BankIslami

We Serve a BETTER BANKING EXPERIENCE

Half Yearly Report June 2024

Contents

Corporate Information

Board of Directors

Mr. Suleman Lalani	Chairman (Non-Executive Director)
Mr. Rizwan Ata	President & Chief Executive Officer
Mr. Akhtar Abbas	Independent Director
Mr. Ali Hussain	Non-Executive Director
Ms. Iffat Zehra Mankani	Non-Executive Director
Mr. Haider Ali Hilaly	Independent Director
Mr. Sulaiman Sadruddin Mehdi	Independent Director
Mr. Syed Ali Hasham	Non-Executive Director

Shariah Supervisory Board

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

Board Audit Committee

Mr. Haider Ali Hilaly	Chairperson
Ms. Iffat Zehra Mankani	Member
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Syed Ali Hasham	Member

Board Risk Management Committee

Ms. Iffat Zehra Mankani	Chairperson
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Syed Ali Hasham	Member
Mr. Rizwan Ata, President & Chief Executive Officer	Member

Board Human Resources & Remuneration Committee

Mr. Akhtar Abbas	Chairperson
Ms. Iffat Zehra Mankani	Member
Mr. Suleman Lalani	Member
Mr. Syed Ali Hasham	Member

Board Information Technology Committee

Mr. Haider Ali Hilaly	Chairperson
Mr. Akhtar Abbas	Member
Mr. Suleman Lalani	Member
Mr. Rizwan Ata, President & Chief Executive Officer	Member

Company Secretary
Mr. Hasan Shahid

Chief Financial Officer
Mr. Sohail Sikandar

Auditors
KPMG Taseer Hadi & Co.,
Chartered Accountants

Legal Adviser
Haidermota & Co.
Mohsin Tayebaly & Co.

Management (in alphabetical order)

Rizwan Ata	President & Chief Executive Officer
Imran Haleem Shaikh	Deputy CEO
Aasim Salim	Group Head Distribution
Bilal Fiaz	Group Head Consumer Banking
Syed Muhammad Ali	General Manager South West
Faisal Anwar	Group Head Treasury & Financial Institutions
Kashif Nisar	Head of Product & Shariah Structuring
Madieh Khawar	General Manager – Central I
Masood Muhammad Khan	Group Head of Compliance
Mateen Mahmood	Group Head of Operations
Mohammad Faisal Dhedhi	General Manager South East
Muhammad Amin	Group Head Information Technology
Asila Khandwala	Group Head of Human Resource
Muhammad Idrees Sheikh	General Manager Interior Sindh
Muhammad Irfan Ahmed	Head of Shariah Compliance
Hasan Shahid	Company Secretary
Muhammad Shoaib Rizwani	General Manager South Punjab
Muhammad Uzair Sipra	Head of Legal
Rizwan Qamar Lari	Group Head Internal Audit
Sohail Sikandar	Chief Operations Officer / Chief Financial Officer
Syed Jahanzaib Ali	General Manager – Central II
Tariq Ali Khan	General Manager North
Usman Shahid	Group Head Risk Management
Zabih Ullah Usmani	General Manager Baluchistan
Zaheer Elahi Babar	Group Head Corporate Banking
Zulfiqar Lehri	Branch Banking Head – South
Wajid Hussain Junejo	Group Head Administration

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Directors' Report to the Members

Dear Members,

On behalf of the Board of Directors, we are pleased to present the Directors' Report of BankIslami Pakistan Limited ('the Bank' or 'BankIslami') along with the Condensed Interim Un-audited Financial Statements for the half year ended June 30, 2024.

Economy Snapshot

In FY2023-24, Pakistan's GDP grew by just 2.4%, falling short of the 3.5% target. This shortfall was primarily due to political instability, the devastating floods of 2022, and the global impact of the Russia-Ukraine conflict, which led to disruptions in commodity prices and supply chains. To address the ensuing domestic and external imbalances, a 9-month Stand-By Arrangement (SBA) with IMF was implemented. The SBA focused on several key areas:

- **Fiscal Adjustment and Debt Sustainability:** Measures were taken to correct fiscal imbalances and ensure debt sustainability, which were critical for stabilizing the economy.
- **Social Spending:** Despite the need for fiscal discipline, the arrangement ensured that social spending remained a priority, protecting the most vulnerable populations.
- **Resilience to External Shocks:** Policies were put in place to bolster the economy's ability to withstand external shocks, particularly those related to global commodity markets and supply chains.
- **Structural Reforms:** The program emphasized significant structural reforms, particularly in the energy sector, to improve efficiency and sustainability. Additionally, governance reforms were introduced in State-Owned Enterprises (SOEs) to enhance performance and accountability.
- **Climate Resilience:** Given the devastating impact of recent floods, the program also included initiatives to build climate resilience, ensuring that the economy is better prepared for future environmental challenges.

Pakistan's headline inflation rose to 12.6% year-on-year in June 2024, up from 11.8% in May. On a month-on-month basis, inflation increased by 0.5% bringing the FY24 average to 23.8%, marking a notable decrease from the 29.4% recorded in June 2023

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Pakistan's current account deficit (CAD) dropped sharply by 79% to $681 mn in FY2023-2024, down from $3.275 bn during previous year, marking the lowest CAD in 13 years at just 0.2% of GDP. This significant improvement was driven by a 6% reduction in the trade deficit and an 11% rise in remittances. Contributing factors include low economic growth, high inflation, increased exports, high interest rates, and import restrictions.

The Central Bank of Pakistan lowered its policy rate to 19.5% by 100 basis points on July 29, 2024, consistent with market expectations. This decision follows a 150 basis point cut in June and is attributed to stronger-than-expected inflation results for June 2024 and progress in the external account, with FX reserves increasing despite continued debt repayments.

The State Bank of Pakistan's tight monetary policy remains crucial until inflation moderates, coupled with necessary improvements in the foreign exchange (FX) market and the rebuilding of foreign reserves. The recent staff-level agreement with the IMF on a 37-month Extended Fund Facility (EFF), valued at approximately $7 bn, is pivotal for achieving stability across all economic fronts. Continued support from development and bilateral partners is also essential for the program's success.

The IMF anticipates a 3.5% growth in Pakistan's GDP for FY2024-25, slightly below the 3.6% target set by the government, amidst a sluggish global economy. CPI inflation is expected to average around 13%, and the policy rate is forecasted to fall to 15% during the fiscal year.

Overview of Financial Performance

Following are the key financial highlights for the half year ended June 30, 2024:

Key Balance Sheet Numbers	**June 2024**	**December 2023**	**June 2023**	**June 2024 vs December 2023**	**June 2024 vs June 2023**
	---------- Rupees in '000 ----------			---------- % ----------	
Deposits	**550,712,551**	522,540,925	462,965,023	5.39%	18.95%
Due to FI	**29,219,959**	60,659,056	66,043,474	-51.83%	-55.76%
Financing & related assets - net	**195,588,306**	230,194,288	243,463,985	-15.03%	-19.66%
Investments – net	**346,522,546**	314,083,872	204,133,027	10.33%	69.75%
Net Assets	**41,368,445**	36,465,918	30,023,581	13.44%	37.78%

Key Profit and Expense Numbers	**June 2024**	**June 2023**	**Change**
	---- Rupees in '000 ----		**%**
Profit / return earned	**58,720,229**	39,164,602	49.93%
Profit / return expensed	**36,743,349**	22,511,204	63.22%
Net Spread Earned	**21,976,880**	16,653,398	31.97%
Other Income	**2,569,006**	1,632,224	57.39%
Operating expenses	**10,380,943**	7,664,342	35.44%
Operating Profit before credit loss allowance	**14,164,943**	10,621,280	33.36%
Profit before taxation	**13,790,768**	8,295,833	66.24%
Profit after taxation	**7,064,389**	5,095,746	32.08%
Credit loss allowance / provisions and write offs - net	**374,175**	2,325,447	-83.91%
Earnings per share (in Rupees)	**6.3718**	4.5961	38.63%

The Bank's long-term credit rating has been maintained at AA- by PACRA for 2024, reflecting the stability of its credit profile. Notably, this rating was upgraded during 2023, highlighting the Bank's continued financial strength and positive performance.

The Bank's deposit portfolio witnessed a significant growth of 18.95% as compared to the period ended June 30, 2023, also reflecting an increase of 5.39% as compared to December 31, 2023. This growth was primarily driven by a 7% rise in Current Account (CA) since December 31, 2023. As a result, the Bank's CA ratio has improved from 37.32% to 37.88%.

Since 2022, the Bank has successfully maintained CASA deposits above 60%, reflecting growing consumer confidence, enhanced liquidity, and a strategic focus on growing CASA through expanding trade finance business, employee banking, and cash management mandates.

Amidst the persistent uncertain and challenging economic conditions of 2023, which continued to prevail during the first half of 2024 as well, the Bank has strategically directed surplus liquidity primarily into GoP Ijarah Sukuk while cautiously expanding its Financing portfolio. This strategic approach has yielded a substantial expansion of the Bank's investment portfolio, which escalated from Rs. 204 bn in June 2023 to Rs. 347 bn in June 2024, representing an impressive 69.75% increase. Furthermore, the investment portfolio exhibited a growth of 10.3% as compared with December 31, 2023. Consequently, the investment to deposit ratio (IDR) has experienced a significant rise, climbing from 44.1% as at June 30, 2023 to 62.9% as at June 30, 2024.

The Bank's gross financing portfolio has decreased by 12.8% compared to the end of 2023. This reduction reflects a strategic shift by the Bank to withdraw from low yielding segments. This decline in financing, combined with growth in deposits, led to a decrease in the Bank's gross Advance to Deposit Ratio (ADR), from 48.6% in December 2023 to 40.2% in June 2024. During the period, the Bank encountered several challenges in expanding its private sector exposure, including elevated policy rates—despite a 150 basis point reduction since January 2024—limited availability of foreign currency and regulatory constraints on consumer auto financing. Amidst these challenges, the Bank is strategically focusing on increasing funding to selective large corporate, commercial and SME clients, capitalizing on current financing opportunities, and exploring new investment avenues. These efforts aim to maintain profitability while prioritizing the quality of the financing portfolio. This strategic pivot is designed to sustain a resilient financing portfolio over the long term. Hence, the Bank aims to improve the ADR higher than 50% by the end of the current year.

The strategic reduction in financing has resulted in an increase in the infection ratio, rising from 9% as at the end of 2023 to 10.9% in the current period. In absolute terms, the delinquent financing portfolio has increased by Rs. 2.4 bn during the current period. The Bank's specialized team is making diligent efforts for recovering from delinquent financing portfolio, hence aims to reduce the infection ratio.

The adoption of IFRS 9 by Pakistani banks effective January 1, 2024, represents a significant shift in the financial reporting landscape, aligning local practices with international standards. The impact of adoption of IFRS 9 has been disclosed in detail in note 3.1 to the condensed interim financial statements.

Ensuring a resilient capital foundation is essential for maintaining a robust asset portfolio. As of June 30, 2024, the Bank's Capital Adequacy Ratio (CAR) stands at 24.83%, an increase from 23.79% as of December 31, 2023.

Due to the expansion of our overall balance sheet, net spread has increased to Rs. 21.9 bn from Rs. 16.6 bn in the corresponding period last year, reflecting a 32% rise. Non-funded income has also seen a significant increase of 57.4%, reaching Rs. 2.6 bn compared to Rs. 1.6 bn in the previous corresponding period. The 35.4% rise in operating costs is primarily attributed to the country's heightened inflation cycle, strategic expansion initiatives—including the opening of new branches and an increase in headcount, particularly on the business front—and inflationary adjustments to staff remuneration.

Alhamdulillah! The Bank has achieved a remarkable profit before tax of Rs. 13.79 bn for the first half of 2024, reflecting a notable 66.24% growth compared to the same period last year. This outstanding performance is attributed to the Bank's strategic initiatives, including optimizing the CASA mix, and prioritizing fee-based income on the back of growing trade business volumes, cash management and employee banking mandates. Consequently, profit after tax reached Rs. 7.1 bn, marking a substantial increase of 38.6% compared to the previous year. The Basic Earnings per Share improved to Rs. 6.37 in June 2024, up from Rs. 4.59 for the corresponding period last year. The Bank's consistent profitability growth, combined with a prudent approach to balancing dividend payouts and profit retention, has led to strong internal capital generation, maintaining the Capital Adequacy Ratio (CAR) above 20%.

Group Results
During the half year ended June 30, 2024, the Group witnessed marginal growth of 0.1% in its total assets. The investment in GoP Ijarah Sukuks made significant growth of 10.3% however, the financing decreased by 12.8%. Demonstrating exceptional performance, the Group attained a post-tax profit of Rs. 7.06 bn, showcasing an impressive 38.5% surge as compared to the corresponding period last year. This outstanding accomplishment is attributed to the augmentation of earning assets and the growth of profit-bearing liabilities.

Dividend
The Board of Directors, in their meeting held in August 26, 2024 declared an interim cash dividend of Rs. 1.5 per share (15%) for the half year ended June 30, 2024.

Composition of the Board
In line with the requirements of the Code of Corporate Governance (CCG) and best practices, the Board of the Bank comprises of both non-executive and independent directors, including representation of a female director on the Board.

The current composition of the Board is as follows:

Total number of Directors 8 *

Composition:

(i)	Independent Directors:	3
(ii)	Non-executive Directors:	4
(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*
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Acknowledgements
The Board wishes to formally express its profound gratitude to the State Bank of Pakistan for their invaluable assistance and guidance. Additionally, we extend our appreciation to the Securities and Exchange Commission of Pakistan and other regulatory bodies for their unwavering support towards the Bank's endeavors. Our sincere gratitude goes out to our esteemed customers, valued business partners, and shareholders for their continuous loyalty and trust.

Furthermore, we would like to recognize the exceptional dedication, commitment, and tireless efforts exhibited by our management team and employees. Their contributions have been instrumental in propelling BankIslami to a prominent position within the broader banking sector and particularly in the Islamic Banking industry.

On behalf of the Board,

-Sd-
Rizwan Ata
President & Chief Executive Officer

-Sd-
Suleman Lalani
Chairman of the Board of Directors

August 26, 2024

اظہار تشکر

بورڈ، اسٹیٹ بینک آف پاکستان کو معاونت اور رہنمائی فراہم کرنے پر خراج تحسین پیش کرنا چاہتا ہے۔ بورڈ سیکیورٹیز اینڈ ایکس چینج کمیشن آف پاکستان اور دیگر انضباطی حکام کی جانب سے تائید کئے جانے پر بھی تہہ دل سے مشکور ہیں۔ ہم اپنے گراں قدر صارفین، کاروباری شراکت داروں اور حصص یافتگان کے، ان کی جانب سے کی جانے والی سرپرستی کے لئے بھی بے حد مشکور ہیں۔

مزید یہ کہ ہم اپنی انتظامی ٹیم اور ملازمین کی لگن، عزم اور سخت محنت کو بھی قدر کی نگاہ سے دیکھتے ہیں۔ جس نے بینک اسلامی کو نہ صرف بینکاری کی صنعت میں بلکہ خاص طور پر اسلامی بینکاری کی صنعت میں اہم مقام دیا ہے۔

منجانب و حسب الحکم بورڈ

-Sd-
رضوان عطاء

صدر اور چیف ایگزیکٹو آفیسر

26 اگست 2024

-Sd-
سلیمان لالانی

چیئر مین آف بورڈ آف ڈائریکٹرز

اندرونی سرمائے کی پیداوار کا باعث بنی ہے، جس نے کیپٹل ایڈووکیسی ریشو (CAR) کو 20 فیصد سے اوپر رکھا ہے۔

گروپ کے نتائج

30 جون 2024 کو ختم ہونے والے ششماہی کے دوران، گروپ کے کل اثاثوں میں 0.1 فیصد کا معمولی اضافہ ہوا۔ حکومتی اجارہ صکوک میں سرمایہ کاری میں 10.3 فیصد نمایاں اضافہ ہوا، جبکہ فنانسنگ میں 12.8 فیصد کمی واقع ہوئی۔ گروپ نے غیر معمولی کارکردگی کا مظاہرہ کرتے ہوئے 7.06 ارب روپے کا بعداز محصول منافع حاصل کیا، جو گزشتہ سال کی اسی مدت کے مقابلے میں ایک متاثر کن 38.5 فیصد کے اضافہ کو ظاہر کرتا ہے۔ اس قابل ذکر کارکردگی کی وجہ کمائی والے اثاثوں میں اضافہ اور منافع پر مبنی واجبات میں اضافہ ہے۔

حصص یافتگان کو منافع

بورڈ آف ڈائریکٹرز نے 26 اگست 2024 کو ہونے والی اپنی میٹنگ میں 30 جون 2024 کو ختم ہونے والی مدت کے لئے 1.5 روپے فی حصص (15 فیصد) کے نقد منافع منقسمہ کا اعلان کیا ہے۔

بورڈ کی تشکیل

کوڈ آف کارپوریٹ گورننس (CCG) کے مطلوبہ تقاضوں اور بہترین طریقوں کے مطابق، بینک کے بورڈ میں نان ایگزیکٹو اور آزاد ڈائریکٹرز کے ساتھ ساتھ ایک خاتون ڈائریکٹر بھی شامل ہیں۔

بورڈ کی موجودہ تشکیل درج ذیل ہے۔

ڈائریکٹرز کی کل تعداد	8

تشکیل

(i) آزاد ڈائریکٹرز	3
(ii) نان ایگزیکٹو ڈائریکٹرز	4
(iii) ایگزیکٹو ڈائریکٹر	1
(اے) خاتون ڈائریکٹر	1
(بی) مرد ڈائریکٹرز	7

☆ بینک کے ڈائریکٹرز کے نام اس رپورٹ کے کارپوریٹ انفارمیشن سیکشن میں بیان کئے گئے ہیں۔

لئے ایک مضبوط مالیاتی پورٹ فولیو کو برقرار رکھنے کے لیے ڈیزائن کی گئی ہے۔لہٰذا، بینک کا مقصد رواں سال کے اختتام تک ADR کو 50 فیصد سے زیادہ بہتر کرنا ہے۔

فنانسنگ میں حکمت عملی کے تحت کی گئی کمی کے باعث انفیکشن ریشو میں اضافہ ہوا ہے، جو 2023 کے اختتام میں 9 فیصد تھا اور اب موجودہ مدت میں بڑھ کر 10.9 فیصد ہو گیا ہے۔ مطلق اعداد وشمار کے مطابق اس عرصے کے دوران غیر فعال قرضہ جات کے پورٹ فولیو میں 2.4 ارب روپے کا اضافہ ہوا ہے۔ بینک کی خصوصی ٹیم انفیکشن ریشو کو کم کرنے کے مقصد کے ساتھ اس غیر فعال پورٹ فولیو سے وصولی کے لیے سرگرم عمل ہے۔

1 جنوری 2024 سے پاکستانی بینکوں کی جانب سے IFRS9 کو اپنانا، مقامی طرز عمل کو بین الاقوامی معیارات کے ساتھ ہم آہنگ کرتے ہوئے، مالیاتی رپورٹنگ کے منظر نامے میں ایک اہم تبدیلی کی نمائندگی کرتا ہے۔ IFRS9 کو اپنانے کے اثرات کی تفصیلات غیر پڑتال شدہ عبوری مالیاتی نتائج میں نوٹ 3.1 میں فراہم کی گئی ہیں۔

مضبوط اثاثہ جات کے پورٹ فولیو کو برقرار رکھنے کے لیے ایک مضبوط سرمایہ کی بنیاد کو یقینی بنانا ضروری ہے۔ 30 جون 2024 تک، بینک کا کیپیٹل ایڈووکیسی ریشو (CAR) 24.83 فیصد ہے، جو کہ 31 دسمبر 2023 تک 23.79 فیصد تھا جو ایک نمایاں اضافے کو ظاہر کرتا ہے۔

مجموعی بیلنس شیٹ میں نمو کی وجہ سے، صافی آمدنی پچھلے سال کی اسی مدت میں 16.6 ارب روپے سے بڑھ کر 21.9 ارب روپے ہو گئی ہے، جو کہ 32 فیصد کے نمایاں اضافے کی عکاسی کرتا ہے۔ غیر فنڈڈ آمدنی میں 57.4 فیصد کا نمایاں اضافہ ہوا ہے، جو پچھلے سال کے 1.6 ارب روپے کے مقابلے میں 2.6 ارب روپے تک پہنچ گئی ہے۔ عملیاتی اخراجات میں 35.4 فیصد کے اضافے کی بنیادی وجوہات میں ملک میں مہنگائی کی بلند شرح، حکمت عملی کی سخت توسیع کے اقدامات۔ جن میں نئی برانچز کا قیام اور کاروباری شعبے میں عملے کی تعداد میں اضافہ اور مہنگائی کی وجہ سے عملے کی تنخواہوں میں کیا جانے والا اضافہ شامل ہیں۔

الحمدللہ! بینک نے 2024 کی پہلی ششماہی کے لیے 13.79 ارب روپے کا شاندار قبل از محصول منافع حاصل کیا ہے، جو گزشتہ سال کی اسی مدت کے مقابلے میں قابل ذکر 66.24 فیصد نمو کی عکاسی کرتا ہے۔ یہ شاندار کارکردگی بینک کے اسٹریٹجک اقدامات کی مرہونِ منت ہے، جیسے کہ CASA مکس کو بہتر بنانا اور تجارتی کاروباری حجم میں اضافے، نقدی کے انتظام اور ملازمین کے بینکنگ مینڈیٹ سے چلنے والی فیس پر مبنی آمدنی پر توجہ مرکوز کرنا۔ نتیجتاً، بعد از محصول منافع 7.1 ارب روپے تک پہنچ گیا، جو گزشتہ سال کے مقابلے میں 38.6 فیصد کا نمایاں اضافہ ہے۔ فی حصص بنیادی آمدنی جون 2024 میں بہتر ہو کر 6.37 روپے ہو گئی، جو گزشتہ سال کی اسی مدت میں 4.59 روپے تھی۔ بینک کی مسلسل منافع میں اضافہ، منافع منقسمہ کی ادائیگیوں اور منافع کو برقرار رکھنے کے درمیان محتاط توازن کے ساتھ، مضبوط

PACRA نے بینک کی طویل مدتی کریڈٹ ریٹنگ کو 2024 کے لیے -AA پر برقرار رکھا ہے، جو بینک کے کریڈٹ پروفائل کے استحکام کو ظاہر کرتا ہے۔ قابل ذکر بات یہ ہے کہ اس ریٹنگ کو 2023 کے دوران اپ گریڈ کیا گیا تھا، جو بینک کی مسلسل مالی مضبوطی اور مثبت کارکردگی کو نمایاں کرتا ہے۔

بینک کے ڈیپازٹ پورٹ فولیو میں 30 جون 2023 کو ختم ہونے والی مدت کے مقابلے میں 18.95 فیصد کی نمایاں نمود یکھنے میں آئی، جو کہ 31 دسمبر 2023 کے مقابلے میں 5.39 فیصد اضافے کو بھی ظاہر کرتی ہے۔ یہ نمو 31 دسمبر 2023 سے بنیادی طور پر کرنٹ اکاؤنٹ میں 7 فیصد اضافے کی وجہ سے تھی۔ نتیجتاً، بینک کا کرنٹ اکاؤنٹ تناسب 37.32% سے بڑھ کر 37.88% ہو گیا ہے۔

بینک نے 2022 سے کامیابی کے ساتھ CASA کے ذخائر کو 60 فیصد سے اوپر برقرار رکھا ہے، جو صارفین کے بڑھتے ہوئے اعتماد، بہتر لیکویڈیٹی، اور تجارتی مالیاتی کاروبار، ملازمین کی بینکنگ، اور کیش مینجمنٹ مینڈیٹ کے ذریعے بڑھتے ہوئے CASA پر ایک اسٹریٹجک توجہ کی عکاسی کرتا ہے۔

2023 کی مسلسل غیر یقینی اور چیلنجنگ معاشی صورتحال، جو 2024 کی پہلی ششماہی کے دوران بھی برقرار رہی، بینک نے اپنے مالیاتی پورٹ فولیو میں محتاط انداز میں توسیع کرتے ہوئے، بنیادی طور پر حکومت پاکستان کے اجارہ صکوک میں اضافی سرمایہ مختص کیا ہے۔ اس اسٹریٹجک حکمت عملی سے بینک کے سرمایہ کاری کے پورٹ فولیو میں قابل ذکر اضافہ ہوا جو کہ جون 2023 میں 204 ارب روپے سے بڑھ کر جون 2024 میں 347 ارب روپے تک پہنچ گیا، جو کہ 69.75 فیصد کے شاندار اضافے کو ظاہر کرتا ہے۔ مزید برآں، سرمایہ کاری کے پورٹ فولیو میں 31 دسمبر 2023 کے مقابلے میں 10.3 فیصد اضافہ ہوا۔ نتیجتاً، سرمایہ کاری اور ڈیپازٹ کے درمیان تناسب (IDR) میں نمایاں اضافہ ہوا، جو کہ 30 جون 2023 کو 44.1 فیصد سے بڑھ کر 30 جون 2024 تک 62.9 فیصد ہو گیا۔

بینک کے مجموعی فنانسنگ پورٹ فولیو میں 2023 کے اختتام کے مقابلے میں 12.8 فیصد کمی واقع ہوئی ہے۔ یہ کمی بینک کی جانب سے کم منافع والے طبقات سے دستبرداری کے لیے حکمت عملی کی تبدیلی کی عکاسی کرتی ہے۔ فنانسنگ میں یہ کمی اور ڈیپازٹ میں اضافے کی وجہ سے، بینک کا ایڈوانس اور ڈیپازٹ کے درمیان مجموعی تناسب (ADR) میں کمی کا باعث بنا، جو دسمبر 2023 میں 48.6 فیصد سے جون 2024 میں 40.2 فیصد تک پہنچ گیا۔ اس عرصے کے دوران، بینک کو نجی شعبے میں سرمایہ کاری کو بڑھانے کے لئے متعدد مشکلات کا سامنا رہا جن میں جنوری 2024 سے 150 بیسس پوائنٹ کی کمی، بلند شرح پالیسی — غیر ملکی کرنسی کی محدود دستیابی اور صارفین کی آٹو فنانسنگ پر سخت ریگولیٹری اقدامات ہیں۔ ان مشکلات کے باوجود، بینک اسٹریٹجک طور پر منتخب بڑے کارپوریٹ، تجارتی اور چھوٹے اور درمیانے درجے کے صارفین کے لئے سرمایہ کاری بڑھانے، مالیاتی مواقع سے فائدہ اٹھانے اور سرمایہ کاری کے نئے مواقع تلاش کرنے پر توجہ مرکوز کر رہا ہے۔ ان کوششوں کا مقصد فنانسنگ پورٹ فولیو کے معیار کو ترجیح دیتے ہوئے منافع کو برقرار رکھنا ہے۔ یہ حکمت عملی طویل مدت کے

مالی کارکردگی کا جائزہ

30 جون 2024 کو ختم ہونے والی ششماہی کے لئے اہم مالیاتی نکات درج ذیل ہیں:

بیلنس شیٹ کے اہم اعداد و شمار	جون 2024 روپے ہزار میں	دسمبر 2023 روپے ہزار میں	جون 2023 روپے ہزار میں	جون 2024 VS دسمبر 2023	جون 2024 VS جون 2023
ڈیپازٹس	550,712,551	522,540,925	462,965,023	5.39 فیصد	18.95 فیصد
مالیاتی اداروں کو واجب الادا	29,219,959	60,659,056	66,043,474	-51.83 فیصد	-55.76 فیصد
فنانسنگ اور متعلقہ اثاثہ جات - صافی	195,588,306	230,194,288	243,463,985	-15.03 فیصد	-19.66 فیصد
سرمایہ کاری - صافی	346,522,546	314,083,872	204,133,027	10.33 فیصد	69.75 فیصد
صافی اثاثہ جات	41,368,445	36,465,918	30,023,581	13.44 فیصد	37.78 فیصد

منافع اور اخراجات کے اہم اعداد و شمار	جون 2024	جون 2023	تبدیلی فیصد میں
حاصل شدہ منافع / آمدن	58,720,229	39,164,602	49.93 فیصد
خرچ شدہ منافع / آمدن	36,743,349	22,511,204	63.22 فیصد
حاصل کردہ صافی آمدن	21,976,880	16,653,398	31.97 فیصد
دیگر آمدن	2,569,006	1,632,224	57.39 فیصد
عملیاتی اخراجات	10,380,943	7,664,342	35.44 فیصد
کریڈٹ نقصان سے قبل آپریٹنگ منافع	14,164,943	10,621,280	33.36 فیصد
قبل از محصول منافع	13,790,768	8,295,833	66.24 فیصد
بعد از محصول منافع	7,064,389	5,095,746	32.08 فیصد
کریڈٹ نقصان الاؤنس / پروویژنز اور رائٹ آف - صافی	374,175	2,325,447	-83.91 فیصد
فی حصص آمدنی (روپے میں)	6.3718	4.5961	38.63 فیصد

• **موسمیاتی اصلاحات:** حالیہ سیلاب کے تباہ کن اثرات کے پیش نظر، منصوبے میں موسمیاتی اصلاحات کے اقدامات بھی شامل تھے تاکہ اس بات کو یقینی بنایا جاسکے کہ معیشت مستقبل کی ماحولیاتی مشکلات سے نبرد آزما ہونے کے لیے بہتر طور پر تیار ہے۔

جون 2024 میں، پاکستان میں سالانہ افراط زر 12.6 فیصد تک پہنچ گیا، جو مئی میں 11.8 فیصد تھا۔ ماہانہ افراط زر میں 0.5 فیصد اضافہ ہوا، جس سے مالی سال 2024 کی اوسط افراط زر 23.8 فیصد ہوگئی جو کہ جون 2023 میں ریکارڈ کی گئی افراط زر کی شرح 29.4 فیصد سے نمایاں کمی کو ظاہر کرتا ہے۔

مالی سال 2023-2024 کے دوران پاکستان کا کرنٹ اکاؤنٹ خسارہ (CAD) 79 فیصد کی زبردست کمی کے بعد 681 ملین ڈالر ہو گیا جو گزشتہ سال کے 3.275 ارب ڈالر سے کم ہے۔ یہ 13 سالوں میں سب سے کم کرنٹ اکاؤنٹ خسارہ ہے، جو GDP کا صرف 0.2% ہے۔ یہ نمایاں بہتری تجارتی خسارے میں 6 فیصد کمی اور ترسیلات زر میں 11 فیصد اضافے کی وجہ سے ہوئی۔ کلیدی عوامل میں کم اقتصادی ترقی، بلند افراط زر، برآمدات میں اضافہ، سود کی بلند شرح، اور درآمدی پابندیاں شامل ہیں۔

پاکستان کے مرکزی بینک نے 29 جولائی 2024 کو اپنی پالیسی ریٹ کو 100 بیسس پوائنٹس سے کم کر کے 19.5 فیصد کر دیا، جو کہ مارکیٹ کی توقعات کے مطابق ہے۔ یہ فیصلہ جون میں 150 بیسس پوائنٹ کی کمی کے بعد کیا گیا اور اس کی وجہ جون 2024 کے لیے توقع سے زیادہ مضبوط افراط زر کے نتائج، بیرونی اکاؤنٹ میں پیش رفت اور قرض کی مسلسل ادائیگی کے باوجود زرمبادلہ کے ذخائر میں اضافہ ہے۔

اسٹیٹ بینک آف پاکستان کی سخت مانیٹری پالیسی اس وقت تک اہم ہے جب تک کہ افراط زر کی شرح میں کمی نہیں آتی۔ اسی کے ساتھ غیر ملکی زرمبادلہ (FX) مارکیٹ میں بہتری اور غیر ملکی ذخائر کی تعمیر نو بھی ضروری ہے۔ IMF کے ساتھ 37 ماہ کی توسیعی فنڈ سہولت (EFF) پر تقریباً 7 ارب ڈالر کا حالیہ معاہدہ معاشی استحکام کے حصول کے لیے انتہائی اہم ہے۔ ترقیاتی اور دوطرفہ شراکت داروں کی طرف سے جاری تعاون بھی منصوبے کی کامیابی کی کلید ہے۔

آئی ایم ایف نے مالی سال 2024–25 کے لیے پاکستان کی جی ڈی پی میں 3.5 فیصد کی نمو کی توقع ظاہر کی ہے، جو کہ عالمی معیشت کی سست روی کے درمیان حکومت کے مقرر کردہ 3.6 فیصد کے ہدف سے قدرے کم ہے۔ سی پی آئی افراط زر اوسطاً 13 فیصد رہنے کی توقع ہے، اور مالی سال کے دوران پالیسی کی شرح 15 فیصد تک کم ہونے کی پیش گوئی کی گئی ہے۔

ڈائریکٹرز کی رپورٹ

معزز اراکین،

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2024 کو اختتام پذیر ہونے والی ششماہی کے لئے بینک اسلامی پاکستان لمیٹڈ (''بینک'' یا ''بینک اسلامی'') کے مختصر عبوری غیر آڈٹ شدہ مالیاتی گوشواروں کے ہمراہ ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔

معاشی جائزہ

مالی سال 2023-24 میں، پاکستان کی جی ڈی پی میں صرف 2.4 فیصد اضافہ ہوا، جو کہ 3.5 فیصد کے ہدف سے کم ہے۔ یہ کمی بنیادی طور پر سیاسی عدم استحکام، 2022 کے تباہ کن سیلاب اور روس یوکرین تنازعہ کے عالمی اثرات کی وجہ سے تھی، جس کی وجہ سے اجناس کی قیمتوں اور سپلائی چین میں خلل پڑا۔

مستقبل میں ملکی اور بیرونی عدم توازن کو دور کرنے کے لئے IMF کے ساتھ 9 ماہ کا اسٹینڈ بائی ارینجمنٹ (SBA) نافذ کیا گیا جس میں SBA نے کئی اہم شعبوں پر توجہ مرکوز کی:

- **مالیاتی ایڈجسٹمنٹ اور قرض کا استحکام:** مالیاتی عدم توازن کو درست کرنے اور قرض کے استحکام کو یقینی بنانے کے لیے اقدامات کیے گئے، جو معیشت کو مستحکم کرنے کے لیے اہم تھے۔

- **سماجی اخراجات:** مالیاتی نظم وضبط کی ضرورت کے باوجود، انتظامات میں سماجی اخراجات کو ترجیح دی گئی اور اس بات کو یقینی بنایا گیا کہ سب سے زیادہ کمزور طبقات کے لیے تعاون کو برقرار رکھا جائے۔

- **بیرونی دباؤ برداشت کرنے کی صلاحیت:** بیرونی دباؤ کو برداشت کرنے کی معیشت کی صلاحیت جو خاص طور پر عالمی اجناس کی منڈیوں اور سپلائی چین سے متعلق ہیں جن کو بڑھانے کے لیے پالیسیاں وضع کی گئیں۔

- **تنظیمی اصلاحات:** منصوبے میں کارکردگی اور پائیداری کو بہتر بنانے خاص طور پر توانائی کے شعبے میں اہم تنظیمی اصلاحات پر توجہ دی گئی۔ مزید برآں، کارکردگی اور جوابدہی کو بہتر بنانے کے لیے ریاستی ملکیت والے اداروں (SOEs) میں حکومتی اصلاحات متعارف کرائی گئیں۔

Achievement and Initiatives

Distribution

BankIslami has successfully expanded its deposit base to Rs. 551 bn in the year 2024, driven by a strategic shift in its approach. The Bank navigated the increasingly competitive landscape for low-cost deposits intensified by rising policy rates and heightened government borrowing needs by achieving a 5.39% growth in deposits. A key factor in this growth was an addition of more than 50 new branches to its network, contributing significantly to the increase in deposits. With plans to expand further, BankIslami aims to continue strengthening its deposit base. The Bank has also managed to maintain its CASA ratio above 60%, underscoring its effective portfolio management. Introduction of new products is pivotal to long-term success of the Bank, in this regard the Bank has introduced WhatsApp onboarding process for one of its products viz. GenZ accounts.

Despite facing challenging economic conditions that significantly impacted the banking sector's trade operations, the Bank achieved a notable 37% increase in its trade volume compared to the same period last year. This growth was largely driven by substantial gains in export trade, which rose by approximately 46%.

Corporate Banking

The Bank's corporate client coverage teams across Pakistan are fully prepared to expand the corporate financing portfolio through a targeted strategy and close customer engagement. Additionally, the Bank plans to implement clear business segmentation between Corporate and Commercial and SME divisions to enhance focus, improve customer service, strengthen portfolio monitoring, and foster business reciprocity.

The Bank has placed significant emphasis on enhancing its export business during the first half of 2024. This effort is aimed at maintaining a balanced import-export ratio and generating sufficient foreign exchange liquidity to fund imports. Moving forward, the Bank is committed to sustaining this momentum, focusing on increasing trade activity while maintaining a favorable import-export balance through higher exports and remittances.

Investment Banking

Investment Banking's contribution to the Bank's fund based income is evident through the participation in syndicated financing, project financing, and bilateral-structured transactions. This is further enhanced by fee and float income associated with these transactions.

During the first half of 2024, BankIslami successfully closed significant investment banking transactions totaling PKR 121 billion as Lead or Joint Lead Arranger. These included one of the largest long-term syndicated financing facilities in the private sector for a leading telecom company, and one of the largest project finance facilities for an industrial water supply project under the Public Private Partnership (PPP) model in Thar, Sindh. We are pleased to announce that the Bank received two prestigious awards this year for its Investment Banking deals: "Domestic Trade Finance Bank of the Year 2024" by the ABF Wholesale Banking Awards and "Water Deal of the Year 2024" by the Triple A Sustainable Infrastructure Awards.

Looking ahead, our strategy is to collaborate with peer banks on syndicate and debt capital market (DCM) transactions to secure high-quality long-term assets while maintaining a lead or co-lead role. We will also focus on enhancing deal flow by closely engaging with regional client coverage teams and leveraging our expertise in the DCM market, specifically in ICP/ Sukuk.

Cash Management

In line with the State Bank of Pakistan's vision to enhance digital transactions, BankIslami has fully geared-up for the challenge. Our Cash Management solutions have played a pivotal role in digitizing financial processes across the corporate, commercial, and SME sectors. Leveraging tools such as Raast, Pakistan's instant payment system, BankIslami has simplified digital payments for corporate and business clients, thereby promoting financial inclusion and accessibility. By June 2024, the Bank has witnessed exceptional progress as compared to the previous year marking a 45% increase from the previous year.

Employee Banking

In June 2024, the Bank's Employee Banking function experienced substantial growth, achieving approximately a 150% increase in new-to-bank (NTB) payroll accounts, underscoring the financial stability of our corporate clients. We have developed a comprehensive product pitch book, offering both bank employees and customers a user-friendly, visual guide to our product features. Furthermore, the Bank is actively working on introducing new products with enhanced features to better serve our clientele.

Consumer Banking

The Bank has introduced several initiatives to support customers facing challenges in consumer financing, including special rates and a fixed profit pricing mechanism for Auto Finance customers. After successfully digitizing the Auto Finance process for consumers, the Bank is now automating this process for SME clients to reduce turnaround time. Additionally, a self-service initiative is underway to enable customers to access post-disbursement documents conveniently. To further drive growth, the Bank plans to introduce a new Shariah-compliant product to its service offerings, which is anticipated to have a significant impact on the Islamic banking market.

Mashal Women Banking

The Bank is on track to achieve its 2024 targets under the SBP's Banking on Equality (BoE) policy. As of June 30, 2024, the Bank recorded a 22% increase in the number of women employed and a 14% rise in active female accounts. To further enhance financial literacy among women, the Bank continues to collaborate with women's organizations and conduct awareness sessions. Additionally, the Bank plans to launch new products specifically designed to meet the needs of this market segment.

Information Technology

To meet increasing needs of tech savvy customers in a secured manner, role of information technology is pivotal. The Bank made significant strides in advancing digital channels, technological upgrades, and operational efficiencies. Notable achievements include a substantial increase in transactions across digital platforms: mobile apps (147%), internet banking (69%), ATMs (43%), POS (48%), and e-commerce (90%). The Bank has successfully migrated its Disaster Recovery Data Center to a Tier-3 facility and upgraded the network infrastructure to enhance security.

Marketing

The successful implementation of marketing strategies has been instrumental in enhancing the Bank's visibility and reputation. A key achievement in this regards was the successful Media Meet-Up, where the Bank's Unique Selling Points (USPs) were highlighted across multiple media channels. Additionally, the Bank launched the 'BankIslami Talk' podcast series, covering topics such as Shariah compliance, wealth management, etc.

Throughout the year, the marketing function conducted various comprehensive market research studies to better understand the Bank's brand perception and its standing in the public eye. These studies have been invaluable in identifying areas for improvement, allowing the Bank to enhance its public image and strengthen its position within the banking industry.

Shariah Compliance

The Bank made significant efforts in promoting Shariah-compliant banking, as the Joint Financial Advisor to the Government of Pakistan, facilitated the issuance of multiple GoP Sukuk, raising over PKR 600 billion in the first half of 2024 through 1-year, 3-year, and 5-year Ijarah Sukuk. The Bank developed Shariah-compliant structures, coordinated with key stakeholders, and managed asset valuations. Seminars and training programs like vocational training for differently-abled individuals and funding sustainable projects have been conducted to create Islamic Banking awareness amongst all segments of the society.

Condensed Interim
Unconsolidated Financial Statements
of
BankIslami Pakistan Limited
For the Half Year Ended
June 30, 2024

KPMG

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of BankIslami Pakistan Limited

Report on review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **BankIslami Pakistan Limited** ("the Bank") as at 30 June 2024 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated cash flow statement, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim unconsolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for the quarter ended 30 June 2024 in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Taufiq.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 28 August 2024

Karachi

UDIN: RR202410106d1fKngplj

BankIslami Pakistan Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at June 30, 2024

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		-------- Rupees in '000 --------	
ASSETS			
Cash and balances with treasury banks	6	**50,726,412**	41,287,071
Balances with other banks	7	**2,215,550**	1,373,974
Due from financial institutions	8	**7,666,747**	16,502,138
Investments	9	**346,522,546**	314,083,872
Islamic financing, related assets and advances	10	**195,588,306**	230,194,288
Property and equipment	11	**14,230,746**	12,573,302
Right-of-use assets	12	**4,367,194**	3,566,267
Intangible assets	13	**3,957,537**	3,619,485
Deferred tax assets	14	**1,328,406**	235,534
Other assets	15	**28,893,029**	31,429,965
Total Assets		**655,496,473**	654,865,896
LIABILITIES			
Bills payable	16	**3,735,292**	5,125,177
Due to financial institutions	17	**29,219,959**	60,659,056
Deposits and other accounts	18	**550,712,551**	522,540,925
Lease liabilities	19	**5,192,701**	4,252,295
Subordinated sukuk	20	**3,000,000**	2,850,000
Deferred tax liabilities		**-**	-
Other liabilities	21	**22,267,525**	22,972,525
Total Liabilities		**614,128,028**	618,399,978
NET ASSETS		**41,368,445**	36,465,918
REPRESENTED BY			
Share capital - net		**11,007,991**	11,007,991
Reserves		**4,800,111**	4,800,111
Surplus on revaluation of assets	22	**3,688,360**	4,662,090
Unappropriated profit		**21,871,983**	15,995,726
		41,368,445	36,465,918
CONTINGENCIES AND COMMITMENTS	23		

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

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

BankIslami Pakistan Limited
Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)
For the half year ended June 30, 2024

	Note	Quarter Ended		Half year ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		Rupees in '000			
Profit / return earned	24	28,968,484	22,601,260	58,720,229	39,164,602
Profit / return expensed	25	17,043,905	12,856,851	36,743,349	22,511,204
Net Profit / return		11,924,579	9,744,409	21,976,880	16,653,398
OTHER INCOME					
Fee and commission income	26	460,910	430,976	1,089,721	797,914
Dividend income		62,536	27,338	62,536	27,338
Foreign exchange income		1,007,214	99,001	1,407,225	245,350
(Loss) / Income from shariah compliant forward and future contracts		(747,854)	125,191	(445,883)	339,227
Gain on securities - net	27	160,717	112,768	376,965	115,005
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income - net	28	36,108	65,184	78,442	107,390
Total other income		979,631	860,458	2,569,006	1,632,224
Total Income		12,904,210	10,604,867	24,545,886	18,285,622
OTHER EXPENSES					
Operating expenses	29	5,210,849	3,880,610	10,099,085	7,493,664
Workers' Welfare Fund		155,338	101,873	281,444	165,917
Other charges	30	287	2,407	414	4,761
Total other expenses		5,366,474	3,984,890	10,380,943	7,664,342
Profit before credit loss allowance / provisions		7,537,736	6,619,977	14,164,943	10,621,280
Credit loss allowance / provisions and write offs - net	31	54,020	1,484,979	374,175	2,325,447
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		7,483,716	5,134,998	13,790,768	8,295,833
Taxation	32	3,634,955	1,833,566	6,726,379	3,200,087
PROFIT AFTER TAXATION		3,848,761	3,301,432	7,064,389	5,095,746
		Rupees			
Basic / Diluted earnings per share	33	3.4714	2.9777	6.3718	4.5961

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

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

BankIslami Pakistan Limited
Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)
For the half year ended June 30, 2024

	Quarter Ended		Half year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	------------------------ Rupees in '000 ------------------------			
Profit after taxation for the period	**3,848,761**	3,301,432	**7,064,389**	5,095,746
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	**42,613**	75,385	**(705,599)**	(244,171)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of property and equipment - net of tax	**-**	(166,634)	**-**	(166,634)
Movement in surplus on revaluation of non-banking assets - net of tax	**-**	(3,426)	**-**	(3,058)
	-	(170,060)	**-**	(169,692)
Total comprehensive income	**3,891,374**	3,206,757	**6,358,790**	4,681,883

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

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

BankIslami Pakistan Limited
Condensed Interim Unconsolidated Statement of Changes in Equity
For the half year ended June 30, 2024

	Share capital	Discount on issue of shares	Statutory reserve*	Surplus on revaluation of Investments	Surplus on revaluation of Property & Equipment / Non Banking Assets	Unappropriated profit	Total
	----------	----------	----------	Rupees in '000	----------	----------	----------
Opening Balance as at January 1, 2023 (Audited)	11,087,033	(79,042)	2,591,091	1,131,256	1,637,031	10,083,032	26,450,401
Profit after taxation for the half year ended June 30, 2023	-	-	-	-	-	5,095,746	5,095,746
Other comprehensive income / (loss) for the half year ended June 30, 2023 - net of tax:							
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	(216,246)	-	-	(216,246)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	(27,925)	-	-	(27,925)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	(166,634)	-	(166,634)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	(3,058)	-	(3,058)
Total other comprehensive income - net of tax	-	-	-	(244,171)	(169,692)	-	(413,863)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(48,353)	48,353	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(155)	155	-
Transactions with owners, recorded directly in equity							
Cash dividend to shareholders for the year 2022 @ Re. 1 per share	-	-	-	-	-	(1,108,703)	(1,108,703)
Opening Balance as at July 1, 2023 (Un-audited)	11,087,033	(79,042)	2,591,091	887,085	1,418,831	14,118,583	30,023,581
Profit after taxation for the period from July 01, 2023 to December 31, 2023	-	-	-	-	-	5,949,353	5,949,353
Other comprehensive income / (loss) - net of tax							
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	2,162,350	-	-	2,162,350
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	156,847	-	-	156,847
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	(33,459)	(33,459)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	147,471	-	147,471
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	6	-	6
Total other comprehensive income - net of tax	-	-	-	2,319,197	147,477	(33,459)	2,433,215
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(78,429)	78,429	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(13)	13	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(32,058)	32,058	-
Transfer to statutory reserve	-	-	2,209,020	-	-	(2,209,020)	-
Transactions with owners, recorded directly in equity							
First Interim cash dividend to shareholders for the year 2023 @ Rs. 1.75 per share	-	-	-	-	-	(1,940,231)	(1,940,231)
Opening Balance as at January 01, 2024 (Audited)	11,087,033	(79,042)	4,800,111	3,206,282	1,455,808	15,995,726	36,465,918
Impact of initial application of IFRS 9 as at January 01, 2024 - net of tax	-	-	-	(177,127)	-	(170,433)	(347,560)
Opening Balance as at January 01, 2024 (Adjusted)	**11,087,033**	**(79,042)**	**4,800,111**	**3,029,155**	**1,455,808**	**15,825,293**	**36,118,358**
Profit after taxation for the half year ended June 30, 2024	-	-	-	-	-	7,064,389	7,064,389
Other comprehensive income / (loss) for the half year ended June 30, 2024 - net of tax:							
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	(705,599)	-	-	(705,599)
Total other comprehensive income - net of tax	-	-	-	(705,599)	-	-	(705,599)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(90,937)	90,937	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(67)	67	-
Transactions with owners, recorded directly in equity							
Final Cash dividend to shareholders for the year 2023 @ Re. 1 per share	-	-	-	-	-	(1,108,703)	(1,108,703)
Closing Balance as at June 30, 2024 (Un-audited)	**11,087,033**	**(79,042)**	**4,800,111**	**2,323,556**	**1,364,804**	**21,871,983**	**41,368,445**

*This represents reserve created under section 21(1) of the Banking Companies Ordinance, 1962.

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

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

BankIslami Pakistan Limited
Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)
For the half year ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
		------------- Rupees in '000 -------------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		13,790,768	8,295,833
Less: Dividend income		(62,536)	(27,338)
		13,728,232	8,268,495
Adjustments for non-cash charges and other items:			
Net Profit / return		(21,976,880)	(16,653,398)
Depreciation on property and equipment		799,363	543,559
Depreciation on non-banking assets	29	1,289	1,151
Depreciation on right-of-use assets	29	665,256	467,213
Amortization		128,475	61,691
Depreciation on operating Ijarah assets		24,518	10,707
Finance charges on leased assets	25	355,254	249,408
Credit loss allowance / provisions and write offs - net	31	374,175	2,325,447
Unrealized gain on revaluation of investments classified as FVTPL	27	(28,193)	-
Charge for defined benefit plan		134,207	94,818
Gain on sale / disposal of property and equipment	28	(15,831)	(9,971)
		(19,538,367)	(12,909,375)
		(5,810,135)	(4,640,880)
Decrease / (increase) in operating assets			
Due from financial institutions		8,836,201	(30,641,148)
Securities classified as FVTPL		28,193	-
Islamic financing, related assets and advances - net		33,480,415	(43,890,179)
Other assets (excluding advance taxation)		(526,350)	(1,913,624)
		41,818,459	(76,444,951)
(Decrease) / increase in operating liabilities			
Bills payable		(1,389,885)	(315,732)
Due to financial institutions		(31,439,097)	44,991,218
Deposits and other accounts		28,171,626	47,053,081
Other liabilities (excluding current taxation)		(1,624,082)	3,845,393
		(6,281,438)	95,573,960
		29,726,886	14,488,129
Profit / return received		60,895,827	33,220,279
Profit / return paid		(36,594,818)	(19,473,184)
Income tax paid		(5,652,227)	(1,912,188)
Payment to Gratuity Fund		(100,000)	-
Net cash generated from operating activities		48,275,668	26,323,036
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		(33,144,308)	(25,215,057)
Dividends received		62,536	27,338
Investments in property and equipment		(2,455,698)	(1,305,028)
Investments in intangible assets		(482,157)	(194,807)
Proceeds from disposal of property and equipment		31,551	10,566
Net cash used in investing activities		(35,988,076)	(26,676,988)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(881,031)	(775,589)
Dividend paid		(1,269,908)	(848,034)
Proceeds from issuance of subordinated sukuk		150,000	-
Net cash used in financing activities		(2,000,939)	(1,623,623)
Increase / (decrease) in cash and cash equivalents		10,286,653	(1,977,575)
Cash and cash equivalents at the beginning of the period		42,655,309	42,018,657
Cash and cash equivalents at the end of the period		52,941,962	40,041,082

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

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

BankIslami Pakistan Limited
Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements (Un-Audited)

For the half year ended June 30, 2024

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 497 branches including 60 sub-branches as at June 30, 2024 (2023: 440 branches including 60 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 to 'AA-' and short-term rating at 'A1' with stable outlook.

On August 18, 2023, JS Bank Limited increased its shareholding in the Bank from 7.79% to 50.24% by acquiring shares from existing shareholders of the Bank through Share Purchase Agreement (SPA), effectively making BankIslami Pakistan Limited a subsidiary of JS Bank Limited. The shareholding in the Bank was further increased to 75.12% on August 25, 2023 by way of acquiring Bank's shares through a public offer.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and 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).

2.2 Whenever 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 IAS 34, IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.3 The SBP, through its BSD Circular No. 10 dated August 26, 2002, has deferred the implementation of IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Accordingly, the requirements of these Standards have not been considered in the preparation of these condensed interim unconsolidated financial statements. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of this standard have also not been considered in the preparation of these condensed interim unconsolidated financial statements. However non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP.

2.4 These condensed interim unconsolidated 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.

2.5 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 MATERIAL ACCOUNTING POLICY INFORMATION

The material 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, 2023 except for changes mentioned in Note 3.1.

3.1 IFRS 9 - Financial Instruments:

The State Bank of Pakistan (SBP) vide its BPRD Circular No. 03 of 2022 dated July 05, 2022 has provided detailed instructions (the Application Instructions) on implementation of IFRS 9 (the Standard) to ensure smooth and consistent implementation of the standard across banks.

As per SBP BPRD Circular Letter No. 07 of 2023 dated April 13, 2023, IFRS 9 is applicable on banks with effect from January 01, 2024. IFRS 9 brings fundamental changes to the accounting for financial assets and to certain aspects of accounting for financial liabilities. To determine appropriate classification and measurement category, IFRS 9 requires all financial assets, except equity instruments, to be assessed based on combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics (SPPI assessment). The adoption of IFRS 9 has also fundamentally changed the impairment method of financial assets with a forward-looking Expected Credit Losses (ECL) approach.

The Bank has adopted IFRS 9 with modified retrospective approach for restatement i.e. changes in accounting policies resulting from adoption of IFRS 9 have been applied retrospectively. However, the Bank elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and financial liabilities at the date of transition were recognised in the opening retained earnings and other reserves of the current period. These changes and impacts for the Bank are discussed below:

SBP vide its BPRD Circular Letter No. 16 of 2024 dated July 05, 2024 have made certain amendments and extended timelines of application instructions for certain areas where the banking industry has sought more time. These amendments and relaxations include use of modification accounting for financial assets and liabilities as per IFRS 9 standard and recording and treatment of staff loan and finances at reduced rates from October 01, 2024. Further, the banks have been asked to use existing practices of recordings of profit income using effective profit rate and ensure full recognition of above mentioned concessions from October 01, 2024. Moreover, SBP has allowed an extension to banks up to December 31, 2024 for developing the requisite models for calculating Exposure at Default for revolving products beyond the contractual date. In addition the banks have also been allowed to continue existing practice of valuing unquoted equity investment at their cost or breakup value, whichever is lower, till December 31, 2024 and perform fair valuation of these investments afterwards.

3.1.1 Classification

Financial Assets

After adoption of IFRS 9, existing categories of financial assets: Held for trading (HFT), Available for sale (AFS), Held to maturity (HTM) and loans and receivables have been replaced by:

- Financial assets at fair value through profit or loss account (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at amortised cost

Financial Liabilities

Financial liabilities are either classified as fair value through profit or loss (FVTPL), when they are held for trading purposes, or at amortised cost. Financial liabilities classified as FVTPL are measured at fair value and all the fair value changes are recognised in profit and loss account. Financial liabilities classified at amortised cost are initially recorded at their fair value and subsequently measured using the effective yield rate method. Profit expense and foreign exchange gain and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

3.1.2 Business Model and SPPI Assessments

Under IFRS 9, the classification of the financial assets is based on two criteria: a) the Bank's business model for managing the assets; and b) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

a) Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- how managers of the business are compensated (e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected).
- The fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, volume and timing of sales are also important aspects of the Bank's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Transfer of financial assets to third parties in transactions do not qualify for derecognition because such transfer does not effect the bank's contractual rights to receive the cash flows associated with the said financial assets and is consistent with the Bank's continuing recognition criteria of the financial assets.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Eventually, the financial assets fall under either of the following three business models:

- Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows.
- Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets.
- Other business models: Held for trading which is evaluated on fair value basis and measured at FVTPL because they neither are held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

b) Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

The Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

3.1.3 Initial recognition and subsequent measurement

The classification and subsequent measurement requirements of IFRS 9 categories are as follows;

a) Amortised cost (AC)

The Bank classifies its debt based financial assets at amortised cost only if both of the following criteria are met and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect Contractual Cash Flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI test) on the principal amount outstanding.

Financial assets and financial liabilities under amortised cost category are initially recognised at fair value.

After initial measurement, these financial instruments are subsequently measured at amortised cost using the Effective Profit Rate (EPR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortisation is included in "Profit Income" in the Income Statement.

b) Fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income comprise:

- equity securities which are not held for trading, and for which the company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit or loss, and

- debt securities where the contractual cash flows are solely principal and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets under FVOCI category are initially recognised at fair value.

These financial instrument are subsequently measured at fair value. Movements in the carrying amount form one reporting date to other are taken through OCI.

c) Fair value through profit or loss (FVTPL)

The Bank classifies the following financial assets at fair value through profit and loss:

- debt investments that do not qualify for measurement at either amortised cost or at fair value through other comprehensive income; and
- equity investments that are held for trading

Financial assets under FVTPL category are initially recognised at fair value.

In addition, on initial recognition, the bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

These financial instrument are subsequently measured at fair value. Changes in the fair value of financial assets at FVTPL are recognised in through profit and loss. Interest income from debt instruments is included in the finance income.

3.1.4 Derecognition

Financial assets

The Bank de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit and loss. Cumulative gain / loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit and loss on de-recognition of such securities.

Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit and loss.

3.1.5 Modification

Financial Assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified as a result of commercial restructuring activity rather than due to credit risk and impairment considerations, the Bank performs an assessment to determine whether the modifications result in the derecognition of that financial asset.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

Where derecognition of financial assets is appropriate, the newly recognised residual financial assets are assessed to determine whether the assets should be classified as purchased or originated credit-impaired assets (POCI).

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the bank first recalculates the gross carrying amount of the financial asset using the original effective yield rate of the asset and recognize the resulting adjustment as a modification gain or loss in profit and loss.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income calculated using the effective yield rate method.

Financial Liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability recognized and consideration paid is recognized in profit and loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective yield rate and the resulting gain and loss is recognized in profit and loss.

For financial liabilities, the Bank considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

3.1.6 Reclassification

Financial liabilities are not reclassified subsequent to initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Bank changes its business models for managing financial assets, in which cases all affected financial assets are reclassified on the first day of the first reporting period following changes in the business model.

Financial assets are reclassified at their fair value on the date of reclassification and previously recognised gains and losses are not restated. Moreover, reclassifications of financial assets between financial assets held at amortised cost and financial assets held at FVOCI do not affect effective yield rate or expected credit loss computations.

Reclassified from amortised cost

Where financial assets held at amortised cost are reclassified to financial assets held at FVTPL, the difference between the fair value of the assets at the date of reclassification and the previously recognised amortised cost is recognised in statement of profit and loss.

For financial assets held at amortised cost that are reclassified to FVOCI, the difference between the fair value of the assets at the date of reclassification and the previously recognised gross carrying value is recognised in comprehensive income. Additionally, the related cumulative expected credit loss amounts relating to the reclassified financial assets are reclassified from provisions to a separate reserve in comprehensive income at the date of reclassification.

Reclassified from fair value through other comprehensive income

Where financial assets held at FVOCI are reclassified to financial assets held at FVTPL, the cumulative gain or loss previously recognised in comprehensive income is transferred to the profit and loss.

For financial assets held at FVOCI that are reclassified to financial assets held at amortised cost, the cumulative gain or loss previously recognised in comprehensive income is adjusted against the fair value of the financial asset such that the financial asset is recorded at a value as if it had always been held at amortised cost. In addition, the related cumulative expected credit losses held within comprehensive income are reversed against the gross carrying value of the reclassified assets at the date of reclassification.

Reclassified from fair value through profit or loss

Where financial assets held at FVTPL are reclassified to financial assets held at FVOCI or financial assets held at amortised cost, the fair value at the date of reclassification is used to determine the effective yield rate on the financial asset going forward. In addition, the date of reclassification is used as the date of initial recognition for the calculation of expected credit losses. Where financial assets held at FVTPL are reclassified to financial assets held at amortised cost, the fair value at the date of reclassification becomes the gross carrying value of the financial asset.

3.1.7 Impairment and measurement of ECL

The impairment requirements apply to financial assets measured at amortised cost and FVOCI (other than equity instruments), Ijarah / Diminishing Musharaka receivables, and certain financing commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for ECL resulting from default events that are possible within the next 12 months (12-month ECL). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL).

Under the general approach of IFRS 9 impairment, the financial assets are classified into three stages. Each stage indicates the credit quality of the particular financial asset as described below:

Stage 1 : includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12 month expected credit losses ('ECL') are recognized and profit is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12 month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

Stage 2 : includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognized, but the profit is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.

Stage 3 : includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted).

The assessment of credit risk and the estimation of ECL should be unbiased and probability-weighted and would incorporate all available information which is relevant to the assessment including information about past events, current conditions, and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL would take into account the time value of money.

Based on the requirements of the Standard and SBP's Application Instructions, the Bank has performed an ECL assessment considering the key elements such as assessment of Significant Increase in Credit Risk (SICR), Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.
- LGD: It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Bank expects to receive, including any form of collateral.
- EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn financing commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- if the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- if the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective yield rate of the existing financial asset.

Financial assets where 12-month ECL is recognized are in ‘Stage 1’; financial assets that are considered to have experienced a significant increase in credit risk are in ‘Stage 2’; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in ‘Stage 3’.

Non-Performing financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired (referred to as ‘Stage 3 financial assets’). A financial asset is ‘non-performing’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;

- the restructuring of a financing by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A financing that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail financing that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

Under the IFRS 9 Application instructions, the Bank is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency. The Bank is required to calculate ECL on it's non-performing financial assets as higher of provision under Prudential Regulations (PR) or ECL under IFRS 9.

The Bank calculates the ECL against corporate, commercial & SME financing portfolios as higher of PR or ECL under IFRS 9 at borrower / facility level, whereas against the retail borrowers the Bank will calculate ECL at higher of PR or ECL under IFRS 9 at segment / product basis as instructed under Annexure-A of BPRD Circular no 16 of 2024.

For the purpose of calculation of ECL, the Bank has used 10 years' data till 31 December 2023.

3.1.8 Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Bank uses a number of qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or profit payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations.

Under the SBP's instructions, credit exposure (in local currency) guaranteed by the Government and Government Securities are exempted from the application of ECL Framework. Moreover, until implementation of the Standard has stabilized, Stage 1 and Stage 2 provisions would be made as per the Standard's ECL criteria and Stage 3 provisions would be made considering higher of the Standard's ECL or provision computed under existing requirements of Prudential Regulations (PRs) issued by SBP on a segment basis for retail financing and ORR obligor basis for corporate / commercial / SME portfolio.

As required by the Application Instructions, financial assets may be reclassified out of Stage 3 if they meet the requirements of PRs. Financial assets in Stage 2 may be reclassified to Stage 1 if the conditions that led to a SICR no longer apply. However, a minimum cooling period of 3 months / 3 installments (whichever is last) is required before any financial asset is moved back to Stage 1. Any upgrading from stage 3 to stage 2 must be subject to a cooling off period of as per prudential regulations. If the facility has been regular during the cooling off period, it will move back to Stage 2 after which the criteria for moving from Stage 2 to Stage 1 will apply. An exposure cannot be upgraded from Stage 3 to Stage 1 directly and should be upgraded to Stage 2 initially.

IFRS 9 includes a rebuttable presumption that a default does not occur later than 90 days past due and it also presumes that there is SICR if credit exposure is more than 30 days past due. In order to bring consistency, SBP has allowed the backstop to the rebuttable presumption of days past due of credit portfolio against a specific credit facility and its stage allocation under IFRS 9 as mentioned in Annexure-C of BPRD Circular no 3 of 2022.

The Bank will not rebut the 30 DPD presumption as a key SICR criterion.

The Bank may override the criteria supported by reasonable evidence on a case by case basis. This includes:

- Cases of technical delinquencies (for example, accounts marked as DPD 30+ owing to administrative reasons and not credit related concerns; or cases where there is no dispute regarding payment amount).
- Cases of delinquencies where payments on facilities are linked to government payments causing such delinquencies.

However, any such specific override will require approval from Chief Risk Officer.

The Bank measures ECL on a lifetime basis for Purchased or originated credit - Impaired (POCI) instruments throughout the life of the instrument. However, ECL is not recognised in a separate loss provision on initial recognition for POCI instruments as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. The Bank recognises the change in lifetime expected credit losses arising subsequent to initial recognition in the profit and loss account and the cumulative change as a loss provision. Where lifetime ECL on POCI instruments are less than those at initial recognition, then the favorable differences are recognised as impairment gains in the statement of profit and loss.

Undrawn financing commitments and guarantees:

'Financial guarantees' are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Financing commitments' are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a financing at a below-market profit rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

When estimating lifetime ECL for undrawn financings commitments, the Bank estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected cash flows if the financings are drawn down, based on a probability-weighting of the three scenarios.

3.1.9 Governance, ownership and responsibilities

The Bank has adopted a governance framework requiring the Risk, Finance, Operations, Internal Audit and IT functions to effectively work together to ensure input from all business lines. IFRS 9 requires robust credit risk models that can predict Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The Bank's Risk Management Department has developed models / methodologies for PD, LGD and Credit Conversion Factors (CCF). These models shall be validated on annual basis considering the following aspects:

- Quantitative Validation: ECL model design validation, data quality validation and benchmarking with external best practices.
- Quantitative Validation: Calibration testing which ensures the accuracy of the observed PDs.

The Risk Department will define the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach. Additionally, the Risk department will also take the ownership of the impact of ECL on bank's capital.

The Bank's Finance Department will perform ECL calculation. As a result, the department will then assess the financial impact, meet the financial reporting requirements and further monitor the impact on the financial ratios. Risk Management Department shall also present quarterly progress report to its Board Risk Management Committee.

The IT Department shall identify, prepare and extract the data required for the risk parameters modelling and ECL calculations. IT department shall also support project owners for system development and upgrades.

3.1.10 Reconciliation of balances reported under local regulations and IFRS 9

(a) A reconciliation between the carrying amounts under local regulations to the balances reported under IFRS 9 as of January 01, 2024 is as follows:

	Local regulations classification		Reclassification	Re-measurement		IFRS 9	
	Category	Amount ('000')		ECL	Others	Amount ('000')	Category
			---------- Rupees in '000 ----------				
Financial Assets							
Cash and balances with treasury banks	Cash and cash equivalents	41,287,071	-	(299)	-	41,286,772	Amortized cost
Balances with other banks	Cash and cash equivalents	1,373,974	-	(4,238)	-	1,369,736	Amortized cost
Due from financial institutions - net	Financing and receivables	16,502,138	-	(20)	-	16,502,118	Amortized cost
Investments							
-Held for Trading							
Debt instruments	Held for Trading	-	-	-	-	-	Fair Value Through Profit or Loss
-Available for sale							
Debt instruments	Available for sale	313,384,471	(50,000)	(132)	-	313,334,339	Fair Value Through other comprehensive Income
		-	50,000	-	-	50,000	Fair Value Through Profit or Loss
Equity instruments	Available for sale	699,401	(699,401)	-	-	-	Fair Value Through other comprehensive Income
		-	699,401	-	-	699,401	Fair Value Through Profit or Loss
Islamic financing, related assets and Advances - net	Financing and receivables	230,194,288	-	(5,061,068)	4,391,459	229,524,679	Amortized cost
Other assets	Other assets	31,429,965	-	(7,193)		31,422,772	Amortized cost
Total Financial Assets		634,871,308	-	(5,072,950)	4,391,459	634,189,817	
Non Financial Assets							
Deferred tax assets - net		235,534	-	333,931	-	569,465	
Total Non - Financial Assets		235,534	-	333,931	-	569,465	
Total Assets		635,106,842	-	(4,739,019)	4,391,459	634,759,282	
Financial Liabilities							
Due to financial institutions	Due to financial institutions	60,659,056	-	-	-	60,659,056	Amortized cost
Deposits and other accounts	Deposit and other accounts	522,540,925	-	-	-	522,540,925	Amortized cost
Sub-ordinated sukuk	Sub-ordinated sukuk	2,850,000	-	-	-	2,850,000	Amortized cost
	Provision against off balance sheet obligations	85,975	-	-	-	85,975	Amortized cost
Other liabilities	Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	313,494	-	-	-	313,494	Fair Value Through Profit or Loss
Total liabilities		586,449,450	-	-	-	586,449,450	

Net Impact on the statement of financial position as at January 01, 2024 upon adoption of IFRS 9	**Rupees in '000**
ECL Charge	(4,739,019)
Reversal of general provision on Islamic financing, related assets and advances as at December 31, 2023	4,391,459
Deferred tax impact	-
	(347,560)

(b) The impact of transition to IFRS 9 on retained earnings and unrealized gain on revaluation of available for sale investments as at January 01, 2024 is as follows:

	January 01, 2024
	Rupees in '000'
Retained earnings	
Opening balance under local regulations (January 01, 2024)	15,995,726
Recognition of IFRS 9 ECLs	(5,072,818)
Reversal of general provision	4,391,459
Reclassification of investments from FVOCI to FVTPL on adoption of IFRS 9	347,308
Adjustment in gain / loss in FV due to expected credit loss	(132)
Deferred tax in relation to the above	163,750
Opening balance under IFRS 9 (January 01, 2024)	15,825,293
Unrealized gain on revaluation of Available-for-sale investments	
Opening balance under local regulations (January 01, 2024)	3,206,282
Reclassification of surplus on equity investments	(347,308)
Deferred tax in relation to the above	170,181
Opening balance under IFRS 9 (January 01, 2024)	3,029,155
Total impact on equity due to adopting IFRS 9	(347,560)

(c) The following table reconciles the aggregate opening credit loss provision allowances under SBP Prudential Regulations to the ECL allowances under IFRS 9.

Impairment allowance for:	Provision held at January 01, 2024	ECL	General Provision Reversal	Remeasurement	ECLs under IFRS 9 at January 01, 2024
	A	B	C	D = (B+C)	E = (A+D)
	---Rupees in '000---				
Islamic financing, related assets and advances - now classified at amortized cost under IFRS 9	23,840,627	5,061,068	(4,391,459)	669,609	24,510,236
Cash and balances with treasury banks	-	299		299	299
Balances with other banks	-	4,238	-	4,238	4,238
Due from financial institutions	17,820	20	-	20	17,840
Held to maturity investment now classified at amortized cost under IFRS 9	92,145	-	-	-	92,145
Available-for-sale investments now classified at FVOCI under IFRS 9	260,347	132	-	132	260,479
Contingent liability in respect of guarantees and other commitments	85,975	-	-	-	85,975
Other assets	-	7,193	-	7,193	7,193
Total	24,296,914	5,072,950	(4,391,459)	681,491	24,978,405

(d) The following table contains the details of classification of financial assets under IFRS 9 as compared to existing classification of financial assets of the Bank as at January 01, 2024. The amounts are gross of ECL provision and revaluation gains / losses:

Category	Classification as on December 31, 2023	New classification on adopting IFRS 9 as on January 01, 2024					Total
		At Amortized Cost	At Cost	At Fair Value through OCI (without recycling)	At Fair Value through OCI (with recycling)	At Fair Value through P&L	
	--- Rupees in '000 ---						
Cash and balances with treasury banks	41,287,071	41,287,071	-	-	-	-	41,287,071
Balances with other banks	1,373,974	1,373,974	-	-	-	-	1,373,974
Due from financial institutions	16,502,138	16,502,138	-	-	-	-	16,502,138
Islamic Investments							
Available-for-Sale							
Federal Government Shariah Compliant Securities	272,237,369	-	-	-	272,237,369	-	272,237,369
Non-Government Shariah Compliant Securities	35,243,462	-	-	-	35,193,462	50,000	35,243,462
Shares	336,073	-	-	-	-	336,073	336,073
Modaraba certificates	9,200	-	-	-	-	9,200	9,200
Foreign securities	6,820	-	-	6,820	-	-	6,820
Associate	627,942	-	627,942	-	-	-	627,942
Conventional Investments							
Available-for-Sale							
Shares	591,680	-	-	-	-	591,680	591,680
Non-Government Debt Securities	224,467	-	-	-	224,467	-	224,467
Foreign securities	1,155,350	-	-	-	-	1,155,350	1,155,350
Held to maturity							
Non-Government Debt Securities	92,145	92,145	-	-	-	-	92,145
Associates	474,169	-	474,169	-	-	-	474,169
Subsidiary	104,771	-	104,771	-	-	-	104,771
Islamic financing, related assets and advances	254,034,915	254,034,915	-	-	-	-	254,034,915
Other financial assets	-	-	-	-	-	-	-
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts	-	-	-	-	-	-	-
Total	624,301,546	313,290,243	1,206,882	6,820	307,655,298	2,142,303	624,301,546

3.2 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 Bank's accounting periods beginning on or after January 01, 2024 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.

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods from the dates mentioned below:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
- Amendments to IAS 21- Lack of Exchangeability	January 01, 2025

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, 2023, except below which were a result of adoption of IFRS 9:

(a) Classification of financial assets as amortised cost, FVOCI and FVTPL
(b) Measurement of ECL

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended December 31, 2023.

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	--------Rupees in '000 --------	
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand:		
- Local currency	14,127,576	11,227,889
- Foreign currency	1,508,125	1,319,857
	15,635,701	12,547,746
With the State Bank of Pakistan in:		
- Local currency current account	25,050,368	21,500,242
- Foreign currency deposit accounts:		
- Cash reserve account	1,013,719	969,037
- Special cash reserve account	1,218,021	1,206,364
- US dollar clearing account	49,869	38,902
	2,281,609	2,214,303
With National Bank of Pakistan in:		
- Local currency current account	7,759,042	5,021,445
Prize Bonds	-	3,335
Less: Credit loss allowance held against cash and balances with treasury banks	(308)	-
Cash and balances with treasury banks - net of credit loss allowance	50,726,412	41,287,071
7 BALANCES WITH OTHER BANKS		
In Pakistan:		
- In current accounts	9	9
- In deposit accounts	158	142
	167	151
Outside Pakistan:		
- In current accounts	2,067,843	1,186,902
- In deposit accounts	152,968	186,921
	2,220,811	1,373,823
Less: Credit loss allowance held against balances with other banks	(5,428)	-
Balances with other banks - net of credit loss allowance	2,215,550	1,373,974

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		--------Rupees in '000 --------	

8 DUE FROM FINANCIAL INSTITUTIONS

	Note	June 30, 2024	December 31, 2023
Bai Muajjal Receivable			
-with Other Financial Institutions	8.1	**7,666,747**	16,502,138
Other placements		**17,010**	17,820
		7,683,757	16,519,958
Less: Credit loss allowance held against due from financial institutions	8.2	**(17,010)**	(17,820)
Due from financial institutions - net of credit loss allowance		**7,666,747**	16,502,138

8.1 The average return on this product is 20.91% (2023: 22.05% to 22.35%) per annum. The balances have maturity of 179 days (2023: 6 days to 110 days).

8.2 Due from financial institutions - Particulars of credit loss allowance

		(Un-audited) June 30, 2024		(Audited) December 31, 2023	
		Due from financial institutions	Credit loss allowance held	Due from financial institutions	Provision held
		----------------------- Rupees in '000 -----------------------			
Domestic					
Performing	Stage 1	**7,666,747**	**-**	16,502,138	-
Under performing	Stage 2	**-**	**-**	-	-
Non-performing	Stage 3				
- Substandard		**-**	**-**	-	-
- Doubtful		**-**	**-**	-	-
- Loss		**17,010**	**17,010**	17,820	17,820
Total		**7,683,757**	**17,010**	16,519,958	17,820

8.2.1 The Bank does not hold overseas classified placements.

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		------- Rupees in '000 -------	
9 INVESTMENTS			
Investments - Islamic	9.1	**346,522,546**	314,083,872
Investments - Conventional (relating to amalgamated entity)	9.2	**-**	-
		346,522,546	314,083,872

			(Un-audited) June 30, 2024				(Audited) December 31, 2023		
9.1 Islamic Investments by type	**Note**	**Cost / Amortized cost**	**Credit loss allowance**	**Surplus / (Deficit)**	**Carrying Value**	**Cost / Amortized cost**	**Provision for diminution**	**Surplus / (Deficit)**	**Carrying Value**
		Rupees in '000							
FVTPL									
Shares		58,451	-	28,129	86,580	-	-	-	-
Non-Government Shariah Compliant Securities		50,000	-	-	50,000	-	-	-	-
Modaraba certificates		12,288	-	64	12,352	-	-	-	-
		120,739	-	28,193	148,932	-	-	-	-
FVOCI									
Federal Government Shariah Compliant Securities		307,838,668	-	4,225,957	312,064,625	-	-	-	-
Non-Government Shariah Compliant Securities		34,008,048	(35,915)	330,036	34,302,169	-	-	-	-
Foreign securities		6,820	-	-	6,820	-	-	-	-
		341,853,536	(35,915)	4,555,993	346,373,614	-	-	-	-
Available for sale									
Federal Government Shariah Compliant Securities		-	-	-	-	272,237,369	-	5,630,029	277,867,398
Shares		-	-	-	-	336,073	-	344,220	680,293
Non-Government Shariah Compliant Securities		-	-	-	-	35,243,462	(35,880)	309,491	35,517,073
Modaraba certificates		-	-	-	-	9,200	-	3,088	12,288
Foreign securities		-	-	-	-	6,820	-	-	6,820
		-	-	-	-	307,832,924	(35,880)	6,286,828	314,083,872
Associate		627,942	(627,942)	-	-	627,942	(627,942)	-	-
Total Islamic investments		342,602,217	(663,857)	4,584,186	346,522,546	308,460,866	(663,822)	6,286,828	314,083,872
9.2 Conventional Investments by type									
FVTPL									
Shares	9.2.1	-	-	-	-	-	-	-	-
Foreign securities	9.2.1	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
FVOCI									
Shares	9.2.1	-	-	-	-	-	-	-	-
Non-Government Debt Securities		224,467	(224,467)	-	-	-	-	-	-
Foreign securities	9.2.1	-	-	-	-	-	-	-	-
		224,467	(224,467)	-	-	-	-	-	-
Amortised Cost									
Non-Government Debt Securities		92,145	(92,145)	-	-	-	-	-	-
Available for sale									
Shares	9.2.1	-	-	-	-	591,680	(591,680)	-	-
Non-Government Debt Securities		-	-	-	-	224,467	(224,467)	-	-
Foreign securities	9.2.1	-	-	-	-	1,155,350	(1,155,350)	-	-
		-	-	-	-	1,971,497	(1,971,497)	-	-
Held to maturity									
Non-Government Debt Securities		-	-	-	-	92,145	(92,145)	-	-
Associates	9.4	474,169	(474,169)	-	-	474,169	(474,169)	-	-
Subsidiary	9.3	104,771	(104,771)	-	-	104,771	(104,771)	-	-
Total conventional investments		895,552	(895,552)	-	-	2,642,582	(2,642,582)	-	-

9.2.1 With the adoption of IFRS 9, fully provided equity securities related to amalgamated entity previously classified as available for sale have been designated to FVTPL as of January 01, 2024. Following is the break-up of such securities:

Name of Investee Company	No. of shares held
Riverstone Consultancy (Private) Limited (Shares)	3,985,000
New Horizon Exploration and Production Limited (Shares)	61,600,000
Pakistan Export Finance Guarantee Agency Limited (Shares)	568,044
Evolvence Capital Limited (Foreign securities)	5,400,000

	As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
				---------------------------------- Rupees in '000				----------------------------------
9.3 Details of investment in subsidiary								
Unlisted								
My Solutions Corporation Limited	December 31, 2013	100.00	Pakistan	69,539	10,105	14,580	(1,763)	(1,763)
9.4 Details of investment in associates								
Unlisted								
Islamic								
Shakarganj Food Products Limited	March 31, 2024	36.38	Pakistan	10,716,991	7,001,937	7,266,897	118,326	118,326
Conventional								
KASB Funds Limited	December 31, 2015	43.89	Pakistan	46,465	32,465	23,640	(66,241)	(65,679)
KASB Capital Limited	December 31, 2016	21.78	Mauritius	$652,864	$135,428	$-	$(34,084)	$(34,084)

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
9.5 Investments given as collateral		------- Rupees in '000	-------
Federal Government Securities		**2,814,000**	35,314,000
9.6 Credit loss allowance / provision for diminution in value of investments			
9.6.1 Opening balance		**3,306,404**	2,178,358
Impact of adoption of IFRS 9		**132**	-
Charge / (reversal)			
Charge for the period / year		**-**	1,207,289
Reversals for the period / year		**(97)**	-
Reversal on disposals		**-**	-
	31	**(97)**	1,207,289
Amounts written off		**-**	(79,243)
Impact of reclassification of equity securities from FVOCI to FVTPL		**(1,747,030)**	-
Closing Balance		**1,559,409**	3,306,404

9.7 Particulars of credit loss allowance / provision of dimiunition against debt securities

Category of classification		(Un-audited) June 30, 2024 Outstanding amount	(Un-audited) June 30, 2024 Credit loss allowance held	(Audited) December 31, 2023 Outstanding amount	(Audited) December 31, 2023 Provision held
		-------------------- Rupees in '000			--------------------
Domestic					
Performing	Stage 1	**341,534,585**	**35**	307,168,700	-
Underperforming	Stage 2	**-**	**-**	-	-
Non-performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**628,743**	**352,492**	628,743	352,527
		628,743	**352,492**	628,743	352,527
Total		**342,163,328**	**352,527**	307,797,443	352,527

9.7.1 The Bank does not hold overseas classified debt securities.

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		------- Rupees in '000 -------	
10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES			
Islamic financing and related assets - net	10.1	195,529,348	230,129,817
Advances (relating to amalgamated entity) - net	10.2	58,958	64,471
		195,588,306	230,194,288

10.1 ISLAMIC FINANCING AND RELATED ASSETS

	Note	Performing		Non Performing		Total	
		(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		------------ Rupees in '000 ------------					
In Pakistan							
- Running Musharakah	10.9	66,960,904	100,625,553	1,444,955	1,444,955	68,405,859	102,070,508
- Diminishing Musharakah financing and related assets - Others	10.3	42,400,505	46,055,344	3,730,456	3,529,814	46,130,961	49,585,158
- Diminishing Musharakah - Housing		21,433,216	23,553,066	2,369,567	2,019,821	23,802,783	25,572,887
- Istisna financing and related assets	10.4 & 10.10	22,586,647	20,455,759	4,123,586	3,630,366	26,710,233	24,086,125
- Diminishing Musharakah financing and related assets - Auto		16,155,210	16,380,932	641,061	538,620	16,796,271	16,919,552
- Murabahah financing and related assets	10.5 & 10.11	13,520,989	16,073,181	754,530	397,002	14,275,519	16,470,183
- Musawamah financing and related assets / Tijarah	10.6	6,892,345	3,781,236	4,871,969	5,024,205	11,764,314	8,805,441
- Investment Agency Wakalah		2,730,590	2,730,590	-	-	2,730,590	2,730,590
- Murabahah against Bills		1,617,238	671,556	196,778	192,048	1,814,016	863,604
- Ijarah financing under IFAS 2 and related assets	10.7	583,881	288,755	158,654	161,958	742,535	450,713
- Financing against Bills		1,662,292	209,100	-	-	1,662,292	209,100
- Qardh-e-Hasana		32,257	48,226	122,676	121,025	154,933	169,251
- Musharakah financing		24,814	-	135,186	160,000	160,000	160,000
- Past Due Acceptance		274,189	155,972	-	-	274,189	155,972
- Net investment in Ijarah financing in Pakistan		70,564	85,343	-	-	70,564	85,343
- Housing finance portfolio - others		19,086	24,091	-	-	19,086	24,091
- Salam	10.8	450,000	-	-	-	450,000	-
Islamic financing and related assets - gross		197,414,727	231,138,704	18,549,418	17,219,814	215,964,145	248,358,518
Credit loss allowance / provision against islamic financing and related assets	10.13						
- Stage 1		(1,709,380)	-	-	-	(1,709,380)	-
- Stage 2		(1,504,882)	-	-	-	(1,504,882)	-
- Stage 3		-	-	(16,252,040)	-	(16,252,040)	-
- Specific		-	-	-	(13,837,297)	-	(13,837,297)
- General		-	(4,391,404)	-	-	-	(4,391,404)
		(3,214,262)	(4,391,404)	(16,252,040)	(13,837,297)	(19,466,302)	(18,228,701)
Fair value adjustment	10.1.1	(968,495)	-	-	-	(968,495)	-
Islamic financing and related assets - net of credit loss allowance		193,231,970	226,747,300	2,297,378	3,382,517	195,529,348	230,129,817

10.1.1 This represents deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its letter dated August 01, 2024 has allowed staggering of such fair value impact over the period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6. SBP in its another circular letter dated July 29, 2024 allowed to take such fair value adjustment with effect from October 01, 2024.

10.1.2 Islamic Financing and related assets include Rs.18,549.418 million (December 2023: Rs.17,219.814 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) June 30, 2024		(Audited) December 31, 2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision held
	---------- Rupees in '000 ----------			
Islamic financing, related assets - Category of classification				
Domestic				
Other assets especially mentioned	591,642	44,216	393,831	-
Substandard	1,934,040	1,595,021	1,009,194	235,164
Doubtful	1,840,604	1,430,226	2,170,850	871,469
Loss	14,183,132	13,182,577	13,645,939	12,730,664
	18,549,418	16,252,040	17,219,814	13,837,297

10.1.3 The Bank does not hold overseas Islamic financing and related assets.

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	---------- Rupees in '000 ----------					
10.2 ADVANCES						
- Loans, cash credits, running finances, etc. - In Pakistan*	**-**	5,569	**4,294,552**	4,424,625	**4,294,552**	4,430,194
- 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	**-**	-	**555,485**	561,908	**555,485**	561,908
Advances - gross	**-**	5,569	**5,534,332**	5,670,828	**5,534,332**	5,676,397
Credit loss allowance / provision against advances						
- Stage 1	**-**	-	**-**	-	**-**	-
- Stage 2	**-**	-	**-**	-	**-**	-
- Stage 3	**-**	-	**(5,475,374)**	-	**(5,475,374)**	-
- Specific	**-**	-	**-**	(5,611,871)	**-**	(5,611,871)
- General	**-**	(55)	**-**	-	**-**	(55)
	-	(55)	**(5,475,374)**	(5,611,871)	**(5,475,374)**	(5,611,926)
Advances - net of credit loss allowance	**-**	5,514	**58,958**	58,957	**58,958**	64,471
Fair value adjustment	**-**	-	**-**	-	**-**	-
Advances - net of credit loss allowance / provision and fair value adjustment	**-**	5,514	**58,958**	58,957	**58,958**	64,471

* This represents non-interest bearing performing financing facilities amounting to Rs. Nil (2023: Rs. 5.569 million).

10.2.1 Advances include Rs. 5,534.332 million (December 2023 Rs. 5,670.828 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) June 30, 2024		(Audited) December 31, 2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision held
	---------- Rupees in '000 ----------			
Advances - Category of classification				
Domestic				
Other assets especially mentioned	**-**	**-**	-	-
Substandard	**-**	**-**	-	-
Doubtful	**-**	**-**	-	-
Loss	**5,534,332**	**5,475,374**	5,670,828	5,611,871
	5,534,332	**5,475,374**	5,670,828	5,611,871

10.2.2 The Bank does not hold overseas advances

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
		--------Rupees in '000 --------	
10.3	**Diminishing Musharakah financing and related assets - Others**		
	Diminishing Musharakah financing	**43,171,979**	46,307,161
	Advance against Diminishing Musharakah financing	**2,958,982**	3,277,997
		46,130,961	49,585,158
10.4	**Istisna financing and related assets**		
	Istisna financing	**11,396,302**	7,662,635
	Advance against Istisna financing	**15,313,931**	16,423,490
	Istisna inventories	**-**	-
		26,710,233	24,086,125
10.5	**Murabahah financing and related assets**		
	Murabahah financing	**7,906,415**	8,945,251
	Deferred murabahah income	**1,220,410**	1,663,483
	Advances against Murabaha financing	**1,071,757**	1,469,521
	Murabaha Inventories	**4,076,937**	4,391,928
		14,275,519	16,470,183
10.6	**Musawamah financing and related assets / Tijarah**		
	Musawamah financing	**6,973,506**	6,174,291
	Advance against Musawamah financing	**186,660**	123,620
	Musawamah inventories	**4,604,148**	2,507,530
		11,764,314	8,805,441
10.7	**Ijarah financing under IFAS 2 and related assets**		
	Net book value of assets under IFAS 2	**733,201**	435,282
	Advance against Ijarah financing	**9,334**	15,431
		742,535	450,713
10.8	**Salam**		
	Salam financing	**-**	-
	Advance against Salam	**450,000**	-
	Salam inventories	**-**	-
		450,000	-

10.9 Running musharakah financing and related assets includes financing amounting to Rs. 123 million (2023: Rs. 2,403 million) under Islamic Export Refinance Scheme.

10.10 Istisna financing and related assets includes financing amounting to Rs. 129 million (2023: Rs. 264.6 million) and advance amounting to Rs. 400 million (2023: Rs. 1,016.5 million) under Islamic Export Refinance Scheme.

10.11 Murabahah financing and related assets includes financing amounting to Rs. 99 million (2023: Rs.0.061 million) under Islamic Export Refinance Scheme.

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	-------- Rupees in '000 --------	
10.12 Particulars of Islamic financing and related assets and advances - gross		
In local currency	218,453,646	251,850,511
In foreign currency	3,044,831	2,184,404
	221,498,477	254,034,915

10.13 Details of credit loss allowances / provision held against Islamic financing and related assets

	(Un-audited) June 30, 2024						(Audited) December 31, 2023		
	Stage 3	Stage 2	Stage 1	Specific	General	Total	Specific	General	Total
	Rupees in '000								
Opening balance	-	-	-	19,449,168	4,391,459	23,840,627	16,119,131	2,987,168	19,106,299
Impact of adoption of IFRS 9	21,564,745	1,446,454	1,499,037	(19,449,168)	(4,391,459)	669,609	-	-	-
Charge for the period / year	551,174	255,124	316,789	-	-	1,123,087	4,006,703	1,500,000	5,506,703
Reversals for the period / year	(388,505)	(196,696)	(106,446)	-	-	(691,647)	(676,666)	(95,709)	(772,375)
	162,669	58,428	210,343	-	-	431,440	3,330,037	1,404,291	4,734,328
Amount written off	-	-	-	-	-	-	-	-	-
Closing balance	21,727,414	1,504,882	1,709,380	-	-	24,941,676	19,449,168	4,391,459	23,840,627
10.13.1 Islamic	16,252,040	1,504,882	1,709,380	-	-	19,466,302	13,837,297	4,391,404	18,228,701
Conventional	5,475,374	-	-	-	-	5,475,374	5,611,871	55	5,611,926
	21,727,414	1,504,882	1,709,380	-	-	24,941,676	19,449,168	4,391,459	23,840,627

10.13.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at June 30, 2024 amounts to Rs.1,292.643 million (2023: Rs. 943.552 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 659.248 million (2023: Rs. 481.211 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
10.13.3 Credit loss allowance / reversal net of fair value adjustment taken to the profit and loss account	---------Rupees in '000---------	
Gross reversals for the period	691,647	481,973
Charge for the period	(1,123,087)	(2,223,073)
	(431,440)	(1,741,100)
Fair value adjusted - net	-	(2,830)
Net charge taken to the profit and loss account	(431,440)	(1,743,930)

10.14 Islamic financing, related assets and advances - Particulars of credit loss allowance

	(Un-audited) June 30, 2024		
	Stage 1	Stage 2	Stage 3
	------------- Rupees in '000 -------------		
10.14.1 Balance as at January 01, 2024	1,499,037	1,446,454	21,564,745
New financing	193,537	297,969	9,857
Financing derecognised or repaid	(72,587)	(25,192)	(779,329)
Transfer to stage 1	166,089	(166,089)	-
Transfer to stage 2	(504,746)	567,248	(62,502)
Transfer to stage 3	(275,839)	(1,276,671)	1,552,511
	(493,546)	(602,735)	720,537
Amounts written off / charged off	-	-	-
Changes in risk parameters	703,889	661,163	(557,868)
Closing balance	1,709,380	1,504,882	21,727,414

		Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
10.15	**SBP other refinance schemes**		------ Rupees in '000 ------	
	Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		7,693,154	8,005,247
	Islamic Long-Term Financing Facility		1,430,725	1,320,910
	Islamic refinance scheme for payment of wages and salaries		54,822	62,197
	RM EFS - Rupee Based Discounting (TFA)		9,286,063	4,327,627
	Islamic refinance scheme for Renewable Energy		669,768	677,678
	Islamic refinance scheme for combating COVID (IRFCC)		160,632	197,509
	Islamic refinance facility for Modernization of SMEs		56,978	67,654
	Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)		219,820	47,836
	Islamic Credit Guarantee Scheme For Women Entrepreneur		96,927	35,187
			19,668,889	14,741,845
11	**PROPERTY AND EQUIPMENT**			
	Capital work-in-progress	11.1	2,016,615	1,491,445
	Property and equipment		12,214,131	11,081,857
			14,230,746	12,573,302
11.1	**Capital work-in-progress**			
	Advances to suppliers and contractors		825,892	300,722
	Advance for acquiring properties and office premises		1,190,723	1,190,723
			2,016,615	1,491,445

		(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
11.2	**Additions to property and equipment**	------ Rupees in '000 ------	
	The following additions have been made to Property and Equipment during the period:		
	Capital work-in-progress	768,130	644,029
	Property and equipment		
	Furniture and fixture	1,056,625	247,743
	Electrical office and computer equipment	778,866	418,897
	Vehicles	96,236	14,323
		1,931,727	680,963
	Total	2,699,857	1,324,992
11.3	**Disposal / transfer of property and equipment**		
	The net book value of Property and equipment disposed off / transferred during the period is as follows:		
	Disposal		
	Furniture and fixture	61	460
	Electrical office and computer equipment	29	5
	Vehicle	-	130
		90	595
	Transferred to non-current assets held for sale:		
	Leasehold Land	-	405,000
	Leasehold Building	-	42,523
		-	447,523
	Total	90	448,118

	(Un-audited)			(Audited)		
	June 30, 2024			December 31, 2023		
	Buildings	Others	Total	Buildings	Others	Total
12 RIGHT-OF-USE ASSETS	---Rupees in '000---					
At January 1						
Cost	7,693,776	-	7,693,776	6,129,251	-	6,129,251
Accumulated Depreciation	(4,127,509)	-	(4,127,509)	(3,231,869)	-	(3,231,869)
Net Carrying amount	3,566,267	-	3,566,267	2,897,382	-	2,897,382
Additions during the period / year	1,610,466	-	1,610,466	1,564,525	-	1,564,525
Deletions during the period / year	(144,283)	-	(144,283)	-	-	-
Depreciation Charge for the period / year	(665,256)	-	(665,256)	(895,640)	-	(895,640)
Net Carrying amount at the end of period / year	4,367,194	-	4,367,194	3,566,267	-	3,566,267

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
13 INTANGIBLE ASSETS	---------Rupees in '000---------	
Computer software	946,130	616,201
Core deposits	19,466	20,590
Membership and Subscription	47,644	38,397
Goodwill	2,944,297	2,944,297
	3,957,537	3,619,485

	(Un-audited)	
	June 30, 2024	June 30, 2023
	---------Rupees in '000---------	
13.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Directly purchased	482,157	194,808
13.2 Disposals of intangible assets		
The net book value of intangible assets disposed off during the period is as follows:		
Disposal		
Membership and Subscription	15,630	-

		Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
			---------Rupees in '000---------	
14	**DEFERRED TAX ASSETS**			
	Deductible temporary differences on			
	- Credit loss allowance against investments		**161,771**	161,754
	- Credit loss allowance against non-performing Islamic financing, related assets and advances		**5,744,618**	5,516,884
	- Other credit loss allowances		**6,505**	-
	- Ijarah financing and related assets		**13,523**	18,802
	- Others		**33,257**	-
			5,959,674	5,697,440
	Taxable temporary differences on			
	- Fair value adjustments relating to net assets acquired upon amalgamation		**(275,448)**	(337,060)
	- Surplus on revaluation of investment		**(2,246,251)**	(3,080,546)
	- Surplus on revaluation of property and equipment	22	**(1,277,872)**	(1,365,244)
	- Surplus on revaluation of non-banking assets	22	**(33,409)**	(33,473)
	- Accelerated tax depreciation		**(798,288)**	(553,466)
	- Others		**-**	(92,117)
			(4,631,268)	(5,461,906)
			1,328,406	235,534
15	**OTHER ASSETS**			
	Profit / return accrued in local currency		**20,680,920**	22,877,808
	Profit / return accrued in foreign currency		**29,495**	8,205
	Advances, deposits, advance rent and other prepayments		**961,150**	2,637,121
	Non-banking assets acquired in satisfaction of claims		**1,451,631**	1,452,789
	Takaful claim receivable		**23,151**	22,570
	Fair value adjustment on financing	10.1.1	**995,361**	-
	Receivable against takaful and registration charges		**325,228**	310,102
	Receivable against First WAPDA Sukuk		**50,000**	50,000
	Acceptances		**1,502,664**	3,966,916
	Clearing and settlement accounts		**2,873,141**	-
	Others		**803,088**	957,467
			29,695,829	32,282,978
	Less: Credit loss allowance held against other assets	15.2	**(870,982)**	(921,326)
	Other Assets - net of credit loss allowance		**28,824,847**	31,361,652
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	**68,182**	68,313
	Other assets - total		**28,893,029**	31,429,965
15.1	Market value of non-banking assets acquired in satisfaction of claims		**1,214,051**	1,215,340
15.2	**Credit loss allowance held against other assets**			
	Advances, deposits, advance rent & other prepayments		**54,371**	54,371
	Non banking assets acquired in satisfaction of claims		**305,762**	305,762
	Others		**510,849**	561,193
		15.2.1	**870,982**	921,326

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		---------Rupees in '000---------	
15.2.1 Movement in Credit loss allowance held against other assets			
Opening balance		**921,326**	764,955
Impact of adoption of IFRS 9		**7,193**	-
Charge for the period / year		**346**	156,571
Reversals during the period / year		**(57,883)**	(200)
	31	**(57,537)**	156,371
Closing balance		**870,982**	921,326
16 BILLS PAYABLE			
In Pakistan		**3,735,292**	5,125,177
Outside Pakistan		**-**	-
		3,735,292	5,125,177
17 DUE TO FINANCIAL INSTITUTIONS			
Secured			
Due to State Bank of Pakistan			
Acceptances from SBP under Mudaraba		**-**	30,694,154
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		**7,358,845**	7,746,700
Islamic Export Finance Scheme - Rupee based discounting		**5,213,741**	4,600,946
Acceptances for financial assistance		**4,619,263**	4,413,497
Acceptances under Islamic Export Refinance Scheme		**1,066,000**	3,554,100
Islamic Long-Term Financing Facility		**944,436**	957,745
Islamic refinance scheme for Renewable Energy		**599,287**	639,712
Islamic refinance scheme for combating COVID (IRFCC)		**150,000**	80,374
Islamic Refinance Scheme for Modernization of SMEs		**52,209**	60,271
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)		**36,413**	43,264
Islamic Credit Guarantee Scheme for Women Entrepreneur		**65,626**	14,166
		20,105,820	52,804,929
Musharakah Acceptance		**-**	2,500,000
Refinance facility for Islamic Mortgage		**3,164,139**	3,354,127
Total secured		**23,269,959**	58,659,056
Unsecured			
Wakalah Acceptance		**2,000,000**	2,000,000
Musharakah Acceptance		**3,950,000**	-
Total unsecured		**5,950,000**	2,000,000
		29,219,959	60,659,056

18 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	June 30, 2024			December 31, 2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
Customers						
Current deposits	191,030,635	8,138,838	199,169,473	173,239,773	7,973,255	181,213,028
Savings deposits	125,613,789	3,981,347	129,595,136	119,740,262	3,796,970	123,537,232
Term deposits	201,114,450	8,058,419	209,172,869	188,301,494	8,389,258	196,690,752
Margin deposits	8,641,329	95,983	8,737,312	12,948,577	111,218	13,059,795
	526,400,203	20,274,587	546,674,790	494,230,106	20,270,701	514,500,807
Financial Institutions						
Current deposits	694,075	8,429	702,504	713,949	11,551	725,500
Savings deposits	2,688,513	-	2,688,513	6,415,172	-	6,415,172
Term deposits	646,598	-	646,598	899,300	-	899,300
Margin deposits	146	-	146	146	-	146
	4,029,332	8,429	4,037,761	8,028,567	11,551	8,040,118
	530,429,535	20,283,016	550,712,551	502,258,673	20,282,252	522,540,925

19 LEASE LIABILITIES

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000	
Outstanding amount at the start of the period / year		4,252,295	3,559,675
Additions during the period / year		1,610,466	1,564,525
Lease payments including profit		(1,025,314)	(1,797,604)
Finance charges on leased assets		355,254	925,699
Outstanding amount at the end of the period / year	19.1	5,192,701	4,252,295

19.1 Liabilities Outstanding

Not later than one year	173,277	37,720
Later than one year and upto five years	2,246,067	825,956
Over five years	2,773,357	3,388,619
Total at the period / year end	5,192,701	4,252,295

19.2 The Bank enters into lease agreements with terms and conditions mainly included rent escalation usually at 10% p.a, sub-letting of the property at discretion of the Bank, alterations to the premises as per business requirement, termination of the agreement with notice period, agreement period, renewal of agreement usually at same terms with change in monthly rent, escalation clause and termination of the agreement. Discount rate ranges between 15.41% to 17.5% (2023: 12.19% to 17.5%).

20 SUBORDINATED SUKUK

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000	
ADT-1 Sukuk Issue I	20.1.1	2,000,000	2,000,000
ADT-1 Sukuk Issue II	20.1.2	1,000,000	850,000
		3,000,000	2,850,000

20.1 The Bank has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuks 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.

20.1.1 Salient features of the ADT-1 sukuk issue I are as follows:

Issued 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'
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 Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares 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.

20.1.2 Salient features of the ADT-1 sukuk issue II are as follows:

Issued Amount	Rs. 1,000 million.
Issue Date	February 21, 2024
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
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 1 Month KIBOR + 2.5%. 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 Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares 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.

			(Un-audited)	(Audited)
21	OTHER LIABILITIES	Note	June 30, 2024	December 31, 2023
			---------Rupees in '000---------	
	Profit / return payable in local currency		8,328,142	8,137,173
	Profit / return payable in foreign currencies		229,010	271,448
	Accrued expenses		2,089,829	2,077,161
	Deferred Murabahah Income Financing, IERS and Others		408,213	1,111,958
	Payable to defined benefit plan		4,677	4,677
	Payable to defined contribution plan		2,868	40,121
	Defined benefit plan liabilities		463,148	428,941
	Security deposits against Ijarah		463,729	421,586
	Credit loss allowance against off-balance sheet obligations	21.1	85,975	85,975
	Acceptances		1,502,664	3,966,916
	Current taxation (provisions less payments)		3,178,630	2,281,081
	Withholding taxes payable		409,406	327,185
	Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		445,883	313,494
	Sundry creditors		2,337,372	1,595,515
	Payable to brokers against purchase of shares - net		2,078	536
	Charity payable		83,374	29,550
	Retention money payable		92,164	63,047
	Provision for Workers' Welfare Fund		1,050,331	768,887
	Dividend Payable		40,394	201,599
	Clearing and settlement accounts		-	40,087
	Others		1,049,638	805,588
			22,267,525	22,972,525
21.1	**Credit loss allowance against off-balance sheet obligations**			
	Opening balance		85,975	85,975
	Exchange adjustment		-	-
	Charge for the period / year		-	-
	Reversals		-	-
			-	-
	Amount written off		-	-
	Closing balance		85,975	85,975
22	**SURPLUS ON REVALUATION OF ASSETS**			
	Surplus on revaluation of:			
	- Securities measured at FVOCI / AFS - Debt	9.1	4,555,993	5,939,520
	- Securities measured at FVOCI / AFS - Equity		-	347,308
	- Property and equipment		2,607,903	2,786,212
	- Non-banking assets acquired in satisfaction of claims	15	68,182	68,313
			7,232,078	9,141,353
	Deferred tax liability on surplus on revaluation of:			
	- Securities measured at FVOCI / AFS - Debt		(2,232,437)	(2,910,365)
	- Securities measured at FVOCI / AFS - Equity		-	(170,181)
	- Property and equipment	14	(1,277,872)	(1,365,244)
	- Non-banking assets acquired in satisfaction of claims	14	(33,409)	(33,473)
			(3,543,718)	(4,479,263)
			3,688,360	4,662,090

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		---------Rupees in '000---------	
23 CONTINGENCIES AND COMMITMENTS			
- Guarantees	23.1	**12,748,799**	5,375,308
- Commitments	23.2	**207,850,222**	251,509,280
- Other contingent liabilities	23.3	**720,593**	720,593
		221,319,614	257,605,181
23.1 Guarantees:			
Performance guarantees		**9,408,027**	4,086,053
Other guarantees		**3,340,772**	1,289,255
		12,748,799	5,375,308
23.2 Commitments:			
Documentary credits and short-term trade-related transactions:			
- letters of credit		**22,379,829**	24,399,492
Commitments in respect of:			
- Shariah compliant alternative of forward foreign exchange contracts	23.2.1	**88,052,423**	100,971,691
Commitments for acquisition of:			
- property and equipment		**886,330**	1,105,974
- intangible assets		**115,805**	65,782
Other commitments			
- commitments in respect of financing	23.2.2	**96,415,835**	124,966,341
		207,850,222	251,509,280
23.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions			
Purchase		**50,191,731**	54,353,067
Sale		**37,860,692**	46,618,624
		88,052,423	100,971,691

23.2.2 The Bank makes commitments to extend shariah compliant Islamic financing (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		---------Rupees in '000---------	
23.3 Other contingent liabilities			
Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Bank has not acknowledged as debt	23.3.1	**1,804**	1,804
Tax Contingencies		**718,789**	718,789
		720,593	720,593

23.3.1 Suits filed by customers/ borrowers for recovery of alleged losses suffered, pending in the High Court, which the Bank has not acknowledged as debt. During the period there has been no change in the status of these suits.

23.3.2 There is no change in the status of tax and other contingencies, as set out in the note 25.3.2 to the annual unconsolidated financial statements of the Bank for the year ended 31 December 2023.

		(Unaudited)	
24	**PROFIT / RETURN EARNED**	**June 30, 2024**	**June 30, 2023**
		---------Rupees in '000---------	
	Profit earned on:		
	Financing	**23,283,418**	19,842,627
	Investments	**34,132,969**	17,400,564
	Placements	**1,187,285**	1,829,205
	Others	**116,557**	92,206
		58,720,229	39,164,602
24.1	**Profit (calculated using effective profit rate method) recognised on:**		
	Financial assets measured at amortised cost	**24,587,260**	21,764,038
	Financial assets measured at FVOCI / AFS	**34,132,969**	17,400,564
		58,720,229	39,164,602
25	**PROFIT / RETURN EXPENSED**		
	Deposits and other accounts	**27,700,472**	16,907,624
	Due to financial institutions	**7,633,166**	4,858,698
	Cost of foreign currency swaps against foreign currency deposits	**693,990**	180,941
	Finance charges on leased assets	**355,254**	249,408
	Subordinated Sukuk	**360,467**	314,533
		36,743,349	22,511,204
25.1	Profit expense calculated using effective profit rate method	**8,348,887**	5,422,639
	Other financial liabilities	**28,394,462**	17,088,565
		36,743,349	22,511,204
26	**FEE AND COMMISSION INCOME**		
	Card related fees	**587,847**	388,893
	Commission on trade	**215,711**	204,572
	Commission on arrangement with financial institutions	**58,000**	38,518
	Investment banking fees	**87,772**	21,709
	Commission on bancatakaful	**22,431**	42,086
	Guarantees related fee	**28,020**	25,419
	Consumer finance related fees	**4,360**	12,253
	Branch banking customer fees	**45,201**	28,906
	Commission on remittances including home remittances	**24,748**	22,037
	Commission on cash management	**12,325**	9,014
	Others	**3,306**	4,507
		1,089,721	797,914

	Note	(Unaudited) June 30, 2024	(Unaudited) June 30, 2023
		---------Rupees in '000---------	
27 GAIN ON SECURITIES - NET			
Realized	27.1	348,772	115,005
Unrealized - Measured at FVTPL		28,193	-
		376,965	115,005
27.1 Realized gain on:			
Shares		286,353	-
Federal Government Shariah Compliant Securities		44,883	115,005
Non-Government Shariah Compliant Securities		17,536	-
		348,772	115,005
27.2 Net gain / loss on financial assets / liabilities measured at FVTPL:			
Designated upon initial recognition		28,193	-
Mandatorily measured at FVTPL		-	-
		28,193	-
Net gain / (loss) on financial assets / liabilities measured at amortised cost		-	-
Net gain / (loss) on financial assets measured at FVOCI / AFS		-	115,005
Net gain / (loss) on investments in equity instruments designated at FVOCI / AFS		-	-
		-	115,005
		28,193	115,005
28 OTHER INCOME - NET			
Recoveries against previously expensed items		5,490	6,773
Gain on termination of financing		57,121	89,880
Gain on sale of property and equipment		15,831	9,971
Rent on property		-	766
		78,442	107,390

	(Unaudited) June 30, 2024	(Unaudited) June 30, 2023
	---------Rupees in '000---------	
29 OPERATING EXPENSES		
Total compensation expense	**4,337,192**	3,386,053
Property expense		
Rent & taxes	**219,408**	70,451
Takaful cost	**-**	830
Utilities cost	**502,557**	345,869
Security (including guards)	**453,425**	293,004
Repair & maintenance (including janitorial charges)	**218,722**	147,074
Depreciation	**360,873**	251,362
Depreciation on right-of-use assets	**665,256**	467,213
	2,420,241	1,575,803
Information technology expenses		
Software maintenance	**266,423**	254,344
Hardware maintenance	**135,865**	138,276
Depreciation	**212,593**	157,034
Amortization	**121,328**	58,538
Network charges	**199,704**	134,144
	935,913	742,336
Other operating expenses		
Directors' fees and allowances	**11,360**	7,620
Fees and allowances to Shariah Board	**16,548**	12,964
Legal & professional charges	**93,384**	66,359
Travelling & conveyance	**99,918**	60,702
NIFT clearing charges	**26,313**	18,022
Depreciation	**225,897**	135,163
Depreciation on non-banking assets	**1,289**	1,151
Entertainment expense	**92,389**	51,571
Training & development	**19,913**	7,735
Postage & courier charges	**36,133**	44,442
Communication	**178,757**	107,391
Stationery & printing	**210,503**	167,631
Marketing, advertisement & publicity	**103,758**	169,800
Repairs and maintenance	**125,123**	109,768
Takaful, tracker and other charges on car Ijarah - net of income	**39,891**	152,735
Takaful / Insurance	**234,428**	173,473
Fee and subscription	**349,630**	193,365
Vehicle running and maintenance	**285,138**	230,197
Donations	**142,144**	-
Auditors' remuneration	**15,873**	13,770
Amortisation	**7,147**	3,153
CDC and share registrar services	**6,220**	6,844
Brokerage and commission	**14,065**	13,191
Stamp duty, registration & verification charges	**31,854**	23,059
Others	**38,064**	19,366
	2,405,739	1,789,472
	10,099,085	7,493,664
30 OTHER CHARGES		
Penalties imposed by the State Bank of Pakistan	**414**	4,761

	Note	(Unaudited) June 30, 2024	June 30, 2023
		---------Rupees in '000---------	

31 CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET

	Note	June 30, 2024	June 30, 2023
Reversal of credit loss allowance against Due from financial institutions		(830)	(1,620)
(Reversal) / credit loss allowance for diminution in value of investments	9.6.1	(97)	579,347
Credit loss allowance against Islamic financing, related assets and advances - net	10.13.3	431,440	1,743,930
Credit loss allowance against balance with treasury and other banks		1,199	-
Other credit loss allowance / (reversal) / write offs - net		(57,537)	3,790
		374,175	2,325,447

32 TAXATION

		June 30, 2024	June 30, 2023
Current		6,549,776	3,548,171
Prior years		-	123,235
Deferred		176,603	(471,319)
		6,726,379	3,200,087

33 BASIC AND DILUTED EARNINGS PER SHARE

	Note	June 30, 2024	June 30, 2023
Profit after taxation for the period		7,064,389	5,095,746
		------- Number of shares -------	
Weighted average number of ordinary shares		1,108,703,299	1,108,703,299
		------- Rupees -------	
Basic and diluted EPS	33.1	6.3718	4.5961

33.1 There were no convertible / dilutive potential ordinary shares outstanding as at June 30, 2024 and June 30, 2023, therefore diluted earning per share has not been presented separately.

34 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.

34.1 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:

	(Unaudited) June 30, 2024			
	Level 1	Level 2	Level 3	Total
	---------------- Rupees in '000 ----------------			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / Modaraba certificates	98,932	-	6,820	105,752
GoP Ijara Sukuk	45,105,458	266,959,167	-	312,064,625
Non-Government Shariah compliant securities	3,388,061	30,964,108	-	34,352,169
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	50,191,731	-	50,191,731
Shariah compliant alternative of forward sale of foreign exchange	-	37,860,692	-	37,860,692
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	-	6,649,928	6,649,928
Non-banking assets acquired in satisfaction of claims	-	-	1,214,051	1,214,051

	(Audited) December 31, 2023			
	Level 1	Level 2	Level 3	Total
	---------------------- Rupees in '000 ----------------------			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / Modaraba certificates	692,581	-	6,820	699,401
GOP Ijara Sukuk	-	277,867,398	-	277,867,398
Non-Government Shariah compliant Securities	3,384,000	32,133,073	-	35,517,073
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	54,353,067	-	54,353,067
Shariah compliant alternative of forward sale of foreign exchange	-	46,618,624	-	46,618,624
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	-	6,951,679	6,951,679
Non-banking assets acquired in satisfaction of claims	-	-	1,215,340	1,215,340

Valuation techniques used in determination of fair values within level 1

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Listed securities (Shares, Modaraba and Sukuks)	The valuation has been determined through closing rates on Pakistan Stock Exchange.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities 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.

34.2 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.

35 SEGMENT INFORMATION

Segment Details with respect to Business Activities

	(Un-audited) June 30, 2024				
Profit & Loss	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	Rupees in '000				
Net profit / return	27,390,285	(23,651,406)	18,574,629	(336,628)	21,976,880
Inter segment revenue - net	(28,314,403)	45,458,826	(19,915,709)	2,771,286	-
Total other income	1,458,842	747,738	341,102	21,324	2,569,006
Total income	534,724	22,555,158	(999,978)	2,455,982	24,545,886
Segment direct expenses	62,810	4,798,337	399,444	5,120,352	10,380,943
Inter segment expense allocation	66,009	4,144,751	627,733	(4,838,493)	-
Total expenses	128,819	8,943,088	1,027,177	281,859	10,380,943
Credit loss allowance	271	6,089	419,602	(51,787)	374,175
Profit / (loss) before tax	405,634	13,605,981	(2,446,757)	2,225,910	13,790,768

	(Un-audited) June 30, 2024				
Balance Sheet	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	Rupees in '000				
Assets					
Cash & Bank balances	2,215,550	50,726,412	-	-	52,941,962
Investments	345,841,713	-	680,833	-	346,522,546
Net inter segment placements	-	469,082,468	-	15,858,551	484,941,019
Due from financial institutions	7,666,747	-	-	-	7,666,747
Islamic financing and related assets - performing	-	31,305,934	155,206,016	6,720,019	193,231,969
- non-performing - net	-	1,115,389	1,032,467	208,481	2,356,337
Others	-	-	-	52,776,912	52,776,912
Total Assets	355,724,010	552,230,203	156,919,316	75,563,963	1,140,437,492
Liabilities					
Due to financial institutions	10,569,263	3,164,139	15,486,557	-	29,219,959
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	1,646,487	549,066,064	-	-	550,712,551
Net inter segment acceptances	343,508,260	-	141,432,759	-	484,941,019
Others	-	-	-	31,195,518	31,195,518
Total liabilities	355,724,010	552,230,203	156,919,316	34,195,518	1,099,069,047
Equity	-	-	-	41,368,445	41,368,445
Total Equity & liabilities	355,724,010	552,230,203	156,919,316	75,563,963	1,140,437,492
Contingencies & Commitments	88,052,423	-	35,128,628	98,138,563	221,319,614

Profit & Loss	(Un-audited) June 30, 2023 Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	------------------------------ Rupees in '000				----------------------------------
Net profit / return	13,887,979	(12,033,281)	15,082,536	(283,836)	16,653,398
Inter segment revenue - net	(14,347,712)	29,758,802	(14,791,576)	(619,514)	-
Total other income	765,438	589,568	259,710	17,508	1,632,224
Total Income	305,705	18,315,089	550,670	(885,842)	18,285,622
Segment direct expenses	82,616	4,086,860	312,448	3,182,418	7,664,342
Inter segment expense allocation	24,730	1,380,169	377,985	(1,782,884)	-
Total expenses	107,346	5,467,029	690,433	1,399,534	7,664,342
Credit loss allowance	577,727	(235,225)	2,004,902	(21,957)	2,325,447
Profit / (loss) before tax	(379,368)	13,083,285	(2,144,665)	(2,263,419)	8,295,833

Balance Sheet	(Audited) December 31, 2023 Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	------------------------------ Rupees in '000				----------------------------------
Assets					
Cash & Bank balances	1,476,310	41,184,735	-	-	42,661,045
Investments	306,999,736	-	-	7,084,136	314,083,872
Net inter segment placements	-	456,924,234	-	-	456,924,234
Due from financial institutions	16,502,138	-	-	-	16,502,138
Islamic financing and related assets - performing	-	32,950,449	183,437,696	10,423,626	226,811,771
- non-performing - net	-	1,631,568	1,750,949	-	3,382,517
Others	-	-	-	51,424,553	51,424,553
Total Assets	324,978,184	532,690,986	185,188,645	68,932,315	1,111,790,130
Liabilities					
Due to financial institutions	39,607,651	3,354,127	17,697,278	-	60,659,056
Subordinated sukuk	-	-	-	2,850,000	2,850,000
Deposits & other accounts	6,145,015	516,395,910	-	-	522,540,925
Net inter segment acceptances	279,132,859	-	167,064,813	10,726,562	456,924,234
Others	92,659	12,940,949	426,554	18,889,835	32,349,997
Total liabilities	324,978,184	532,690,986	185,188,645	32,466,397	1,075,324,212
Equity	-	-	-	36,465,918	36,465,918
Total Equity & liabilities	324,978,184	532,690,986	185,188,645	68,932,315	1,111,790,130
Contingencies & Commitments	100,971,691	-	29,774,800	126,858,690	257,605,181

36 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiary, 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) June 30, 2024						(Audited) December 31, 2023					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	(Rupees in '000)											
Due from financial institutions - net												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the period / year	-	-	-	-	-	-	3,233,725	-	-	-	-	-
Repaid during the period / year	-	-	-	-	-	-	(3,233,725)	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
Opening balance	-	-	-	104,771	1,102,111	-	-	-	-	104,771	1,102,111	-
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	104,771	1,102,111	-	-	-	-	104,771	1,102,111	-
Provision for diminution in value of investments	-	-	-	(104,771)	(1,102,111)	-	-	-	-	(104,771)	(1,102,111)	-
Islamic financing and related assets												
Opening balance	-	-	422,999	-	480,187	248,878	-	-	372,910	-	480,187	700,001
Addition during the period / year	-	-	134,204	-	210,065	712,505	-	-	226,783	-	903,910	4,461,960
Repaid during the period / year	-	-	(53,519)	-	(235,065)	(248,758)	-	-	(55,187)	-	(903,910)	(4,071,795)
Transfer in / (out) - net	-	-	(15,638)	-	-	-	-	-	(121,507)	-	-	(841,288)
Closing balance	-	-	488,046	-	455,187	712,625	-	-	422,999	-	480,187	248,878
Credit loss allowance held against Islamic financing and related assets	-	-	-	-	(196,004)	-	-	-	-	-	(221,004)	-
Other assets												
Profit receivable on financings	-	-	80	-	-	24,505	-	-	443	-	-	5,019
Due to financial institutions - net												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the period / year	61,500,000	-	-	-	-	-	161,865,000	-	-	-	-	-
Settled during the period / year	(61,500,000)	-	-	-	-	-	(161,865,000)	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated sukuk												
Opening balance	-	-	485	-	-	1,120	-	-	1,015	-	-	-
Issued / purchased during the period / year	-	-	-	-	-	142,630	-	-	-	-	-	-
Redemption / sold during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out)	-	-	-	-	-	-	-	-	(530)	-	-	1,120
Closing balance	-	-	485	-	-	143,750	-	-	485	-	-	1,120
Deposits and other accounts												
Opening balance	-	5,741	72,646	4	29,503	6,162,706	-	2,745	32,443	4	12,186	1,776,697
Received during the period / year	-	674,217	662,656	-	1,024,050	30,940,314	-	3,128,053	879,664	-	2,157,630	30,791,160
Withdrawn during the period / year	-	(662,027)	(597,654)	-	(1,049,379)	(34,649,988)	-	(3,125,331)	(839,085)	-	(2,140,297)	(29,438,326)
Transfer in / (out) - net	-	-	(11,089)	-	-	12,422	-	274	(376)	-	(16)	3,033,175
Closing balance	-	17,931	126,559	4	4,174	2,465,454	-	5,741	72,646	4	29,503	6,162,706
Other Liabilities												
Profit / return payable	-	60	1,069	-	5	32,085	-	3	333	-	13	126,064
Dividend Payable	-	-	-	-	-	-	-	169,317	-	-	-	-
Other liabilities	-	-	-	-	-	41	-	-	10	-	-	132
Meeting fee / remuneration payable	-	-	-	-	-	-	-	2,000	-	-	-	-

	(Un-audited) June 30, 2024						(Un-audited) June 30, 2023					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	(Rupees in '000)											
Income												
Profit / return earned	-	-	17,489	-	-	51,182	-	-	7,691	-	29,924	98,369
Other income	-	-	16	-	22	-	-	-	8,886	-	-	-
Expense												
Profit / return expensed	45,297	15,923	6,563	-	64	301,233	-	11	816	-	14	243,511
Other administrative expenses	38,520	1,253	18,372	-	-	87,699	-	1,527	1,063	-	-	25,995
Meeting fee / remuneration	-	11,360	234,955	-	-	-	-	7,620	287,751	-	-	-
Contribution to employees provident fund	-	-	-	-	-	137,091	-	-	-	-	-	103,351
Charge for employees gratuity fund	-	-	-	-	-	134,207	-	-	-	-	-	94,818
Donation paid	-	-	-	-	-	60,000	-	-	-	-	-	-
Dividend paid	832,812	286,690	39	-	-	28,527						

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	---------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	**35,530,495**	28,516,942
Eligible Additional Tier 1 (ADT 1) Capital	**3,000,000**	2,850,000
Total Eligible Tier 1 Capital	**38,530,495**	31,366,942
Eligible Tier 2 Capital	**8,272,850**	10,586,929
Total Eligible Capital (Tier 1 + Tier 2)	**46,803,345**	41,953,871
Risk Weighted Assets (RWAs):		
Credit Risk	**137,400,103**	123,694,507
Market Risk	**1,187,797**	2,747,987
Operational Risk	**49,939,650**	49,939,650
Total	**188,527,550**	176,382,144
Common Equity Tier 1 Capital Adequacy ratio	**18.85%**	16.17%
Tier 1 Capital Adequacy Ratio	**20.44%**	17.78%
Total Capital Adequacy Ratio	**24.83%**	23.79%
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%

37.1 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) June 30, 2024	(Audited) December 31, 2023
	---------Rupees in '000---------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**38,530,495**	31,366,942
Total Exposures	**694,019,098**	661,785,605
Leverage Ratio	**5.55%**	4.74%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**390,950,522**	315,027,109
Total Net Cash Outflow	**99,156,842**	90,466,918
Liquidity Coverage Ratio	**394.27%**	348.22%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**564,431,587**	524,268,955
Total Required Stable Funding	**144,867,822**	170,271,142
Net Stable Funding Ratio	**389.62%**	307.90%

37.2 The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time has been placed on the Bank's website. The link to the full disclosures is available at www.bankislami.com.pk/investor-relations

38 GENERAL

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

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

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

38.4 Corresponding figures

These condensed interim unconsolidated financial statements are prepared on revised format as per the directives issued by SBP vide BPRD circular No. 2 of 2023. Consequently, 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:

Items	Transfer from	Transfer to	As at December 31, 2023
			--- Rupees in '000 ---
Statement of Financial Position:			
Right-of-use assets	Property and Equipment (formerly Fixed Assets)	Statement of Financial Position (As a financial statement caption)	3,566,267
Lease Liabilities	Other Liabilities	Statement of Financial Position (As a financial statement caption)	4,252,295

38.5 The Board of Directors of the Bank in their meeting held on August 26, 2024 has announced an interim cash dividend of Rs. 1.5 per share (15%). These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the quarter ending September 30, 2024.

39 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on August 26, 2024 by the Board of Directors of the Bank.

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

Condensed Interim

Consolidated Financial Statements

of

BankIslami Pakistan Limited

For the Half Year Ended

June 30, 2024

BankIslami Pakistan Limited
Condensed Interim Consolidated Statement of Financial Position
As at June 30, 2024

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		-------- Rupees in '000 --------	
ASSETS			
Cash and balances with treasury banks	6	**50,726,412**	41,287,071
Balances with other banks	7	**2,217,752**	1,376,176
Due from financial institutions	8	**7,666,747**	16,502,138
Investments	9	**346,522,546**	314,083,872
Islamic financing, related assets and advances	10	**195,588,306**	230,194,288
Property and equipment	11	**14,231,798**	12,574,354
Right-of-use assets	12	**4,367,194**	3,566,267
Intangible assets	13	**4,004,548**	3,666,496
Deferred tax assets	14	**1,203,320**	110,448
Other assets	15	**28,893,301**	31,430,237
Total Assets		**655,421,924**	654,791,347
LIABILITIES			
Bills payable	16	**3,735,292**	5,125,177
Due to financial institutions	17	**29,219,959**	60,659,056
Deposits and other accounts	18	**550,712,545**	522,540,920
Lease liabilities	19	**5,192,701**	4,252,295
Subordinated sukuk	20	**3,000,000**	2,850,000
Deferred tax liabilities		**-**	-
Other liabilities	21	**22,287,290**	22,992,289
Total Liabilities		**614,147,787**	618,419,737
NET ASSETS		**41,274,137**	36,371,610
REPRESENTED BY			
Share capital - net		**11,007,991**	11,007,991
Reserves		**4,800,091**	4,800,091
Surplus on revaluation of assets	22	**3,688,360**	4,653,025
Unappropriated profit		**21,777,695**	15,910,503
		41,274,137	36,371,610
CONTINGENCIES AND COMMITMENTS	23		

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

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

BankIslami Pakistan Limited
Condensed Interim Consolidated Profit and Loss Account (Un-audited)
For the half year ended June 30, 2024

	Note	Quarter Ended		Half year ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		Rupees in '000			
Profit / return earned	24	28,968,484	22,601,260	58,720,229	39,164,602
Profit / return expensed	25	17,043,905	12,856,851	36,743,349	22,511,204
Net Profit / return		11,924,579	9,744,409	21,976,880	16,653,398
OTHER INCOME					
Fee and commission income	26	460,910	430,976	1,089,721	797,914
Dividend income		62,536	27,338	62,536	27,338
Foreign exchange income		1,007,214	99,001	1,407,225	245,350
(Loss) / Income from shariah compliant forward and future contracts		(747,854)	125,191	(445,883)	339,227
Gain on securities - net	27	160,717	112,768	376,965	115,005
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income - net	28	36,108	65,184	78,442	107,390
Total other income		979,631	860,458	2,569,006	1,632,224
Total Income		12,904,210	10,604,867	24,545,886	18,285,622
OTHER EXPENSES					
Operating expenses	29	5,210,849	3,880,610	10,099,085	7,493,664
Workers' Welfare Fund		155,338	101,873	281,444	165,917
Other charges	30	287	2,407	414	4,761
Total other expenses		5,366,474	3,984,890	10,380,943	7,664,342
Profit before credit loss allowance / provisions		7,537,736	6,619,977	14,164,943	10,621,280
Credit loss allowance / provisions and write offs - net	31	97,067	1,484,979	417,222	2,325,447
Extra ordinary / unusual items		-	-	-	-
Share of profit / (loss) from associate - net of tax		43,047	6,300	43,047	6,300
PROFIT BEFORE TAXATION		7,483,716	5,141,298	13,790,768	8,302,133
Taxation	32	3,634,955	1,833,566	6,726,379	3,200,087
PROFIT AFTER TAXATION		3,848,761	3,307,732	7,064,389	5,102,046
ATTRIBUTABLE TO:					
Equity holders of the Holding Company		3,848,761	3,307,732	7,064,389	5,102,046
Non-controlling interest		-	-	-	-
		3,848,761	3,307,732	7,064,389	5,102,046
		Rupees			
Basic / diluted earnings per share	33	3.4714	2.9834	6.3718	4.6018

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

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

BankIslami Pakistan Limited
Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)
For the half year ended June 30, 2024

	Quarter Ended		Half year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	------------------------ Rupees in '000 ------------------------			
Profit after taxation for the period	**3,848,761**	3,307,732	**7,064,389**	5,102,046
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	**42,613**	75,385	**(705,599)**	(244,171)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of property and equipment - net of tax	**-**	(166,634)	**-**	(166,634)
Movement in surplus on revaluation of non-banking assets - net of tax	**-**	(3,426)	**-**	(3,058)
	-	(170,060)	**-**	(169,692)
Total comprehensive income	**3,891,374**	3,213,057	**6,358,790**	4,688,183
Total comprehensive income attributable to:				
Equity shareholders of the Holding Company	**3,891,374**	3,213,057	**6,358,790**	4,688,183
Non controlling interest	**-**	-	**-**	-
	3,891,374	3,213,057	**6,358,790**	4,688,183

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

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

BankIslami Pakistan Limited
Condensed Interim Consolidated Statement of Changes in Equity
For the half year ended June 30, 2024

	Share capital	Discount on issue of shares	Statutory reserve*	Surplus on revaluation of Investments	Surplus on revaluation of Property & Equipment / Non Banking Assets	Unappropriated profit	Sub-total	Non Controlling Interest	Total
	----------	----------	----------	----------	Rupees in '000	----------	----------	----------	----------
Opening Balance as at January 1, 2023 (Audited)	11,087,033	(79,042)	2,591,071	1,122,191	1,637,031	10,432,660	26,790,944	-	26,790,944
Profit after taxation for the half year ended June 30, 2023	-	-	-	-	-	5,102,046	5,102,046	-	5,102,046
Other comprehensive income / (loss) for the half year ended June 30, 2023 - net of tax:									
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	(216,246)	-	-	(216,246)	-	(216,246)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	(27,925)	-	-	(27,925)	-	(27,925)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	(166,634)	-	(166,634)	-	(166,634)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	(3,058)	-	(3,058)	-	(3,058)
Total other comprehensive income - net of tax	-	-	-	(244,171)	(169,692)	-	(413,863)	-	(413,863)
Share of profit from Associate for the period from October 01, 2022 to December 31, 2022	-	-	-	-	-	94,672	94,672	-	94,672
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(48,353)	48,353	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(155)	155	-	-	-
Transactions with owners, recorded directly in equity									
Cash dividend to shareholders for the year 2022 @ Re. 1 per share	-	-	-	-	-	(1,108,703)	(1,108,703)	-	(1,108,703)
Opening Balance as at July 1, 2023 (Un-audited)	11,087,033	(79,042)	2,591,071	878,020	1,418,831	14,569,183	30,465,096	-	30,465,096
Profit after taxation for the period from July 01, 2023 to December 31, 2023	-	-	-	-	-	5,413,530	5,413,530	-	5,413,530
Other comprehensive income / (loss) - net of tax									
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	2,162,350	-	-	2,162,350	-	2,162,350
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	156,847	-	-	156,847	-	156,847
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	(33,459)	(33,459)	-	(33,459)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	147,471	-	147,471	-	147,471
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	6	-	6	-	6
Total other comprehensive income - net of tax	-	-	-	2,319,197	147,477	(33,459)	2,433,215	-	2,433,215
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(78,429)	78,429	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(13)	13	-	-	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(32,058)	32,058	-	-	-
Transfer to statutory reserve	-	-	2,209,020	-	-	(2,209,020)	-	-	-
Transactions with owners, recorded directly in equity									
First Interim cash dividend to shareholders for the year 2023 @ Rs. 1.75 per share	-	-	-	-	-	(1,940,231)	(1,940,231)	-	(1,940,231)
Opening Balance as at January 01, 2024 (Audited)	11,087,033	(79,042)	4,800,091	3,197,217	1,455,808	15,910,503	36,371,610	-	36,371,610
Impact of initial application of IFRS 9 as at January 01, 2024 - net of tax	-	-	-	(177,127)	-	(170,433)	(347,560)	-	(347,560)
Opening Balance as at January 01, 2024 (Adjusted)	**11,087,033**	**(79,042)**	**4,800,091**	**3,020,090**	**1,455,808**	**15,740,070**	**36,024,050**	**-**	**36,024,050**
Profit after taxation for the half year ended June 30, 2024	**-**	**-**	**-**	**-**	**-**	**7,064,389**	**7,064,389**	**-**	**7,064,389**
Other comprehensive income / (loss) for the half year ended June 30, 2024 - net of tax:									
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	**-**	**-**	**-**	**(705,599)**	**-**	**-**	**(705,599)**	**-**	**(705,599)**
Total other comprehensive income - net of tax	**-**	**-**	**-**	**(705,599)**	**-**	**-**	**(705,599)**	**-**	**(705,599)**
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	**-**	**-**	**-**	**-**	**(81,872)**	**81,872**	**-**	**-**	**-**
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	**-**	**-**	**-**	**-**	**(67)**	**67**	**-**	**-**	**-**
Transactions with owners, recorded directly in equity									
Final Cash dividend to shareholders for the year 2023 @ Re. 1 per share	**-**	**-**	**-**	**-**	**-**	**(1,108,703)**	**(1,108,703)**	**-**	**(1,108,703)**
Closing Balance as at June 30, 2024 (Un-audited)	**11,087,033**	**(79,042)**	**4,800,091**	**2,314,491**	**1,373,869**	**21,777,695**	**41,274,137**	**-**	**41,274,137**

*This represents reserve created under section 21(1) of the Banking Companies Ordinance, 1962.

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

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

BankIslami Pakistan Limited
Condensed Interim Consolidated Cash Flow Statement (Un-audited)
For the half year ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
		------------ Rupees in '000 ------------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		13,790,768	8,302,133
Less: Dividend income		(62,536)	(27,338)
Less: Share of profit from associate		(43,047)	(6,300)
		13,685,185	8,268,495
Adjustments for non-cash charges and other items:			
Net Profit / return		(21,976,880)	(16,653,398)
Depreciation on property and equipment		799,363	543,559
Depreciation on non-banking assets	29	1,289	1,151
Depreciation on right-of-use assets	29	665,256	467,213
Amortization		128,475	61,691
Depreciation on operating Ijarah assets		24,518	10,707
Finance charges on leased assets	25	355,254	249,408
Credit loss allowance / provisions and write offs - net	31	417,222	2,325,447
Unrealized gain on revaluation of investments classified as FVTPL	27	(28,193)	-
Charge for defined benefit plan		134,207	94,818
Gain on sale / disposal of property and equipment	28	(15,831)	(9,971)
		(19,495,320)	(12,909,375)
		(5,810,135)	(4,640,880)
Decrease / (increase) in operating assets			
Due from financial institutions		8,836,201	(30,641,148)
Securities classified as FVTPL		28,193	-
Islamic financing, related assets and advances - net		33,480,415	(43,890,179)
Other assets (excluding advance taxation)		(526,350)	(1,913,624)
		41,818,459	(76,444,951)
(Decrease) / increase in operating liabilities			
Bills payable		(1,389,885)	(315,732)
Due to financial institutions		(31,439,097)	44,991,218
Deposits and other accounts		28,171,625	47,053,081
Other liabilities (excluding current taxation)		(1,624,081)	3,845,393
		(6,281,438)	95,573,960
		29,726,886	14,488,129
Profit / return received		60,895,827	33,220,279
Profit / return paid		(36,594,818)	(19,473,184)
Income tax paid		(5,652,227)	(1,912,188)
Payment to Gratuity Fund		(100,000)	-
Net cash generated from operating activities		48,275,668	26,323,036
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		(33,144,308)	(25,215,057)
Dividends received		62,536	27,338
Investments in property and equipment		(2,455,698)	(1,305,028)
Investments in intangible assets		(482,157)	(194,807)
Proceeds from disposal of property and equipment		31,551	10,566
Net cash used in investing activities		(35,988,076)	(26,676,988)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(881,031)	(775,589)
Dividend paid		(1,269,908)	(848,034)
Proceeds from issuance of subordinated sukuk		150,000	-
Net cash used in financing activities		(2,000,939)	(1,623,623)
Increase / (decrease) in cash and cash equivalents		10,286,653	(1,977,575)
Cash and cash equivalents at the beginning of the period		42,657,511	42,018,657
Cash and cash equivalents at the end of the period		52,944,164	40,041,082

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

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

BankIslami Pakistan Limited
Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements (Un-Audited)
For the half year ended June 30, 2024

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 497 branches including 60 sub-branches as at June 30, 2024 (2023: 440 branches including 60 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 to 'AA-' and short-term rating at 'A1' with stable outlook.

On August 18, 2023, JS Bank Limited increased its shareholding in the Holding Company from 7.79% to 50.24% by acquiring shares from existing shareholders of the Holding Company through Share Purchase Agreement (SPA), effectively making BankIslami Pakistan Limited a subsidiary of JS Bank Limited. The shareholding in the Holding Company was further increased to 75.12% on August 25, 2023 by way of acquiring Holding Company's shares through a public offer.

1.2 Subsidiary Company

1.2.1 My Solutions Corporations 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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34 "Interim Financial Reporting" and 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).

2.2 Whenever 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 IAS 34, IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.3 The SBP, through its BSD Circular No. 10 dated August 26, 2002, has deferred the implementation of IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Accordingly, the requirements of these Standards have not been considered in the preparation of these condensed interim consolidated financial statements. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of this standard have also not been considered in the preparation of these condensed interim consolidated financial statements. However non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP.

2.4 These condensed interim consolidated financial statements are separate condensed interim consolidated financial statements of the Holding Company in which investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any, and are not consolidated.

2.5 The Holding Company 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 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material 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 financial statements of the Holding Company for the year ended December 31, 2023 except for changes mentioned in Note 3.1

3.1 IFRS 9 - Financial Instruments:

The State Bank of Pakistan (SBP) vide its BPRD Circular No. 03 of 2022 dated July 05, 2022 has provided detailed instructions (the Application Instructions) on implementation of IFRS 9 (the Standard) to ensure smooth and consistent implementation of the standard across banks.

As per SBP BPRD Circular Letter No. 07 of 2023 dated April 13, 2023, IFRS 9 is applicable on banks with effect from January 01, 2024. IFRS 9 brings fundamental changes to the accounting for financial assets and to certain aspects of accounting for financial liabilities. To determine appropriate classification and measurement category, IFRS 9 requires all financial assets, except equity instruments, to be assessed based on combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics (SPPI assessment). The adoption of IFRS 9 has also fundamentally changed the impairment method of financial assets with a forward-looking Expected Credit Losses (ECL) approach.

The Holding Company has adopted IFRS 9 with modified retrospective approach for restatement i.e. changes in accounting policies resulting from adoption of IFRS 9 have been applied retrospectively. However, the Holding Company elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and financial liabilities at the date of transition were recognised in the opening retained earnings and other reserves of the current period. These changes and impacts for the Holding Company are discussed below:

SBP vide its BPRD Circular Letter No. 16 of 2024 dated July 05, 2024 have made certain amendments and extended timelines of application instructions for certain areas where the banking industry has sought more time. These amendments and relaxations include use of modification accounting for financial assets and liabilities as per IFRS 9 standard and recording and treatment of staff loan and finances at reduced rates from October 01, 2024. Further, the banks have been asked to use existing practices of recordings of profit income using effective profit rate and ensure full recognition of above mentioned concessions from October 01, 2024. Moreover, SBP has allowed an extension to banks up to December 31, 2024 for developing the requisite models for calculating Exposure at Default for revolving products beyond the contractual date. In addition the banks have also been allowed to continue existing practice of valuing unquoted equity investment at their cost or breakup value, whichever is lower, till December 31, 2024 and perform fair valuation of these investments afterwards.

3.1.1 Classification

Financial Assets

After adoption of IFRS 9, existing categories of financial assets: Held for trading (HFT), Available for sale (AFS), Held to maturity (HTM) and loans and receivables have been replaced by:

\

- Financial assets at fair value through profit or loss account (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at amortised cost

Financial Liabilities

Financial liabilities are either classified as fair value through profit or loss (FVTPL), when they are held for trading purposes, or at amortised cost. Financial liabilities classified as FVTPL are measured at fair value and all the fair value changes are recognised in profit and loss account. Financial liabilities classified at amortised cost are initially recorded at their fair value and subsequently measured using the effective yield rate method. Profit expense and foreign exchange gain and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

3.1.2 Business Model and SPPI Assessments

Under IFRS 9, the classification of the financial assets is based on two criteria: a) the Holding Company's business model for managing the assets; and b) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

a) Business model assessment

The Holding Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Holding Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- how managers of the business are compensated (e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected).
- The fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, volume and timing of sales are also important aspects of the Holding Company's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Holding Company's original expectations, the Holding Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Transfer of financial assets to third parties in transactions do not qualify for derecognition because such transfer does not effect the Holding Company's contractual rights to receive the cash flows associated with the said financial assets and is consistent with the Holding Company's continuing recognition criteria of the financial assets.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Eventually, the financial assets fall under either of the following three business models:

- Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows.
- Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets.
- Other business models: Held for trading which is evaluated on fair value basis and measured at FVTPL because they neither are held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

b) Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

The Holding Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Holding Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

3.1.3 Initial recognition and subsequent measurement

The classification and subsequent measurement requirements of IFRS 9 categories are as follows;

a) Amortised cost (AC)

The Holding Company classifies its debt based financial assets at amortised cost only if both of the following criteria are met and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect Contractual Cash Flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI test) on the principal amount outstanding.

Financial assets and financial liabilities under amortised cost category are initially recognised at fair value.

After initial measurement, these financial instruments are subsequently measured at amortised cost using the Effective Profit Rate (EPR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortisation is included in “Profit Income” in the Income Statement.

b) Fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income comprise:

- equity securities which are not held for trading, and for which the company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit or loss, and
- debt securities where the contractual cash flows are solely principal and interest and the objective of the company’s business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets under FVOCI category are initially recognised at fair value.

These financial instrument are subsequently measured at fair value. Movements in the carrying amount form one reporting date to other are taken through OCI.

c) Fair value through profit or loss (FVTPL)

The Holding Company classifies the following financial assets at fair value through profit and loss:

- debt investments that do not qualify for measurement at either amortised cost or at fair value through other comprehensive income; and
- equity investments that are held for trading

Financial assets under FVTPL category are initially recognised at fair value.

In addition, on initial recognition, the Holding Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

These financial instrument are subsequently measured at fair value. Changes in the fair value of financial assets at FVTPL are recognised in through profit and loss. Interest income from debt instruments is included in the finance income.

3.1.4 Derecognition

Financial assets

The Holding Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Holding Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit and loss. Cumulative gain / loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit and loss on de-recognition of such securities.

Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit and loss.

3.1.5 Modification

Financial Assets

When the contractual cash flows of a financial asset are renegotiated or otherwise modified as a result of commercial restructuring activity rather than due to credit risk and impairment considerations, the Holding Company performs an assessment to determine whether the modifications result in the derecognition of that financial asset.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Holding Company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

Where derecognition of financial assets is appropriate, the newly recognised residual financial assets are assessed to determine whether the assets should be classified as purchased or originated credit-impaired assets (POCI).

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Holding Company first recalculates the gross carrying amount of the financial asset using the original effective yield rate of the asset and recognize the resulting adjustment as a modification gain or loss in profit and loss.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with impairment losses. In other cases, it is presented as profit income calculated using the effective yield rate method.

Financial Liabilities

The Holding Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability recognized and consideration paid is recognized in profit and loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective yield rate and the resulting gain and loss is recognized in profit and loss.

For financial liabilities, the Holding Company considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

3.1.6 Reclassification

Financial liabilities are not reclassified subsequent to initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Holding Company changes its business models for managing financial assets, in which cases all affected financial assets are reclassified on the first day of the first reporting period following changes in the business model.

Financial assets are reclassified at their fair value on the date of reclassification and previously recognised gains and losses are not restated. Moreover, reclassifications of financial assets between financial assets held at amortised cost and financial assets held at FVOCI do not affect effective yield rate or expected credit loss computations.

Reclassified from amortised cost

Where financial assets held at amortised cost are reclassified to financial assets held at FVTPL, the difference between the fair value of the assets at the date of reclassification and the previously recognised amortised cost is recognised in statement of profit and loss.

For financial assets held at amortised cost that are reclassified to FVOCI, the difference between the fair value of the assets at the date of reclassification and the previously recognised gross carrying value is recognised in comprehensive income. Additionally, the related cumulative expected credit loss amounts relating to the reclassified financial assets are reclassified from provisions to a separate reserve in comprehensive income at the date of reclassification.

Reclassified from fair value through other comprehensive income

Where financial assets held at FVOCI are reclassified to financial assets held at FVTPL, the cumulative gain or loss previously recognised in comprehensive income is transferred to the profit and loss.

For financial assets held at FVOCI that are reclassified to financial assets held at amortised cost, the cumulative gain or loss previously recognised in comprehensive income is adjusted against the fair value of the financial asset such that the financial asset is recorded at a value as if it had always been held at amortised cost. In addition, the related cumulative expected credit losses held within comprehensive income are reversed against the gross carrying value of the reclassified assets at the date of reclassification.

Reclassified from fair value through profit or loss

Where financial assets held at FVTPL are reclassified to financial assets held at FVOCI or financial assets held at amortised cost, the fair value at the date of reclassification is used to determine the effective yield rate on the financial asset going forward. In addition, the date of reclassification is used as the date of initial recognition for the calculation of expected credit losses. Where financial assets held at FVTPL are reclassified to financial assets held at amortised cost, the fair value at the date of reclassification becomes the gross carrying value of the financial asset.

3.1.7 Impairment and measurement of ECL

The impairment requirements apply to financial assets measured at amortised cost and FVOCI (other than equity instruments), Ijarah / Diminishing Musharaka receivables, and certain financing commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for ECL resulting from default events that are possible within the next 12 months (12-month ECL). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL).

Under the general approach of IFRS 9 impairment, the financial assets are classified into three stages. Each stage indicates the credit quality of the particular financial asset as described below:

Stage 1 : includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12 month expected credit losses ('ECL') are recognized and profit is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12 month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

Stage 2 : includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognized, but the profit is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.

Stage 3 : includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted).

The assessment of credit risk and the estimation of ECL should be unbiased and probability-weighted and would incorporate all available information which is relevant to the assessment including information about past events, current conditions, and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL would take into account the time value of money.

Based on the requirements of the Standard and SBP's Application Instructions, the Holding Company has performed an ECL assessment considering the key elements such as assessment of Significant Increase in Credit Risk (SICR), Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.
- LGD: It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Holding Company expects to receive, including any form of collateral.
- EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Holding Company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn financing commitments: as the present value of the difference between the contractual cash flows that are due to the Holding Company if the commitment is drawn down and the cash flows that the Holding Company expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Holding Company expects to recover.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- if the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

- if the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective yield rate of the existing financial asset.

Financial assets where 12-month ECL is recognized are in ‘Stage 1’; financial assets that are considered to have experienced a significant increase in credit risk are in ‘Stage 2’; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in ‘Stage 3’.

Non-Performing financial assets

At each reporting date, the Holding Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired (referred to as ‘Stage 3 financial assets’). A financial asset is ‘non-performing’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a financing by the Holding Company on terms that the Holding Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A financing that has been renegotiated due to a deterioration in the borrower’s condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail financing that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

Under the IFRS 9 Application instructions, the Holding Company is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency. The Holding Company is required to calculate ECL on it’s non-performing financial assets as higher of provision under Prudential Regulations (PR) or ECL under IFRS 9.

The Holding Company calculates the ECL against corporate, commercial & SME financing portfolios as higher of PR or ECL under IFRS 9 at borrower / facility level, whereas against the retail borrowers the Holding Company will calculate ECL at higher of PR or ECL under IFRS 9 at segment / product basis as instructed under Annexure-A of BPRD Circular no 16 of 2024.

For the purpose of calculation of ECL, the Holding Company has used 10 years’ data till 31 December 2023.

3.1.8 Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Holding Company uses a number of qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or profit payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations.

Under the SBP's instructions, credit exposure (in local currency) guaranteed by the Government and Government Securities are exempted from the application of ECL Framework. Moreover, until implementation of the Standard has stabilized, Stage 1 and Stage 2 provisions would be made as per the Standard's ECL criteria and Stage 3 provisions would be made considering higher of the Standard's ECL or provision computed under existing requirements of Prudential Regulations (PRs) issued by SBP on a segment basis for retail financing and ORR obligor basis for corporate / commercial / SME portfolio.

As required by the Application Instructions, financial assets may be reclassified out of Stage 3 if they meet the requirements of PRs. Financial assets in Stage 2 may be reclassified to Stage 1 if the conditions that led to a SICR no longer apply. However, a minimum cooling period of 3 months / 3 installments (whichever is last) is required before any financial asset is moved back to Stage 1. Any upgrading from stage 3 to stage 2 must be subject to a cooling off period of as per prudential regulations. If the facility has been regular during the cooling off period, it will move back to Stage 2 after which the criteria for moving from Stage 2 to Stage 1 will apply. An exposure cannot be upgraded from Stage 3 to Stage 1 directly and should be upgraded to Stage 2 initially.

IFRS 9 includes a rebuttable presumption that a default does not occur later than 90 days past due and it also presumes that there is SICR if credit exposure is more than 30 days past due. In order to bring consistency, SBP has allowed the backstop to the rebuttable presumption of days past due of credit portfolio against a specific credit facility and its stage allocation under IFRS 9 as mentioned in Annexure-C of BPRD Circular no 3 of 2022.

The Holding Company will not rebut the 30 DPD presumption as a key SICR criterion.

The Holding Company may override the criteria supported by reasonable evidence on a case by case basis. This includes:

- Cases of technical delinquencies (for example, accounts marked as DPD 30+ owing to administrative reasons and not credit related concerns; or cases where there is no dispute regarding payment amount).
- Cases of delinquencies where payments on facilities are linked to government payments causing such delinquencies.

` However, any such specific override will require approval from Chief Risk Officer.

The Holding Company measures ECL on a lifetime basis for Purchased or originated credit - Impaired (POCI) instruments throughout the life of the instrument. However, ECL is not recognised in a separate loss provision on initial recognition for POCI instruments as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. The Holding Company recognises the change in lifetime expected credit losses arising subsequent to initial recognition in the profit and loss account and the cumulative change as a loss provision. Where lifetime ECL on POCI instruments are less than those at initial recognition, then the favorable differences are recognised as impairment gains in the statement of profit and loss.

Undrawn financing commitments and guarantees:

‘Financial guarantees’ are contracts that require the Holding Company to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. ‘Financing commitments’ are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a financing at a below-market profit rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

When estimating lifetime ECL for undrawn financings commitments, the Holding Company estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected cash flows if the financings are drawn down, based on a probability-weighting of the three scenarios.

3.1.9 Governance, ownership and responsibilities

The Holding Company has adopted a governance framework requiring the Risk, Finance, Operations, Internal Audit and IT functions to effectively work together to ensure input from all business lines. IFRS 9 requires robust credit risk models that can predict Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The Holding Company’s Risk Management Department has developed models / methodologies for PD, LGD and Credit Conversion Factors (CCF). These models shall be validated on annual basis considering the following aspects:

- Quantitative Validation: ECL model design validation, data quality validation and benchmarking with external best practices.
- Quantitative Validation: Calibration testing which ensures the accuracy of the observed PDs.

The Risk Department will define the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach. Additionally, the Risk department will also take the ownership of the impact of ECL on Holding Company’s capital.

The Holding Company’s Finance Department will perform ECL calculation. As a result, the department will then assess the financial impact, meet the financial reporting requirements and further monitor the impact on the financial ratios. Risk Management Department shall also present quarterly progress report to its Board Risk Management Committee.

The IT Department shall identify, prepare and extract the data required for the risk parameters modelling and ECL calculations. IT department shall also support project owners for system development and upgrades.

3.1.10 Reconciliation of balances reported under local regulations and IFRS 9

(a) A reconciliation between the carrying amounts under local regulations to the balances reported under IFRS 9 as of January 01, 2024 is as follows:

	Local regulations classification		Reclassification	Re-measurement		IFRS 9	
	Category	Amount		ECL	Others	Amount	Category
		----- Rupees in '000 -----					
Financial Assets							
Cash and balances with treasury banks	Cash and cash equivalents	41,287,071	-	(299)	-	41,286,772	Amortized cost
Balances with other banks	Cash and cash equivalents	1,376,176	-	(4,238)	-	1,371,938	Amortized cost
Due from financial institutions - net	Financing and receivables	16,502,138	-	(20)	-	16,502,118	Amortized cost
Investments							
-Held for Trading							
Debt instruments	Held for Trading	-	-	-	-	-	Fair Value Through Profit or Loss
-Available for sale							
Debt instruments	Available for sale	313,384,471	(50,000)	(132)	-	313,334,339	Fair Value Through other comprehensive Income
		-	50,000	-	-	50,000	Fair Value Through Profit or Loss
Equity instruments	Available for sale	699,401	(699,401)	-	-	-	Fair Value Through other comprehensive Income
		-	699,401	-	-	699,401	Fair Value Through Profit or Loss
Islamic financing, related assets and Advances - net	Financing and receivables	230,194,288	-	(5,061,068)	4,391,459	229,524,679	Amortized cost
Other assets	Other assets	31,430,237	-	(7,193)		31,423,044	Amortised cost
Total Financial Assets		634,873,782	-	(5,072,950)	4,391,459	634,192,291	
Non Financial Assets							
Deferred tax assets - net		110,448	-	333,931	-	444,379	
Total Non - Financial Assets		110,448	-	333,931	-	444,379	
Total Assets		634,984,230	-	(4,739,019)	4,391,459	634,636,670	
Financial Liabilities							
Due to financial institutions	Due to financial institutions	60,659,056	-	-	-	60,659,056	Amortized cost
Deposits and other accounts	Deposit and other accounts	522,540,925	-	-	-	522,540,925	Amortized cost
Sub-ordinated sukuk	Sub-ordinated sukuk	2,850,000	-	-	-	2,850,000	Amortized cost
	Provision against off balance sheet obligations	85,975	-	-	-	85,975	Amortized cost
Other liabilities	Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	313,494	-	-	-	313,494	Fair Value Through Profit or Loss
Total liabilities		586,449,450	-	-	-	586,449,450	

Net Impact on the statement of financial position as at January 01, 2024 upon adoption of IFRS 9	**Rupees in '000**
ECL Charge	(4,739,019)
Reversal of general provision on Islamic financing, related assets and advances as at December 31, 2023	4,391,459
Deferred tax impact	-
	(347,560)

(b) The impact of transition to IFRS 9 on retained earnings and unrealized gain on revaluation of available for sale investments as at January 01, 2024 is as follows:

	January 01, 2024
	Rupees in '000'
Retained earnings	
Opening balance under local regulations (January 01, 2024)	15,910,503
Recognition of IFRS 9 ECLs	(5,072,818)
Reversal of general provision	4,391,459
Reclassification of investments from FVOCI to FVTPL on adoption of IFRS 9	347,308
Adjustment in gain / loss in FV due to expected credit loss	(132)
Deferred tax in relation to the above	163,750
Opening balance under IFRS 9 (January 01, 2024)	15,740,070
Unrealized gain on revaluation of Available-for-sale investments	
Opening balance under local regulations (January 01, 2024)	3,197,217
Reclassification of surplus on equity investments	(347,308)
Deferred tax in relation to the above	170,181
Opening balance under IFRS 9 (January 01, 2024)	3,020,090
Total impact on equity due to adopting IFRS 9	(347,560)

(c) The following table reconciles the aggregate opening credit loss provision allowances under SBP Prudential Regulations to the ECL allowances under IFRS 9.

Impairment allowance for:	Provision at January 01, 2024	ECL	General Provision Reversal	Remeasurement	ECLs under IFRS 9 at January 01, 2024
	A	B	C	D = (B+C)	E = (A+D)
	--------------------------------Rupees in '000--------------------------------				
Islamic financing, related assets and Advances - now classified at amortised cost under IFRS 9	23,840,627	5,061,068	(4,391,459)	669,609	24,510,236
Cash and balances with treasury banks	-	299	-	299	299
Balances with other banks	-	4,238	-	4,238	4,238
Due from financial institutions	17,820	20	-	20	17,840
Held to maturity investment now classified at amortised cost under IFRS 9	92,145	-	-	-	92,145
Available-for-sale investments now classified at FVOCI under IFRS 9	260,347	132	-	132	260,479
Contingent liability in respect of guarantees and other commitments	85,975	-	-	-	85,975
Other assets	-	7,193	-	7,193	7,193
Total	24,296,914	5,072,950	(4,391,459)	681,491	24,978,405

(d) The following table contains the details of classification of financial assets under IFRS 9 as compared to existing classification of financial assets of the Holding Company as at January 01, 2024. The amounts are gross of ECL provision and revaluation gains / losses:

Category	Classification as on December 31, 2023	New classification on adopting IFRS 9 as on January 01, 2024					Total
		At Amortized Cost	At Cost	At Fair Value through OCI (without recycling)	At Fair Value through OCI (with recycling)	At Fair Value through P&L	
	-- Rupees in '000 --						
Cash and balances with treasury banks	41,287,071	41,287,071	-	-	-	-	41,287,071
Balances with other banks	1,373,974	1,373,974	-	-	-	-	1,373,974
Due from financial institutions	16,502,138	16,502,138	-	-	-	-	16,502,138
Islamic Investments							
Available-for-Sale							
Federal Government Shariah Compliant Securities	272,237,369	-	-	-	272,237,369	-	272,237,369
Non-Government Shariah Compliant Securities	35,243,462	-	-	-	35,193,462	50,000	35,243,462
Shares	336,073	-	-	-	-	336,073	336,073
Modaraba certificates	9,200	-	-	-	-	9,200	9,200
Foreign securities	6,820	-	-	6,820	-	-	6,820
Associate	627,942	-	627,942	-	-	-	627,942
Conventional Investments							
Available-for-Sale							
Shares	591,680	-	-	-	-	591,680	591,680
Non-Government Debt Securities	224,467	-	-	-	224,467	-	224,467
Foreign securities	1,155,350	-	-	-	-	1,155,350	1,155,350
Held to maturity							
Non-Government Debt Securities	92,145	92,145	-	-	-	-	92,145
Associates	474,169	-	474,169	-	-	-	474,169
Islamic financing, related assets and advances	254,034,915	254,034,915	-	-	-	-	254,034,915
Other financial assets	-	-	-	-	-	-	-
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts	-	-	-	-	-	-	-
Total	624,196,775	313,290,243	1,102,111	6,820	307,655,298	2,142,303	624,196,775

3.2 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 01, 2024 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 consolidated financial statements.

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods from the dates mentioned below:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
- Amendments to IAS 21- Lack of Exchangeability	January 01, 2025

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 audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2023, except below which were a result of adoption of IFRS 9:

(a) Classification of financial assets as amortised cost, FVOCI and FVTPL
(b) Measurement of ECL

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Holding Company are consistent with those disclosed in the audited annual consolidated financial statements for the year ended December 31, 2023.

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
		--------Rupees in '000 --------	
6	**CASH AND BALANCES WITH TREASURY BANKS**		
	In hand:		
	- Local currency	14,127,576	11,227,889
	- Foreign currency	1,508,125	1,319,857
		15,635,701	12,547,746
	With the State Bank of Pakistan in:		
	- Local currency current account	25,050,368	21,500,242
	- Foreign currency deposit accounts:		
	- Cash reserve account	1,013,719	969,037
	- Special cash reserve account	1,218,021	1,206,364
	- US dollar clearing account	49,869	38,902
		2,281,609	2,214,303
	With National Bank of Pakistan in:		
	- Local currency current account	7,759,042	5,021,445
	Prize Bonds	-	3,335
	Less: Credit loss allowance held against cash and balances with treasury banks	(308)	-
	Cash and balances with treasury banks - net of credit loss allowance	50,726,412	41,287,071
7	**BALANCES WITH OTHER BANKS**		
	In Pakistan:		
	- In current accounts	9	9
	- In deposit accounts	2,360	2,344
		2,369	2,353
	Outside Pakistan:		
	- In current accounts	2,067,843	1,186,902
	- In deposit accounts	152,968	186,921
		2,220,811	1,373,823
	Less: Credit loss allowance held against balances with other banks	(5,428)	-
	Balances with other banks - net of credit loss allowance	2,217,752	1,376,176

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		--------Rupees in '000 --------	

8 DUE FROM FINANCIAL INSTITUTIONS

	Note	June 30, 2024	December 31, 2023
Bai Muajjal Receivable			
-with Other Financial Institutions	8.1	**7,666,747**	16,502,138
Other placements		**17,010**	17,820
		7,683,757	16,519,958
Less: Credit loss allowance held against due from financial institutions	8.2	**(17,010)**	(17,820)
Due from financial institutions - net of credit loss allowance		**7,666,747**	16,502,138

8.1 The average return on this product is 20.91% (2023: 22.05% to 22.35%) per annum. The balances have maturity of 179 days (2023: 6 days to 110 days).

8.2 Due from financial institutions - Particulars of credit loss allowance

		(Un-audited) June 30, 2024		(Audited) December 31, 2023	
		Due from financial institutions	Credit loss allowance held	Due from financial institutions	Provision held
		-------------------- Rupees in '000 --------------------			
Domestic					
Performing	Stage 1	**7,666,747**	**-**	16,502,138	-
Under performing	Stage 2	**-**	**-**	-	-
Non-performing	Stage 3				
- Substandard		**-**	**-**	-	-
- Doubtful		**-**	**-**	-	-
- Loss		**17,010**	**17,010**	17,820	17,820
Total		**7,683,757**	**17,010**	16,519,958	17,820

8.2.1 The Holding Company does not hold overseas classified placements.

		Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
			------- Rupees in '000 -------	
9	**INVESTMENTS**			
	Investments - Islamic	9.1	**346,522,546**	314,083,872
	Investments - Conventional (relating to amalgamated entity)	9.2	**-**	-
			346,522,546	314,083,872

		Note	(Un-audited) June 30, 2024				(Audited) December 31, 2023			
9.1	**Islamic Investments by type**	**Note**	**Cost / Amortized cost**	**Credit loss allowance**	**Surplus / (Deficit)**	**Carrying Value**	**Cost / Amortized cost**	**Provision for diminution**	**Surplus / (Deficit)**	**Carrying Value**
			---------- Rupees in '000 ----------							
	FVTPL									
	Shares		58,451	-	28,129	86,580	-	-	-	-
	Non-Government Shariah Compliant Securities		50,000	-	-	50,000	-	-	-	-
	Modaraba certificates		12,288	-	64	12,352	-	-	-	-
			120,739	-	28,193	148,932	-	-	-	-
	FVOCI									
	Federal Government Shariah Compliant Securities		307,838,668	-	4,225,957	312,064,625	-	-	-	-
	Non-Government Shariah Compliant Securities		34,008,048	(35,915)	330,036	34,302,169	-	-	-	-
	Foreign securities		6,820	-	-	6,820	-	-	-	-
			341,853,536	(35,915)	4,555,993	346,373,614	-	-	-	-
	Available for sale									
	Federal Government Shariah Compliant Securities		-	-	-	-	272,237,369	-	5,630,029	277,867,398
	Shares		-	-	-	-	336,073	-	344,220	680,293
	Non-Government Shariah Compliant Securities		-	-	-	-	35,243,462	(35,880)	309,491	35,517,073
	Modaraba certificates		-	-	-	-	9,200	-	3,088	12,288
	Foreign securities		-	-	-	-	6,820	-	-	6,820
			-	-	-	-	307,832,924	(35,880)	6,286,828	314,083,872
	Associate		1,182,453	(1,182,453)	-	-	1,123,432	(1,123,432)	-	-
	Total Islamic investments		343,156,728	(1,218,368)	4,584,186	346,522,546	308,956,356	(1,159,312)	6,286,828	314,083,872
9.2	**Conventional Investments by type**									
	FVTPL									
	Shares	9.2.1	-	-	-	-	-	-	-	-
	Foreign securities	9.2.1	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-
	FVOCI									
	Shares	9.2.1	-	-	-	-	-	-	-	-
	Non-Government Debt Securities		224,467	(224,467)	-	-	-	-	-	-
	Foreign securities	9.2.1	-	-	-	-	-	-	-	-
			224,467	(224,467)	-	-	-	-	-	-
	Amortised cost									
	Non-Government Debt Securities		92,145	(92,145)	-	-	-	-	-	-
	Available for sale									
	Shares	9.2.1	-	-	-	-	591,680	(591,680)	-	-
	Non-Government Debt Securities		-	-	-	-	224,467	(224,467)	-	-
	Foreign securities	9.2.1	-	-	-	-	1,155,350	(1,155,350)	-	-
			-	-	-	-	1,971,497	(1,971,497)	-	-
	Held to maturity									
	Non-Government Debt Securities		-	-	-	-	92,145	(92,145)	-	-
	Associates	9.3	474,169	(474,169)	-	-	474,169	(474,169)	-	-
	Total conventional investments		790,781	(790,781)	-	-	2,537,811	(2,537,811)	-	-

9.2.1 With the adoption of IFRS 9, fully provided equity securities related to amalgamated entity previously classified as available for sale have been designated to FVPL as of January 01, 2024. Following is the break-up of such securities:

Name of Investee Company	No. of shares held
Riverstone Consultancy (Private) Limited (Shares)	3,985,000
New Horizon Exploration and Production Limited (Shares)	61,600,000
Pakistan Export Finance Guarantee Agency Limited (Shares)	568,044
Evolvence Capital Limited (Foreign securities)	5,400,000

9.3 Details of investment in associates

	As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
				Rupees in '000				
Unlisted								
Islamic								
Shakarganj Food Products Limited	March 31, 2024	36.38	Pakistan	10,716,991	7,001,937	7,266,897	118,326	118,326
Conventional								
KASB Funds Limited	December 31, 2015	43.89	Pakistan	46,465	32,465	23,640	(66,241)	(65,679)
KASB Capital Limited	December 31, 2016	21.78	Mauritius	$652,864	$135,428	-	$(34,084)	$(34,084)

		Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
9.4	**Investments given as collateral**		Rupees in '000	
	Federal Government Securities		2,814,000	35,314,000
9.5	**Credit loss allowance / provision for diminution in value of investments**			
9.5.1	**Opening balance**		3,697,123	2,073,587
	Impact of adoption of IFRS 9		132	-
	Charge / (reversal)			
	Charge for the period / year		43,047	1,702,779
	Reversals for the period / year		(97)	-
	Reversal on disposals		-	-
		31	42,950	1,702,779
	Amounts written off		-	(79,243)
	Impact of reclassification of equity securities from FVOCI to FVTPL		(1,731,056)	-
	Closing Balance		2,009,149	3,697,123

9.6 **Particulars of credit loss allowance / provision of dimiunition against debt securities**

Category of classification		(Un-audited) June 30, 2024 Outstanding amount	Credit loss allowance held	(Audited) December 31, 2023 Outstanding amount	Provision held
		Rupees in '000			
Domestic					
Performing	Stage 1	341,534,585	35	307,168,700	-
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
- Substandard		-	-	-	-
- Doubtful		-	-	-	-
- Loss		628,743	352,492	628,743	352,527
		628,743	352,492	628,743	352,527
Total		342,163,328	352,527	307,797,443	352,527

9.6.1 **The Holding Company does not hold overseas classified debt securities.**

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		------- Rupees in '000 -------	

10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Islamic financing and related assets - net	10.1	195,529,348	230,129,817
Advances (relating to amalgamated entity) - net	10.2	58,958	64,471
		195,588,306	230,194,288

10.1 ISLAMIC FINANCING AND RELATED ASSETS

	Note	Performing		Non Performing		Total	
		(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		------------------------------------ Rupees in '000 ------------------------------------					
In Pakistan							
- Running Musharakah	10.9	66,960,904	100,625,553	1,444,955	1,444,955	68,405,859	102,070,508
- Diminishing Musharakah financing and related assets - Others	10.3	42,400,505	46,055,344	3,730,456	3,529,814	46,130,961	49,585,158
- Diminishing Musharakah - Housing		21,433,216	23,553,066	2,369,567	2,019,821	23,802,783	25,572,887
- Istisna financing and related assets	10.4 & 10.10	22,586,647	20,455,759	4,123,586	3,630,366	26,710,233	24,086,125
- Diminishing Musharakah financing and related assets - Auto		16,155,210	16,380,932	641,061	538,620	16,796,271	16,919,552
- Murabahah financing and related assets	10.5 & 10.11	13,520,989	16,073,181	754,530	397,002	14,275,519	16,470,183
- Musawamah financing and related assets / Tijarah	10.6	6,892,345	3,781,236	4,871,969	5,024,205	11,764,314	8,805,441
- Investment Agency Wakalah		2,730,590	2,730,590	-	-	2,730,590	2,730,590
- Murabahah against Bills		1,617,238	671,556	196,778	192,048	1,814,016	863,604
- Ijarah financing under IFAS 2 and related assets	10.7	583,881	288,755	158,654	161,958	742,535	450,713
- Financing against Bills		1,662,292	209,100	-	-	1,662,292	209,100
- Qardh-e-Hasana		32,257	48,226	122,676	121,025	154,933	169,251
- Musharakah financing		24,814	-	135,186	160,000	160,000	160,000
- Past Due Acceptance		274,189	155,972	-	-	274,189	155,972
- Net investment in Ijarah financing in Pakistan		70,564	85,343	-	-	70,564	85,343
- Housing finance portfolio - others		19,086	24,091	-	-	19,086	24,091
- Salam	10.8	450,000	-	-	-	450,000	-
Islamic financing and related assets - gross		197,414,727	231,138,704	18,549,418	17,219,814	215,964,145	248,358,518
Credit loss allowance / provision against islamic financing and related assets	10.13						
- Stage 1		(1,709,380)	-	-	-	(1,709,380)	-
- Stage 2		(1,504,882)	-	-	-	(1,504,882)	-
- Stage 3		-	-	(16,252,040)	-	(16,252,040)	-
- Specific		-	-	-	(13,837,297)	-	(13,837,297)
- General		-	(4,391,404)	-	-	-	(4,391,404)
		(3,214,262)	(4,391,404)	(16,252,040)	(13,837,297)	(19,466,302)	(18,228,701)
Fair value adjustment	10.1.1	(968,495)	-	-	-	(968,495)	-
Islamic financing and related assets - net of credit loss allowance / provision		193,231,970	226,747,300	2,297,378	3,382,517	195,529,348	230,129,817

10.1.1 This represents deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its letter dated August 01, 2024 has allowed staggering of such fair value impact over the period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6. SBP in its another circular letter dated July 29, 2024 allowed to take such fair value adjustment with effect from October 01, 2024.

10.1.2 Islamic Financing and related assets include Rs.18,549.418 million (December 2023: Rs.17,219.814 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) June 30, 2024		(Audited) December 31, 2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision held
	-------------------------- Rupees in '000 --------------------------			
Islamic financing, related assets - Category of classification				
Domestic				
Other assets especially mentioned	591,642	44,216	393,831	-
Substandard	1,934,040	1,595,021	1,009,194	235,164
Doubtful	1,840,604	1,430,226	2,170,850	871,469
Loss	14,183,132	13,182,577	13,645,939	12,730,664
	18,549,418	16,252,040	17,219,814	13,837,297

10.1.3 The Holding Company does not hold overseas Islamic financing and related assets.

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	---------- Rupees in '000 ----------					
10.2 ADVANCES						
- Loans, cash credits, running finances, etc. - In Pakistan*	-	5,569	4,294,552	4,424,625	4,294,552	4,430,194
- 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	-	-	555,485	561,908	555,485	561,908
Advances - gross	-	5,569	5,534,332	5,670,828	5,534,332	5,676,397
Credit loss allowance / provision against advances						
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	(5,475,374)	-	(5,475,374)	-
- Specific	-	-	-	(5,611,871)	-	(5,611,871)
- General	-	(55)	-	-	-	(55)
	-	(55)	(5,475,374)	(5,611,871)	(5,475,374)	(5,611,926)
Advances - net of credit loss allowance	-	5,514	58,958	58,957	58,958	64,471
Fair value adjustment	-	-	-	-	-	-
Advances - net of credit loss allowance / provision and fair value adjustment	-	5,514	58,958	58,957	58,958	64,471

* This represents non-interest bearing performing financing facilities amounting to Rs. Nil (2023: Rs. 5.569 million).

10.2.1 Advances include Rs. 5,534.332 million (December 2023 Rs. 5,670.828 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) June 30, 2024		(Audited) December 31, 2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision held
	------- Rupees in '000 -------		------- Rupees in '000 -------	
Advances - Category of classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	5,534,332	5,475,374	5,670,828	5,611,871
	5,534,332	5,475,374	5,670,828	5,611,871

10.2.2 The Holding Company does not hold overseas advances

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
		--------Rupees in '000 --------	
10.3	**Diminishing Musharakah financing and related assets - Others**		
	Diminishing Musharakah financing	**43,171,979**	46,307,161
	Advance against Diminishing Musharakah financing	**2,958,982**	3,277,997
		46,130,961	49,585,158
10.4	**Istisna financing and related assets**		
	Istisna financing	**11,396,302**	7,662,635
	Advance against Istisna financing	**15,313,931**	16,423,490
	Istisna inventories	**-**	-
		26,710,233	24,086,125
10.5	**Murabahah financing and related assets**		
	Murabahah financing	**7,906,415**	8,945,251
	Deferred murabahah income	**1,220,410**	1,663,483
	Advances against Murabaha financing	**1,071,757**	1,469,521
	Murabaha Inventories	**4,076,937**	4,391,928
		14,275,519	16,470,183
10.6	**Musawamah financing and related assets / Tijarah**		
	Musawamah financing	**6,973,506**	6,174,291
	Advance against Musawamah financing	**186,660**	123,620
	Musawamah inventories	**4,604,148**	2,507,530
		11,764,314	8,805,441
10.7	**Ijarah financing under IFAS 2 and related assets**		
	Net book value of assets under IFAS 2	**733,201**	435,282
	Advance against Ijarah financing	**9,334**	15,431
		742,535	450,713
10.8	**Salam**		
	Salam financing	**-**	-
	Advance against Salam	**450,000**	-
	Salam inventories	**-**	-
		450,000	-

10.9 Running musharakah financing and related assets includes financing amounting to Rs. 123 million (2023: Rs. 2,403 million) under Islamic Export Refinance Scheme.

10.10 Istisna financing and related assets includes financing amounting to Rs. 129 million (2023: Rs. 264.6 million) and advance amounting to Rs. 400 million (2023: Rs. 1,016.5 million) under Islamic Export Refinance Scheme.

10.11 Murabahah financing and related assets includes financing amounting to Rs. 99 million (2023: Rs.0.061 million) under Islamic Export Refinance Scheme.

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	-------- Rupees in '000 --------	
10.12 Particulars of Islamic financing and related assets and advances - gross		
In local currency	218,453,646	251,850,511
In foreign currency	3,044,831	2,184,404
	221,498,477	254,034,915

10.13 Details of credit loss allowances / provision held against Islamic financing and related assets

	(Un-audited) June 30, 2024						(Audited) December 31, 2023		
	Stage 3	Stage 2	Stage 1	Specific	General	Total	Specific	General	Total
	Rupees in '000								
Opening balance	-	-	-	19,449,168	4,391,459	23,840,627	16,119,131	2,987,168	19,106,299
Impact of adoption of IFRS 9	21,564,745	1,446,454	1,499,037	(19,449,168)	(4,391,459)	669,609	-	-	-
Charge for the period / year	551,174	255,124	316,789	-	-	1,123,087	4,006,703	1,500,000	5,506,703
Reversals for the period / year	(388,505)	(196,696)	(106,446)	-	-	(691,647)	(676,666)	(95,709)	(772,375)
	162,669	58,428	210,343	-	-	431,440	3,330,037	1,404,291	4,734,328
Amount written off	-	-	-	-	-	-	-	-	-
Closing balance	21,727,414	1,504,882	1,709,380	-	-	24,941,676	19,449,168	4,391,459	23,840,627
10.13.1 Islamic	16,252,040	1,504,882	1,709,380	-	-	19,466,302	13,837,297	4,391,404	18,228,701
Conventional	5,475,374	-	-	-	-	5,475,374	5,611,871	55	5,611,926
	21,727,414	1,504,882	1,709,380	-	-	24,941,676	19,449,168	4,391,459	23,840,627

10.13.2 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 June 30, 2024 amounts to Rs.1,292.643 million (2023: Rs. 943.552 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 659.248 million (2023: Rs. 481.211 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
10.13.3 Credit loss allowance / reversal net of fair value adjustment taken to the profit and loss account	---------Rupees in '000---------	
Gross reversals for the period	691,647	481,973
Charge for the period	(1,123,087)	(2,223,073)
	(431,440)	(1,741,100)
Fair value adjusted - net	-	(2,830)
Net charge taken to the profit and loss account	(431,440)	(1,743,930)

10.14 Islamic financing, related assets and advances - Particulars of credit loss allowance

	(Un-audited) June 30, 2024		
	Stage 1	Stage 2	Stage 3
	-------------- Rupees in '000 --------------		
10.14.1 Balance as at January 01, 2024	1,499,037	1,446,454	21,564,745
New financing	193,537	297,969	9,857
Financing derecognised or repaid	(72,587)	(25,192)	(779,329)
Transfer to stage 1	166,089	(166,089)	-
Transfer to stage 2	(504,746)	567,248	(62,502)
Transfer to stage 3	(275,839)	(1,276,671)	1,552,511
	(493,546)	(602,735)	720,537
Amounts written off / charged off	-	-	-
Changes in risk parameters	703,889	661,163	(557,868)
Closing balance	1,709,380	1,504,882	21,727,414

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
10.15 SBP other refinance schemes		------ Rupees in '000 ------	
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		7,693,154	8,005,247
Islamic Long-Term Financing Facility		1,430,725	1,320,910
Islamic refinance scheme for payment of wages and salaries		54,822	62,197
RM EFS - Rupee Based Discounting (TFA)		9,286,063	4,327,627
Islamic refinance scheme for Renewable Energy		669,768	677,678
Islamic refinance scheme for combating COVID (IRFCC)		160,632	197,509
Islamic refinance facility for Modernization of SMEs		56,978	67,654
Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)		219,820	47,836
Islamic Credit Guarantee Scheme For Women Entrepreneur		96,927	35,187
		19,668,889	14,741,845
11 PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	2,016,615	1,491,445
Property and equipment		12,215,183	11,082,909
		14,231,798	12,574,354
11.1 Capital work-in-progress			
Advances to suppliers and contractors		825,892	300,722
Advance for acquiring properties and office premises		1,190,723	1,190,723
		2,016,615	1,491,445

	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
11.2 Additions to property and equipment	------ Rupees in '000 ------	
The following additions have been made to Property and Equipment during the period:		
Capital work-in-progress	768,130	644,029
Property and equipment		
Furniture and fixture	1,056,625	247,743
Electrical office and computer equipment	778,866	418,897
Vehicles	96,236	14,323
	1,931,727	680,963
Total	2,699,857	1,324,992
11.3 Disposal / transfer of property and equipment		
The net book value of Property and equipment disposed off / transferred during the period is as follows:		
Disposal		
Furniture and fixture	61	460
Electrical office and computer equipment	29	5
Vehicle	-	130
	90	595
Transferred to non-current assets held for sale:		
Leasehold Land	-	405,000
Leasehold Building	-	42,523
	-	447,523
Total	90	448,118

	(Un-audited)			(Audited)		
	June 30, 2024			December 31, 2023		
	Buildings	Others	Total	Buildings	Others	Total
12 RIGHT-OF-USE ASSETS	--Rupees in '000--					
At January 1						
Cost	7,693,776	-	7,693,776	6,129,251	-	6,129,251
Accumulated Depreciation	(4,127,509)	-	(4,127,509)	(3,231,869)	-	(3,231,869)
Net Carrying amount	3,566,267	-	3,566,267	2,897,382	-	2,897,382
Additions during the period / year	1,610,466	-	1,610,466	1,564,525	-	1,564,525
Deletions during the period / year	(144,283)	-	(144,283)	-	-	-
Depreciation Charge for the period / year	(665,256)	-	(665,256)	(895,640)	-	(895,640)
Net Carrying amount at the end of period / year	4,367,194	-	4,367,194	3,566,267	-	3,566,267

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
13 INTANGIBLE ASSETS	---------Rupees in '000---------	
Computer software	946,130	616,201
Core deposits	19,466	20,590
Membership and Subscription	47,644	38,397
Goodwill	2,991,308	2,991,308
	4,004,548	3,666,496

	(Un-audited)	
	June 30, 2024	June 30, 2023
	---------Rupees in '000---------	
13.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Directly purchased	482,157	194,808
13.2 Disposals of intangible assets		
The net book value of intangible assets disposed off during the period is as follows:		
Disposal		
Membership and Subscription	15,630	-

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		---------Rupees in '000---------	
14 DEFERRED TAX ASSETS			
Deductible temporary differences on			
- Credit loss allowance against investments		**36,685**	36,668
- Credit loss allowance against non-performing Islamic financing, related assets and advances		**5,744,618**	5,516,884
- Other credit loss allowances		**6,505**	-
- Ijarah financing and related assets		**13,523**	18,802
- Others		**33,257**	-
		5,834,588	5,572,354
Taxable temporary differences on			
- Fair value adjustments relating to net assets acquired upon amalgamation		**(275,448)**	(337,060)
- Surplus on revaluation of investment		**(2,246,251)**	(3,080,546)
- Surplus on revaluation of property and equipment	22	**(1,277,872)**	(1,365,244)
- Surplus on revaluation of non-banking assets	22	**(33,409)**	(33,473)
- Accelerated tax depreciation		**(798,288)**	(553,466)
- Others		**-**	(92,117)
		(4,631,268)	(5,461,906)
		1,203,320	110,448
15 OTHER ASSETS			
Profit / return accrued in local currency		**20,680,920**	22,877,808
Profit / return accrued in foreign currency		**29,495**	8,205
Advances, deposits, advance rent and other prepayments		**961,324**	2,637,295
Non-banking assets acquired in satisfaction of claims		**1,451,631**	1,452,789
Takaful claim receivable		**23,151**	22,570
Fair value adjustment on financing	10.1.1	**995,361**	-
Receivable against takaful and registration charges		**325,228**	310,102
Receivable against First WAPDA Sukuk		**50,000**	50,000
Trade debts		**532**	532
Acceptances		**1,502,664**	3,966,916
Clearing and settlement accounts		**2,873,141**	-
Others		**802,654**	957,033
		29,696,101	32,283,250
Less: Credit loss allowance held against other assets	15.2	**(870,982)**	(921,326)
Other Assets - net of credit loss allowance		**28,825,119**	31,361,924
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	**68,182**	68,313
Other assets - total		**28,893,301**	31,430,237
15.1 Market value of non-banking assets acquired in satisfaction of claims		**1,214,051**	1,215,340
15.2 Credit loss allowance held against other assets			
Advances, deposits, advance rent & other prepayments		**54,371**	54,371
Non banking assets acquired in satisfaction of claims		**305,762**	305,762
Others		**510,849**	561,193
	15.2.1	**870,982**	921,326

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		---------Rupees in '000---------	
15.2.1 Movement in Credit loss allowance held against other assets			
Opening balance		921,326	764,955
Impact of adoption of IFRS 9		7,193	-
Charge for the period / year		346	156,571
Reversals during the period / year		(57,883)	(200)
	31	(57,537)	156,371
Closing balance		870,982	921,326
16 BILLS PAYABLE			
In Pakistan		3,735,292	5,125,177
Outside Pakistan		-	-
		3,735,292	5,125,177
17 DUE TO FINANCIAL INSTITUTIONS			
Secured			
Due to State Bank of Pakistan			
Acceptances from SBP under Mudaraba		-	30,694,154
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		7,358,845	7,746,700
Islamic Export Finance Scheme - Rupee based discounting		5,213,741	4,600,946
Acceptances for financial assistance		4,619,263	4,413,497
Acceptances under Islamic Export Refinance Scheme		1,066,000	3,554,100
Islamic Long-Term Financing Facility		944,436	957,745
Islamic refinance scheme for Renewable Energy		599,287	639,712
Islamic refinance scheme for combating COVID (IRFCC)		150,000	80,374
Islamic Refinance Scheme for Modernization of SMEs		52,209	60,271
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)		36,413	43,264
Islamic Credit Guarantee Scheme for Women Entrepreneur		65,626	14,166
		20,105,820	52,804,929
Musharakah Acceptance		-	2,500,000
Refinance facility for Islamic Mortgage		3,164,139	3,354,127
Total secured		23,269,959	58,659,056
Unsecured			
Wakalah Acceptance		2,000,000	2,000,000
Musharakah Acceptance		3,950,000	-
Total unsecured		5,950,000	2,000,000
		29,219,959	60,659,056

18 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) June 30, 2024			(Audited) December 31, 2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
Customers						
Current deposits	191,030,635	8,138,838	199,169,473	173,239,773	7,973,255	181,213,028
Savings deposits	125,613,783	3,981,347	129,595,130	119,740,257	3,796,970	123,537,227
Term deposits	201,114,450	8,058,419	209,172,869	188,301,494	8,389,258	196,690,752
Margin deposits	8,641,329	95,983	8,737,312	12,948,577	111,218	13,059,795
	526,400,197	20,274,587	546,674,784	494,230,101	20,270,701	514,500,802
Financial Institutions						
Current deposits	694,075	8,429	702,504	713,949	11,551	725,500
Savings deposits	2,688,513	-	2,688,513	6,415,172	-	6,415,172
Term deposits	646,598	-	646,598	899,300	-	899,300
Margin deposits	146	-	146	146	-	146
	4,029,332	8,429	4,037,761	8,028,567	11,551	8,040,118
	530,429,529	20,283,016	550,712,545	502,258,668	20,282,252	522,540,920

19 LEASE LIABILITIES

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000	
Outstanding amount at the start of the period / year		4,252,295	3,559,675
Additions during the period / year		1,610,466	1,564,525
Lease payments including profit		(1,025,314)	(1,797,604)
Finance charges on leased assets		355,254	925,699
Outstanding amount at the end of the period / year	19.1	5,192,701	4,252,295

19.1 Liabilities Outstanding

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Not later than one year	173,277	37,720
Later than one year and upto five years	2,246,067	825,956
Over five years	2,773,357	3,388,619
Total at the period / year end	5,192,701	4,252,295

19.2 The Holding Company enters in to lease agreements with terms and conditions mainly included rent escalation usually at 10% p.a, sub-letting of the property at discretion of the Holding Company, alterations to the premises as per business requirement, termination of the agreement with notice period, agreement period, renewal of agreement usually at same terms with change in monthly rent, escalation clause and termination of the agreement. Discount rate ranges between 15.41% to 17.5% (2023: 12.19% to 17.5%).

20 SUBORDINATED SUKUK

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000	
ADT-1 Sukuk Issue I	20.1.1	2,000,000	2,000,000
ADT-1 Sukuk Issue II	20.1.2	1,000,000	850,000
		3,000,000	2,850,000

20.1 The Holding Company has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuks 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.

20.1.1 Salient features of the ADT-1 sukuk issue I are as follows:

Issued 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'
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 Holding Company inline with SBP's guidelines of pool management.
Call option	The Holding Company may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares 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.

20.1.2 Salient features of the ADT-1 sukuk issue II are as follows:

Issued Amount	Rs. 1,000 million.
Issue Date	February 21, 2024
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
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 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding Company inline with SBP's guidelines of pool management.
Call option	The Holding Company may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares 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.

21	OTHER LIABILITIES	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
			---------Rupees in '000---------	
	Profit / return payable in local currency		8,328,142	8,137,173
	Profit / return payable in foreign currencies		229,010	271,448
	Accrued expenses		2,106,025	2,093,357
	Deferred Murabahah Income Financing, IERS and Others		408,213	1,111,958
	Payable to defined benefit plan		4,677	4,677
	Payable to defined contribution plan		2,868	40,121
	Defined benefit plan liabilities		463,148	428,941
	Security deposits against Ijarah		463,964	421,821
	Credit loss allowance against off-balance sheet obligations	21.1	85,975	85,975
	Acceptances		1,502,664	3,966,916
	Current taxation (provisions less payments)		3,168,146	2,270,597
	Withholding taxes payable		409,406	327,185
	Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		445,883	313,494
	Sundry creditors		2,337,372	1,595,515
	Payable to brokers against purchase of shares - net		2,078	536
	Charity payable		83,374	29,549
	Retention money payable		92,164	63,047
	Provision for Workers' Welfare Fund		1,050,331	768,887
	Dividend Payable		40,394	201,599
	Clearing and settlement accounts		-	40,087
	Others		1,063,456	819,406
			22,287,290	22,992,289

21.1	Credit loss allowance against off-balance sheet obligations			
	Opening balance		85,975	85,975
	Exchange adjustment		-	-
	Charge for the period / year		-	-
	Reversals		-	-
			-	-
	Amount written off		-	-
	Closing balance		85,975	85,975

22	SURPLUS ON REVALUATION OF ASSETS			
	Surplus on revaluation of:			
	- Securities measured at FVOCI / AFS - Debt	9.1	4,555,993	5,939,520
	- Securities measured at AFS - Equity		-	347,308
	- Property and equipment		2,607,903	2,777,147
	- Non-banking assets acquired in satisfaction of claims	15	68,182	68,313
			7,232,078	9,132,288
	Deferred tax liability on surplus on revaluation of:			
	- Securities measured at FVOCI / AFS - Debt		(2,232,437)	(2,910,365)
	- Securities measured at FVOCI / AFS - Equity		-	(170,181)
	- Property and equipment	14	(1,277,872)	(1,365,244)
	- Non-banking assets acquired in satisfaction of claims	14	(33,409)	(33,473)
			(3,543,718)	(4,479,263)
			3,688,360	4,653,025

		Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
			---------Rupees in '000---------	
23	**CONTINGENCIES AND COMMITMENTS**			
	- Guarantees	23.1	**12,748,799**	5,375,308
	- Commitments	23.2	**207,850,222**	256,951,762
	- Other contingent liabilities	23.3	**720,593**	720,593
			221,319,614	263,047,663
23.1	**Guarantees:**			
	Performance guarantees		**9,408,027**	4,086,053
	Other guarantees		**3,340,772**	1,289,255
			12,748,799	5,375,308
23.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions:			
	- letters of credit		**22,379,829**	24,399,492
	Commitments in respect of:			
	- Shariah compliant alternative of forward foreign exchange contracts	23.2.1	**88,052,423**	106,414,173
	Commitments for acquisition of:			
	- property and equipment		**886,330**	1,105,974
	- intangible assets		**115,805**	65,782
	Other commitments			
	- commitments in respect of financing	23.2.2	**96,415,835**	124,966,341
			207,850,222	256,951,762
23.2.1	**Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions**			
	Purchase		**50,191,731**	59,947,850
	Sale		**37,860,692**	46,466,323
			88,052,423	106,414,173

23.2.2 The Holding Company makes commitments to extend shariah compliant Islamic financing (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

		Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
			---------Rupees in '000---------	
23.3	**Other contingent liabilities**			
	Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Holding Company has not acknowledged as debt	23.3.1	**1,804**	1,804
	Tax Contingencies		**718,789**	718,789
			720,593	720,593

23.3.1 Suits filed by customers/ borrowers for recovery of alleged losses suffered, pending in the High Court, which the Holding Company has not acknowledged as debt. During the period there has been no change in the status of these suits.

23.3.2 There is no change in the status of tax and other contingencies, as set out in the note 25.3.2 to the annual consolidated financial statements of the Holding Company for the year ended 31 December 2023.

		(Unaudited) June 30, 2024	(Unaudited) June 30, 2023
		---------Rupees in '000---------	
24	**PROFIT / RETURN EARNED**		
	Profit earned on:		
	Financing	**23,283,418**	19,842,627
	Investments	**34,132,969**	17,400,564
	Placements	**1,187,285**	1,829,205
	Others	**116,557**	92,206
		58,720,229	39,164,602
24.1	**Profit (calculated using effective profit rate method) recognised on:**		
	Financial assets measured at amortised cost	**24,587,260**	21,764,038
	Financial assets measured at FVOCI / AFS	**34,132,969**	17,400,564
		58,720,229	39,164,602
25	**PROFIT / RETURN EXPENSED**		
	Deposits and other accounts	**27,700,472**	16,907,624
	Due to financial institutions	**7,633,166**	4,858,698
	Cost of foreign currency swaps against foreign currency deposits	**693,990**	180,941
	Finance charges on leased assets	**355,254**	249,408
	Subordinated Sukuk	**360,467**	314,533
		36,743,349	22,511,204
25.1	Profit expense calculated using effective profit rate method	**8,348,887**	5,422,639
	Other financial liabilities	**28,394,462**	17,088,565
		36,743,349	22,511,204
26	**FEE AND COMMISSION INCOME**		
	Card related fees	**587,847**	388,893
	Commission on trade	**215,711**	204,572
	Commission on arrangement with financial institutions	**58,000**	38,518
	Investment banking fees	**87,772**	21,709
	Commission on bancatakaful	**22,431**	42,086
	Guarantees related fee	**28,020**	25,419
	Consumer finance related fees	**4,360**	12,253
	Branch banking customer fees	**45,201**	28,906
	Commission on remittances including home remittances	**24,748**	22,037
	Commission on cash management	**12,325**	9,014
	Others	**3,306**	4,507
		1,089,721	797,914

		Note	(Unaudited) June 30, 2024	(Unaudited) June 30, 2023
			---------Rupees in '000---------	
27	**GAIN ON SECURITIES - NET**			
	Realized	27.1	**348,772**	115,005
	Unrealized - Measured at FVTPL		**28,193**	-
			376,965	115,005
27.1	**Realized gain on:**			
	Shares		**286,353**	-
	Federal Government Shariah Compliant Securities		**44,883**	115,005
	Non-Government Shariah Compliant Securities		**17,536**	-
			348,772	115,005
27.2	**Net gain / loss on financial assets / liabilities measured at FVTPL:**			
	Designated upon initial recognition		**28,193**	-
	Mandatorily measured at FVTPL		**-**	-
			28,193	-
	Net gain / (loss) on financial assets / liabilities measured at amortised cost		**-**	-
	Net gain / (loss) on financial assets measured at FVOCI / AFS		**-**	115,005
	Net gain / (loss) on investments in equity instruments designated at FVOCI / AFS		**-**	-
			-	115,005
			28,193	115,005
28	**OTHER INCOME - NET**			
	Recoveries against previously expensed items		**5,490**	6,773
	Gain on termination of financing		**57,121**	89,880
	Gain on sale of property and equipment		**15,831**	9,971
	Rent on property		**-**	766
			78,442	107,390

	(Unaudited) June 30, 2024	(Unaudited) June 30, 2023
	---------Rupees in '000---------	
29 OPERATING EXPENSES		
Total compensation expense	**4,337,192**	3,386,053
Property expense		
Rent & taxes	**219,408**	70,451
Takaful cost	**-**	830
Utilities cost	**502,557**	345,869
Security (including guards)	**453,425**	293,004
Repair & maintenance (including janitorial charges)	**218,722**	147,074
Depreciation	**360,873**	251,362
Depreciation on right-of-use assets	**665,256**	467,213
	2,420,241	1,575,803
Information technology expenses		
Software maintenance	**266,423**	254,344
Hardware maintenance	**135,865**	138,276
Depreciation	**212,593**	157,034
Amortization	**121,328**	58,538
Network charges	**199,704**	134,144
	935,913	742,336
Other operating expenses		
Directors' fees and allowances	**11,360**	7,620
Fees and allowances to Shariah Board	**16,548**	12,964
Legal & professional charges	**93,384**	66,359
Travelling & conveyance	**99,918**	60,702
NIFT clearing charges	**26,313**	18,022
Depreciation	**225,897**	135,163
Depreciation on non-banking assets	**1,289**	1,151
Entertainment expense	**92,389**	51,571
Training & development	**19,913**	7,735
Postage & courier charges	**36,133**	44,442
Communication	**178,757**	107,391
Stationery & printing	**210,503**	167,631
Marketing, advertisement & publicity	**103,758**	169,800
Repairs and maintenance	**125,123**	109,768
Takaful, tracker and other charges on car Ijarah - net of income	**39,891**	152,735
Takaful / Insurance	**234,428**	173,473
Fee and subscription	**349,630**	193,365
Vehicle running and maintenance	**285,138**	230,197
Donations	**142,144**	-
Auditors' remuneration	**15,873**	13,770
Amortisation	**7,147**	3,153
CDC and share registrar services	**6,220**	6,844
Brokerage and commission	**14,065**	13,191
Stamp duty, registration & verification charges	**31,854**	23,059
Others	**38,064**	19,366
	2,405,739	1,789,472
	10,099,085	7,493,664
30 OTHER CHARGES		
Penalties imposed by the State Bank of Pakistan	**414**	4,761

	Note	(Unaudited) June 30, 2024	(Unaudited) June 30, 2023
		---------Rupees in '000---------	
31 CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET			
Reversal of credit loss allowance against Due from financial institutions		**(830)**	(1,620)
Credit loss allowance for diminution in value of investments	9.5.1	**42,950**	579,347
Credit loss allowance against Islamic financing, related assets and advances - net	10.13.3	**431,440**	1,743,930
Credit loss allowance against balance with treasury and other banks		**1,199**	-
Other credit loss allowance / (reversal) / write offs - net		**(57,537)**	3,790
		417,222	2,325,447
32 TAXATION			
Current		**6,549,776**	3,548,171
Prior years		**-**	123,235
Deferred		**176,603**	(471,319)
		6,726,379	3,200,087
33 BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation for the period		**7,064,389**	5,102,046
		------- Number of shares -------	
Weighted average number of ordinary shares		**1,108,703,299**	1,108,703,299
		------- Rupees -------	
Basic and diluted EPS	33.1	**6.3718**	4.6018

33.1 There were no convertible / dilutive potential ordinary shares outstanding as at June 30, 2024 and June 30, 2023, therefore diluted earning per share has not been presented separately.

34 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.

34.1 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:

	(Unaudited) June 30, 2024			
	Level 1	Level 2	Level 3	Total
	------------------------ Rupees in '000 ------------------------			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / Modaraba certificates	98,932	-	6,820	105,752
GoP Ijara Sukuk	45,105,458	266,959,167	-	312,064,625
Non-Government Shariah compliant securities	3,388,061	30,964,108	-	34,352,169
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	50,191,731	-	50,191,731
Shariah compliant alternative of forward sale of foreign exchange	-	37,860,692	-	37,860,692
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	-	6,649,928	6,649,928
Non-banking assets acquired in satisfaction of claims	-	-	1,214,051	1,214,051

	(Audited) December 31, 2023			
	Level 1	Level 2	Level 3	Total
	------------------------ Rupees in '000 ------------------------			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / Modaraba certificates	692,581	-	6,820	699,401
GOP Ijara Sukuk	-	277,867,398	-	277,867,398
Non-Government Shariah compliant Securities	3,384,000	32,133,073	-	35,517,073
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	59,947,850	-	59,947,850
Shariah compliant alternative of forward sale of foreign exchange	-	46,466,323	-	46,466,323
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	-	6,951,679	6,951,679
Non-banking assets acquired in satisfaction of claims	-	-	1,215,340	1,215,340

Valuation techniques used in determination of fair values within level 1

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Listed securities (Shares, Modaraba and Sukuks)	The valuation has been determined through closing rates on Pakistan Stock Exchange.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities 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.

34.2 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.

35 SEGMENT INFORMATION

Segment Details with respect to Business Activities

Profit & Loss	(Un-audited) June 30, 2024 Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	------------------------------ Rupees in '000 ----------------------------------				
Net profit / return	27,390,285	(23,651,406)	18,574,629	(336,628)	21,976,880
Inter segment revenue - net	(28,314,403)	45,458,826	(19,915,709)	2,771,286	-
Total other income	1,458,842	747,738	341,102	21,324	2,569,006
Total income	534,724	22,555,158	(999,978)	2,455,982	24,545,886
Segment direct expenses	62,810	4,798,337	399,444	5,120,352	10,380,943
Inter segment expense allocation	66,009	4,144,751	627,733	(4,838,493)	-
Total expenses	128,819	8,943,088	1,027,177	281,859	10,380,943
Credit loss allowance	271	6,089	419,602	(8,740)	417,222
Profit / (loss) before tax	405,634	13,605,981	(2,446,757)	2,182,863	13,747,721

Balance Sheet	(Un-audited) June 30, 2024 Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	------------------------------ Rupees in '000 ----------------------------------				
Assets					
Cash & Bank balances	2,215,550	50,728,614	-	-	52,944,164
Investments	345,841,713	-	680,833	-	346,522,546
Net inter segment placements	-	469,082,468	-	15,858,551	484,941,019
Due from financial institutions	7,666,747	-	-	-	7,666,747
Islamic financing and related assets - performing	-	31,305,934	155,206,016	6,720,019	193,231,969
- non-performing - net	-	1,115,389	1,032,467	208,481	2,356,337
Others	-	-	-	52,700,161	52,700,161
Total Assets	355,724,010	552,232,405	156,919,316	75,487,212	1,140,362,943
Liabilities					
Due to financial institutions	10,569,263	3,164,139	15,486,557	-	29,219,959
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	1,646,487	549,066,058	-	-	550,712,545
Net inter segment acceptances	343,508,260	-	141,432,759	-	484,941,019
Others	-	-	-	31,215,283	31,215,283
Total liabilities	355,724,010	552,230,197	156,919,316	34,215,283	1,099,088,806
Equity	-	-	-	41,274,137	41,274,137
Total Equity & liabilities	355,724,010	552,230,197	156,919,316	75,489,420	1,140,362,943
Contingencies & Commitments	88,052,423	-	35,128,628	98,138,563	221,319,614

Profit & Loss	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	(Un-audited) June 30, 2023				
	Rupees in '000				
Net profit / return	13,887,979	(12,033,281)	15,082,536	(277,536)	16,659,698
Inter segment revenue - net	(14,347,712)	29,758,802	(14,791,576)	(619,514)	-
Total other income	765,438	589,568	259,710	17,508	1,632,224
Total Income	305,705	18,315,089	550,670	(879,542)	18,291,922
Segment direct expenses	82,616	4,086,860	312,448	3,182,418	7,664,342
Inter segment expense allocation	24,730	1,380,169	377,985	(1,782,884)	-
Total expenses	107,346	5,467,029	690,433	1,399,534	7,664,342
Credit loss allowance	577,727	(235,225)	2,004,902	(21,957)	2,325,447
Profit / (loss) before tax	(379,368)	13,083,285	(2,144,665)	(2,257,119)	8,302,133

Balance Sheet	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	(Audited) December 31, 2023				
	Rupees in '000				
Assets					
Cash & Bank balances	1,476,310	41,186,937	-	-	42,663,247
Investments	306,999,736	-	-	7,084,136	314,083,872
Net inter segment placements	-	456,924,234	-	-	456,924,234
Due from financial institutions	16,502,138	-	-	-	16,502,138
Islamic financing and related assets - performing	-	32,950,449	183,437,696	10,423,626	226,811,771
- non-performing - net	-	1,631,568	1,750,949	-	3,382,517
Others	-	-	-	51,347,802	51,347,802
Total Assets	324,978,184	532,693,188	185,188,645	68,855,564	1,111,715,581
Liabilities					
Due to financial institutions	39,607,651	3,354,127	17,697,278	-	60,659,056
Subordinated sukuk	-	-	-	2,850,000	2,850,000
Deposits & other accounts	6,145,015	516,395,905	-	-	522,540,920
Net inter segment acceptances	279,132,859	-	167,064,813	10,726,562	456,924,234
Others	92,659	12,940,949	426,554	18,909,599	32,369,761
Total liabilities	324,978,184	532,690,981	185,188,645	32,486,161	1,075,343,971
Equity	-	-	-	36,371,610	36,371,610
Total Equity & liabilities	324,978,184	532,690,981	185,188,645	68,857,771	1,111,715,581
Contingencies & Commitments	100,971,691	-	29,774,800	132,301,172	263,047,663

36 RELATED PARTY TRANSACTIONS

The Holding Company has related party transactions with its parent, associates, employee benefit plans, its directors and key management personnel.

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

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

	(Un-audited) June 30, 2024 Parent	(Un-audited) June 30, 2024 Directors	(Un-audited) June 30, 2024 Key management personnel	(Un-audited) June 30, 2024 Associates	(Un-audited) June 30, 2024 Other related parties	(Audited) December 31, 2023 Parent	(Audited) December 31, 2023 Directors	(Audited) December 31, 2023 Key management personnel	(Audited) December 31, 2023 Associates	(Audited) December 31, 2023 Other related parties
	(Rupees in '000)									
Due from financial institutions - net										
Opening balance	-	-	-	-	-	-	-	-	-	-
Addition during the period / year	-	-	-	-	-	3,233,725	-	-	-	-
Repaid during the period / year	-	-	-	-	-	(3,233,725)	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Investments										
Opening balance	-	-	-	1,102,111	-	-	-	-	1,102,111	-
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the period / year	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	1,102,111	-	-	-	-	1,102,111	-
Provision for diminution in value of investments	-	-	-	(1,102,111)	-	-	-	-	(1,102,111)	-
Islamic financing and related assets										
Opening balance	-	-	422,999	480,187	248,878	-	-	372,910	480,187	700,001
Addition during the period / year	-	-	134,204	210,065	712,505	-	-	226,783	903,910	4,461,960
Repaid during the period / year	-	-	(53,519)	(235,065)	(248,758)	-	-	(55,187)	(903,910)	(4,071,795)
Transfer in / (out) - net	-	-	(15,638)	-	-	-	-	(121,507)	-	(841,288)
Closing balance	-	-	488,046	455,187	712,625	-	-	422,999	480,187	248,878
Credit loss allowance held against Islamic financing and related assets	-	-	-	(196,004)	-	-	-	-	(221,004)	-
Other assets										
Profit receivable on financings	-	-	80	-	24,505	-	-	443	-	5,019
Due to financial institutions - net										
Opening balance	-	-	-	-	-	-	-	-	-	-
Additions during the period / year	61,500,000	-	-	-	-	161,865,000	-	-	-	-
Settled during the period / year	(61,500,000)	-	-	-	-	(161,865,000)	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Subordinated sukuk										
Opening balance	-	-	485	-	1,120	-	-	1,015	-	-
Issued / purchased during the period / year	-	-	-	-	142,630	-	-	-	-	-
Redemption / sold during the period / year	-	-	-	-	-	-	-	-	-	-
Transfer in / (out)	-	-	-	-	-	-	-	(530)	-	1,120
Closing balance	-	-	485	-	143,750	-	-	485	-	1,120
Deposits and other accounts										
Opening balance	-	5,741	72,646	29,503	6,162,706	-	2,745	32,443	12,186	1,776,697
Received during the period / year	-	674,217	662,656	1,024,050	30,940,314	-	3,128,053	879,664	2,157,630	30,791,160
Withdrawn during the period / year	-	(662,027)	(597,654)	(1,049,379)	(34,649,988)	-	(3,125,331)	(839,085)	(2,140,297)	(29,438,326)
Transfer in / (out) - net	-	-	(11,089)	-	12,422	-	274	(376)	(16)	3,033,175
Closing balance	-	17,931	126,559	4,174	2,465,454	-	5,741	72,646	29,503	6,162,706
Other Liabilities										
Profit / return payable	-	60	1,069	5	32,085	-	3	333	13	126,064
Dividend Payable	-	-	-	-	-	-	169,317	-	-	-
Other liabilities	-	-	-	-	41	-	-	10	-	132
Meeting fee / remuneration payable	-	-	-	-	-	-	2,000	-	-	-

	(Un-audited) June 30, 2024 Parent	(Un-audited) June 30, 2024 Directors	(Un-audited) June 30, 2024 Key management personnel	(Un-audited) June 30, 2024 Associates	(Un-audited) June 30, 2024 Other related parties	(Un-audited) June 30, 2023 Parent	(Un-audited) June 30, 2023 Directors	(Un-audited) June 30, 2023 Key management personnel	(Un-audited) June 30, 2023 Associates	(Un-audited) June 30, 2023 Other related parties
	(Rupees in '000)									
Income										
Profit / return earned	-	-	17,489	-	51,182	-	-	7,691	29,924	98,369
Other income	-	-	16	22	-	-	-	8,886	-	-
Expense										
Profit / return expensed	45,297	15,923	6,563	64	301,233	-	11	816	14	243,511
Other administrative expenses	38,520	1,253	18,372	-	87,699	-	1,527	1,063	-	25,995
Meeting fee / remuneration	-	11,360	234,955	-	-	-	7,620	287,751	-	-
Contribution to employees provident fund	-	-	-	-	137,091	-	-	-	-	103,351
Charge for employees gratuity fund	-	-	-	-	134,207	-	-	-	-	94,818
Donation paid	-	-	-	-	60,000	-	-	-	-	-
Dividend paid	832,812	286,690	39	-	28,527					

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	---------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	35,436,187	28,516,942
Eligible Additional Tier 1 (ADT 1) Capital	3,000,000	2,850,000
Total Eligible Tier 1 Capital	38,436,187	31,366,942
Eligible Tier 2 Capital	8,272,850	10,586,929
Total Eligible Capital (Tier 1 + Tier 2)	46,709,037	41,953,871
Risk Weighted Assets (RWAs):		
Credit Risk	137,087,557	123,694,507
Market Risk	1,187,797	2,747,987
Operational Risk	49,951,475	49,939,650
Total	188,226,829	176,382,144
Common Equity Tier 1 Capital Adequacy ratio	18.83%	16.17%
Tier 1 Capital Adequacy Ratio	20.42%	17.78%
Total Capital Adequacy Ratio	24.82%	23.79%
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%

37.1 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) June 30, 2024	(Audited) December 31, 2023
	---------Rupees in '000---------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	38,436,187	31,366,942
Total Exposures	693,994,248	661,785,605
Leverage Ratio	5.54%	4.74%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	390,950,522	315,027,109
Total Net Cash Outflow	99,156,842	90,466,918
Liquidity Coverage Ratio	394.27%	348.22%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	564,347,630	524,268,955
Total Required Stable Funding	144,869,920	170,271,142
Net Stable Funding Ratio	389.55%	307.90%

37.2 The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time has been placed on the Holding Company's website. The link to the full disclosures is available at www.bankislami.com.pk/investor-relations

38 GENERAL

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

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

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

38.4 Corresponding figures

These condensed interim consolidated financial statements are prepared on revised format as per the directives issued by SBP vide BPRD circular No. 2 of 2023. Consequently, 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:

Items	Transfer from	Transfer to	As at December 31, 2023
			--- Rupees in '000 ---
Statement of Financial Position:			
Right-of-use assets	Property and Equipment (formerly Fixed Assets)	Statement of Financial Position (As a financial statement caption)	3,566,267
Lease Liabilities	Other Liabilities	Statement of Financial Position (As a financial statement caption)	4,252,295

38.5 The Board of Directors of the Holding Company in their meeting held on August 26, 2024 has announced an interim cash dividend of Rs. 1.5 per share (15%). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the quarter ending September 30, 2024.

39 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on August 26, 2024 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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