	(2,150,710)	-
Total expenses	90,067	6,782,246	866,689	956,389	8,695,391
Provisions / (reversals)	2,898	116,293	2,120,490	6,698	2,246,379
Profit / (loss) before tax	365,809	9,272,143	(3,198,850)	(895,033)	5,544,069

(Un-audited)
September 30, 2022

Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total	
----- Rupees in '000 -----					
Balance Sheet					
Assets					
Cash & Bank balances	2,034,079	25,292,003	-	-	27,326,082
Investments	139,363,656	-	-	-	139,363,656
Net inter segment placements	-	311,582,337	-	8,854,306	320,436,643
Due from financial institutions	42,955,673	-	-	-	42,955,673
Islamic financing and related assets					
- performing	-	45,463,563	152,667,536	4,127,228	202,258,327
- non-performing - net	-	1,248,717	1,566,321	209,559	3,024,597
Others	6,604,326	1,307,281	9,506,125	22,371,071	39,788,803
Total Assets	190,957,734	384,893,901	163,739,982	35,562,164	775,153,781
Liabilities					
Due to financial institutions	6,903,470	3,237,920	10,798,627	-	20,940,017
Subordinated sukuk	-	-	-	2,000,000	2,000,000
Deposits & other accounts	13,044,463	375,084,061	-	-	388,128,524
Net inter segment acceptances	170,815,816	-	149,620,827	-	320,436,643
Others	193,986	6,571,919	3,320,529	7,951,373	18,037,807
Total liabilities	190,957,735	384,893,900	163,739,983	9,951,373	749,542,991
Equity	-	-	-	25,610,790	25,610,790
Total Equity & liabilities	190,957,735	384,893,900	163,739,983	35,562,163	775,153,781
Contingencies & Commitments	1,284,814	-	34,263,917	608,504	36,157,235

(Un-audited)
September 30, 2021

Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
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----- 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 / (loss) before tax	816,354	1,073,133	394,425	640,061	2,923,973

(Audited)
December 31, 2021

Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
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----- Rupees in '000 -----

Assets

Cash & Bank balances	15,595,833	12,648,467	-	-	28,244,300
Investments	124,838,317	-	-	-	124,838,317
Net inter segment placements	-	279,625,950	-	4,560,417	284,186,367
Due from financial institutions	34,945,365	-	-	-	34,945,365
Islamic financing and related assets					
- performing	-	37,941,681	137,318,830	3,367,681	178,628,192
- non-performing - net	-	1,189,828	1,242,013	116,206	2,548,047
Others	6,700,295	7,658,757	543,878	24,283,023	39,185,953
Total Assets	182,079,810	339,064,683	139,104,721	32,327,327	692,576,541

Liabilities

Due to financial institutions	6,091,010	3,727,127	11,375,195	-	21,193,332
Subordinated sukuk	-	-	-	2,000,000	2,000,000
Deposits & other accounts	17,048,953	327,739,003	-	-	344,787,956
Net inter segment acceptances	158,909,968	-	125,276,399	-	284,186,367
Others	29,880	7,598,553	2,453,126	7,816,125	17,897,684
Total liabilities	182,079,811	339,064,683	139,104,720	9,816,125	670,065,339
Equity	-	-	-	22,511,202	22,511,202
Total Equity & liabilities	182,079,811	339,064,683	139,104,720	32,327,327	692,576,541

Contingencies & Commitments

	3,963,854	-	35,305,359	535,682	39,804,895
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34 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, associates, employee benefit plans, its directors and key management personnel.

The Bank 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)					(Audited)				
	September 30, 2022					December 31, 2021				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)										
Investments										
Opening balance	-	-	104,771	1,102,111	-	-	-	104,771	1,660,111	-
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the period	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	(558,000)	-
Closing balance	-	-	104,771	1,102,111	-	-	-	104,771	1,102,111	-
Provision for diminution in value of investments	-	-	(104,771)	(474,169)	-	-	-	(104,771)	(474,169)	-
Islamic financing and related assets										
Opening balance	15,382	280,483	-	480,540	700,001	19,239	305,603	192,779	489,677	496,392
Addition during the period / year	-	198,752	-	502,523	3,487,890	-	137,090	679,000	386,691	4,264,589
Repaid during the period / year	(3,299)	(93,741)	-	(502,751)	(2,971,322)	(3,857)	(57,239)	(619,956)	(395,828)	(4,290,511)
Transfer in / (out) - net	-	5,409	-	-	-	-	(104,971)	(251,823)	-	229,531
Closing balance	12,083	390,903	-	480,312	1,216,569	15,382	280,483	-	480,540	700,001
Other assets										
Profit receivable on financings	83	212	-	5,741	7,424	230	127	-	2,576	5,618
Subordinated sukuk										
Opening balance	-	1,015	-	-	-	-	1,015	-	-	-
Issued / purchased during the period / year	-	-	-	-	-	-	-	-	-	-
Redemption / sold during the period / year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	1,015	-	-	-	-	1,015	-	-	-
Deposits and other accounts										
Opening balance	6,063	42,412	4	27,338	1,306,399	18,887	25,210	704,601	85,142	1,171,529
Received during the period / year	26,463	628,338	-	1,128,048	12,292,947	63,980	474,247	19,340,732	2,330,516	10,036,067
Withdrawn during the period / year	(29,654)	(633,079)	-	(1,153,262)	(11,868,332)	(76,802)	(456,200)	(19,334,212)	(2,394,418)	(9,840,769)
Transfer in / (out) - net	-	(3,095)	-	-	2,755	(2)	(845)	(711,117)	(13,902)	(82,428)
Closing balance	2,872	34,576	4	2,124	1,733,769	6,063	42,412	4	27,338	1,306,399
Other Liabilities										
Profit / return payable	1	349	-	3	24,077	1	201	1	2	7,305
Contingencies and Commitments										
Other contingencies	-	-	-	4,626	680,307	-	-	-	23,385	697,037

	(Un-audited)					(Un-audited)				
	September 30, 2022					September 30, 2021				
	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	973	9,102	-	18,330	36,099	1,238	6,329	-	25,972	43,629
Other income	-	11,179	-	-	-	-	6,071	579	-	-
Expense										
Profit / return expended	10	748	-	27	127,312	35	459	28,047	621	69,943
Other administrative expenses	-	2,212	-	-	25,068	-	2,824	251	-	7,938
Meeting fee / remuneration	8,820	276,565	-	-	-	8,760	192,683	-	-	-
Contribution to employees provident fund	-	-	-	-	122,559	-	-	-	-	100,272
Charge for employees gratuity fund	-	-	-	-	114,594	-	-	-	-	94,919



35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	----- 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	17,734,751	13,551,736
Eligible Additional Tier 1 (ADT 1) Capital	2,000,000	2,000,000
Total Eligible Tier 1 Capital	19,734,751	15,551,736
Eligible Tier 2 Capital	6,364,961	4,749,756
Total Eligible Capital (Tier 1 + Tier 2)	26,099,712	20,301,492
Risk Weighted Assets (RWAs):		
Credit Risk	137,439,418	118,364,672
Market Risk	2,480,225	1,120,150
Operational Risk	24,003,263	24,003,263
Total	163,922,906	143,488,085
Common Equity Tier 1 Capital Adequacy ratio	10.82%	9.44%
Tier 1 Capital Adequacy Ratio	12.04%	10.84%
Total Capital Adequacy Ratio	15.92%	14.15%
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%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

- 35.1** 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, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	19,734,751	17,050,328
Total Exposures	503,807,167	432,073,943
	3.92%	3.95%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	148,414,824	117,677,463
Total Net Cash Outflow	46,673,276	48,190,151
Liquidity Coverage Ratio	317.99%	249.73%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	383,167,000	347,348,801
Total Required Stable Funding	162,134,447	145,818,809
Net Stable Funding Ratio	236.33%	238.21%

36 GENERAL

- 36.1 Captions, as prescribed by BPRD Circular No. 02, dated: January 25, 2018 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these unconsolidated financial statements, except for captions of the condensed interim Unconsolidated Statement of Financial Position and condensed interim Unconsolidated Profit and Loss Account.
- 36.2 These condensed interim unconsolidated financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.
- 36.3 The figures in the financial statements have been rounded off to the nearest thousand rupee.
- 36.4 **Corresponding figures**

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

Transfer from	Transfer to	As at December 31, 2021
Statement of Financial Position:		
Saving Deposits	Current Deposits	<u>3,916,265</u>

37 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on October 26, 2022 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, 2022

BankIslami Pakistan Limited

Condensed Interim Consolidated Statement of Financial Position

AS AT SEPTEMBER 30, 2022

	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
----- Rupees in '000 -----			
ASSETS			
Cash and balances with treasury banks	6	25,394,338	24,552,347
Balances with other banks	7	1,933,946	3,694,155
Due from financial institutions - net	8	42,955,673	34,945,365
Investments - net	9	139,763,747	125,228,590
Islamic financing, related assets and advances - net	10	205,282,924	181,176,239
Fixed assets	11	13,373,071	13,618,491
Intangible assets	12	3,286,451	3,223,191
Deferred tax assets	13	3,176,922	4,183,055
Other assets - net	14	19,875,045	18,084,464
Total Assets		455,042,117	408,705,897
LIABILITIES			
Bills payable	15	3,100,398	3,484,210
Due to financial institutions	16	20,940,017	21,193,332
Deposits and other accounts	17	388,128,524	344,787,951
Subordinated Sukuk	18	2,000,000	2,000,000
Deferred tax liabilities		-	-
Other liabilities	19	14,956,604	14,433,237
		429,125,543	385,898,730
NET ASSETS		25,916,574	22,807,167
REPRESENTED BY			
Share capital - net		11,007,991	11,007,991
Reserves		1,703,144	1,703,144
Surplus on revaluation of assets - net of tax	20	3,560,074	3,455,272
Unappropriated profit		9,645,365	6,640,760
		25,916,574	22,807,167
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes 1 to 37 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, 2022

Note	Quarter Ended		Nine Months Ended		
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	
	----- Rupees in '000 -----				
Profit / return earned	22	13,220,921	5,971,860	31,591,490	16,920,581
Profit / return expensed	23	7,495,521	2,968,668	17,947,864	8,831,114
Net Profit / return		5,725,400	3,003,192	13,643,626	8,089,467
OTHER INCOME					
Fee and commission income	24	315,685	260,802	1,044,835	872,006
Dividend income		5,188	8,556	17,753	17,604
Foreign exchange income		637,327	118,892	1,228,708	288,471
Gain on securities	25	58,342	7,816	77,067	36,757
Other income - net	26	115,847	22,009	473,850	66,172
Total other income		1,132,389	418,075	2,842,213	1,281,010
Total Income		6,857,789	3,421,267	16,485,839	9,370,477
OTHER EXPENSES					
Operating expenses	27	3,063,344	2,340,446	8,576,209	6,824,919
Workers Welfare fund		56,930	21,223	110,881	62,157
Other charges	28	600	20	8,301	2,075
Total other expenses		3,120,874	2,361,689	8,695,391	6,889,151
Profit before provisions		3,736,915	1,059,578	7,790,448	2,481,326
Provisions and write offs - net	29	890,417	15,364	2,246,379	(251,914)
Extra ordinary / unusual items		-	-	-	-
Share of profit / (loss) from associate - net of tax		-	-	9,819	43,858
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		2,846,498	1,044,214	5,553,888	2,777,098
Taxation	30	1,430,526	350,944	2,691,840	1,068,675
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		1,415,972	693,270	2,862,048	1,708,423
DISCONTINUED OPERATIONS					
Profit after taxation from Discontinued Operations		-	-	-	92,609
PROFIT AFTER TAXATION		1,415,972	693,270	2,862,048	1,801,032
ATTRIBUTABLE TO:					
Equity shareholders of the Bank		1,415,972	693,270	2,862,048	1,771,340
Non-controlling interest		-	-	-	29,692
		1,415,972	693,270	2,862,048	1,801,032
----- Rupees -----					
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Bank Basic and diluted	31	1,2771	0.6253	2,5814	1.5409
Earnings per share for profit attributable to the ordinary equity holders of the Bank Basic and diluted	31	1,2771	0.6253	2,5814	1.5977

The annexed notes 1 to 37 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, 2022

	Quarter Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
----- Rupees in '000 -----				
Profit after taxation for the year attributable to:				
Equity shareholders of the Bank	1,415,972	693,270	2,862,048	1,771,340
Non-controlling interest	-	-	-	29,692
	<u>1,415,972</u>	<u>693,270</u>	<u>2,862,048</u>	<u>1,801,032</u>
Other Comprehensive Income / (Loss)				
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	147,935	291,584	247,359	410,100
Non-controlling interest	-	284	-	4,048
	<u>147,935</u>	<u>291,868</u>	<u>247,359</u>	<u>414,148</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
Total comprehensive income	<u>1,563,907</u>	<u>985,138</u>	<u>3,109,407</u>	<u>2,216,330</u>
Total comprehensive income attributable to:				
Equity shareholders of the Bank	1,563,907	984,854	3,109,407	2,182,590
Non-controlling interest	-	284	-	33,740
	<u>1,563,907</u>	<u>985,138</u>	<u>3,109,407</u>	<u>2,216,330</u>
Total comprehensive income attributable to equity shareholders of the Bank:				
Continuing operations	1,563,907	950,240	3,109,407	2,147,017
Discontinued operations	-	34,614	-	35,573
	<u>1,563,907</u>	<u>984,854</u>	<u>3,109,407</u>	<u>2,182,590</u>

The annexed notes 1 to 37 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 QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

	Share capital	Discount on Issue of shares	Statutory reserve	Revenue reserve for bad debts & contingency	Surplus on revaluation of		Unappropriated profit	Sub total	Non-controlling interest	Total
					Investments	Fixed / Non Banking Assets				
Rupees in '000										
Opening Balance as at January 1, 2021	11,087,033	(79,042)	1,276,894	250,000	1,393,859	1,632,499	4,734,989	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
	-	-	-	-	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	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Opening Balance as at October 1, 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
Profit after taxation for the period from October 01, 2021 to December 31, 2021	-	-	-	-	-	-	259,820	259,820	-	259,820
Other comprehensive (loss) / income for the period from October 01, 2021 to December 31, 2021	-	-	-	-	(423,688)	525,982	(33,779)	68,515	-	68,515
	-	-	-	-	(423,688)	525,982	226,041	328,335	-	328,335
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(55,711)	55,711	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(1,381)	1,381	-	-	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-
Transfer from Surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(16,481)	16,481	-	-	-
Transfer to statutory reserve	-	-	426,250	-	-	-	(426,250)	-	-	-
Transfer from revenue reserve for bad debts & contingencies to unappropriated profit	-	-	-	(250,000)	-	-	250,000	-	-	-
Opening Balance as at January 1, 2022	11,087,033	(79,042)	1,703,144	-	1,380,271	2,075,001	6,640,760	22,807,167	-	22,807,167
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	2,862,048	2,862,048	-	2,862,048
Other comprehensive income for the nine months ended September 30, 2022	-	-	-	-	247,359	-	247,359	247,359	-	247,359
	-	-	-	-	247,359	-	2,862,048	3,109,407	-	3,109,407
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(88,225)	88,225	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(573)	573	-	-	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(10,412)	10,412	-	-	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(43,347)	43,347	-	-	-
Closing Balance as at September 30, 2022	11,087,033	(79,042)	1,703,144	-	1,627,630	1,932,444	9,645,365	25,916,574	-	25,916,574

The annexed notes 1 to 37 form an integral part of these condensed interim consolidated financial statements.

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-Sd-
DIRECTOR

BankIslami Pakistan Limited

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
Note	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operations	5,553,888	2,777,098
Profit before taxation from discontinued operations	-	141,722
Less: Dividend income	(17,753)	(17,604)
Less: Share of loss from associate	(9,819)	(43,858)
	<u>5,526,316</u>	<u>2,857,358</u>
Adjustments for non-cash charges and other items:		
Depreciation on fixed assets	712,263	590,485
Depreciation on non-banking assets	2,643	8,977
Depreciation on right-of-use assets	629,591	632,251
Amortization	67,344	48,637
Depreciation on operating Ijarah assets	56,771	1,112,358
Amortization of lease liability against right of use assets	23 259,487	285,541
Provisions and write offs - net	29 2,246,379	(251,914)
Charge for defined benefit plan	-	94,919
Loss on sale of non-current assets held for sale	25.1 -	38,053
Gain on sale of fixed assets	26 (11,697)	(876)
Gain on sale of non-banking assets	(208,967)	-
	<u>3,753,814</u>	<u>2,558,431</u>
	9,280,130	5,415,789
(Increase) / decrease in operating assets		
Due from financial institutions	(8,010,308)	(2,718,410)
Islamic financing and related assets and advances - net	(26,401,175)	(27,263,915)
Others assets (excluding advance taxation)	(1,459,644)	1,567,402
	<u>(35,871,127)</u>	<u>(28,414,923)</u>
Increase / (decrease) in operating liabilities		
Bills payable	(383,812)	734,725
Due to financial institutions	(253,315)	741,865
Deposits and other accounts	43,340,573	26,332,760
Other liabilities (excluding current taxation)	982,687	(1,450,737)
	<u>43,686,133</u>	<u>26,358,613</u>
	17,095,136	3,359,479
Income tax paid	(1,813,651)	(481,261)
Net cash generated from continuing operations	<u>15,281,485</u>	<u>2,878,218</u>
Net cash used in discontinued operations	-	(591,071)
Net cash generated from operating activities	<u>15,281,485</u>	<u>2,287,147</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(14,283,309)	(11,253,965)
Dividends received	17,753	17,604
Payment of Ijarah (Lease) liability against right-of-use assets	(908,200)	(794,431)
Investments in fixed assets	(972,393)	(1,889,625)
Investments in intangible assets	(130,604)	(93,057)
Proceeds from sale of non-current assets held for sale	-	753,210
Proceeds from sale of fixed assets	77,049	33,253
Net cash used in investing activities	<u>(16,199,703)</u>	<u>(13,227,011)</u>
(Decrease) / Increase in cash and cash equivalents	<u>(918,218)</u>	<u>(10,939,864)</u>
Cash and cash equivalents at the beginning of the year	28,246,502	34,344,497
Cash and cash equivalents at the end of the year	<u>27,328,284</u>	<u>23,404,633</u>

The annexed notes 1 to 37 form an integral part of these condensed interim consolidated financial statements.

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BankIslami Pakistan Limited

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

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

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 Holding Company 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 353 branches including 80 sub-branches as at September 30, 2022 (December 31, 2021: 340 branches including 80 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.

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Holding Company's long-term rating as 'A+' and the short-term rating as 'A1' with a positive outlook.

1.2 Subsidiary Companies

1.2.1 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.

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 Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the 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 SBP and the Securities and Exchange Commission of Pakistan (SECP).

Wherever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IFRS or IFAS, the 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, 2021.
- 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, as per SBP's BPRD circular no. 03 of 2022, IFRS 9 'Financial Instruments' is applicable:
- Effective from 1 January 2023 for banks having asset size of PKR 500 billion or above as per their Annual Financial Statements of December 31, 2021.
 - Effective from 1 January 2024 for all other banks.

However, an option of early adoption of the standard has been made permissible.

- 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 not 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, 2021.



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

There are certain interpretations and amendments that are mandatory for the Holding Company's accounting periods beginning on or after January 1, 2022 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 consolidated financial statements.

3.1.1 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 and application of materiality to disclosure of accounting policies Amendments to IAS 1	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	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

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 Bank for the year ended December 31, 2021.

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, 2021.

6 CASH AND BALANCES WITH TREASURY BANKS

In hand:

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
- Local currency	8,809,779	8,369,573
- Foreign currency	854,070	710,923
	9,663,849	9,080,496

With the State Bank of Pakistan in:

- Local currency current account	12,050,600	10,641,385
- Foreign currency deposit accounts:		
- Cash reserve account	710,486	565,020
- Special cash reserve account	858,522	682,577
- US dollar clearing account	8,518	11,674
	1,577,526	1,259,271

With National Bank of Pakistan in:

- Local currency current account	2,102,355	3,563,460
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Prize Bonds

	8	7,735
	25,394,338	24,552,347

(Un-audited) (Audited)
 September 30, December 31,
 2022 2021
 -----Rupees in '000-----

7 BALANCES WITH OTHER BANKS

In Pakistan:

- In current accounts	927	967
- In deposit accounts	2,332	2,327
	3,259	3,294

Outside Pakistan:

- In current accounts	1,810,788	3,501,107
- In deposit accounts	119,899	189,754
	1,933,946	3,694,155

8 DUE FROM FINANCIAL INSTITUTIONS - NET

Note	(Un-audited)			(Audited)		
	September 30, 2022			December 31, 2021		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	----- Rupees in '000 -----					
Secured						
Bai Muajjal Receivable						
-from Banks	-	-	-	4,951,909	-	4,951,909
-from Other Financial Institutions	11,107,946	-	11,107,946	4,008,737	-	4,008,737
Unsecured						
Wakalah Placement	5,000,000	-	5,000,000	-	518,416	518,416
Musharaka Placements	9,000,000	-	9,000,000	15,000,000	-	15,000,000
 Bai Muajjal Receivable						
-from Banks	-	-	-	1,980,792	-	1,980,792
-from Other Financial Institutions	17,847,727	-	17,847,727	8,485,511	-	8,485,511
Other placements	21,870	-	21,870	24,300	-	24,300
	42,977,543	-	42,977,543	34,451,249	518,416	34,969,665
Provision held against						
Financial Institution Placements	(21,870)	-	(21,870)	(24,300)	-	(24,300)
	42,955,673	-	42,955,673	34,426,949	518,416	34,945,365

- 8.1 The average return on this product ranges between 11.15% to 16.25% (2021: 7.35% to 11.52%) per annum. The balances have maturities ranging between 3 days to 364 days (2021: 21 days to 363 days). The Secured Bai Muajjal receivable are secured against Federal Government securities received as collateral and having market value of Rs.11,340 million as at September 30, 2022 (2021: Rs. 8,900 million).
- 8.2 The expected profit rate on these agreements is 15% (2021: 0.04% to 0.2%) per annum. The agreements have remaining maturities of 5 days (2021: 6 days).
- 8.3 The expected profit rate on these agreements is 15% to 15.95% (2021: 10% to 11%) per annum and the agreements have maturities ranging between 3 to 14 days (2021: 4 to 7 days).

8.4 Category of classification

	(Un-audited)		(Audited)	
	September 30, 2022			December 31, 2021
	Classified Placements	Provision held	Classified Placements	Provision held
	----- Rupees in '000 -----			
Loss	21,870	21,870	24,300	24,300

8.4.1 The Holding Company does not hold overseas classified placements.

9 INVESTMENTS - NET

	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
----- Rupees in '000 -----			
Investments - Islamic	9.1 & 9.3	139,186,072	124,650,915
Investments - Conventional (relating to amalgamated entity)	9.2 & 9.4	577,675	577,675
		<u>139,763,747</u>	<u>125,228,590</u>

9.1 Islamic Investments by type

Note	(Un-audited) September 30, 2022				(Audited) December 31, 2021			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----								
Available for sale securities								
Federal Government Shariah								
Compliant Securities	98,777,322	-	167,286	98,944,608	83,614,067	-	22,710	83,636,777
Shares / Modaraba certificates	378,604	(76,005)	118,477	421,076	277,373	(70,677)	153,826	360,522
Non-Government Shariah								
Compliant Securities	36,596,005	(35,880)	2,232,230	38,792,355	37,710,377	(35,880)	1,960,904	39,635,401
	<u>135,751,931</u>	<u>(111,885)</u>	<u>2,517,993</u>	<u>138,158,039</u>	<u>121,601,817</u>	<u>(106,557)</u>	<u>2,137,440</u>	<u>123,632,700</u>
Associates								
	1,028,033	-	-	1,028,033	1,018,215	-	-	1,018,215
Total Islamic investments	<u>136,779,964</u>	<u>(111,885)</u>	<u>2,517,993</u>	<u>139,186,072</u>	<u>122,620,032</u>	<u>(106,557)</u>	<u>2,137,440</u>	<u>124,650,915</u>

9.2 Conventional Investments by type*

Available for sale securities								
Shares								
	1,747,030	(1,169,355)	-	577,675	1,747,030	(1,169,355)	-	577,675
Non Government Debt Securities								
	230,292	(230,292)	-	-	230,292	(230,292)	-	-
	<u>1,977,322</u>	<u>(1,399,647)</u>	<u>-</u>	<u>577,675</u>	<u>1,977,322</u>	<u>(1,399,647)</u>	<u>-</u>	<u>577,675</u>
Held to maturity securities								
Non Government Debt Securities								
	92,145	(92,145)	-	-	92,145	(92,145)	-	-
Associates								
	474,746	(474,746)	-	-	474,746	(474,746)	-	-
Total conventional investments	<u>2,544,213</u>	<u>(1,966,538)</u>	<u>-</u>	<u>577,675</u>	<u>2,544,213</u>	<u>(1,966,538)</u>	<u>-</u>	<u>577,675</u>

9.3 Islamic Investments by segments

Federal Government Shariah								
Compliant Securities								
GoP Ijarah Sukuks								
	98,777,322	-	167,286	98,944,608	73,308,231	-	22,710	73,330,941
Bai Muajjal								
	-	-	-	-	10,305,836	-	-	10,305,836
	<u>98,777,322</u>	<u>-</u>	<u>167,286</u>	<u>98,944,608</u>	<u>83,614,067</u>	<u>-</u>	<u>22,710</u>	<u>83,636,777</u>
Shares								
Listed companies								
	371,784	(76,005)	118,477	414,256	270,553	(70,677)	153,826	353,702
Non-Government Shariah								
Compliant Securities								
Listed								
Pakistan Energy Sukuk-I								
9.3.1	27,146,945	-	1,845,992	28,992,937	27,146,945	-	1,832,419	28,979,364
Pakistan Energy Sukuk-II								
9.3.2	3,391,592	-	7,592	3,399,184	3,392,588	-	42,172	3,434,760
	<u>30,538,537</u>	<u>-</u>	<u>1,853,584</u>	<u>32,392,121</u>	<u>30,539,533</u>	<u>-</u>	<u>1,874,591</u>	<u>32,414,124</u>
Unlisted								
Sukuk certificates								
	6,057,468	(35,880)	378,646	6,400,234	7,170,844	(35,880)	86,313	7,221,277
Foreign securities								
Equity securities								
	6,820	-	-	6,820	6,820	-	-	6,820
Associates								
Shakarganj Food Products Limited								
	1,028,033	-	-	1,028,033	1,018,215	-	-	1,018,215
	<u>136,779,964</u>	<u>(111,885)</u>	<u>2,517,993</u>	<u>139,186,072</u>	<u>122,620,032</u>	<u>(106,557)</u>	<u>2,137,440</u>	<u>124,650,915</u>

* 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, 2022				December 31, 2021			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----								
Shares								
Unlisted Companies	591,680	(591,680)	-	-	591,680	(591,680)	-	-
Non Government Debt Securities								
Listed	80,432	(80,432)	-	-	82,785	(82,785)	-	-
Unlisted	242,005	(242,005)	-	-	239,652	(239,652)	-	-
	322,437	(322,437)	-	-	322,437	(322,437)	-	-
Foreign Securities								
Equity Securities	1,155,350	(577,675)	-	577,675	1,155,350	(577,675)	-	577,675
Associates								
KASB Capital Limited	41,867	(41,867)	-	-	41,867	(41,867)	-	-
KASB Funds Limited	432,302	(432,302)	-	-	432,302	(432,302)	-	-
	474,169	(474,169)	-	-	474,169	(474,169)	-	-
	2,543,636	(1,965,961)	-	577,675	2,543,636	(1,965,961)	-	577,675

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

	Note	(Un-audited)	(Audited)
		September 2022	December 2021
----- Rupees in '000 -----			
9.5 Investments given as collateral			
Federal Government Securities		8,889,000	5,889,000
9.6 Provision for diminution in value of investments			
9.6.1 Opening balance		2,073,095	2,344,536
Charge / (reversals)			
Charge for the period / year		5,328	-
Reversals for the period / year		-	(14,022)
	29	5,328	(14,022)
Amounts written off		-	(257,419)
Closing Balance	9.6.1.1	2,078,423	2,073,095
9.6.1.1 Breakup of provision for diminution in the value of investments is as follows:			
Investments - Islamic		111,885	106,557
Investments - Conventional		1,966,538	1,966,538
		2,078,423	2,073,095

9.6.2 Particulars of provision against debt securities

Category of classification	(Un-audited)		(Audited)	
	September 30, 2022		December 31, 2021	
	Non-performing investments	Specific Provision	Non-performing investments	Specific Provision
----- Rupees in '000 -----				
Domestic				
Loss	634,568	358,317	634,568	358,317
Total	634,568	358,317	634,568	358,317

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



10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES - NET

Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited)	(Audited)
			September 30, 2022	December 31, 2021
----- Rupees in '000 -----				
Islamic financing and related assets - net	10.1	205,110,159	180,992,699	
Advances (relating to amalgamated entity) - net	10.2	172,765	183,540	
		<u>205,282,924</u>	<u>181,176,239</u>	

Note	(Un-audited)		(Audited)		(Un-audited) September 30, 2022	(Audited) December 31, 2021		
	Performing		Non Performing				Total	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021			September 30, 2022	December 31, 2021

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

10.1 ISLAMIC FINANCING AND RELATED ASSETS

In Pakistan							
- Running Musharakah	10.9	68,966,646	62,285,085	1,324,955	1,424,510	70,291,601	63,709,595
- Diminishing Musharakah financing and related assets - Others	10.3	39,157,121	32,965,920	2,733,832	1,616,390	41,890,953	34,582,310
- Diminishing Musharakah - Housing		26,915,240	18,814,897	379,546	1,621,348	27,294,786	20,436,245
- Diminishing Musharakah financing and related assets - Auto		22,732,041	22,580,287	1,666,672	267,268	24,398,713	22,847,555
- Istisna financing and related assets	10.4 & 10.10	17,195,483	14,388,358	2,134,034	948,614	19,329,517	15,336,972
- Murabahah financing and related assets	10.5 & 10.11	14,584,076	14,608,663	246,604	581,036	14,830,680	15,189,699
- Musawamah financing and related assets / Tijarah	10.6	7,286,438	4,709,506	3,196,391	4,059,763	10,482,829	8,769,269
- Investment Agency Wakalah		4,166,667	5,208,333	-	-	4,166,667	5,208,333
- Financing against Bills		1,355,409	1,593,966	-	-	1,355,409	1,593,966
- Bai Musajjal - Corporate		-	-	-	-	-	-
- Financing to employees	10.7	-	504,768	-	338,865	-	843,633
- Ijarah financing under IFAS 2 and related assets		337,360	970,192	138,622	-	475,982	970,192
- Musharakah financing		160,000	280,000	-	-	160,000	280,000
- Qardh-e-Hasana		156,113	1,680	-	121,860	156,113	123,540
- Salam	10.8	83,346	104,898	120,554	-	203,900	104,898
- Net investment in Ijarah financing in Pakistan	10.13	106,852	131,545	-	-	106,852	131,545
- Past Due Acceptance		158,771	32,280	29,153	-	187,924	32,280
- Housing finance portfolio - others		25,187	31,241	-	-	25,187	31,241
Islamic financing and related assets - gross		<u>204,638,965</u>	<u>179,211,619</u>	<u>12,113,870</u>	<u>10,979,654</u>	<u>216,752,835</u>	<u>190,191,273</u>
Less: Provision against non-performing Islamic financing and related assets							
- Specific	10.15	-	-	(9,148,528)	(8,431,606)	(9,148,528)	(8,431,606)
- General	10.15	(2,494,148)	(766,968)	-	-	(2,494,148)	(766,968)
		<u>(2,494,148)</u>	<u>(766,968)</u>	<u>(9,148,528)</u>	<u>(8,431,606)</u>	<u>(11,642,676)</u>	<u>(9,198,574)</u>
Islamic financing and related assets - net of provision		<u>202,144,817</u>	<u>178,444,651</u>	<u>2,965,342</u>	<u>2,548,048</u>	<u>205,110,159</u>	<u>180,992,699</u>

10.2 ADVANCES

Loans, cash credits, running finances, etc. - In Pakistan*	10.13	19,735	89,776	4,685,848	4,830,544	4,705,583	4,920,320
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	684,295	684,295	684,295
Advances - gross		<u>19,735</u>	<u>89,776</u>	<u>5,952,328</u>	<u>6,097,024</u>	<u>5,972,063</u>	<u>6,186,800</u>
Provision against advances		-	-	(5,893,062)	(6,097,024)	(5,893,062)	(6,097,024)
- Specific	10.15	-	-	(5,893,062)	(6,097,024)	(5,893,062)	(6,097,024)
- General	10.15	(55)	(55)	-	-	(55)	(55)
		<u>(55)</u>	<u>(55)</u>	<u>(5,893,062)</u>	<u>(6,097,024)</u>	<u>(5,893,117)</u>	<u>(6,097,079)</u>
Advances - net of provision		<u>19,680</u>	<u>89,721</u>	<u>59,266</u>	<u>-</u>	<u>78,946</u>	<u>89,721</u>
Fair value adjustment	10.16	-	-	93,819	93,819	93,819	93,819
Advances - net of provision and fair value adjustment		<u>19,680</u>	<u>89,721</u>	<u>153,085</u>	<u>93,819</u>	<u>172,765</u>	<u>183,540</u>

* This includes non-interest bearing performing financing facilities amounting to Rs. 19,735 million (2021: Rs. 89,776 million).

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
10.3 Diminishing Musharakah financing and related assets - Others		
Diminishing Musharakah financing	36,483,686	29,596,294
Advance against Diminishing Musharakah financing	5,407,267	4,986,016
	<u>41,890,953</u>	<u>34,582,310</u>
10.4 Istisna financing and related assets		
Istisna financing	9,089,596	6,984,506
Advance against Istisna financing	10,239,921	8,352,466
	<u>19,329,517</u>	<u>15,336,972</u>
10.5 Murabahah financing and related assets		
Murabahah financing	8,676,195	7,461,935
Deferred murabahah income	540,650	288,114
Advances against Murabaha financing	244,943	1,927,813
Murabaha Inventories	5,368,892	5,511,837
	<u>14,830,680</u>	<u>15,189,699</u>
10.6 Muswamah financing and related assets / Tijarah		
Musawamah financing	7,926,316	6,246,037
Advance against Musawamah financing	107,967	266,839
Musawamah inventories	2,448,546	2,256,393
	<u>10,482,829</u>	<u>8,769,269</u>
10.7 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	472,434	843,022
Advance against Ijarah financing	3,548	611
	<u>475,982</u>	<u>843,633</u>
10.8 Salam		
Salam financing	10,000	54,999
Advance against Salam	193,900	49,899
	<u>203,900</u>	<u>104,898</u>
10.9 Running musharakah financing and related assets includes financing amounting to Rs. 2,223 million (2021: Rs. 2,554 million) under Islamic Export Refinance Scheme.		
10.10 Istisna financing and related assets includes financing amounting to Rs. 427.789 million (2021: Rs. 1,586 million) and advance amounting to Rs. 1,432.10 million (2021: Rs. 678.800 million) under Islamic Export Refinance Scheme.		
10.11 Murabahah financing and related assets includes financing amounting to Rs. Nil (2021: Rs. 192.500 million) under Islamic Export Refinance Scheme.		
10.12 Musawamah financing and related assets / Tijarah includes financing amounting to Rs. 50 million (2021: Rs. Nil) and Advance amounting to Rs. 100 million (2021: Rs. 100 million) under Islamic Export Refinance Scheme.		
	(Un-audited) September 30, 2022	(Audited) December 31, 2021
10.13 Particulars of Islamic financing and related assets and advances - gross	----- Rupees in '000 -----	
In local currency	220,726,859	195,464,197
In foreign currency	1,998,039	913,876
	<u>222,724,898</u>	<u>196,378,073</u>

- 10.14 Islamic financing and related assets and advances include Rs. 18,066.198 million (2021: Rs. 17,076.678 million) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited)		(Audited)	
	September 30, 2022		December 31, 2021	
	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	282,676	-	164,571	-
Substandard	857,743	122,409	554,426	92,057
Doubtful	1,275,342	416,061	1,113,707	334,116
Loss	15,650,437	14,503,120	15,243,974	14,102,457
Total	18,066,198	15,041,590	17,076,678	14,528,630

- 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, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	14,528,630	767,023	15,295,653	14,491,608	802,048	15,293,656
Charge for the period / year	1,250,958	1,727,180	2,978,138	2,736,255	(35,025)	2,701,230
Reversals for the period / year	(737,989)	-	(737,989)	(2,389,299)	-	(2,389,299)
	512,969	1,727,180	2,240,149	346,956	(35,025)	311,931
Amount written off	(9)	-	(9)	(309,934)	-	(309,934)
Closing balance	15,041,590	2,494,203	17,535,793	14,528,630	767,023	15,295,653
10.15.1 Islamic	9,148,528	2,494,148	11,642,676	8,431,606	766,968	9,198,574
Conventional	5,893,062	55	5,893,117	6,097,024	55	6,097,079
	15,041,590	2,494,203	17,535,793	14,528,630	767,023	15,295,653

	(Un-audited)		(Audited)	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
----- 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		737,989	2,389,299
Charge for the period / year		(2,978,138)	(2,701,230)
		(2,240,149)	(311,931)
Fair value adjusted - net		-	(23,679)
Net charge taken to the profit and loss account		(2,240,149)	(335,610)

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

	(Un-audited)			(Audited)		
	September 30, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
In local currency	15,041,590	2,494,203	17,535,793	14,528,630	767,023	15,295,653
In foreign currency	-	-	-	-	-	-
	15,041,590	2,494,203	17,535,793	14,528,630	767,023	15,295,653

- 10.15.4 The Holding Company maintains general reserve (provision) amounting to Rs. 494.204 million (2021: Rs. 417.023 million) in accordance with the applicable requirements of the Prudential Regulations for Consumer Financing. In addition, the Bank carries general provision of Rs. 2,000 million (December 31, 2021: Rs. 350 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 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, 2022 amounts to Rs. 1,000.399 million (2021: Rs. 1,043.691 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 610.244 million (2021: Rs. 636.651 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.

	Note	(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
10.17 SBP other refinance schemes		----- (Rupees in '000) -----	
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		6,893,878	4,489,370
Islamic refinance scheme for payment of wages and salaries		793,746	1,824,118
Islamic Long-Term Financing Facility		719,851	-
Islamic refinance scheme for Renewable Energy		303,720	-
Islamic refinance scheme for combating COVID (IRFCC)		289,702	328,351
Islamic refinance facility for Modernization of SMEs		76,699	115,470
Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)		60,972	18,289
Islamic Refinance and Credit Guarantee Scheme For Women		9,750	-
		<u>9,148,317</u>	<u>6,775,598</u>

		(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
		----- (Rupees in '000) -----	

11 FIXED ASSETS

Capital work-in-progress	11.1	1,534,438	1,264,988
Property and equipment		9,636,159	9,710,831
Right of use assets		2,202,474	2,642,672
		<u>13,373,071</u>	<u>13,618,491</u>

11.1 Capital work-in-progress

Advances to suppliers and contractors		343,715	74,265
Advance for acquiring properties:			
- Office premises		1,190,723	1,190,723
		<u>1,534,438</u>	<u>1,264,988</u>

	(Un-audited)	(Un-audited)
	September 30, 2022	September 30, 2021
	----- (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		297,154	472,993
Property and equipment			
Leasehold building		209,436	187,021
Furniture and fixture		181,236	232,818
Electrical office and computer equipment		297,359	384,974
Vehicles		18,864	7,754
		706,895	812,567
Right of use assets			
Leasehold building		194,179	260,727
Total		<u>1,198,228</u>	<u>1,546,287</u>

11.3 Disposal of fixed assets

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

Leasehold building		59,620	31,004
Furniture and fixture	11.3.1	7,447	23,270
Electrical office and computer equipment		2,428	135
		<u>69,495</u>	<u>54,409</u>

11.3.1 Furniture & Fixtures includes write-offs amounting to Rs. 5.83 million (September 30, 2021: Rs. 23.27 million)

12 INTANGIBLE ASSETS

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	
Computer software	247,705	185,392
Core deposits	23,397	24,227
Membership and Subscription	24,041	22,264
Goodwill	2,991,308	2,991,308
	<u>3,286,451</u>	<u>3,223,191</u>

12.1 Additions to intangible assets

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

- Directly purchased	131,689	112,558
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12.2 Disposals of intangible assets

There were no disposals of intangible assets during the period

	1,837	-
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	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	

13 DEFERRED TAX ASSETS

Deductible temporary differences on:

Accumulated tax losses	1,496,220	2,591,239
Tax credit against minimum tax	-	32,238
Provision for diminution in the value of investments	74,683	74,683
Provision against non-performing islamic financing and related assets and advances	3,689,971	3,344,708
Provision for gratuity	-	-
Ijarah financing and related assets	85,391	234,991
Accelerated tax depreciation	178,135	128,401
Others	(124,444)	(13,052)
	<u>5,399,956</u>	<u>6,393,208</u>

Taxable temporary difference on:

Fair value adjustments relating to assets acquired upon amalgamation	(300,714)	(344,266)
Accelerated tax depreciation	-	-
Surplus on revaluation of fixed assets	(998,300)	(1,051,413)
Surplus on revaluation of non-banking assets	(42,722)	(66,370)
Surplus on revaluation of available for sale securities	(881,298)	(748,104)
	<u>(2,223,034)</u>	<u>(2,210,153)</u>
	<u>3,176,922</u>	<u>4,183,055</u>

- 13.1 The Holding Company has aggregate tax losses of Rs. 4,274,914 million as at September 30, 2022 (2021: Rs.7,403,539 million) which includes tax losses of 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.1,496,220 million (2021: Rs. 2,591,239 million). The amount of this benefit has been determined based on the projected financial statements for the future periods as approved by the management. 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 financing and branch expansion plan. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
14 OTHER ASSETS - NET		
Profit / return accrued in local currency	12,472,482	9,110,889
Profit / return accrued in foreign currency	20,051	194
Advances, deposits, advance rent and other prepayments	1,789,776	1,105,576
Non-banking assets acquired in satisfaction of claims	1,458,562	2,116,519
Branch Adjustment Account	394,332	440,114
Takaful / insurance claim receivable	39,559	69,511
Receivable against takaful and registration charges - Diminishing Musharakah Auto Financing	377,283	313
Receivable against First WAPDA Sukuk	50,000	50,000
Trade debts	532	532
Acceptances	3,117,021	5,462,889
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts	-	28,980
Others	798,343	770,689
	<u>20,517,941</u>	<u>19,156,206</u>
Less: Provision held against other assets	14.1 (764,955)	(1,261,370)
Other Assets (net of provision)	19,752,986	17,894,836
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20 122,059	189,628
Total other assets	<u>19,875,045</u>	<u>18,084,464</u>
Market value of non-banking assets acquired in satisfaction of claims	<u>1,274,859</u>	<u>1,506,468</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	305,762	799,679
Others	432,501	434,999
14.1.1	<u>764,955</u>	<u>1,261,370</u>
14.1.1 Movement in provision held against other assets		
Opening balance	1,261,370	1,588,151
Charge for the period / year	-	399,738
Reversals for the period / year	(2,498)	(25,069)
Adjustment during the period / year	(493,917)	(701,450)
Closing balance	<u>764,955</u>	<u>1,261,370</u>
15 BILLS PAYABLE		
In Pakistan	3,100,398	3,484,210
Outside Pakistan	-	-
	<u>3,100,398</u>	<u>3,484,210</u>
16 DUE TO FINANCIAL INSTITUTIONS		
Secured		
Due to State Bank of Pakistan		
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	2,954,336	4,349,261
Acceptances for financial assistance	3,111,817	3,691,010
Acceptances under Islamic Export Refinance Scheme	3,949,133	5,143,000
Acceptances from SBP under Mudaraba	5,832,375	-
Islamic refinance scheme for payment of wages and salaries	5,832,375	23,921
Islamic Long-Term Financing Facility	80,751	-
Islamic refinance scheme for Renewable Energy	746,057	1,805,305
Islamic refinance scheme for combating COVID (IRFCC)	214,939	-
Islamic Refinance Scheme for Modernization of SMEs	89,446	-
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)	58,083	18,289
	<u>17,702,097</u>	<u>15,030,786</u>
Refinance facility for Islamic Mortgage	3,237,920	3,762,546
Total secured	<u>20,940,017</u>	<u>18,793,332</u>
Unsecured		
Musharakah Acceptance	-	2,400,000
Total unsecured	<u>-</u>	<u>2,400,000</u>
	<u>20,940,017</u>	<u>21,193,332</u>

17 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	September 30, 2022			December 31, 2021		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
-----Rupees in '000-----						
Customers						
Current deposits	135,847,329	4,406,418	140,253,747	124,240,504	3,998,743	128,239,247
Savings deposits	78,810,270	3,718,474	82,528,744	84,434,345	3,609,545	88,043,890
Term deposits	138,588,217	4,933,271	143,521,488	103,796,987	3,357,730	107,154,717
Others	7,721,785	85,741	7,807,526	1,979,022	85,336	2,064,358
	360,967,601	13,143,904	374,111,505	314,450,858	11,051,354	325,502,212
Financial Institutions						
Current deposits	284,022	6,179	290,201	258,791	12,098	270,889
Savings deposits	13,390,818	-	13,390,818	18,187,484	-	18,187,484
Term deposits	336,000	-	336,000	827,366	-	827,366
	14,010,840	6,179	14,017,019	19,273,641	12,098	19,285,739
	374,978,441	13,150,083	388,128,524	333,724,499	11,063,452	344,787,951

18 SUBORDINATED SUKUK

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.

18.1 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)
Instrument Rating	PACRA has rated this Sukuk at 'A-' (A minus).
Security	Unsecured
Profit payment	Profit shall be payable monthly in arrears, on a non-cumulative basis
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.
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 Leverage 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.

18.2 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.

19	OTHER LIABILITIES	Note	(Un-audited)	(Audited)
			September 30, 2022	December 31, 2021
			----- (Rupees in '000) -----	
	Profit / return payable in local currency		3,944,838	2,066,342
	Profit / return payable in foreign currencies		44,340	15,883
	Accrued expenses		1,396,537	1,228,666
	Deferred Murabahah Income Financing and IERS		345,934	224,673
	Payable to defined benefit plan		4,677	4,677
	Payable to defined contribution plan		29,676	26,008
	Defined Benefit Plan liabilities		288,224	173,630
	Security deposits against Ijarah		448,372	802,487
	Lease liability against right-of-use assets		2,754,136	3,213,456
	Provision against off-balance sheet obligations		85,975	85,975
	Acceptances		3,117,021	5,462,889
	Current taxation (provisions less payments)		1,288,236	42,341
	Provision against other tax liabilities		163,712	104,864
	Sundry creditors		356,706	362,068
	Payable to brokers against purchase of shares - net		442	270
	Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		11,195	-
	Charity payable		5,540	2,360
	Retention money payable		19,552	13,402
	Provision for Workers' Welfare Fund		304,739	193,857
	Rental received in advance		-	99,555
	Others		346,752	309,834
			<u>14,956,604</u>	<u>14,433,237</u>

20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of:

Available for sale securities	9.1	2,517,993	2,137,440
Fixed Assets		2,851,407	3,003,156
Non-banking assets acquired in satisfaction of claims	14	122,059	189,628
		5,491,459	5,330,224

Deferred tax liability on surplus on revaluation of:

Available for sale securities	13	(881,298)	(748,104)
Fixed Assets		(998,300)	(1,051,413)
Non-banking assets acquired in satisfaction of claims		(42,722)	(66,370)
		<u>(1,922,320)</u>	<u>(1,865,887)</u>
Total surplus on revaluation of assets- net of tax		3,569,139	3,464,337
Less: Share of non-controlling interest		(9,065)	(9,065)
Holding Company's share		<u>3,560,074</u>	<u>3,455,272</u>

21 CONTINGENCIES AND COMMITMENTS

- Guarantees	21.1	2,917,388	8,224,035
- Commitments	21.2	33,010,195	31,351,208
- Other contingent liabilities	21.3	229,652	229,652
		<u>36,157,235</u>	<u>39,804,895</u>

	Note	(Un-audited)	(Audited)
		September 30,	December 31,
		2022	2021
----- (Rupees in '000) -----			
21.1 Guarantees:			
Performance guarantees		2,114,582	3,920,100
Other guarantees		802,806	4,303,935
		2,917,388	8,224,035

21.2 Commitments:

Documentary credits and short-term trade-related transactions

- letters of credit

31,346,529

27,081,324

Commitments in respect of:

- Shariah compliant alternative of forward foreign exchange transactions

21.2.1

1,284,814

3,963,854

Commitments for acquisition of:

- fixed assets

348,999

198,978

- intangible assets

29,853

107,052

33,010,195

31,351,208

21.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions

Purchase

11,692,596

15,970,727

Sale

(10,407,782)

(12,006,873)

1,284,814

3,963,854

21.3 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

4,200

Tax Contingencies

22.3.2

225,452

225,452

229,652

229,652

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 the annual consolidated financial statements of the Holding Company for the year ended December 31, 2021.

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 consolidated financial statements of the Holding Company for the year ended December 31, 2021.

		----- (Un-audited) -----	
	Note	September 30, 2022	September 30, 2021
		----- Rupees in '000 -----	
22	PROFIT / RETURN EARNED		
	Profit earned on:		
	Financing	16,899,304	8,772,944
	Investments	11,047,654	5,286,999
	Placements	3,529,114	2,764,805
	Others	115,418	95,833
		<u>31,591,490</u>	<u>16,920,581</u>
23	PROFIT / RETURN EXPENSED		
	Deposits and other accounts	14,398,920	7,813,008
	Due to financial institutions	2,947,649	572,724
	Cost of foreign currency swaps against foreign currency deposits	114,868	6,499
	Amortisation of lease liability against right-of-use assets	259,487	285,541
	Subordinated Sukuk	226,940	153,342
		<u>17,947,864</u>	<u>8,831,114</u>
24	FEE AND COMMISSION INCOME		
	Branch banking customer fees	42,811	39,397
	Commission on bancatakaful	76,038	110,253
	Card related fees	401,866	249,411
	Commission on arrangement with financial institutions	76,248	74,363
	Consumer finance related fees	48,163	51,586
	Guarantees related fee	41,678	70,487
	Investment banking fees	58,930	87,896
	Commission on cash management	14,661	5,201
	Commission on remittances including home remittances	44,238	21,206
	Commission on trade	232,642	157,634
	Others	7,560	4,572
		<u>1,044,835</u>	<u>872,006</u>
25	GAIN ON SECURITIES		
	Realized gain	25.1 77,067	36,757
25.1	Realized gain / (loss) on:		
	Federal Government Shariah Compliant Securities	77,067	24,829
	Non-Government Shariah compliant Securities	-	25,118
	Shares	-	24,863
	Non-Current Assets held for sale	-	(38,053)
		<u>77,067</u>	<u>36,757</u>
26	OTHER INCOME - NET		
	Rent on property	851	359
	Gain on termination of financing	88,843	57,503
	Gain on sale of property and equipment	11,697	876
	Gain on sale of non-banking assets	208,967	-
	Recoveries against previously expensed items	160,375	7,434
	Others	3,117	-
		<u>473,850</u>	<u>66,172</u>

27 OPERATING EXPENSES

	----- (Un-audited) -----	
	September 30, 2022	September 30, 2021
	----- Rupees in '000 -----	
Total compensation expense	3,846,243	3,004,287
Property expense		
Rent & taxes	81,663	44,602
Takaful / insurance	1,169	1,904
Utilities cost	498,155	336,160
Security (including guards)	321,421	267,964
Repair & maintenance (including janitorial charges)	167,552	154,941
Depreciation	362,695	270,083
Depreciation on right-of-use assets	629,591	632,251
Others	-	-
	2,062,246	1,707,905
Information technology expenses		
Software maintenance	257,658	218,648
Hardware maintenance	112,518	69,842
Depreciation	197,482	176,039
Amortisation	63,827	46,727
Network charges	181,592	137,270
	813,077	648,526
Other operating expenses		
Directors' fees and allowances	8,820	8,760
Fees and allowances to Shariah Board	16,524	13,796
Legal & professional charges	96,683	140,052
Travelling & conveyance	52,086	29,846
NIFT clearing charges	22,356	20,004
Depreciation	152,086	144,363
Depreciation on non-banking assets	2,643	8,977
Entertainment expense	77,026	43,878
Training & development	4,887	3,139
Postage & courier charges	32,617	31,068
Communication	35,652	34,249
Marketing, advertisement & publicity	266,199	87,088
Repairs and maintenance	117,381	88,742
Takaful, tracker and other charges on car Ijarah	-	144,411
Stationery & printing	197,794	105,702
Takaful / Insurance	255,204	209,037
Fee and subscription	142,041	104,561
Vehicle running and maintenance	220,926	118,893
Donations	8,846	1,500
Auditors' remuneration	15,816	10,788
Amortization	3,517	1,910
CDC and share registrar services	6,670	6,786
Brokerage and commission	19,601	17,225
Stamp duty, registration & verification charges	64,968	57,033
Others	34,300	32,393
	1,854,643	1,464,201
	<u>8,576,209</u>	<u>6,824,919</u>

Note	----- (Un-audited) -----	
	September 30, 2022	September 30, 2021
	----- Rupees in '000 -----	

28 OTHER CHARGES

Penalties imposed by the State Bank of Pakistan	8,301	2,075
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29 PROVISIONS AND WRITE OFFS - NET

Reversal of provision against Due from financial institutions	(2,430)	-
Reversal of provision for diminution in value of Investments	5,328	(1,204)
Provision against Islamic financing and related assets and advances - net	2,240,149	468,875
Other provisions / write offs - net	3,332	(719,585)
	<u>2,246,379</u>	<u>(251,914)</u>

30 TAXATION

Current	1,813,651	350,577
Prior years	-	(156,696)
Deferred	878,189	874,794
	<u>2,691,840</u>	<u>1,068,675</u>

31 BASIC AND DILUTED EARNINGS PER SHARE

Profit for the year from continuing operations (Attributable to equity shareholders of the Holding Company)	2,862,048	1,708,423
Profit for the year from discontinued operations (Attributable to equity shareholders of the Holding Company)	-	62,917
Profit after taxation for the period (Attributable to equity shareholders of the Holding Company)	<u>2,862,048</u>	<u>1,771,340</u>

----- Number of shares -----

Weighted average number of ordinary shares	<u>1,108,703,299</u>	<u>1,108,703,299</u>
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----- Rupees -----

Basic and diluted EPS from continuing operations	2.5814	1.5409
Basic and diluted EPS from discontinued operations	-	0.0567
Basic and diluted EPS	<u>2.5814</u>	<u>1.5977</u>

31.1 There were no convertible / dilutive potential ordinary shares outstanding as at September 30, 2022 and September 30, 2021, therefore diluted earning per share has not been presented separately.

32 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity or investments in associates and subsidiary, 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 subsidiary, 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 financing, 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.

32.1 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:

(Un-audited)			
September 30, 2022			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Shares	421,076	-	-	421,076
GoP Ijara Sukuk	-	98,944,608	-	98,944,608
Non-Government Shariah compliant Securities	32,392,121	6,400,234	-	38,792,355

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	-	7,476,801	7,476,801
Non-banking assets acquired in satisfaction of claims	-	-	1,274,859	1,274,859

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	11,692,596	-	11,692,596
Shariah compliant alternative of forward sale of foreign exchange	-	10,407,782	-	10,407,782

(Audited)			
December 31, 2021			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Shares	360,522	-	-	360,522
GoP Ijara Sukuk	-	73,330,941	-	73,330,941
Non-Government Shariah compliant Securities	32,414,124	7,221,277	-	39,635,401

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	-	7,559,697	7,559,697
Non-banking assets acquired in satisfaction of claims	-	-	1,506,468	1,506,468

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	15,970,727	-	15,970,727
Shariah compliant alternative of forward sale of foreign exchange	-	12,006,873	-	12,006,873

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
GoP Ijarah 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 & PIA Sukuks	Investment in WAPDA and PIA 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

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 acquired in satisfaction of claims	Non-banking assets acquired in satisfaction of claims are revalued by professionally qualified valuers as per the accounting policy. The valuers are listed on the panel of the Pakistan Banks' Association. The valuation is based on their assessment of market value of the properties.

32.2 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.

33 SEGMENT INFORMATION

33.1 Segment Details with respect to Business Activities

(Un-audited)					
September 30, 2022					
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total	
----- Rupees in '000 -----					
Profit & Loss					
Net profit / return	10,721,992	(9,178,348)	12,365,941	(265,959)	13,643,626
Inter segment revenue - net	(11,662,994)	24,500,881	(12,941,859)	103,972	-
Total other income	1,399,776	848,149	364,247	239,860	2,852,032
Total Income	458,774	16,170,682	(211,671)	77,873	16,495,658
Segment direct expenses	65,153	5,112,404	410,735	3,107,099	8,695,391
Inter segment expense allocation	24,914	1,669,842	455,954	(2,150,710)	-
Total expenses	90,067	6,782,246	866,689	956,389	8,695,391
Provisions / (reversals)	2,898	116,293	2,120,490	6,698	2,246,379
Profit / loss before tax	365,809	9,272,143	(3,198,850)	(885,214)	5,553,888

(Un-audited)					
September 30, 2022					
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total	
----- Rupees in '000 -----					
Balance Sheet					
Assets					
Cash & Bank balances	2,036,281	25,292,003	-	-	27,328,284
Investments	139,763,747	-	-	-	139,763,747
Net inter segment placements	-	311,582,337	-	8,854,306	320,436,643
Due from financial institutions	42,955,673	-	-	-	42,955,673
Islamic financing and related assets					
- performing	-	45,463,563	152,667,536	4,127,228	202,258,327
- non-performing	-	1,248,717	1,566,321	209,559	3,024,597
Others	6,604,326	1,307,281	9,506,125	22,293,757	39,711,489
Total Assets	191,360,027	384,893,901	163,739,982	35,484,850	775,478,760
Liabilities					
Due to financial institutions	6,903,470	3,237,920	10,798,627	-	20,940,017
Subordinated sukuk	-	-	-	2,000,000	2,000,000
Deposits & other accounts	13,044,463	375,084,061	-	-	388,128,524
Net inter segment acceptances	170,815,816	-	149,620,827	-	320,436,643
Others	193,986	6,571,919	3,320,529	7,970,568	18,057,002
Total liabilities	190,957,735	384,893,900	163,739,983	9,970,568	749,562,186
Equity	-	-	-	25,916,574	25,916,574
Total Equity & liabilities	190,957,735	384,893,900	163,739,983	35,887,142	775,478,760
Contingencies & Commitments					
	1,284,814	-	34,263,917	608,504	36,157,235

(Un-audited)

September 30, 2021

Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total	
----- Rupees in '000 -----					
Profit / return earned	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)	-
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	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 before tax	816,354	1,073,133	394,425	585,795	2,869,707

(Audited)

December 31, 2021

Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total	
----- Rupees in '000 -----					
Assets					
Cash & Bank balances	15,598,035	12,648,467	-	-	28,246,502
Investments	125,228,590	-	-	-	125,228,590
Net inter segment placements	-	279,554,688	-	4,568,415	284,123,103
Due from financial institutions	34,945,365	-	-	-	34,945,365
Islamic financing and related assets					
- performing	-	37,941,681	137,318,830	3,367,681	178,628,192
- non-performing	-	1,189,828	1,242,013	116,206	2,548,047
Others	6,623,543	7,730,019	543,878	24,211,761	39,109,201
Total Assets	182,395,533	339,064,683	139,104,721	32,264,063	692,829,000
Liabilities					
Due to financial institutions	6,091,010	3,727,127	11,375,195	-	21,193,332
Subordinated sukuk	-	-	-	2,000,000	2,000,000
Deposits & other accounts	17,048,947	327,739,004	-	-	344,787,951
Net inter segment acceptances	158,909,968	-	125,213,135	-	284,123,103
Others	49,643	7,598,553	2,516,390	7,752,861	17,917,447
Total liabilities	182,099,568	339,064,684	139,104,720	9,752,861	670,021,833
Equity	-	-	-	22,807,167	22,807,167
Total Equity & liabilities	182,099,568	339,064,684	139,104,720	32,560,028	692,829,000
Contingencies & Commitments	3,963,854	-	44,305,791	535,682	48,805,327

34 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 year, other than those which have been disclosed elsewhere in these financial statements are as follows:

	(Un-audited)				(Audited)			
	September 30, 2022				December 31, 2021			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
----- Rupees in 000 -----								
Investments								
Opening balance	-	-	1,102,111	-	-	-	1,660,111	-
Investment made during the year	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the year	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	(558,000)	-
Closing balance	-	-	1,102,111	-	-	-	1,102,111	-
Provision for diminution in value of investments	-	-	(474,169)	-	-	-	(474,169)	-
Islamic financing and related assets								
Opening balance	15,382	280,483	480,540	700,001	19,239	305,603	489,677	496,392
Addition during the year	-	198,752	502,523	3,487,890	-	137,090	386,691	4,264,589
Repaid during the year	(3,299)	(93,741)	(502,751)	(2,971,322)	(3,857)	(57,239)	(395,828)	(4,290,511)
Transfer in / (out) - net	-	5,409	-	-	-	(104,971)	-	229,531
Closing balance	12,083	390,903	480,312	1,216,569	15,382	280,483	480,540	700,001
Other assets								
Profit receivable on financings	83	212	5,741	7,424	230	127	2,576	5,618
Subordinated debt								
Opening balance	-	1,015	-	-	-	1,015	-	-
Issued / purchased during the year	-	-	-	-	-	-	-	-
Redemption / sold during the year	-	-	-	-	-	-	-	-
Closing balance	-	1,015	-	-	-	1,015	-	-
Deposits and other accounts								
Opening balance	6,063	42,412	27,338	1,306,399	18,887	25,210	85,142	1,171,529
Received during the year	26,463	628,338	1,128,048	12,292,947	63,980	474,247	2,350,516	10,058,067
Withdrawn during the year	(29,654)	(633,079)	(1,153,262)	(11,868,332)	(76,802)	(456,200)	(2,394,418)	(9,840,769)
Transfer in / (out) - net	-	(3,095)	-	2,755	(2)	(845)	(13,902)	(82,428)
Closing balance	2,872	34,576	2,124	1,733,769	6,063	42,412	27,338	1,306,399
Other Liabilities								
Profit / return payable	1	349	3	24,077	1	201	2	7,305
Contingencies and Commitments								
Other contingencies	-	-	4,626	680,307	-	-	23,385	697,037

	(Un-audited)				(Un-audited)			
	September 30, 2022				September 30, 2021			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
----- Rupees in 000 -----								
Income								
Profit / return earned	973	9,102	18,330	36,099	1,238	6,329	25,972	43,629
Other income	-	11,179	-	-	-	6,071	-	-
Expense								
Profit / return expended	10	748	27	127,312	55	459	621	69,943
Other administrative expenses	-	2,212	-	25,068	-	2,824	-	7,938
Meeting fee / remuneration	8,820	276,565	-	-	8,760	192,683	-	-
Contribution to employees provident fund	-	-	-	122,559	-	-	-	100,272
Charge for employees gratuity fund	-	-	-	114,594	-	-	-	94,919

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	----- 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	18,206,191	13,989,958
Eligible Additional Tier 1 (ADT 1) Capital	2,000,000	2,000,000
Total Eligible Tier 1 Capital	20,206,191	15,989,958
Eligible Tier 2 Capital	6,535,514	4,907,251
Total Eligible Capital (Tier 1 + Tier 2)	26,741,705	20,897,209
Risk Weighted Assets (RWAs):		
Credit Risk	141,567,259	122,367,298
Market Risk	2,480,225	1,120,150
Operational Risk	24,016,288	24,016,288
Total	168,063,772	147,503,736
Common Equity Tier 1 Capital Adequacy ratio	10.83%	9.48%
Tier 1 Capital Adequacy Ratio	12.02%	10.84%
Total Capital Adequacy Ratio	15.91%	14.17%
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%

- 35.1** 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, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	20,206,191	17,050,328
Total Exposures	504,288,721	432,073,943
Leverage Ratio	4.01%	3.95%
Liquidity Coverage Ratio (LCR)*:		
Total High Quality Liquid Assets	148,414,824	117,677,463
Total Net Cash Outflow	46,673,276	48,190,151
Liquidity Coverage Ratio	317.99%	249.73%
Net Stable Funding Ratio (NSFR)*:		
Total Available Stable Funding	383,167,000	347,348,801
Total Required Stable Funding	162,134,447	145,818,809
Net Stable Funding Ratio	236.33%	238.21%

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

36 GENERAL

- 36.1 Captions, as prescribed by BPRD Circular No. 02, dated: January 25, 2018 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these consolidated financial statements, except for captions of the Consolidated Statement of Financial Position and Consolidated Profit and Loss Account.
- 36.2 These consolidated financial statements are presented in Pakistani Rupees, which is the Holding Company's functional and presentation currency.
- 36.3 The figures in the financial statements have been rounded off to the nearest thousand rupee.
- 36.4 **Corresponding figures**

Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparisons. There were no significant reclassification to report during the year.

Transfer from	Transfer to	As at December 31, 2021
Statement of Financial Position:		
Saving Deposits	Current Deposits	3,916,265

37 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorized for issue on October 26, 2022 by the Board of Directors of the Holding Company.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR



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