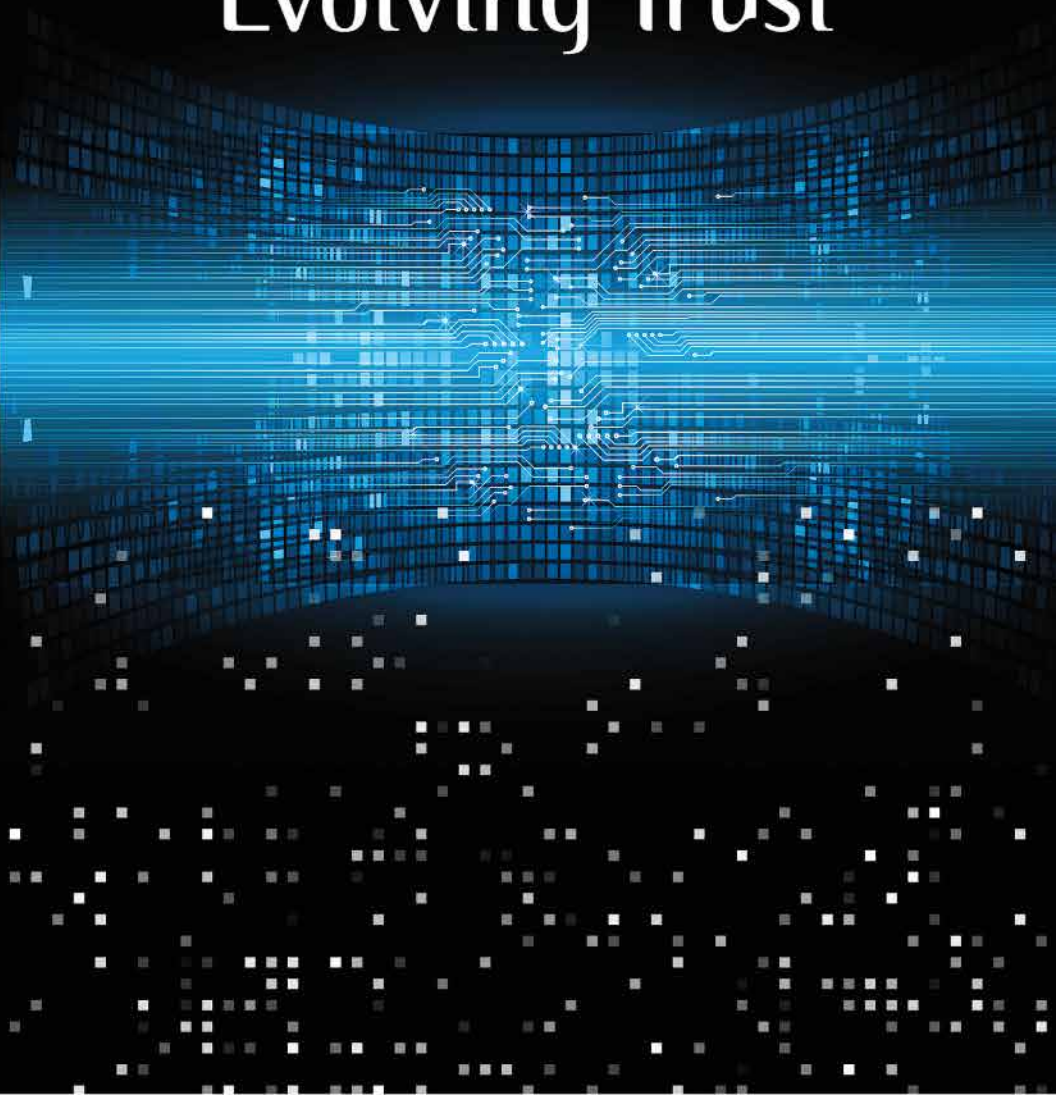




QUARTERLY REPORT MARCH 2022

Evolving Trust



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Corporate Information

Board of Directors	
Mr. Ali Hussain	Chairman (Non-Executive Director)
Dr. Amjad Waheed	Independent Director
Mr. Haider Ali Hilaly	Independent Director
Dr. Lalarukh Ejaz	Independent Director
Mr. Sulaiman Sadruddin Mehdi	Independent Director
Mr. Syed Ali Hasham	Non-Executive Director
Mr. Tasnim-ul-Haq Farooqui	Non-Executive Director
Mr. Syed Amir Ali	President & Chief Executive Officer
Shariah Supervisory Board	
Mufti Irshad Ahmad Aijaz	Chairperson
Mufti Javed Ahmad	Member
Mufti Muhammad Husain	Member
Mufti Syed Hussain Ahmed	Member
Audit Committee	
Mr. Haider Ali Hilaly	Chairperson
Dr. Lalarukh Ejaz	Member
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Syed Ali Hasham	Member
Mr. Tasnim-ul-Haq Farooqui	Member
Risk Management Committee	
Dr. Amjad Waheed	Chairperson
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Syed Ali Hasham	Member
Mr. Syed Amir Ali	Member
Board Human Resources & Remuneration Committee	
Mr. Sulaiman Sadruddin Mehdi	Chairperson
Mr. Ali Hussain	Member
Dr. Amjad Waheed	Member
Dr. Lalarukh Ejaz	Member
Mr. Syed Ali Hasham	Member
Mr. Tasnim-ul-Haq Farooqui	Member
Information Technology (IT) Committee	
Dr. Lalarukh Ejaz	Chairperson
Mr. Haider Ali Hilaly	Member
Mr. Syed Amir Ali	Member
Mr. Tasnim-ul-Haq Farooqui	Member
Company Secretary	
Mr. Muhammad Shoaib	
Auditors	
KPMG Taseer Hadi & Co., Chartered Accountants	
Legal Adviser	
1- Haidermota & Co. 2- Mohsin Tayebaly & Co.	

Management (in alphabetical order)

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

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

Registered Office

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

Share Registrar

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

Public Dealing Timings of Share Registrar (During Ramadan)

Monday to Thursday: 8:30 am to 1:00 pm
Friday 8:00 am to 12:30 pm

Public Dealing Timings of Share Registrar

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

Website:

www.bankislami.com.pk

Directors' Report

Dear Shareholders,

On behalf of the Board, we are pleased to present the interim report of BankIslami Pakistan Limited ('BankIslami' or 'the Bank') for the quarter ended March 31, 2022.

Economic Snapshot

Monetary Policy Committee (MPC), post March 31, 2022, has raised the policy rate by 250 bps to 12.25% to counter the impact of domestic inflation, currency devaluation and rising trend in international commodity prices. Moreover, to further control the impact of inflation, SBP has also taken measures by increasing the export refinance rates by 250 bps to 5.5% and has widened the suite of import items subject to cash margin requirement.

On international front, global commodity prices, including oil, are likely to remain elevated and US Fed Reserve is expected to increase benchmark rates relatively at much quicker pace than anticipated previously, which eventually would lead to further tightening of global financial conditions. Keeping these factors in consideration, average inflation forecast has now been revised upwards to slightly above 11 percent for FY22. Year on Year inflation stood at 12.7% in March 2022 as opposed to 9.1% in March 2021.

Current Account Deficit stood significantly high at USD 12 Bn for 8MFY22 (Jul 21 to Feb 22) mainly due to rise in imports viz-a-viz exports and external payments. The cumulative figure of imports of goods and services during 8MFY22 were USD 54.9 Bn against USD 37.2 Bn during the same period last fiscal year (i.e. up by 48%), whereas exports have increased by 26% only during the same period i.e. from USD 16.3 Bn (8MFY21) to USD 20.6 Bn (8MFY22). For FY22, CA Deficit is expected to be around 4 percent of GDP which will largely remain dependent on overall global commodity prices.

Overall economic growth is still expected to range between 4% - 5%. However, actual outcome will be largely dependent upon political stability of the country and how commodity prices will shape up on account of tension between Russia and Ukraine.

Source: State Bank of Pakistan and news reports

Financial Performance

Following are the key financial highlights for the quarter ended March 31, 2022:

Financial Position

Particulars	Mar 2022	Dec 2021	Mar 2021	Growth %	
	----- Rupees in Million -----			Vs Dec 2021	Vs Mar 2021
Total Deposits*	331,957	344,788	290,093	-3.7%	14.4%
Total Assets	409,193	408,390	343,555	0.2%	19.1%
Total Financing and Related Assets – net	196,028	181,176	152,726	8.2%	28.4%
Investments – net	127,432	124,838	109,267	2.1%	16.6%
Treasury and Bank Placements	29,411	38,637	26,674	-23.9%	10.3%
Net Assets	22,992	22,511	20,438	2.1%	12.5%
Branches network (number)	341	340	342	0.3%	-0.3%

* March 31, 2021 deposit numbers have been restated.

Profit and Loss

Particulars	Quarter Ended		Growth %
	Mar 2022	Mar 2021	
	----- Rupees in million -----		
Net Spread Earned	3,344	2,467	35.5%
Fee and Commission Income	404	305	32.5%
Operating Expenses	2,661	2,180	22.1%
Operating Profit	1,339	684	95.8%
Provisions and Write Offs-Net	466	47	8.9x
Profit After Tax	522	390	33.9%
Basic Earnings per share (Rupees)	0.4709	0.3517	33.9%

In order to improve the overall deposit mix and profitability of the Bank, the Bank continued its focus on current account (CA) during 1Q22. Despite rise in policy rates, the Bank was able to maintain its CA deposits at March 31, 2022 as compared to CA deposits at December 31, 2021, while it has shed high cost deposits. Owing to this, a decline of 3.7% was witnessed in overall Deposits of the Bank during 1Q22. However, when compared with the Deposit position at the end of March 31, 2021, BankIslami's total deposits have registered a year on year growth of 14.4%. It is pertinent to mention here that, the Bank in line with its business strategy will remain poised towards enhancing its current account base which will be complimented by expansion in branch network, increase in corporate & trade based relationships and garnering clients through its state-of-the-art and digitally enabled cash management services.

In line with growth in (i) macroeconomic indicators of the country; (ii) overall domestic demand and; (iii) banking spreads on account of increase in policy rates, the Bank diverted its surplus funds to better yielding corporate and consumer segments. Accordingly, the Bank witnessed a decline in treasury book by 21.8%, while net Islamic Financing grew by 8.2%. Moreover, with growth in overall size of credit book and recoveries from delinquent portfolio, infection ratio of the Bank has improved from 8.7% in Dec'21 to 8.1% in Mar'22 with coverage ratios (including general provision) improving to 91.4% in Mar'22 versus 89.6% in Dec'21.

Going forward, the Bank will remain inclined towards expanding its corporate, SME, auto and agri finance book backed by its dynamic risk management structure however, it may adapt a relatively cautious approach towards housing segment on account of rising benchmark profit rates.

In line with rise in policy rates, gradual repricing of Bank's asset book, improvement in CA deposit mix and persistent growth in BankIslami's financing book, Net Spreads Earned witnessed a robust growth of 35.5% during 1Q22 versus 1Q21. On the top of it, Non Funded Income of the Bank also witnessed an impressive growth of 61.8% during 1Q22 vis-à-vis 1Q21 which was primarily attributable to income earned by means of Digital Delivery Channels and rise in FX income due to growth in trade business and volatility in exchange rates during 1Q22.

Operating expenses of the Bank rose by 22.1% mainly due to increase in inflation, induction of business related staff and rise in variable cost linked with growing number of transactions and business volumes. Despite increase in administrative expenses, cost to income ratio of the Bank has improved in 1Q22 to 66.7% versus 76.3% in 1Q21.

With growth in net spreads, fee based income and FX income, operating profit of the Bank improved to Rs. 1,339 Mn during 1Q'22 as compared to Rs. 684 Mn recorded during 1Q'21 i.e. growth of 95.8%. Provisioning against non-performing assets of the Bank depicted an increase of Rs. 419 Mn on account of charging additional provisioning against existing and potential delinquencies so as to improve overall credit risk profile of the Bank. Based on foregoing, the Bank posted Profit After Tax amounting to Rs. 522 Mn for the quarter ended March 31, 2022, depicting a growth of 33.9% from PAT of Rs. 390 Mn posted during same period last year, *Alhamdulillah*.

Group Results

As at March 31, 2022, total assets of the Group rose by 0.2% when compared with asset base of December 31, 2021, while deposits of the Group reduced by 3.7% largely due to shedding of high cost deposits. Owing to gradual increase in Policy Rate and the related upward repricing of assets and liabilities, net spreads earned by the Group during 1Q22 witnessed improvement when compared with net spreads earned during same quarter last year. As a result, overall profitability of the Group grew by 10.6% and recorded profit after tax (PAT) of Rs. 522 Mn for the quarter ended March 31, 2022 as opposed to PAT of Rs. 472 recorded during same quarter last year.

Board Composition

The current composition of the Board is as follows:

Total number of Directors 8*

Composition:

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

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

Acknowledgement

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

On behalf of the Board,

-Sd-

Syed Amir Ali
President & Chief Executive Officer

-Sd-

Ali Hussain
Chairman of the Board

April 26, 2022

اظہار تشکر

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

منجانب بورڈ

-Sd-

علی حسین

چیئرمین آف بورڈ

-Sd-

سید عامر علی

صدر اور چیف ایگزیکٹو آفیسر

26 اپریل، 2022

نیٹ اسپریڈز، فیس کی بنیاد پر حاصل ہونے والی آمدن اور FX آمدن میں اضافے سے بینک کا آپریٹنگ منافع 1Q21 کے دوران ریکارڈ کردہ 684 ملین روپے کے مقابلے میں بہتر ہو کر 1Q22 کے دوران 1,339 ملین روپے یعنی 95.8 فیصد کا اضافہ ہوا ہے بینک کے مجموعی کریڈٹ رسک پر فائل کو بہتر بنانے کے لیے، بینک کے غیر فعال اثاثہ جات کے حوالے سے پروویڈنگ نے موجودہ اور متوقع غیر فعال قرضہ جات کے حوالے سے اضافی پروویڈنگ وصول کرنے کے حوالے سے 419 ملین روپے کا اضافہ ظاہر کیا۔ بینک نے مذکورہ بالا اعداد و شمار کی بنیاد پر 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے حوالے سے 522 ملین روپے کے بعد از محصول منافع کا اندراج کیا، جو گزشتہ سال کے دوران درج کردہ 390 ملین روپے کے بعد از محصول منافع کے مقابلے میں 33.9 فیصد کی نمو کو ظاہر کرتا ہے، الحمد للہ۔

گروپ کے نتائج

گروپ کے مجموعی اثاثہ جات کو جب 31 دسمبر 2021 کے اثاثہ جات کے بیس سے موازنہ کیا جائے تو 31 مارچ، 2022 میں 0.2 فیصد تک کا اضافہ ہوا، جبکہ گروپ کے ڈپازٹس 3.7 فیصد تک کم ہو گئے جس کی بڑی وجہ بلند لاگت کے ڈپازٹس کو کم کرنا تھا۔ پالیسی کی شرح میں بتدریج ہونے والے اضافے اور اثاثہ جات اور واجبات کی بڑھتی ہوئی ری پرائزنگ کی وجہ سے 1Q22 کے دوران گروپ کی جانب سے حاصل کردہ نیٹ اسپریڈز میں گزشتہ سال کی اسی سہ ماہی کے مقابلے میں نمود کیے میں آئی۔ جس کے نتیجے میں گروپ کے مجموعی منافع میں 10.6 فیصد تک اضافہ ہوا اور اس نے 31 مارچ، 2022 کو ختم ہونے والی سہ ماہی کے حوالے سے 522 ملین روپے کا بعد از محصول منافع (PAT) ریکارڈ کیا، جو گزشتہ سال کی اسی مدت کے دوران 472 روپے ریکارڈ کیا گیا تھا۔

بورڈ کی تشکیل

بورڈ کی موجودہ تشکیل درج ذیل کے مطابق ہے:

ڈائریکٹرز کی مجموعی تعداد 8*

تشکیل:

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

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

مجموعی ڈپازٹ کس اور بینک کے منافع کو بہتر بنانے کے لیے، بینک نے 1Q22 کے دوران کرنٹ اکاؤنٹ پر اپنی توجہ برقرار رکھی۔ پالیسی کی شرح میں اضافے کے باوجود، بینک، 31 دسمبر 2021 کے کرنٹ اکاؤنٹ ڈپازٹس کے مقابلے میں 31 مارچ، 2022 کو اپنے کرنٹ اکاؤنٹ ڈپازٹس کو برقرار رکھنے میں کامیاب رہا، جبکہ اس نے زائد لاگت کے ڈپازٹس کو کم کر دیا۔ جس کی وجہ سے 1Q22 کے دوران بینک کے مجموعی ڈپازٹس میں 3.7 فیصد کمی دیکھنے میں آئی۔ تاہم، جب اس کا 31 مارچ، 2021 کے ڈپازٹ کی صورتحال سے موازنہ کیا گیا تو بینک اسلامی کے مجموعی ڈپازٹس میں سال بہ سال 14.4 فیصد کمی نمودار ہوئی ہے۔ یہاں یہ بات قابل ذکر ہے کہ بینک اپنی کاروباری حکمت عملی کے تسلسل میں اپنے کرنٹ اکاؤنٹ میں اضافے کے لیے تیار رہے گا، جسے برانچ نیٹ ورک میں توسیع، ادارہ جاتی اور تجارتی بنیاد پر تعلقات اور اپنی جدید ترین اور فن مہارت کی حامل نیز ڈیجیٹل طور پر فعال کیش مینجمنٹ سروسز کے ذریعے کسٹمرز کے حصول سے مزید تقویت فراہم کی جائے گی۔

پالیسی کی شرح میں اضافے کی وجہ سے (i) ملک کے میسر واکنامہ انڈیکسٹرز (ii) مجموعی مقامی طلب اور (iii) بینکنگ اسپریڈز میں اضافہ کے مطابق بینک نے اپنے اضافی فنڈز کو بہتر منافع دینے والے کارپوریٹ اور کنزیومر سیگمنٹس (شعبہ جات) کی طرف موڑ دیا۔ اس کے مطابق بینک کی ٹریڈری بک میں 21.8 فیصد تک کمی دیکھنے میں آئی جبکہ صافی اسلامک فنانسنگ میں 8.2 فیصد تک اضافہ ہوا۔ مزید یہ کہ کریڈٹ بک کے مجموعی حجم میں اضافہ اور زائد المیاد پورٹ فولیو سے وصولیوں کے ذریعے بینک کے متاثر (انفیکشن) ہونے کا تناسب دسمبر 21 کے 8.7 فیصد سے بہتر ہو کر مارچ 2022 میں 8.1 فیصد ہو گیا ہے اور ساتھ ہی کوریج کا تناسب دسمبر 2021 کے 89.6 فیصد کے مقابلے میں بہتر ہو کر مارچ 2022 میں 91.4 فیصد ہو گیا ہے (بشمول جنرل پروویژن)۔

اسی پیش قدمی کے ساتھ، بینک اپنے کارپوریٹ، ایس ایم ای، آٹو اور ایگری فنانس بک کو وسعت دینے کی طرف مائل رہے گا اور اسے اپنے متحرک رسک مینجمنٹ اسٹریکچر کی معاونت حاصل ہوگی۔ تاہم یہ بڑھتے ہوئے منافع کی شرح کی وجہ سے ہاؤسنگ کے شعبہ کے حوالے سے نسبتاً محتاط انداز اختیار کر سکتا ہے۔

پالیسی کی شرح میں اضافے، بینک کے اثاثہ جات کی کتاب کی بندری پر پرائزنگ، کرنٹ اکاؤنٹ ڈپازٹ کس میں بہتری اور بینک اسلامی کی فنانسنگ بک میں مستقل نمو کے تسلسل میں، 1Q21 کے مقابلے میں 1Q22 کے دوران حاصل کردہ نیٹ اسپریڈز میں 35.5 فیصد کی زبردست نمو دیکھی گئی۔ اس کے علاوہ، بینک کی نان فنڈڈ آمدن میں بھی 1Q21 کے مقابلے میں 1Q22 کے دوران 61.8 فیصد کی متاثر کن نمو دیکھنے میں آئی، جسے ابتدائی طور پر ڈیجیٹل ڈیلیوری چینلز کے ذرائع سے حاصل کردہ آمدن نیز 1Q22 کے دوران تجارتی کاروبار اور زر مبادلہ کی شرح میں اتار چڑھاؤ کی وجہ سے FX آمدن میں ہونے والے اضافے سے منسوب کیا گیا تھا۔

بینک کے آپریٹنگ اخراجات میں 22.1 فیصد اضافہ ہوا جس کی بنیادی وجہ افراط زر میں اضافہ، کاروبار سے متعلقہ عملے کی شمولیت اور ٹرانزیکشنز کی بڑھتی ہوئی تعداد اور کاروباری حجم اور متغیر لاگت میں اضافہ ہے۔ انتظامی امور کے اخراجات میں اضافے کے باوجود، بینک کی لاگت سے آمدنی کا تناسب 1Q21 کے 76.3 فیصد کے مقابلے میں بہتر ہو کر 1Q22 میں 66.7 فیصد ہو گیا ہے۔

مالی کارکردگی

31 مارچ، 2022 کو ختم ہونے والی سہ ماہی کے اہم مالی نکات درج ذیل ہیں:

مالیاتی کارکردگی

کوائف	مارچ 2022	دسمبر 2021	مارچ 2021	نمو %	
مجموعی ڈپازٹس*	331,957	344,788	290,093	-3.7%	14.4%
مجموعی اثاثہ جات	409,193	408,390	343,555	0.2%	19.1%
مجموعی فنانسنگ اور متعلقہ اثاثہ جات۔ صافی	196,028	181,176	152,726	8.2%	28.4%
سرمایہ کاری۔ صافی	127,432	124,838	109,267	2.1%	16.6%
ٹریڈری اور بینک پلیسمنٹ	29,411	38,637	26,674	-23.9%	10.3%
صافی اثاثہ جات	22,992	22,511	20,438	2.1%	12.5%
برانچر نیٹ ورک (نمبر)	341	340	342	0.3%	-0.3%

* 31 مارچ، 2021 کے ڈپازٹ کے اعداد و شمار دوبارہ بیان کئے گئے ہیں۔

سہ ماہی

نفع و نقصان کا کھاتہ

کوائف	مارچ 2022	مارچ 2021	نمو %	
حاصل کردہ صافی اسپرڈ	3,344	2,467	35.5%	
فیس اور کمیشن کی آمدن	404	305	32.5%	
آپریٹنگ اخراجات	2,661	2,180	22.1%	
آپریٹنگ منافع	1,339	684	95.8%	
فراہمی اور دستبر داری۔ صافی	466	47	8.9x	
بعد از محصول منافع	522	390	33.9%	
فی حصص بنیادی آمدن (روپے)	0.4709	0.3517	33.9%	

ڈائریکٹرز کی رپورٹ

معزز حصص یافتگان،

بورڈ کی جانب سے ہم 31 مارچ، 2022 کو ختم ہونے والی سہ ماہی کے حوالے سے بینک اسلامی پاکستان لمیٹڈ ("بینک اسلامی" یا "بینک") کی عبوری رپورٹ پیش کرنے پر خوشی محسوس کر رہے ہیں۔

معاشی عکس

مانیٹری پالیسی کمیٹی (ایم پی سی) نے مقامی افراط زر کے اثرات، روپے کی قدر میں کمی اور اجناس کی بین الاقوامی قیمتوں میں اضافے کے رجحان کا مقابلہ کرنے کے لیے 31 مارچ، 2022 کے بعد پالیسی کی شرح کو 250 bps اضافے کے ساتھ 12.25 فیصد تک بڑھا دیا۔ مزید برآں، افراط زر کے اثرات پر مزید قابو پانے کے لیے، ایس بی پی نے ایکسپورٹ ری فنانس شرح کو 250 bps اضافے کے ساتھ 5.5 فیصد تک بڑھا دیا ہے اور درآمد کی جانے والی اشیاء کی فہرست کو کیش مارجن کی ضرورت سے مشروط کر کے وسیع کر دیا ہے۔ بین الاقوامی سطح پر، اجناس بشمول آئل کے نرخ بلند رہنے کی امید ہے اور یو ایس فیڈریٹز کے شیئنگ مارک ریٹس کی شرحوں میں نسبتاً زیادہ تیزی سے اضافے کی توقع کی جا رہی ہے، جو بالآخر عالمی مالیاتی حالات کو مزید سخت کرنے کا باعث بنے گا۔ ان عوامل کو مد نظر رکھتے ہوئے، مالی سال 2022 کے حوالے سے اوسط افراط زر کی پیشن گوئی کو اب 11 فیصد سے تھوڑا سا اوپر کر دیا گیا ہے۔ سال بہ سال کا افراط زر، مارچ 2021 کے 9.1 فیصد کے برخلاف مارچ 2022 میں 12.7 فیصد پر رہا۔

برآمدات نیز خارجی ادائیگیوں کے مقابلے میں درآمدات میں اضافے کی وجہ سے مالی سال 2022 کے آٹھ ماہ 8MFY22 (جولائی 2021 تا فروری 2022) کے حوالے سے کرنٹ اکاؤنٹ کا خسارہ 12 بلین امریکی ڈالر کی بلند ترین سطح پر رہا۔ 8MFY22 کے دوران سامان اور سروسز کی درآمدات کے مجموعی اعداد و شمار، گزشتہ مالی سال کی اسی مدت کے دوران حاصل ہونے والے 37.2 بلین ڈالر (یعنی 48 فیصد) کے اعداد و شمار کے مقابلے میں 54.9 بلین امریکی ڈالر تھے، جبکہ اسی مدت کے دوران برآمدات میں صرف 26 فیصد تک اضافہ ہوا ہے، یعنی 16.3 بلین امریکی ڈالر (8MFY21) سے 20.6 بلین امریکی ڈالر (8MFY22)۔ مالی سال 2022 کے حوالے سے کرنٹ اکاؤنٹ خسارہ جی ڈی پی کا تقریباً 4 فیصد ہونے کی توقع کی گئی ہے، جو بڑے پیمانے پر مجموعی عالمی سطح پر اجناس کے نرخوں پر منحصر ہوگی۔

مجموعی معاشی ترقی اب تک 4 سے 5 فیصد کے درمیان رہنے کی توقع ہے۔ تاہم اس کا حتمی نتیجہ ملک میں سیاسی استحکام نیز روس اور یوکرین کے درمیان جاری تناؤ کے باعث اجناس کی قیمتوں پر ہے۔

اخذ کردہ: اسٹیٹ بینک آف پاکستان

Condensed Interim
Unconsolidated Financial Statements
of
BankIslami Pakistan Limited
For the Quarter Ended
March 31, 2022

BankIslami Pakistan Limited

Condensed Interim Unconsolidated Statement of Financial Position

AS AT MARCH 31, 2022

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
----- Rupees in '000 -----			
ASSETS			
Cash and balances with treasury banks	6	23,213,602	24,552,347
Balances with other banks	7	6,250,908	3,691,953
Due from financial institutions - net	8	23,160,161	34,945,365
Investments - net	9	127,431,698	124,838,317
Islamic financing, related assets and advances - net	10	196,028,462	181,176,239
Fixed assets	11	13,603,058	13,617,439
Intangible assets	12	3,182,069	3,176,180
Deferred tax assets	13	4,165,421	4,308,141
Other assets - net	14	12,157,619	18,084,193
Total Assets		409,192,998	408,390,174
LIABILITIES			
Bills payable	15	5,132,220	3,484,210
Due to financial institutions	16	35,200,836	21,193,332
Deposits and other accounts	17	331,956,591	344,787,956
Subordinated sukuk	18	2,000,000	2,000,000
Deferred tax liabilities		-	-
Other liabilities	19	11,910,854	14,413,474
		386,200,501	385,878,972
NET ASSETS		22,992,497	22,511,202
REPRESENTED BY			
Share capital - net		11,007,991	11,007,991
Reserves		1,703,164	1,703,164
Surplus on revaluation of assets - net of tax	20	3,383,559	3,464,337
Unappropriated profit		6,897,783	6,335,710
		22,992,497	22,511,202
CONTINGENCIES AND COMMITMENTS	21		

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

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

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CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2022

	Note	March 31, 2022	March 31, 2021
		----- Rupees in '000 -----	
Profit / return earned	22	7,754,355	5,338,723
Profit / return expensed	23	4,409,965	2,871,454
Net Profit / return		<u>3,344,390</u>	<u>2,467,269</u>
OTHER INCOME			
Fee and commission income	24	403,810	304,653
Dividend income		-	5,170
Foreign exchange income		213,253	61,063
Gain on securities	25	15,568	28,871
Other income - net	26	40,512	16,386
Total other income		<u>673,143</u>	<u>416,143</u>
Total Income		<u>4,017,533</u>	<u>2,883,412</u>
OTHER EXPENSES			
Operating expenses	27	2,660,729	2,180,133
Workers' Welfare Fund		17,463	18,905
Other charges	28	260	45
Total other expenses		<u>2,678,452</u>	<u>2,199,083</u>
Profit before provisions		<u>1,339,081</u>	<u>684,329</u>
Provisions and write offs - net	29	465,917	47,230
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		<u>873,164</u>	<u>637,099</u>
Taxation	30	351,048	247,170
PROFIT AFTER TAXATION		<u><u>522,116</u></u>	<u><u>389,929</u></u>
----- Rupees -----			
Basic / Diluted earnings per share	31	<u><u>0.4709</u></u>	<u><u>0.3517</u></u>

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BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2022

	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----	
Profit after taxation for the period	522,116	389,929
Other Comprehensive Income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of investments - net of tax	(41,867)	152,419
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of non-banking assets - net of tax	1,046	-
Total comprehensive income	<u>481,295</u>	<u>542,348</u>

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

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DIRECTOR



BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2022

	Share capital	Discount on issue of shares	Statutory reserve	Revenue reserve for bad debts & contingency	Surplus on revaluation of		Unappropriated profit	Total
					Investments	Fixed / Non-Banking Assets		
-----Rupees in '000-----								
Balance as at December 31, 2020	11,087,033	(79,042)	1,276,894	250,000	1,398,010	1,632,499	4,329,779	19,895,173
Profit after taxation for the quarter ended March 31, 2021	-	-	-	-	-	-	389,929	389,929
Other comprehensive income for the quarter ended March 31, 2021	-	-	-	-	152,419	-	-	152,419
	-	-	-	-	152,419	-	389,929	542,348
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(833)	833	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(346)	346	-
Balance as at March 31, 2021	11,087,033	(79,042)	1,276,894	250,000	1,550,429	1,631,320	4,720,887	20,437,521
Profit after taxation for the period from April 01, 2021 to December 31, 2021	-	-	-	-	-	-	1,741,421	1,741,421
Other comprehensive (loss) / income for the period from April 01, 2021 to December 31, 2021	-	-	-	-	(161,093)	527,132	(33,779)	332,260
	-	-	-	-	(161,093)	527,132	1,707,642	2,073,681
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(56,948)	56,948	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(1,035)	1,035	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(6,866)	6,866	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(18,602)	18,602	-
Transfer to statutory reserve	-	-	426,270	-	-	-	(426,270)	-
Transfer from revenue reserve for bad debts & contingency to unappropriated profit	-	-	-	(250,000)	-	-	250,000	-
Balance as at December 31, 2021	11,087,033	(79,042)	1,703,164	-	1,389,336	2,075,001	6,335,710	22,511,202
Profit after taxation for the quarter ended March 31, 2022	-	-	-	-	-	-	522,116	522,116
Other comprehensive income for the quarter ended March 31, 2022	-	-	-	-	(41,867)	1,046	-	(40,821)
	-	-	-	-	(41,867)	1,046	522,116	481,295
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(29,302)	29,302	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(243)	243	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(10,412)	10,412	-
Balance as at March 31, 2022	11,087,033	(79,042)	1,703,164	-	1,347,469	2,036,090	6,897,783	22,992,497

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

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BankIslami Pakistan Limited

Condensed Interim Unconsolidated Cash Flow Statement

FOR THE QUARTER ENDED MARCH 31, 2022

	Note	March 31, 2022	March 31, 2021
----- Rupees in '000 -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		873,164	637,099
Less: Dividend income		-	(5,170)
		<u>873,164</u>	<u>631,929</u>
Adjustments for non-cash charges and other items:			
Depreciation on fixed assets	11.2	230,382	182,279
Depreciation on non-banking assets	14.1.1	1,982	1,309
Depreciation on right-of-use assets	11.2	210,897	209,441
Amortization	12	18,071	16,641
Depreciation on operating Ijarah assets	10.14	27,965	243,497
Finance cost on Ijarah (lease) liabilities	23	88,296	99,542
Provisions and write offs - net	29	465,917	47,230
Charge for defined benefit plan	27.1	38,198	31,640
(Gain) / loss on sale of fixed assets	26	(10,873)	63
		<u>1,070,835</u>	<u>831,642</u>
		1,943,999	1,463,571
(Increase) / decrease in operating assets			
Due from financial institutions		11,785,204	23,364,996
Islamic financing and related assets and advances - net		(15,343,842)	(22,885,530)
Other assets		5,910,661	491,638
		<u>2,352,023</u>	<u>971,104</u>
Increase / (decrease) in operating liabilities			
Bills payable		1,648,010	2,353,553
Due to financial institutions		14,007,504	(316,019)
Deposits and other accounts		(12,831,365)	4,726,564
Other liabilities (excluding current taxation)		(2,496,340)	(74,729)
		<u>327,809</u>	<u>6,689,369</u>
		4,623,831	9,124,044
Income tax paid		(75,235)	(138,124)
Net cash generated from operating activities		<u>4,548,596</u>	<u>8,985,920</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		(2,635,483)	(13,862,956)
Dividends received		-	5,170
Payment of Ijarah (lease) liability against right-of-use assets		(280,472)	(263,482)
Investments in fixed assets		(462,176)	(601,435)
Investments in intangible assets		(23,384)	(41,010)
Proceeds from disposal of fixed assets		73,129	25
Net cash used in investing activities		<u>(3,328,386)</u>	<u>(14,763,688)</u>
Increase / (decrease) in cash and cash equivalents			
		1,220,210	(5,777,768)
Cash and cash equivalents at the beginning of the period		28,244,300	34,342,294
Cash and cash equivalents at the end of the period		<u>29,464,510</u>	<u>28,564,526</u>

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

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BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2022

1 STATUS AND NATURE OF BUSINESS

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

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

The Bank is operating through 341 branches including 80 sub-branches as at March 31, 2022 (December 31, 2021: 340 branches including 80 sub-branches). The registered office of the Bank is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited.

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

Wherever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

- 2.2 The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These condensed interim unconsolidated financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2021.
- 2.3 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars. The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services.
- 2.4 Further, SBP, vide its BPRD Circular Letter No. 24 of 2021 dated July 05, 2021, has decided to implement the IFRS 9 on banks in Pakistan from January 01, 2022. In the aforementioned circular, SBP has issued "IFRS 9 application instruction" for the implementation of IFRS 9 on the banking industry. SBP has advised that these instruction will be used by the banks for their parallel reporting purpose only and final instructions will be issued by SBP subsequently based on parallel run results. So far, final instructions are awaited from SBP, therefore, the requirements of IFRS 9 have not been considered in the preparation of these condensed interim unconsolidated financial statements.
- 2.5 These condensed interim financial statements are separate condensed interim unconsolidated financial statements of the Bank in which investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any, and are not consolidated. The condensed interim consolidated financial statements of the Bank are being issued separately.
- 2.6 The Bank provides financing mainly through Murabahah, Ijarah, Istisna, Musharakah, Diminishing Musharakah, Muswammah and other Islamic modes.

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

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended December 31, 2021.

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

There are certain standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these condensed interim unconsolidated financial statements.

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

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

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Annual improvement process IFRS 9 Financial Instruments - Fees in the	January 01, 2022
'10 percent' test for de-recognition of financial liabilities	January 01, 2023
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

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

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2021.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual unconsolidated financial statements for the year ended December 31, 2021.

6 CASH AND BALANCES WITH TREASURY BANKS**In hand:**

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
- Local currency	8,168,900	8,369,573
- Foreign currency	<u>614,677</u>	<u>710,923</u>
	8,783,577	9,080,496

With the State Bank of Pakistan in:

- Local currency current account	10,944,893	10,641,385
- Foreign currency deposit accounts:		
- Cash reserve account	587,314	565,020
- Special cash reserve account	709,510	682,577
- US dollar clearing account	<u>13,443</u>	<u>11,674</u>
	1,310,267	1,259,271

With National Bank of Pakistan in:

- Local currency current account	2,171,270	3,563,460
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National Prize Bonds

	<u>3,595</u>	<u>7,735</u>
	<u>23,213,602</u>	<u>24,552,347</u>

7 BALANCES WITH OTHER BANKS**In Pakistan:**

- In current accounts	927	967
- In deposit accounts	<u>126</u>	<u>125</u>
	1,053	1,092

Outside Pakistan:

- In current accounts	5,863,350	3,501,107
- In deposit accounts	<u>386,505</u>	<u>189,754</u>
	6,249,855	3,690,861
	<u>6,250,908</u>	<u>3,691,953</u>

8 DUE FROM FINANCIAL INSTITUTIONS - NET

Note	(Un-audited)			(Audited)		
	March 31, 2022			December 31, 2021		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
----- Rupees in '000 -----						
Secured						
Bai Muajjal Receivable						
-from Banks	8.1	-	-	4,951,909	-	4,951,909
-from Other Financial Institutions	8.1	6,847,682	-	4,008,737	-	4,008,737
Unsecured						
Wakalah Placement	8.2	-	-	-	518,416	518,416
Musharaka Placements	8.3	-	-	15,000,000	-	15,000,000
 Bai Muajjal Receivable						
-from Banks	8.1	4,985,552	-	1,980,792	-	1,980,792
-from Other Financial Institutions	8.1	11,326,927	-	8,485,511	-	8,485,511
Other placements		<u>23,490</u>	<u>-</u>	<u>24,300</u>	<u>-</u>	<u>24,300</u>
		23,183,651	-	34,451,249	518,416	34,969,665
Provision against placements	8.4	<u>(23,490)</u>	<u>-</u>	<u>(24,300)</u>	<u>-</u>	<u>(24,300)</u>
		<u>23,160,161</u>	<u>-</u>	<u>34,426,949</u>	<u>518,416</u>	<u>34,945,365</u>

8.1 The average return on this product ranges between 10.50% to 11.52% (2021: 7.35% to 11.52%) per annum. The balances have maturities ranging between 15 days to 273 days (2021: 21 days to 363 days). The Secured Bai Muajjal receivable are secured against Federal Government securities received as collateral and having market value of Rs. 6,900 million as at March 31, 2022 (2021: Rs.8,900 million).

8.2 This represents foreign currency placements and the expected profit rate on these agreements is Nil (2021: 0.04% to 0.2%) per annum. The agreements have remaining maturities of Nil (2021: 6 days).

8.3 The expected profit rate on these agreements is Nil (2021: 10% to 11%) per annum and the agreements have maturities of Nil (2021: 4 to 7 days).

8.4 Category of classification

	(Un-audited)		(Audited)	
	March 31, 2022		December 31, 2021	
	Classified Placements	Provision held	Classified Placements	Provision held
----- Rupees in '000 -----				
Loss	23,490	23,490	24,300	24,300

8.4.1 The Bank does not hold overseas classified placements.

9 INVESTMENTS - NET

	Note	(Un-audited)	(Audited)
		March 31, 2022	December 31, 2021
		-----Rupees in '000-----	
Investments - Islamic	9.1 & 9.3	126,854,023	124,260,642
Investments - Conventional (relating to amalgamated entity)	9.2 & 9.4	<u>577,675</u>	<u>577,675</u>
		<u>127,431,698</u>	<u>124,838,317</u>

9.1 Islamic Investments by type

Note	(Un-audited) March 31, 2022				(Audited) December 31, 2021			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
Available for sale securities								
Federal Government Shariah	85,892,402	-	151,701	86,044,103	83,614,067	-	22,710	83,636,777
Compliant Securities	277,373	(71,722)	155,094	360,745	277,373	(70,677)	153,826	360,522
Shares / Modaraba certificates	38,090,879	(35,880)	1,766,234	39,821,233	37,710,377	(35,880)	1,960,904	39,635,401
Non-Government Shariah Compliant Securities	124,260,654	(107,602)	2,073,029	126,226,081	121,601,817	(106,557)	2,137,440	123,632,700
Associates	627,942	-	-	627,942	627,942	-	-	627,942
Total Islamic investments	124,888,596	(107,602)	2,073,029	126,854,023	122,229,759	(106,557)	2,137,440	124,260,642

9.2 Conventional Investments by type*

Available for sale securities								
Shares	1,189,030	(611,355)	-	577,675	1,189,030	(611,355)	-	577,675
Non-Government Debt Securities	230,292	(230,292)	-	-	230,292	(230,292)	-	-
	1,419,322	(841,647)	-	577,675	1,419,322	(841,647)	-	577,675
Held to maturity securities								
Non-Government Debt Securities	92,145	(92,145)	-	-	92,145	(92,145)	-	-
Associates	1,032,169	(1,032,169)	-	-	1,032,169	(1,032,169)	-	-
Subsidiary	104,771	(104,771)	-	-	104,771	(104,771)	-	-
Total conventional investments	2,648,407	(2,070,732)	-	577,675	2,648,407	(2,070,732)	-	577,675

9.3 Islamic Investments by segments

Federal Government Shariah								
Compliant Securities								
GoP Ijarah Sukuks	85,892,402	-	151,701	86,044,103	73,308,231	-	22,710	73,330,941
Bai Muajjal	-	-	-	-	10,305,836	-	-	10,305,836
	85,892,402	-	151,701	86,044,103	83,614,067	-	22,710	83,636,777
Shares								
Listed companies	270,553	(71,722)	155,094	353,925	270,553	(70,677)	153,826	353,702
Non-Government Shariah								
Compliant Securities								
Listed								
Pakistan Energy Sukuk-I	27,146,945	-	1,835,133	28,982,078	27,146,945	-	1,832,419	28,979,364
Pakistan Energy Sukuk-II	3,392,368	-	7,909	3,400,277	3,392,588	-	42,172	3,434,760
	30,539,313	-	1,843,042	32,382,355	30,539,533	-	1,874,591	32,414,124
Unlisted								
Sukuk certificates	7,551,566	(35,880)	(76,808)	7,438,878	7,170,844	(35,880)	86,313	7,221,277
Foreign securities								
Equity securities	6,820	-	-	6,820	6,820	-	-	6,820
Associates								
Shakarganj Food Products Limited	627,942	-	-	627,942	627,942	-	-	627,942
Total Islamic investments	124,888,596	(107,602)	2,073,029	126,854,023	122,229,759	(106,557)	2,137,440	124,260,642

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

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

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

9.4 Conventional Investments by segments*

	(Un-audited)				(Audited)			
	March 31, 2022				December 31, 2021			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----								
Shares								
Unlisted Companies	33,680	(33,680)	-	-	33,680	(33,680)	-	-
	33,680	(33,680)	-	-	33,680	(33,680)	-	-
Non Government Debt Securities								
Listed	80,432	(80,432)	-	-	80,432	(80,432)	-	-
Unlisted	242,005	(242,005)	-	-	242,005	(242,005)	-	-
	322,437	(322,437)	-	-	322,437	(322,437)	-	-
Foreign securities								
Equity securities	1,155,350	(577,675)	-	577,675	1,155,350	(577,675)	-	577,675
Associates								
KASB Capital Limited	41,867	(41,867)	-	-	41,867	(41,867)	-	-
KASB Funds Limited	432,302	(432,302)	-	-	432,302	(432,302)	-	-
New Horizon Exploration & Production Limited	558,000	(558,000)	-	-	558,000	(558,000)	-	-
	1,032,169	(1,032,169)	-	-	1,032,169	(1,032,169)	-	-
Subsidiary								
My Solutions Corporation Limited	104,771	(104,771)	-	-	104,771	(104,771)	-	-
	104,771	(104,771)	-	-	104,771	(104,771)	-	-
	2,648,407	(2,070,732)	-	577,675	2,648,407	(2,070,732)	-	577,675

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

		(Un-audited)	(Audited)
9.5	Investments given as collateral	March 31, 2022	December 31, 2021
	Note		

9.6 Provision for diminution in value of investments

9.6.1 Opening balance		2,177,289	2,448,730
Charge / (reversal)			
Charge for the period / year		1,045	-
Reversals for the period / year		-	(14,022)
Provision for diminution in value of investments - net		1,045	(14,022)
Amounts written off		-	(257,419)
Closing Balance	9.6.1.1	<u>2,178,334</u>	<u>2,177,289</u>

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

Investments - Islamic	107,602	106,557
Investments - Conventional	2,070,732	2,070,732
	<u>2,178,334</u>	<u>2,177,289</u>

9.6.2 Particulars of provision against debt securities

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

9.6.2.1 The Bank does not hold overseas classified debt securities.

10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES - NET

		(Un-audited)	(Audited)
	Note	March 31, 2022	December 31, 2021
-----Rupees in '000-----			
Islamic financing and related assets - net	10.1	195,846,863	180,992,699
Advances (relating to amalgamated entity) - net	10.2	181,599	183,540
		<u>196,028,462</u>	<u>181,176,239</u>

10.1 ISLAMIC FINANCING AND RELATED ASSETS

	Note	Performing		Non Performing		Total	
		March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
-----Rupees in '000-----							
In Pakistan							
- Running Musharakah	10.9	55,070,866	62,385,085	1,361,510	1,424,510	56,432,376	63,809,595
- Diminishing Musharakah financing and related assets - Others	10.3	37,881,215	32,865,920	2,228,377	1,616,390	40,109,592	34,482,310
- Diminishing Musharakah financing and related assets - Auto		23,695,213	22,580,287	376,476	267,268	24,071,689	22,847,555
- Diminishing Musharakah - Housing		21,083,309	18,814,897	1,548,648	1,621,348	22,631,957	20,436,245
- Istisna financing and related assets	10.4 & 10.10	19,717,527	14,388,358	1,608,927	948,614	21,326,454	15,336,972
- Murabahah financing and related assets	10.5 & 10.11	18,093,395	14,608,663	276,254	581,036	18,369,649	15,189,699
- Musawamah financing and related assets / Tijarah	10.6	5,510,741	4,709,506	3,455,432	4,059,763	8,966,173	8,769,269
- Bai Mu'ajjal - Corporate		4,999,411	-	-	-	4,999,411	-
- Investment Agency Wakalah		4,388,009	5,208,333	-	-	4,388,009	5,208,333
- Financing against Bills		1,924,639	1,593,966	-	-	1,924,639	1,593,966
- Murabahah against Bills		879,000	970,192	5,622	-	884,622	970,192
- Ijarah financing under IFAS 2 and related assets	10.7	616,993	504,768	149,646	338,865	766,639	843,633
- Musharakah financing		280,000	280,000	-	-	280,000	280,000
- Qardh-e-Hasana		19,055	1,680	120,979	121,860	140,034	123,540
- Net investment in Ijarah financing in Pakistan		119,673	131,545	-	-	119,673	131,545
- Salam		109,900	104,898	-	-	109,900	104,898
- Housing finance portfolio - others	10.8	31,931	31,241	-	-	31,931	31,241
- Past Due Acceptance		1,213	32,280	29,153	-	30,366	32,280
Islamic financing and related assets - gross		194,422,090	179,211,619	11,161,024	10,979,654	205,583,114	190,191,273
Less: Provision against non-performing Islamic financing and related assets							
- Specific	10.15	-	-	(8,686,641)	(8,431,606)	(8,686,641)	(8,431,606)
- General	10.15	(1,049,610)	(766,968)	-	-	(1,049,610)	(766,968)
		(1,049,610)	(766,968)	(8,686,641)	(8,431,606)	(9,736,251)	(9,198,574)
Islamic financing and related assets - net of provision		193,372,480	178,444,651	2,474,383	2,548,048	195,846,863	180,992,699

10.2 ADVANCES

- Loans, cash credits, running finances, etc. - In Pakistan*		28,580	89,776	4,815,777	4,830,544	4,844,357	4,920,320
- Net investment in finance lease - In Pakistan	10.13	-	-	582,185	582,185	582,185	582,185
- Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan		-	-	684,295	684,295	684,295	684,295
Advances - gross		28,580	89,776	6,082,257	6,097,024	6,110,837	6,186,800
Provision against advances							
- Specific	10.15	-	-	(6,023,002)	(6,097,024)	(6,023,002)	(6,097,024)
- General	10.15	(55)	(55)	-	-	(55)	(55)
		(55)	(55)	(6,023,002)	(6,097,024)	(6,023,057)	(6,097,079)
Advances - net of provision		28,525	89,721	59,255	-	87,780	89,721
Fair value adjustment	10.16	-	-	93,819	93,819	93,819	93,819
Advances - net of provision and fair value adjustment		<u>28,525</u>	<u>89,721</u>	<u>153,074</u>	<u>93,819</u>	<u>181,599</u>	<u>183,540</u>

* This includes non-interest bearing performing financing facilities amounting to Rs. 28,580 million (2021: Rs. 89,776 million).

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	-----Rupees in '000-----	
10.3 Diminishing Musharakah financing and related assets - Others		
Diminishing Musharakah financing	34,432,334	29,496,294
Advance against Diminishing Musharakah financing	5,677,258	4,986,016
	<u>40,109,592</u>	<u>34,482,310</u>
10.4 Istisna financing and related assets		
Istisna financing	7,627,029	6,984,506
Advance against Istisna financing	13,699,425	8,352,466
	<u>21,326,454</u>	<u>15,336,972</u>
10.5 Murabahah financing and related assets		
Murabahah financing	13,840,500	7,461,935
Deferred murabahah income	815,227	288,114
Advances against Murabaha financing	953,768	1,927,813
Murabaha Inventories	2,760,154	5,511,837
	<u>18,369,649</u>	<u>15,189,699</u>
10.6 Musawamah financing and related assets / Tijarah		
Musawamah financing	7,265,797	6,246,037
Advance against Musawamah financing	104,081	266,839
Musawamah inventories	1,596,295	2,256,393
	<u>8,966,173</u>	<u>8,769,269</u>
10.7 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	766,028	843,022
Advance against Ijarah financing	611	611
	<u>766,639</u>	<u>843,633</u>
10.8 Salam		
Salam financing	14,998	54,999
Advance against Salam	94,902	49,899
	<u>109,900</u>	<u>104,898</u>
10.9 Running musharakah financing and related assets includes financing amounting to Rs. 2,223 million (2021: Rs. 2,554 million) under Islamic Export Refinance Scheme.		
10.10 Istisna financing and related assets includes financing amounting to Rs. 959.188 million (2021: Rs.1,586 million) and advance amounting to Rs. 1,086.80 million (2021: Rs. 678.800 million) under Islamic Export Refinance Scheme.		
10.11 Murabahah financing and related assets includes financing amounting to Rs.192.500 million (2021: Rs.192.500 million) and advance amounting to Nil (2021: Nil) under Islamic Export Refinance Scheme.		
10.12 Musawamah financing and related assets / Tijarah includes financing amounting to Rs. 50 million (2021: Nil) and Advance amounting to Rs. 100 million (2021: Rs.100 million) under Islamic Export Refinance Scheme.		
	(Un-audited) March 31, 2022	(Audited) December 31, 2021
10.13 Particulars of Islamic financing and related assets and advances - gross	----- Rupees in '000-----	
In local currency	210,580,486	195,464,197
In foreign currency	1,113,465	913,876
	<u>211,693,951</u>	<u>196,378,073</u>

- 10.14 Islamic financing and related assets and advances include Rs.17,243.281 million (2021: Rs.17,076.678 million) which have been placed under non-performing status as detailed below:

Category of classification

	(Un-audited)		(Audited)	
	March 31, 2022		December 31, 2021	
	Non-performing Islamic financing, related assets and advances	Specific Provision	Non-performing Islamic financing, related assets and advances	Specific Provision
----- Rupees in '000 -----				
Domestic				
Other assets especially mentioned	150,012	-	164,571	-
Substandard	361,470	41,183	554,426	92,057
Doubtful	1,355,710	464,942	1,113,707	334,116
Loss	15,376,089	14,203,518	15,243,974	14,102,457
Total	17,243,281	14,709,643	17,076,678	14,528,630

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

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

(Un-audited)				(Audited)			
March 31, 2022				December 31, 2021			
	Specific	General	Total	Specific	General	Total	
----- Rupees in '000 -----							
Opening balance	14,528,630	767,023	15,295,653	14,491,608	802,048	15,293,656	
Charge for the period / year	390,864	282,642	673,506	2,736,255	(35,025)	2,701,230	
Reversals for the period / year	(209,851)	-	(209,851)	(2,389,299)	-	(2,389,299)	
	181,013	282,642	463,655	346,956	(35,025)	311,931	
Amount written off	-	-	-	(309,934)	-	(309,934)	
Closing balance	14,709,643	1,049,665	15,759,308	14,528,630	767,023	15,295,653	
10.15.1	Islamic	8,686,641	1,049,610	9,736,251	8,431,606	766,968	9,198,574
	Conventional	6,023,002	55	6,023,057	6,097,024	55	6,097,079
		14,709,643	1,049,665	15,759,308	14,528,630	767,023	15,295,653
				(Un-audited)	(Audited)		
				March 31,	December 31,		
				2022	2021		
-----Rupees in '000-----							
10.15.2 Provision / reversal of provision net of fair value adjustment taken to the profit and loss account							
Gross reversals for the period/year				209,851			
Charge for the period / year				(673,506)			
				(463,655)			
Fair value adjusted - net				-			
Net charge taken to the profit and loss account				(463,655)			
				(235,610)			

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

	(Un-audited)			(Audited)		
	March 31, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
In local currency	14,709,643	1,049,665	15,759,308	14,528,630	767,023	15,295,653
In foreign currency	-	-	-	-	-	-
	14,709,643	1,049,665	15,759,308	14,528,630	767,023	15,295,653

- 10.15.4 The Bank maintains general reserve (provision) amounting to Rs. 449.665 million (2021: Rs. 417.023 million) in accordance with the applicable requirements of the Prudential Regulations for Consumer Financing. In addition, the Bank carries general provision of Rs. 600 million (December 31, 2021: Rs. 350 million) as a matter of prudence based on management estimate.

- 10.15.5 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at March 31, 2022 amounts to Rs. 931.580 million (2021: Rs. 1,043.691 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 568.263 million (2021: Rs. 636.651 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

- 10.16 Provision in respect of acquired loans related to amalgamated entity have been determined after taking into considerations of the fair values of such loans on the basis of valuation exercise performed by the Independent consultant.

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
10.17	SBP other refinance schemes	-----Rupees in '000-----	
	Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	5,280,014	4,489,370
	Islamic refinance scheme for payment of wages and salaries	1,481,723	1,824,118
	Islamic refinance scheme for combating COVID (IRFCC)	326,579	328,351
	Islamic refinance facility for Modernization of SMEs	118,662	115,470
	Islamic refinance scheme for Renewable Energy	51,492	-
	Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)	38,468	18,289
		<u>7,296,938</u>	<u>6,775,598</u>

11 FIXED ASSETS

	Capital work-in-progress	11.1 & 11.2	1,377,035	1,264,988
	Property and equipment	11.2 & 11.3	9,767,270	9,709,779
	Right of use assets	11.2	2,458,753	2,642,672
			<u>13,603,058</u>	<u>13,617,439</u>
11.1	Capital work-in-progress			
	Advances to suppliers and contractors		186,312	74,265
	Advance for acquiring properties:			
	- Office premises		<u>1,190,723</u>	<u>1,190,723</u>
			<u>1,377,035</u>	<u>1,264,988</u>

		(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
11.2	Additions to fixed assets	----- Rupees in '000 -----	

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

	Capital work-in-progress	131,121	49,575
	Property and equipment		
	Leasehold building	209,436	8,488
	Furniture and fixture	35,693	17,226
	Electrical office and computer equipment	93,618	69,860
	Vehicles	13,699	-
		<u>352,446</u>	<u>95,573</u>
	Right of use assets		
	Leasehold building	29,570	77,774
	Total	<u>513,137</u>	<u>222,922</u>

11.3	Disposal of fixed assets		
	The net book value of fixed assets disposed off during the period is as follows:		
	Leasehold building	59,470	-
	Furniture and fixture	5,461	-
	Electrical office and computer equipment	13	73
	Total	<u>64,944</u>	<u>73</u>

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
Note		
	----- Rupees in '000 -----	

12 INTANGIBLE ASSETS

	Computer software	12.1	191,331	184,539
	Core deposits		25,072	25,080
	Membership & Subscription		21,369	22,264
	Goodwill		2,944,297	2,944,297
			<u>3,182,069</u>	<u>3,176,180</u>

		(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
12.1	Additions to intangible assets	----- Rupees in '000 -----	

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

	- Directly purchased	<u>25,222</u>	<u>41,875</u>
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12.2	Disposals of intangible assets		
	There were no disposals of intangible assets during the period.		

13 DEFERRED TAX ASSETS

Deductible Temporary Differences on:

Accumulated tax losses	
Tax credit against minimum tax	
Provision for diminution in the value of investments	
Provision against non-performing Islamic financing and related assets and advances	
Ijarah financing and related assets	
Accelerated tax depreciation	
Others	

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

2,374,376	2,591,239
-	32,238
199,769	199,769
3,378,382	3,344,708
212,530	234,991
156,908	128,401
(4,074)	(13,052)
6,317,891	6,518,294

Taxable Temporary Differences on:

Fair value adjustments relating to net assets acquired upon amalgamation	
Surplus on revaluation of available for sale securities	
Surplus on revaluation of fixed assets	
Surplus on revaluation of non-banking assets	
Net investment in finance lease	

(330,079)	(344,266)
(725,560)	(748,104)
(1,030,029)	(1,051,413)
(66,802)	(66,370)
(2,152,470)	(2,210,153)
4,165,421	4,308,141

- 13.1 The Bank has aggregate tax losses of Rs. 6,783.931 million as at March 31, 2022 (2021: Rs. 7,403.539 million) which includes tax losses of amalgamated entity. The management has carried out an assessment for estimating the benefit of these losses. The Bank would be able to set off the profit earned in future years against these carry forward losses. Based on this assessment the management has recognized deferred tax debit balance amounting to Rs. 2,374.376 million (2021: Rs. 2,591.239 million). The amount of this benefit has been determined based on the projected financial statements for the future periods as approved by the management. The determination of future taxable profit is most sensitive to certain key assumptions such as cost to income ratio of the Bank, deposit's composition, kibar rates, growth of deposits and financing, investment returns, product mix of financing, potential provision against assets / financings, recoveries from non-performing financing and branch expansion plan. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.

14 OTHER ASSETS - NET

Profit / return accrued in local currency	6,334,596	9,110,889
Profit / return accrued in foreign currency	8,960	194
Advances, deposits, advance rent and other prepayments	1,130,720	1,105,402
Non-banking assets acquired in satisfaction of claims	2,114,910	2,116,519
Branch Adjustment Account	-	440,114
Takaful / insurance claim receivable	93,731	69,511
Receivable against First WAPDA Sukuk	50,000	50,000
Acceptances	2,078,573	5,462,889
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts	148,316	28,980
Advance against purchase of sukuk	175,000	-
Others	1,090,822	771,437
	13,225,628	19,155,935
Less: Provision held against other assets	14.2	(1,258,872)
Other Assets (net of provision)		11,966,756
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		190,863
Other assets - total		12,157,619

Note March 31, December 31,
2022 2021
-----Rupees in '000-----

- 14.1 Market value of non-banking assets acquired in satisfaction of claims

1,506,468	1,506,468
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- 14.2 Provision held against other assets

Advances, deposits, advance rent & other prepayments	26,692	26,692
Non banking assets acquired in satisfaction of claims	799,679	799,679
Others	432,501	434,999

14.2.1	1,258,872	1,261,370
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- 14.2.1 Movement in provision held against other assets

Opening balance	1,261,370	1,588,151
Charge for the period / year	-	399,738
Reversals during the period / year	(2,498)	(25,069)
Adjustment during the period / year		(701,450)
Closing balance	1,258,872	1,261,370

15 BILLS PAYABLE

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	-----Rupees in '000-----	
In Pakistan	5,132,220	3,484,210
Outside Pakistan	-	-
	<u>5,132,220</u>	<u>3,484,210</u>

16 DUE TO FINANCIAL INSTITUTIONS

Secured

Due to State Bank of Pakistan

Acceptances from SBP under Mudaraba	18,082,004	-
Acceptances under Islamic Export Refinance Scheme	3,227,300	5,143,000
Acceptances for financial assistance	3,776,106	3,691,010
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	4,937,119	4,349,261
Islamic refinance scheme for payment of wages and salaries	1,467,399	1,805,305
Islamic refinance scheme for combating COVID (IRFCC)	19,934	23,921
Islamic Refinance Scheme for Modernization of SMEs	84,408	-
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)	18,289	18,289
	31,612,559	15,030,786
Refinance facility for Islamic Mortgage	3,588,277	3,762,546
Total secured	<u>35,200,836</u>	<u>18,793,332</u>

Unsecured

Musharakah Acceptance

	-	2,400,000
Total unsecured	<u>-</u>	<u>2,400,000</u>
	<u>35,200,836</u>	<u>21,193,332</u>

17 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) March 31, 2022			(Audited) December 31, 2021		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- Rupees in '000 -----					
Customers						
Current deposits	125,880,948	4,496,313	130,377,261	128,156,769	3,998,743	132,155,512
Savings deposits	78,162,514	3,742,441	81,904,955	80,518,080	3,609,545	84,127,625
Term deposits	94,656,584	3,596,616	98,253,200	103,796,987	3,357,730	107,154,717
Others	3,269,235	60,356	3,329,591	1,979,022	85,336	2,064,358
	301,969,281	11,895,726	313,865,007	314,450,858	11,051,354	325,502,212
Financial Institutions						
Current deposits	280,346	26,870	307,216	258,791	12,098	270,889
Savings deposits	17,520,502	-	17,520,502	18,187,489	-	18,187,489
Term deposits	263,866	-	263,866	827,366	-	827,366
Others	18,064,714	26,870	18,091,584	19,273,646	12,098	19,285,744
	<u>320,033,995</u>	<u>11,922,596</u>	<u>331,956,591</u>	<u>333,724,504</u>	<u>11,063,452</u>	<u>344,787,956</u>

18 SUBORDINATED SUKUK

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

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

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

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

19 OTHER LIABILITIES

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

Profit / return payable in local currency	2,346,529	2,065,774
Profit / return payable in foreign currencies	19,750	15,883
Accrued expenses	1,073,320	1,212,470
Deferred Murabahah Income Financing and IERS	512,728	224,673
Payable to defined benefit plan	4,677	6,677
Payable to defined contribution plan	36,671	26,008
Defined Benefit Plan liabilities	211,828	173,630
Security deposits against Ijarah	754,759	802,252
Lease liability against right-of-use assets	3,048,258	3,213,456
Provision against off-balance sheet obligations	85,975	85,975
Acceptances	2,078,573	5,462,889
Current taxation (provisions less payments)	173,545	52,825
Provision against other tax liabilities	199,823	104,864
Sundry creditors	377,562	362,068
Payable to brokers against purchase of shares - net	270	270
Charity payable	2,735	2,360
Retention money payable	10,305	13,402
Provision for Workers' Welfare Fund	211,321	193,857
Branch adjustment account	406,487	-
Rental received in advance	36,555	99,555
Others	319,183	296,586
	<u>11,910,854</u>	<u>14,413,474</u>

20	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX	Note	(Un-audited)	(Audited)
			March 31, 2022	December 31, 2021
			-----Rupees in '000-----	
	Surplus on revaluation of:			
	Available for sale securities	9.1	2,073,029	2,137,440
	Fixed assets		2,942,058	3,003,156
	Non-banking assets acquired in satisfaction of claims		190,863	189,628
			5,205,950	5,330,224
	Deferred tax liability on surplus on revaluation of:	13		
	Available for sale securities		(725,560)	(748,104)
	Fixed assets		(1,030,029)	(1,051,413)
	Non-banking assets acquired in satisfaction of claims		(66,802)	(66,370)
			(1,822,391)	(1,865,887)
			3,383,559	3,464,337
21	CONTINGENCIES AND COMMITMENTS			
	- Guarantees	21.1	6,772,843	8,224,035
	- Commitments	21.2	41,343,501	40,351,640
	- Other contingent liabilities	21.3	229,652	229,652
			48,345,996	48,805,327
21.1	Guarantees:			
	Performance guarantees		3,919,291	3,920,100
	Other guarantees		2,853,552	4,303,935
			6,772,843	8,224,035
21.2	Commitments:			
	Documentary credits and short-term trade-related transactions:			
	- letters of credit		28,412,131	27,081,324
	Commitments in respect of:			
	- Shariah compliant alternative of forward foreign exchange contracts	21.2.1	3,267,447	3,963,854
	Commitments for acquisition of:			
	- fixed assets		267,912	198,978
	- intangible assets		-	107,052
	Other commitments	21.2.2	9,396,011	9,000,432
			41,343,501	40,351,640
21.2.1	Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions			
	Purchase		29,033,730	15,970,727
	Sale		(25,766,283)	(12,006,873)
			3,267,447	3,963,854
21.2.2	Other commitments			
	Bills for collection		9,396,011	9,000,432
21.3	Other contingent liabilities			
	Suit filed by customers for recovery of alleged losses suffered, pending in the High Court, which the Bank has not acknowledged as debt	21.3.1	4,200	4,200
	Tax Contingencies	21.3.2	225,452	225,452
			229,652	229,652
21.3.1	There is no change in the status of contingencies related to pending legal cases, as set out in note 26.3.1 to the financials statements of the Bank for the year ended December 31, 2021.			
21.3.2	There is no change in the status of tax and other contingencies, as set out in note 26.3.2 to the annual financial statements of the Bank for the year ended December 31, 2021.			

			(Un-audited)	
		Note	March 31, 2022	March 31, 2021
			-----Rupees in '000-----	
	Profit earned on:			
	Financing		4,067,874	2,813,473
	Investments		2,873,240	1,677,268
	Placements		778,339	818,451
	Others		34,902	29,531
			<u>7,754,355</u>	<u>5,338,723</u>
	Deposits and other accounts		3,625,363	2,518,945
	Due to financial institutions		596,121	203,262
	Cost of foreign currency swaps against foreign currency deposits		35,212	-
	Amortisation of lease liability against right of use assets		88,296	99,542
	Subordinated Sukuk		64,973	49,705
			<u>4,409,965</u>	<u>2,871,454</u>
	Branch banking customer fees		14,764	12,271
	Commission on bancatakaful		25,980	50,739
	Card related fees		181,077	81,810
	Commission on arrangement with financial institutions		23,353	24,002
	Consumer finance related fees		19,850	18,157
	Guarantees related fee		12,362	29,255
	Investment banking fees		22,593	28,849
	Commission on cash management		3,371	1,195
	Commission on remittances including home remittances		22,904	7,777
	Commission on trade		76,058	48,708
	Others		1,498	1,890
			<u>403,810</u>	<u>304,653</u>
	Realized gain	25.1	<u>15,568</u>	<u>28,871</u>
	Realized gain on:			
	Federal Government Shariah Compliant Securities		15,568	-
	Non-Government Shariah compliant Securities		-	28,871
			<u>15,568</u>	<u>28,871</u>
	Rent on property		365	232
	Gain on termination of financing		27,325	13,849
	Gain / (loss) on sale of property and equipment		10,873	(63)
	Recoveries against previously expensed items		-	867
	Others		1,949	1,501
			<u>40,512</u>	<u>16,386</u>

	----- (Un-audited) -----	
	March 31, 2022	March 31, 2021
	-----Rupees in '000-----	
Total compensation expense	1,270,803	984,424
Property expense		
Rent & taxes	13,896	21,066
Takaful cost	1,109	967
Utilities cost	98,696	81,714
Security (including guards)	88,267	79,933
Repair & maintenance (including janitorial charges)	50,994	52,108
Depreciation	118,626	81,811
Depreciation on right-of-use assets	210,897	209,441
	582,485	527,040
Information technology expenses		
Software maintenance	60,138	66,402
Hardware maintenance	27,988	6,809
Depreciation	63,313	54,493
Amortization	16,931	16,071
Network charges	51,820	40,626
	220,190	184,401
Other operating expenses		
Directors' fees and allowances	3,300	4,280
Fees and allowances to Shariah Board	5,448	4,354
Legal & professional charges	32,292	29,466
Travelling & conveyance	19,961	11,002
NIFT clearing charges	5,331	6,610
Depreciation	48,443	45,975
Depreciation on non-banking assets	1,982	1,309
Entertainment expense	25,207	16,596
Training & development	1,256	1,179
Postage & courier charges	12,233	10,751
Communication	14,198	7,717
Stationery & printing	59,259	38,346
Marketing, advertisement & publicity	55,094	31,021
Repairs and maintenance	31,857	28,614
Takaful, tracker and other charges on car Ijarah	29,379	69,739
Takaful / Insurance	69,754	59,895
Fee and subscription	68,404	40,147
Vehicle running and maintenance	58,453	36,611
Donations	-	1,100
Auditors' remuneration	4,640	3,613
Amortization	1,140	570
CDC and share registrar services	1,457	2,208
Brokerage and commission	6,610	6,753
Stamp duty, registration & verification charges	16,211	16,356
Others	15,342	10,056
	587,251	484,268
	<u>2,660,729</u>	<u>2,180,133</u>

		----- (Un-audited) -----	
		March 31, 2022	March 31, 2021
		-----Rupees in '000-----	
28	OTHER CHARGES		
	Penalties imposed by the State Bank of Pakistan	260	45
29	PROVISIONS AND WRITE OFFS - NET		
	Reversal of provision against Due from financial institutions	(810)	(810)
	Charge / (reversal) of provision for diminution in value of Investments	1,045	(11,635)
	Provision against Islamic financing and related assets and advances - net	463,655	77,443
	Other provisions / (reversal) / write offs - net	2,027	(17,768)
		465,917	47,230
30	TAXATION		
	Current	195,955	124,252
	Deferred	155,093	122,918
		351,048	247,170
31	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit after taxation for the period	522,116	389,929
		----- Number of shares -----	
	Weighted average number of ordinary shares	1,108,703,299	1,108,703,299
		----- Rupees -----	
	Basic and diluted EPS	0.4709	0.3517

31.1 There were no convertible / dilutive potential ordinary shares outstanding as at March 31, 2022 and March 31, 2021.

32 FAIR VALUE MEASUREMENTS

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

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

32.1 Fair value of financial assets

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

(Un-audited)			
March 31, 2022			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments				
Shares	360,745	-	-	360,745
GoP Ijarah Sukuk	-	86,044,103	-	86,044,103
Non-Government Shariah compliant securities	32,382,355	7,438,878	-	39,821,233

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	-	7,634,300	7,634,300
Non-banking assets acquired in satisfaction of claims	-	-	1,506,094	1,506,094

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	29,033,730	-	29,033,730
Shariah compliant alternative of forward sale of foreign exchange	-	25,766,283	-	25,766,283

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

On balance sheet financial instruments

Financial assets - measured at fair value

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

Non-Financial Assets - measured at fair value

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

Off-balance sheet financial instruments - measured at fair value

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

Valuation techniques used in determination of fair values within level 2

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

Valuation techniques used in determination of fair values within level 3

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

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

There were no transfers between levels 1 and 2 from last year.

33 SEGMENT INFORMATION

33.1 Segment Details with respect to Business Activities

(Un-audited) March 31, 2022					
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
----- Rupees in '000 -----					
Profit & Loss					
Net profit / return	2,935,208	(2,371,891)	2,807,986	(26,913)	3,344,390
Inter segment revenue - net	(2,931,038)	6,106,061	(3,088,946)	(86,077)	-
Total other income	252,174	287,906	119,877	13,186	673,143
Total income	256,344	4,022,076	(161,083)	(99,804)	4,017,533
Segment direct expenses	23,487	1,740,515	110,293	804,157	2,678,452
Inter segment expense allocation	56,224	491,904	260,750	(808,878)	-
Total expenses	79,711	2,232,419	371,043	(4,721)	2,678,452
Provisions / (reversals)	235	(4,643)	469,431	894	465,917
Profit / loss before tax	176,398	1,794,300	(1,001,557)	(95,977)	873,164
Balance Sheet					
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
----- Rupees in '000 -----					
Assets					
Cash & Bank balances	18,505,650	10,958,860	-	-	29,464,510
Investments	127,431,698	-	-	-	127,431,698
Net inter segment placements	-	270,007,672	-	3,764,322	273,771,994
Due from financial institutions	23,160,161	-	-	-	23,160,161
Islamic financing and related assets					
- performing	-	41,131,437	148,852,395	3,510,992	193,494,824
- non-performing	-	1,134,536	1,259,336	139,766	2,533,638
Others	4,326,690	5,404,816	513,070	22,863,591	33,108,167
Total Assets	173,424,199	328,637,321	150,624,801	30,278,671	682,964,992
Liabilities					
Due to financial institutions	3,776,106	3,552,858	27,871,872	-	35,200,836
Subordinated sukuk	-	-	-	2,000,000	2,000,000
Deposits & other accounts	16,373,855	315,582,736	-	-	331,956,591
Net inter segment acceptances	153,596,280	-	120,175,714	-	273,771,994
Others	45,286	9,501,729	2,577,215	4,918,844	17,043,074
Total liabilities	173,791,527	328,637,323	150,624,801	6,918,844	659,972,495
Equity	-	-	-	22,992,497	22,992,497
Total Equity & liabilities	173,791,527	328,637,323	150,624,801	29,911,341	682,964,992
Contingencies & Commitments	3,267,447	-	44,580,985	497,564	48,345,996

(Un-audited)

March 31, 2021

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

Profit & Loss

Net profit / return	2,040,200	(1,633,854)	2,081,144	(20,221)	2,467,269
Inter segment revenue - net	(1,866,706)	3,719,381	(1,804,331)	(48,344)	-
Total other income	119,107	185,825	108,676	2,535	416,143
Total Income	292,601	2,271,352	385,489	(66,030)	2,883,412

Segment direct expenses	19,506	1,453,818	79,601	646,158	2,199,083
Inter segment expense allocation	34,041	337,052	180,623	(551,716)	-
Total expenses	53,547	1,790,870	260,224	94,442	2,199,083
Provisions / (reversals)	(6,272)	21,596	48,620	(16,714)	47,230
Profit / loss before tax	245,326	458,886	76,645	(143,758)	637,099

(Audited)

December 31, 2021

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

Assets

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

Liabilities

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

Contingencies & Commitments	3,963,854	-	44,305,791	535,682	48,805,327
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34 RELATED PARTY TRANSACTIONS

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

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

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

	(Un-audited)					(Audited)				
	March 31, 2022					December 31, 2021				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)										
Investments										
Opening balance	-	-	104,771	1,660,111	-	-	-	104,771	1,660,111	-
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the period	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	104,771	1,660,111	-	-	-	104,771	1,660,111	-
Provision for diminution in value of investments	-	-	(104,771)	(1,032,169)	-	-	-	(104,771)	(1,032,169)	-
Islamic financing and related assets										
Opening balance	15,382	280,483	-	480,540	700,001	19,239	305,603	192,779	489,677	496,392
Addition during the period / year	-	92,368	-	105,856	958,368	-	137,090	679,000	386,691	4,264,589
Repaid during the period / year	(1,069)	(44,150)	-	(105,926)	(618,839)	(3,857)	(57,239)	(619,956)	(395,828)	(4,290,511)
Transfer in / (out) - net	-	(18,763)	-	-	-	-	(104,971)	(251,823)	-	229,531
Closing balance	14,313	309,538	-	480,470	1,039,530	15,382	280,483	-	480,540	700,001
Other assets										
Profit receivable on financings	90	74	-	1,631	10,173	230	127	-	2,576	5,618
Subordinated sukuk										
Opening balance	-	1,015	-	-	-	-	1,015	-	-	-
Issued / purchased during the period / year	-	-	-	-	-	-	-	-	-	-
Redemption / sold during the period / year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	1,015	-	-	-	-	1,015	-	-	-
Deposits and other accounts										
Opening balance	6,063	42,412	4	27,338	1,306,399	18,887	25,210	704,601	85,142	1,171,529
Received during the period / year	4,130	200,692	-	276,218	1,780,480	63,980	474,247	19,340,732	2,350,516	10,058,067
Withdrawn during the period / year	(7,116)	(199,835)	-	(301,003)	(1,713,342)	(76,802)	(456,200)	(19,334,212)	(2,394,418)	(9,840,769)
Transfer in / (out) - net	-	150	-	-	2,755	(2)	(845)	(711,117)	(13,902)	(82,428)
Closing balance	3,077	43,419	4	2,553	1,376,292	6,063	42,412	4	27,338	1,306,399
Other Liabilities										
Profit / return payable	-	239	-	1	3,361	1	201	1	2	7,305
Contingencies and Commitments										
Other contingencies	-	-	-	30,453	886,850	-	-	-	23,385	697,037
	(Un-audited)					(Un-audited)				
	March 31, 2022					March 31, 2021				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)										
Income										
Profit / return earned	336	2,550	-	3,006	13,115	476	2,123	8,532	7,597	22,033
Dividend income	-	-	-	-	-	-	-	-	-	-
Advisory Fee	-	-	-	-	-	-	-	-	-	-
Other income	-	2,447	-	-	-	-	1,090	232	-	-
Expense										
Profit / return expended	3	268	-	12	27,736	13	396	16,190	989	27,463
Other administrative expenses	-	656	-	-	9,083	-	509	178	-	1,757
Meeting fee / remuneration	3,300	141,590	-	-	-	4,280	86,806	-	-	-
Contribution to employees provident fund	-	-	-	-	41,283	-	-	-	-	33,756
Charge for employees gratuity fund	-	-	-	-	38,198	-	-	-	-	31,640

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
	11,007,991	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	14,290,763	13,551,736
Eligible Additional Tier 1 (ADT 1) Capital	2,000,000	2,000,000
Total Eligible Tier 1 Capital	16,290,763	15,551,736
Eligible Tier 2 Capital	5,014,875	4,749,756
Total Eligible Capital (Tier 1 + Tier 2)	21,305,638	20,301,492
Risk Weighted Assets (RWAs):		
Credit Risk	122,851,130	118,364,672
Market Risk	3,483,087	1,120,150
Operational Risk	24,003,263	24,003,263
Total	150,337,480	143,488,085
Common Equity Tier 1 Capital Adequacy ratio	9.51%	9.44%
Tier 1 Capital Adequacy Ratio	10.84%	10.84%
Total Capital Adequacy Ratio	14.17%	14.15%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

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

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	16,290,763	17,050,328
Total Exposures	452,136,019	432,073,943
	3.60%	3.95%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	146,636,311	117,677,463
Total Net Cash Outflow	62,214,518	48,190,151
Liquidity Coverage Ratio	237.53%	249.73%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	338,771,717	347,348,801
Total Required Stable Funding	150,232,274	145,818,809
Net Stable Funding Ratio	225.50%	238.21%

36 GENERAL

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

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

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

37 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on April 26, 2022 by the Board of Directors of the Bank.



Condensed Interim
Consolidated Financial Statements
of
BankIslami Pakistan Limited
For the Quarter Ended
March 31, 2022

BankIslami Pakistan Limited

Condensed Interim Consolidated Statement of Financial Position

AS AT MARCH 31, 2022

		(Un-audited)	(Audited)
	Note	March 31, 2022	December 31, 2021
		----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	23,213,602	24,552,347
Balances with other banks	7	6,253,110	3,694,155
Due from financial institutions - net	8	23,160,161	34,945,365
Investments - net	9	127,821,971	125,228,590
Islamic financing, related assets and advances - net	10	196,028,462	181,176,239
Fixed assets	11	13,604,110	13,618,491
Intangible assets	12	3,229,080	3,223,191
Deferred tax assets	13	4,040,335	4,183,055
Other assets - net	14	12,157,322	18,084,464
Total Assets		409,508,153	408,705,897
LIABILITIES			
Bills payable	15	5,132,220	3,484,210
Due to financial institutions	16	35,200,836	21,193,332
Deposits and other accounts	17	331,956,586	344,787,951
Subordinated Sukuk	18	2,000,000	2,000,000
Deferred tax liabilities		-	-
Other liabilities	19	11,930,049	14,433,237
		386,219,691	385,898,730
NET ASSETS		23,288,462	22,807,167
REPRESENTED BY			
Share capital - net		11,007,991	11,007,991
Reserves		1,703,144	1,703,144
Surplus on revaluation of assets - net of tax	20	3,374,494	3,455,272
Unappropriated profit		7,202,833	6,640,760
		23,288,462	22,807,167
CONTINGENCIES AND COMMITMENTS			
	21		

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

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2022

	Note	March 31, 2022 ----- Rupees in '000	March 31, 2021 ----- Rupees in '000
Profit / return earned	22	7,754,355	5,330,191
Profit / return expensed	23	4,409,965	2,855,270
Net Profit / return		<u>3,344,390</u>	<u>2,474,921</u>
OTHER INCOME			
Fee and commission income	24	403,810	304,653
Dividend income		-	5,170
Foreign exchange income		213,253	61,063
Gain on securities	25	15,568	28,871
Other income - net	26	40,512	16,154
Total other income		<u>673,143</u>	<u>415,911</u>
Total Income		<u>4,017,533</u>	<u>2,890,832</u>
OTHER EXPENSES			
Operating expenses	27	2,660,729	2,180,133
Workers Welfare fund		17,463	18,905
Other charges	28	260	45
Total other expenses		<u>2,678,452</u>	<u>2,199,083</u>
Profit before provisions		<u>1,339,081</u>	<u>691,749</u>
Provisions and write offs - net	29	465,917	47,230
Extra ordinary / unusual items		-	-
Share of profit from associate - net of tax		-	22,436
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		<u>873,164</u>	<u>666,955</u>
Taxation	30	351,048	247,170
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		<u><u>522,116</u></u>	<u><u>419,785</u></u>
DISCONTINUED OPERATIONS			
Profit after taxation from Discontinued Operations		-	52,394
PROFIT AFTER TAXATION		<u><u>522,116</u></u>	<u><u>472,179</u></u>
ATTRIBUTABLE TO:			
Equity shareholders of the Bank		522,116	456,844
Non-controlling interest		-	15,335
		<u><u>522,116</u></u>	<u><u>472,179</u></u>
		----- Rupees	----- Rupees
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Bank			
Basic and diluted	31	<u><u>0.4709</u></u>	<u><u>0.3786</u></u>
Earnings per share for profit attributable to the ordinary equity holders of the Bank			
Basic and diluted	31	<u><u>0.4709</u></u>	<u><u>0.4121</u></u>

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

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2022

	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----	
Profit after taxation for the year attributable to:		
Equity shareholders of the Bank	522,116	456,844
Non-controlling interest	-	15,335
	<u>522,116</u>	<u>472,179</u>
Other Comprehensive Income / (Loss)		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of investments - net of tax attributable to:		
Equity shareholders of the Bank	(41,867)	151,269
Non-controlling interest	-	284
	<u>(41,867)</u>	<u>151,553</u>
Items that may not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of non-banking assets - net of tax	1,046	-
Total comprehensive income	<u>481,295</u>	<u>623,732</u>
Total comprehensive income attributable to:		
Equity shareholders of the Bank	481,295	608,113
Non-controlling interest	-	15,619
	<u>481,295</u>	<u>623,732</u>
Total comprehensive income attributable to equity shareholders of the Bank:		
Continuing operations	481,295	607,154
Discontinued operations	-	959
	<u>481,295</u>	<u>608,113</u>

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

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2022

	Share capital	Discount on issue of shares	Statutory reserve	Revenue reserve for bad debts & contingency	Surplus on revaluation of Investments	Fixed / Non Banking Assets	Unappropriated profit	Sub total	Non-controlling interest	Total
Rupees in '000										
Balance as at December 31, 2020	11,087,033	(79,042)	1,276,894	250,000	1,393,859	1,632,499	4,734,999	20,296,242	216,840	20,513,082
Profit after taxation for the quarter ended March 31, 2021	-	-	-	-	-	-	456,844	456,844	15,335	472,179
Other comprehensive (loss) / income for the quarter ended March 31, 2021	-	-	-	-	151,269	-	-	151,269	284	151,553
	-	-	-	-	151,269	-	456,844	608,113	15,619	623,732
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(833)	833	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(346)	346	-	-	-
Balance as at March 31, 2021	11,087,033	(79,042)	1,276,894	250,000	1,545,128	1,631,320	5,193,022	20,904,355	232,459	21,136,814
Profit after taxation for the period from April 01, 2021 to December 31, 2021	-	-	-	-	-	-	1,574,316	1,574,316	14,357	1,588,673
Other comprehensive income / (loss) for the period from April 01, 2021 to December 31, 2021	-	-	-	-	(164,857)	527,132	(33,779)	328,498	3,764	332,240
	-	-	-	-	(164,857)	527,132	1,540,537	1,902,812	18,121	1,920,933
Elimination of non-controlling interest at disposal of subsidiaries	-	-	-	-	-	-	-	-	(250,580)	(250,580)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(56,948)	56,948	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(1,035)	1,035	-	-	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(6,866)	6,866	-	-	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(18,602)	18,602	-	-	-
Transfer from Surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	426,250	-	-	-	(426,250)	-	-	-
Transfer from revenue reserve for bad debts & contingencies to unappropriated profit	-	-	-	(250,000)	-	-	250,000	-	-	-
Balance as at December 31, 2021	11,087,033	(79,042)	1,703,144	-	1,380,271	2,075,001	6,640,780	22,807,167	-	22,807,167
Profit after taxation for the quarter ended March 31, 2022	-	-	-	-	-	-	522,116	522,116	-	522,116
Other comprehensive (loss) / income for the quarter ended March 31, 2022	-	-	-	-	(41,867)	1,046	-	(40,821)	-	(40,821)
	-	-	-	-	(41,867)	1,046	522,116	481,295	-	481,295
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(29,302)	29,302	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(243)	243	-	-	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(10,412)	10,412	-	-	-
Balance as at March 31, 2022	11,087,033	(79,042)	1,703,144	-	1,338,404	2,036,090	7,202,833	23,288,462	-	23,288,462

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

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

FOR THE QUARTER ENDED MARCH 31, 2022

		March 31, 2022	March 31, 2021
Note		Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
		873,164	666,955
	Profit before taxation from continuing operations	-	78,336
	Profit before taxation from discontinued operations	-	(5,170)
	Less: Dividend income	-	(22,436)
	Less: Share of profit from associate	873,164	717,685
Adjustments for non-cash charges and other items:			
	Depreciation on fixed assets	230,382	182,279
	Depreciation on non-banking assets	1,982	1,309
	Depreciation on right-of-use assets	210,897	209,441
	Amortization	18,071	16,641
	Depreciation on operating Ijarah assets	27,965	1,112,358
	Finance cost on Ijarah (lease) liabilities	88,296	99,542
23	Provisions and write offs - net	465,917	47,230
29	Charge for defined benefit plan	38,198	31,640
	(Gain) / loss on sale of fixed assets	(10,873)	63
26		1,070,835	1,700,503
		1,943,999	2,418,188
(Increase) / decrease in operating assets			
	Due from financial institutions	11,785,204	23,364,996
	Islamic financing and related assets and advances - net	(15,315,878)	(23,792,111)
	Others assets	5,918,430	465,696
		2,387,756	38,581
Increase / (decrease) in operating liabilities			
	Bills payable	1,648,010	2,353,553
	Due to financial institutions	14,007,504	(316,019)
	Deposits and other accounts	(12,831,365)	4,802,090
	Other liabilities (excluding current taxation)	(2,530,687)	(82,040)
		293,462	6,757,584
		4,625,217	9,214,353
	Income tax paid	(75,235)	(138,123)
	Net cash generated from continuing operations	4,549,982	9,076,230
	Net cash used in discontinued operations	-	(77,445)
	Net cash generated from operating activities	4,549,982	8,998,785
CASH FLOW FROM INVESTING ACTIVITIES			
	Net investments in available for sale securities	(2,636,293)	(13,863,822)
	Dividends received	-	5,170
	Payment of Ijarah (lease) liability against right-of-use assets	(280,472)	(275,483)
	Investments in fixed assets	(462,176)	(601,435)
	Investments in intangible assets	(23,960)	(41,010)
	Proceeds from disposal of fixed assets	73,129	25
	Net cash used in investing activities	(3,329,772)	(14,776,556)
	Increase / (decrease) in cash and cash equivalents	1,220,210	(5,777,771)
	Cash and cash equivalents at the beginning of the year	28,246,502	34,344,497
33	Cash and cash equivalents at the end of the year	29,466,712	28,566,726

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

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER ENDED MARCH 31, 2022

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

1.1 BankIslami Pakistan Limited (Holding Company or the Bank)

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

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

The Holding Company is operating through 341 branches including 80 sub-branches as at March 31, 2022 (December 2021: 340 branches including 80 sub-branches). The registered office of the Holding Company is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. The shares of the Holding Company are quoted on the Pakistan Stock Exchange Limited.

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

1.2 Subsidiary Company

1.2.1 My Solutions Corporation Limited - 100 percent holding

My Solutions Corporation Limited (the Company) was incorporated as a private limited company on November 05, 1995 and was converted into a public limited company on March 24, 2003. The Company is currently dormant. Its registered office is situated at the 9th floor, Trade Centre, I.I Chundrigar Road, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Wherever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

- 2.2 The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These condensed interim consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021.
- 2.3 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars. The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services.
- 2.4 Further, SBP, vide its BPRD Circular Letter No. 24 of 2021 dated July 05, 2021, has decided to implement the IFRS 9 on banks in Pakistan from January 01, 2022. In the aforementioned circular, SBP has issued "IFRS 9 application instruction" for the implementation of IFRS 9 on the banking industry. SBP has advised that these instruction will be used by the banks for their parallel reporting purpose only and final instructions will be issued by SBP subsequently based on parallel run results. So far, final instructions are awaited from SBP, therefore, the requirements of IFRS 9 have not been considered in the preparation of these condensed interim consolidated financial statements.
- 2.5 The Holding Company provides financing mainly through Murabahah, Ijarah, Istisna, Diminishing Musharakah, Muswammah and other Islamic modes.

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

2.6 Basis of Consolidation

The condensed interim consolidated financial statements incorporate the financial statements of the Holding Company and the financial statements of subsidiary company from the date that control of the subsidiary by the Holding Company commences until the date that control ceases. The financial statements of the subsidiary company, are incorporated on a line-by-line basis and the investment held by the Holding Company is eliminated against the corresponding share capital of a subsidiary in these condensed interim consolidated financial statements.

Material intra-group balances and transactions are eliminated.

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

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Holding Company for the year ended December 31, 2021.

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

There are certain interpretations and amendments that are mandatory for the Holding Company's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Holding Company's operations and therefore not detailed in these condensed interim consolidated financial statements.

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

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

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Annual improvement process IFRS 9 Financial Instruments - Fees in the	January 01, 2022
'10 percent' test for de-recognition of financial liabilities	January 01, 2023
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

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

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2021.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Holding Company are consistent with those disclosed in the annual consolidated financial statements for the year ended December 31, 2021.

6 CASH AND BALANCES WITH TREASURY BANKS

In hand:

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
- Local currency	8,168,900	8,369,573
- Foreign currency	614,677	710,923
	<u>8,783,577</u>	<u>9,080,496</u>

With the State Bank of Pakistan in:

- Local currency current account	10,944,893	10,641,385
- Foreign currency deposit accounts:		
- Cash reserve account	587,314	565,020
- Special cash reserve account	709,510	682,577
- US dollar clearing account	13,443	11,674
	<u>1,310,267</u>	<u>1,259,271</u>

With National Bank of Pakistan in:

- Local currency current account	2,171,270	3,563,460
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National Prize Bonds

	3,595	7,735
	<u>23,213,602</u>	<u>24,552,347</u>

7 BALANCES WITH OTHER BANKS

In Pakistan:

- In current accounts	927	967
- In deposit accounts	2,328	2,327
	<u>3,255</u>	<u>3,294</u>

Outside Pakistan:

- In current accounts	5,863,350	3,501,107
- In deposit accounts	386,505	189,754
	<u>6,253,110</u>	<u>3,694,155</u>

8 DUE FROM FINANCIAL INSTITUTIONS - NET

Note	(Un-audited)			(Audited)		
	March 31, 2022			December 31, 2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- Rupees in '000 -----						
Secured						
Bai Muajjal Receivable						
-from Banks	8.1	-	-	4,951,909	-	4,951,909
-from Other Financial Institutions	8.1	6,847,682	-	4,008,737	-	4,008,737
Unsecured						
Wakalah Placement	8.2	-	-	-	518,416	518,416
Musharaka Placements	8.3	-	-	15,000,000	-	15,000,000
Bai Muajjal Receivable						
-from Banks	8.1	4,985,552	-	1,980,792	-	1,980,792
-from Other Financial Institutions	8.1	11,326,927	-	8,485,511	-	8,485,511
Other placements		23,490	-	24,300	-	24,300
		23,183,651	-	34,451,249	518,416	34,969,665
Provision against placements	8.4	(23,490)	-	(24,300)	-	(24,300)
		<u>23,160,161</u>	<u>-</u>	<u>34,426,949</u>	<u>518,416</u>	<u>34,945,365</u>

8.1 The average return on this product ranges between 10.50% to 11.52% (2021: 7.35% to 11.52%) per annum. The balances have maturities ranging between 15 days to 273 days (2021: 21 days to 363 days). The Secured Bai Muajjal receivable are secured against Federal Government securities received as collateral and having market value of Rs. 6,900 million as at March 31, 2022 (2021: Rs.8,900 million).

8.2 This represents foreign currency placements and the expected profit rate on these agreements is Nil (2021: 0.04% to 0.2%) per annum. The agreements have remaining maturities of Nil (2021: 6 days).

8.3 The expected profit rate on these agreements is Nil (2021: 10% to 11%) per annum and the agreements have maturities of Nil (2021: 4 to 7 days).

8.4 Category of classification

Loss	(Un-audited)		(Audited)	
	March 31, 2022		December 31, 2021	
	Classified Placements	Provision held	Classified Placements	Provision held
----- Rupees in '000 -----				
	23,490	23,490	24,300	24,300

8.4.1 The Holding Company does not hold overseas classified placements.

9 INVESTMENTS - NET

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Note	----- Rupees in '000 -----	
INVESTMENTS - NET			
Investments - Islamic	9.1 & 9.3	127,244,296	124,650,915
Investments - Conventional (relating to amalgamated entity)	9.2 & 9.4	577,675	577,675
		<u>127,821,971</u>	<u>125,228,590</u>

9.1 Islamic Investments by type

Note	(Un-audited)				(Audited)			
	March 31, 2022				December 31, 2021			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
Available for sale securities								
Federal Government Shariah Compliant Securities	85,892,184	-	151,701	86,043,885	83,614,067	-	22,710	83,636,777
Shares / Modaraba certificates	277,373	(71,722)	155,094	360,745	277,373	(70,677)	153,826	360,522
Non-Government Shariah Compliant Securities	38,091,097	(35,880)	1,766,234	39,821,451	37,710,377	(35,880)	1,960,904	39,635,401
	124,260,654	(107,602)	2,073,029	126,226,081	121,601,817	(106,557)	2,137,440	123,632,700
Associates	1,018,215	-	-	1,018,215	1,018,215	-	-	1,018,215
Total Islamic investments	125,278,869	(107,602)	2,073,029	127,244,296	122,620,032	(106,557)	2,137,440	124,650,915

9.2 Conventional Investments by type*

Available for sale securities								
Shares	1,189,030	(611,355)	-	577,675	1,189,030	(611,355)	-	577,675
Non Government Debt Securities	230,292	(230,292)	-	-	230,292	(230,292)	-	-
	1,419,322	(841,647)	-	577,675	1,419,322	(841,647)	-	577,675
Held to maturity securities								
Non Government Debt Securities	92,145	(92,145)	-	-	92,145	(92,145)	-	-
Associates	1,032,746	(1,032,746)	-	-	1,032,746	(1,032,746)	-	-
Total conventional investments	2,544,213	(1,966,538)	-	577,675	2,544,213	(1,966,538)	-	577,675

9.3 Islamic Investments by segments

Federal Government Shariah Compliant Securities								
GoP Ijarah Sukuks	85,892,184	-	151,701	86,043,885	73,308,231	-	22,710	73,330,941
Bai Muajjal	-	-	-	-	10,305,836	-	-	10,305,836
	85,892,184	-	151,701	86,043,885	83,614,067	-	22,710	83,636,777
Shares								
Listed companies	270,553	(71,722)	155,094	353,925	270,553	(70,677)	153,826	353,702
Non-Government Shariah Compliant Securities								
Listed								
Pakistan Energy Sukuk-I	27,146,945	-	1,835,133	28,982,078	27,146,945	-	1,832,419	28,979,364
Pakistan Energy Sukuk-II	3,392,588	-	7,909	3,400,497	3,392,588	-	42,172	3,434,760
	30,539,533	-	1,843,042	32,382,575	30,539,533	-	1,874,591	32,414,124
Unlisted								
Sukuk certificates	7,551,564	(35,880)	(76,808)	7,438,876	7,170,844	(35,880)	86,313	7,221,277
Foreign securities								
Equity securities	6,820	-	-	6,820	6,820	-	-	6,820
Associates								
Shakarganj Food Products Limited	1,018,215	-	-	1,018,215	1,018,215	-	-	1,018,215
Total Islamic investments	125,278,869	(107,602)	2,073,029	127,244,296	122,620,032	(106,557)	2,137,440	124,650,915

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

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

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

9.4 Conventional Investments by segments*

	(Un-audited)				(Audited)			
	March 31, 2022				December 31, 2021			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----								
Shares								
Unlisted Companies	33,680	(33,680)	-	-	33,680	(33,680)	-	-
Non Government Debt Securities								
Listed	80,432	(80,432)	-	-	82,785	(82,785)	-	-
Unlisted	242,005	(242,005)	-	-	239,652	(239,652)	-	-
	322,437	(322,437)	-	-	322,437	(322,437)	-	-
Foreign Securities								
Equity Securities	1,155,350	(577,675)	-	577,675	1,155,350	(577,675)	-	577,675
Associates								
KASB Capital Limited	41,867	(41,867)	-	-	41,867	(41,867)	-	-
KASB Funds Limited	432,302	(432,302)	-	-	432,302	(432,302)	-	-
New Horizon Exploration & Production	558,577	(558,577)	-	-	558,577	(558,577)	-	-
	1,032,746	(1,032,746)	-	-	1,032,746	(1,032,746)	-	-
	<u>2,544,213</u>	<u>(1,966,538)</u>	<u>-</u>	<u>577,675</u>	<u>2,544,213</u>	<u>(1,966,538)</u>	<u>-</u>	<u>577,675</u>

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

		(Un-audited)	(Audited)
		March 31, 2022	December 31, 2021
		----- Rupees in '000 -----	
9.5	Investments given as collateral		
	Federal Government Securities	23,989,000	5,889,000
9.6	Provision for diminution in value of investments		
9.6.1	Opening balance	2,073,095	2,344,536
	Charge / (reversals)		
	Charge for the period / year	1,045	-
	Reversals for the period / year	-	(14,022)
	Provision for diminution in value of investments - net	1,045	(14,022)
	Amounts written off	-	(257,419)
	Closing Balance	2,074,140	2,073,095
9.6.1.1	Breakup of provision for diminution in the value of investments is as follows:		
	Investments - Islamic	107,602	106,557
	Investments - Conventional	1,966,538	1,966,538
		2,074,140	2,073,095

9.6.2 Particulars of provision against debt securities

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

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

			(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Note		----- Rupees in '000 -----	
10		ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES - NET		
		Islamic financing and related assets - net	10.1	195,846,863
		Advances (relating to amalgamated entity) - net	10.2	181,599
				<u>183,540</u>
				<u>196,028,462</u>
				<u>181,176,239</u>

	Note	Performing		Non Performing		Total	
		March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
----- Rupees in '000 -----							
10.1		ISLAMIC FINANCING AND RELATED ASSETS					
		In Pakistan					
-	10.9	Running Musharakah	55,070,866	62,285,085	1,361,510	1,424,510	56,432,376
-	10.3	Diminishing Musharakah financing and related assets - Others	37,881,215	32,965,920	2,228,377	1,616,390	40,109,592
-		Diminishing Musharakah financing and related assets - Auto	23,695,213	22,580,287	376,476	267,268	24,071,689
-		Diminishing Musharakah - Housing	21,083,309	18,814,897	1,548,648	1,621,348	22,631,957
-	10.4 & 10.10	Ishtina financing and related assets	19,717,527	14,388,358	1,608,927	948,614	21,326,454
-	10.5 & 10.11	Murabahah financing and related assets	18,093,395	14,608,663	276,254	581,036	18,369,649
-	10.6	Musawamah financing and related assets / Tijarah	5,510,741	4,709,506	3,455,432	4,059,763	8,966,173
-		Bai Muajjal - Corporate	4,999,411	-	-	-	4,999,411
-		Investment Agency Wakalah	4,388,009	5,208,333	-	-	4,388,009
-		Financing against Bills	1,924,639	1,593,966	-	-	1,924,639
-		Murabahah against Bills	879,000	970,192	5,622	-	884,622
-	10.7	Ijarah financing under IFAS 2 and related assets	616,993	504,768	149,646	338,865	766,639
-		Musharakah financing	280,000	280,000	-	-	280,000
-		Qardh-e-Hasana	19,055	1,680	120,979	121,860	140,034
-		Net investment in Ijarah financing in Pakistan	119,673	131,545	-	-	119,673
-	10.8	Salam	109,900	104,898	-	-	109,900
-		Housing finance portfolio - others	31,931	31,241	-	-	31,931
-		Past Due Acceptance	1,213	32,280	29,153	-	30,366
		Islamic financing and related assets - gross	194,422,090	179,211,619	11,161,024	10,979,654	205,583,114
		Less: Provision against non-performing Islamic financing and related assets					
-	10.15	Specific	-	-	(8,686,641)	(8,431,606)	(8,686,641)
-	10.15	General	(1,049,610)	(766,968)	-	-	(1,049,610)
			<u>(1,049,610)</u>	<u>(766,968)</u>	<u>(8,686,641)</u>	<u>(8,431,606)</u>	<u>(9,736,251)</u>
		Islamic financing and related assets - net of provision	193,372,480	178,444,651	2,474,383	2,548,048	195,846,863

10.2		ADVANCES					
		Loans, cash credits, running finances, etc. - In Pakistan*					
	10.13	Net investment in finance lease - In Pakistan	28,580	89,776	4,815,777	4,830,544	4,844,357
		Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan	-	-	582,185	582,185	582,185
		Advances - gross	28,580	89,776	6,082,257	6,087,024	6,110,837
		Provision against advances					
-	10.15	Specific	-	-	(6,023,002)	(6,097,024)	(6,023,002)
-	10.15	General	(55)	(55)	-	-	(55)
			<u>(55)</u>	<u>(55)</u>	<u>(6,023,002)</u>	<u>(6,097,024)</u>	<u>(6,023,057)</u>
		Advances - net of provision	28,525	89,721	59,255	-	87,780
	10.16	Fair value adjustment	-	-	93,819	93,819	93,819
		Advances - net of provision and fair value adjustment	28,525	89,721	153,074	93,819	181,599

* This includes non-interest bearing performing financing facilities amounting to Rs. 28,580 million (2021: Rs. 89,776 million).

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Note	----- Rupees in '000 -----	
10.3	Diminishing Musharakah financing and related assets - Others		
	Diminishing Musharakah financing	34,432,334	29,596,294
	Advance against Diminishing Musharakah financing	<u>5,677,258</u>	<u>4,986,016</u>
		<u>40,109,592</u>	<u>34,582,310</u>
10.4	Istisna financing and related assets		
	Istisna financing	7,627,029	6,984,506
	Advance against Istisna financing	<u>13,699,425</u>	<u>8,352,466</u>
		<u>21,326,454</u>	<u>15,336,972</u>
10.5	Murabahah financing and related assets		
	Murabahah financing	13,840,500	7,461,935
	Deferred murabahah income	815,227	288,114
	Advances against Murabaha financing	953,768	1,927,813
	Murabaha Inventories	<u>2,760,154</u>	<u>5,511,837</u>
		<u>18,369,649</u>	<u>15,189,699</u>
10.6	Muswamah financing and related assets / Tijarah		
	Musawamah financing	7,265,797	6,246,037
	Advance against Musawamah financing	104,081	266,839
	Musawamah inventories	<u>1,596,295</u>	<u>2,256,393</u>
		<u>8,966,173</u>	<u>8,769,269</u>
10.7	Ijarah financing under IFAS 2 and related assets		
	Net book value of assets under IFAS 2	766,028	843,022
	Advance against Ijarah financing	<u>611</u>	<u>611</u>
		<u>766,639</u>	<u>843,633</u>
10.8	Salam		
	Salam financing	14,998	54,999
	Advance against Salam	<u>94,902</u>	<u>49,899</u>
		<u>109,900</u>	<u>104,898</u>
10.9	Running musharakah financing and related assets includes financing amounting to Rs. 2,223 million (2021: Rs. 2,554 million) under Islamic Export Refinance Scheme.		
10.10	Istisna financing and related assets includes financing amounting to Rs. 959.188 million (2021: Rs.1,586 million) and advance amounting to Rs. 1,086.80 million (2021: Rs. 678.800 million) under Islamic Export Refinance Scheme.		
10.11	Murabahah financing and related assets includes financing amounting to Rs.192.500 million (2021: Rs.192.500 million) and advance amounting to Nil (2021: Nil) under Islamic Export Refinance Scheme.		
10.12	Musawamah financing and related assets / Tijarah includes financing amounting to Rs. 50 million (2021: Nil) and Advance amounting to Rs. 100 million (2021: Rs.100 million) under Islamic Export Refinance Scheme.		
10.13	Particulars of Islamic financing and related assets and advances - gross	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		----- Rupees in '000 -----	
	In local currency	210,580,486	195,464,197
	In foreign currency	<u>1,113,465</u>	<u>913,876</u>
		<u>211,693,951</u>	<u>196,378,073</u>

- 10.14 Islamic financing and related assets and advances include Rs.17,243.281 million (2021: Rs.17,076.678 million) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited)		(Audited)	
	March 31, 2022		December 31, 2021	
	Non-performing Islamic financing, related assets and advances	Specific Provision	Non-performing Islamic financing, related assets and advances	Specific Provision
----- Rupees in '000 -----				
Domestic				
Other assets especially mentioned	150,012	-	164,571	-
Substandard	361,470	41,183	554,426	92,057
Doubtful	1,355,710	464,942	1,113,707	334,116
Loss	15,376,089	14,203,518	15,243,974	14,102,457
Total	17,243,281	14,709,643	17,076,678	14,528,630

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

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

	(Un-audited)			(Audited)		
	March 31, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	14,528,630	767,023	15,295,653	14,491,608	802,048	15,293,656
Charge for the period / year	390,864	282,642	673,506	2,736,255	(35,025)	2,701,230
Reversals for the period / year	(209,851)	-	(209,851)	(2,389,299)	-	(2,389,299)
	181,013	282,642	463,655	346,956	(35,025)	311,931
Amount written off	-	-	-	(309,934)	-	(309,934)
Closing balance	14,709,643	1,049,665	15,759,308	14,528,630	767,023	15,295,653
10.15.1 Islamic	8,686,641	1,049,610	9,736,251	8,431,606	766,968	9,198,574
Conventional	6,023,002	55	6,023,057	6,097,024	55	6,097,079
	14,709,643	1,049,665	15,759,308	14,528,630	767,023	15,295,653

	(Un-audited)	(Audited)
	March 31, 2022	December 31, 2021
	----- Rupees in '000 -----	
10.15.2 Provision / reversal of provision net of fair value adjustment taken to the profit and loss account		
Gross reversals for the period / year	209,851	2,389,299
Charge for the period / year	<u>(673,506)</u>	<u>(2,701,230)</u>
	(463,655)	(311,931)
Fair value adjusted - net	<u>-</u>	<u>(23,679)</u>
Net charge taken to the profit and loss account	(463,655)	(335,610)

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

	(Un-audited)			(Audited)		
	March 31, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
In local currency	14,709,643	1,049,665	15,759,308	14,528,630	767,023	15,295,653
In foreign currency	-	-	-	-	-	-
	14,709,643	1,049,665	15,759,308	14,528,630	767,023	15,295,653

- 10.15.4 The Holding Company maintains general reserve (provision) amounting to Rs. 449.665 million (2021: Rs. 417.023 million) in accordance with the applicable requirements of the Prudential Regulations for Consumer Financing. In addition, the Holding Company carries general provision of Rs. 600 million (December 31, 2021: Rs. 350 million) as a matter of prudence based on management estimate.

- 10.15.5 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Holding Company has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at March 31, 2022 amounts to Rs.931.580 million (2021: Rs. 1,043.691 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 568.263 million (2021: Rs. 636.651 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

- 10.16 Provision in respect of acquired loans related to amalgamated entity have been determined after taking into considerations of the fair values of such loans on the basis of valuation exercise performed by the Independent consultant.

10.17	SBP other refinance schemes	Note	(Un-audited)	(Audited)
			March 31, 2022	December 31, 2021
			----- (Rupees in '000) -----	
	Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		5,280,014	4,489,370
	Islamic refinance scheme for payment of wages and salaries		1,481,723	1,824,118
	Islamic refinance scheme for combating COVID (IRFCC)		326,579	328,351
	Islamic refinance facility for Modernization of SMEs		118,662	115,470
	Islamic refinance scheme for renewable energy		51,492	-
	Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)		38,468	18,289
			<u>7,296,938</u>	<u>6,775,598</u>

11 FIXED ASSETS

	Capital work-in-progress	11.1 & 11.2	1,377,035	1,264,988
	Property and equipment	11.2 & 11.3	9,768,322	9,710,831
	Right of use assets	11.2	2,458,753	2,642,672
			<u>13,604,110</u>	<u>13,618,491</u>

11.1 Capital work-in-progress

Advances to suppliers and contractors

Advance for acquiring properties:

- Office premises

Provision for impairment against advance for acquiring properties

186,312	74,265
1,190,723	1,190,723
1,377,035	1,264,988
-	-
<u>1,377,035</u>	<u>1,264,988</u>

(Un-audited)	(Un-audited)
March 31, 2022	March 31, 2021
----- (Rupees in '000) -----	

11.2 Additions to fixed assets

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

Capital work-in-progress 131,121 49,575

Property and equipment

Leasehold building

Furniture and fixture

Electrical office and computer equipment

Vehicles

209,436	8,488
35,693	17,226
93,618	69,860
13,699	-
352,446	95,573

Right of use assets

Leasehold building

Total

29,570	77,774
<u>513,137</u>	<u>222,922</u>

11.3 Disposals of fixed assets

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

Building on freehold land	59,470	-
Furniture and fixture	5,461	-
Electrical office and computer equipment	13	73
	<u>64,944</u>	<u>73</u>

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

12 INTANGIBLE ASSETS

	Computer software	12.1	191,331	185,392
	Core deposits		25,072	24,227
	Membership and Subscription		21,369	22,264
	Goodwill		2,991,308	2,991,308
			<u>3,229,080</u>	<u>3,223,191</u>

(Un-audited)	(Un-audited)
March 31, 2022	March 31, 2021
----- (Rupees in '000) -----	

12.1 Additions to intangible assets

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

- Directly purchased

25,222	41,875
--------	--------

12.2 Disposals of intangible assets

There were no disposals of intangible assets during the period

13 DEFERRED TAX ASSETS

Deductible temporary differences on:

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
Accumulated tax losses	2,374,376	2,591,239
Tax credit against minimum tax	-	32,238
Provision for diminution in the value of investments	74,683	74,683
Provision against non-performing islamic financing and related assets and advances	3,378,382	3,344,708
Ijarah financing and related assets	212,530	234,991
Accelerated tax depreciation	156,908	128,401
Others	(4,074)	(13,052)
	6,192,805	6,393,208

Taxable temporary difference on:

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
Fair value adjustments relating to assets acquired upon amalgamation	(330,079)	(344,266)
Accelerated tax depreciation	-	-
Surplus on revaluation of fixed assets	(1,030,029)	(1,051,413)
Surplus on revaluation of non-banking assets	(66,802)	(66,370)
Surplus on revaluation of available for sale securities	(725,560)	(748,104)
	(2,152,470)	(2,210,153)
	4,040,335	4,183,055

- 13.1 The Holding Company has aggregate tax losses of Rs. 6,783.931 million as at March 31, 2022 (2021: Rs. 7,403.539 million) which includes tax losses of amalgamated entity. The management has carried out an assessment for estimating the benefit of these losses. The Holding Company would be able to set off the profit earned in future years against these carry forward losses. Based on this assessment the management has recognized deferred tax debit balance amounting to Rs. 2,374.376 million (2021: Rs. 2,591.239 million). The amount of this benefit has been determined based on the projected financial statements for the future periods as approved by the management. The determination of future taxable profit is most sensitive to certain key assumptions such as cost to income ratio of the Holding Company, deposit's composition, kibar rates, growth of deposits and financing, investment returns, product mix of financing, potential provision against assets / financings, recoveries from non-performing financing and branch expansion plan. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.

14 OTHER ASSETS - NET

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
Profit / return accrued in local currency		6,334,596	9,110,889
Profit / return accrued in foreign currency		8,960	194
Advances, deposits, advance rent and other prepayments		1,130,894	1,105,576
Non-banking assets acquired in satisfaction of claims		2,114,910	2,116,519
Branch Adjustment Account		-	440,114
Takaful / insurance claim receivable		93,731	69,511
Receivable against First WAPDA Sukuk		50,000	50,000
Trade debts		532	532
Acceptances		2,078,573	5,462,889
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts		148,316	28,980
Advance against purchase of sukuk		175,000	-
Other receivables		1,089,819	771,002
		13,225,331	19,156,206
Less: Provision held against other assets	14.2	(1,258,872)	(1,261,370)
Other Assets (net of provision)		11,966,459	17,894,836
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	190,863	189,628
Total other assets		12,157,322	18,084,464

- 14.1 Market value of non-banking assets acquired in satisfaction of claims

	1,506,468	1,506,468
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14.2 Provision held against other assets

Advances, deposits, advance rent & other prepayments	26,692	26,692
Non banking assets acquired in satisfaction of claims	799,679	799,679
Others	432,501	434,999
	1,258,872	1,261,370

14.2.1 Movement in provision held against other assets

Opening balance	1,261,370	1,588,151
Charge for the period / year	-	399,738
Reversals for the period / year	(2,498)	(25,069)
Adjustment during the period / year	-	(701,450)
Closing balance	1,258,872	1,261,370

15 BILLS PAYABLE

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	
In Pakistan	5,132,220	3,484,210
Outside Pakistan	-	-
	<u>5,132,220</u>	<u>3,484,210</u>

16 DUE TO FINANCIAL INSTITUTIONS

Secured

Due to State Bank of Pakistan

Acceptances from SBP under Mudaraba

Acceptances under Islamic Export Refinance Scheme

Acceptances for financial assistance

Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)

Islamic refinance scheme for payment of wages and salaries

Islamic refinance scheme for combating COVID (IRFCC)

Islamic Refinance Scheme for Modernization of SMEs

Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)

18,082,004	-
3,227,300	5,143,000
3,776,106	3,691,010
4,937,119	4,349,261
1,467,399	1,805,305
19,934	23,921
84,408	-
18,289	18,289
31,612,559	15,030,786
3,588,277	3,762,546
35,200,836	18,793,332
-	2,400,000
-	2,400,000
35,200,836	21,193,332

Refinance facility for Islamic Mortgage

Total secured

Unsecured

Musharakah Acceptance

Total unsecured

17 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) March 31, 2022			(Audited) December 31, 2021		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	----- Rupees in '000 -----					
Customers						
Current deposits	125,880,948	4,496,313	130,377,261	128,156,769	3,998,743	132,155,512
Savings deposits	78,162,514	3,742,441	81,904,955	80,518,080	3,609,545	84,127,625
Term deposits	94,656,584	3,596,616	98,253,200	103,796,987	3,357,730	107,154,717
Others	3,269,235	60,356	3,329,591	1,979,022	85,336	2,064,358
	301,969,281	11,895,726	313,865,007	314,450,858	11,051,354	325,502,212
Financial Institutions						
Current deposits	280,346	26,870	307,216	258,791	12,098	270,889
Savings deposits	17,520,497	-	17,520,497	18,187,484	-	18,187,484
Term deposits	263,866	-	263,866	827,366	-	827,366
	18,064,709	26,870	18,091,579	19,273,641	12,098	19,285,739
	<u>320,033,990</u>	<u>11,922,596</u>	<u>331,956,586</u>	<u>333,724,499</u>	<u>11,063,452</u>	<u>344,787,951</u>

18 SUBORDINATED SUKUK

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

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

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

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

Note	(Un-audited)	(Audited)
	March 31, 2022	December 31, 2021

19 OTHER LIABILITIES

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

Profit / return payable in local currency	2,346,529	2,066,342
Profit / return payable in foreign currencies	19,750	15,883
Accrued expenses	1,089,516	1,228,666
Deferred Murabahah Income - Financing and IERS	512,728	224,673
Payable to defined benefit plan	4,677	4,677
Payable to defined contribution plan	36,671	26,008
Defined benefit plan liabilities	211,828	173,630
Security deposits against Ijarah	754,994	802,487
Ijarah (lease) Liability	3,048,258	3,213,456
Provision against off-balance sheet obligations	85,975	85,975
Acceptances	2,078,573	5,462,889
Current taxation (provisions less payments)	163,061	42,341
Provision against other tax liabilities	199,823	104,864
Sundry creditors	377,562	362,068
Payable to brokers against purchase of shares - net	270	270
Charity payable	2,735	2,360
Retention money payable	10,305	13,402
Provision for Workers' Welfare Fund	211,321	193,857
Branch adjustment account	406,487	-
Rental received in advance	36,555	99,555
Others	332,431	309,834
	<u>11,930,049</u>	<u>14,433,237</u>

20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of:

Available for sale securities

Fixed Assets

Non-banking assets acquired in satisfaction of claims

Deferred tax liability on surplus on revaluation of:

Available for sale securities

Fixed Assets

Non-banking assets acquired in satisfaction of claims

Total surplus on revaluation of assets- net of tax

Less: Share of non-controlling interest

Holding Company's share

Note	(Un-audited)	(Audited)
	March 31, 2022	December 31, 2021
----- Rupees in '000 -----		
9.1	2,073,029	2,137,440
	2,942,058	3,003,156
	190,863	189,628
	5,205,950	5,330,224
13	(725,560)	(748,104)
	(1,030,029)	(1,051,413)
	(66,802)	(66,370)
	(1,822,391)	(1,865,887)
	3,383,559	3,464,337
	(9,065)	(9,065)
	3,374,494	3,455,272

21 CONTINGENCIES AND COMMITMENTS

- Guarantees

- Commitments

- Other contingent liabilities

21.1	6,772,843	8,224,035
21.2	41,343,501	40,351,640
21.3	3,383,559	3,464,337
	48,345,996	48,805,327

21.1 Guarantees:

Performance guarantees

Other guarantees

3,919,291	3,920,100
2,853,552	4,303,935
6,772,843	8,224,035

21.2 Commitments:

Documentary credits and short-term trade-related transactions

- letters of credit

Commitments in respect of:

- Shariah compliant alternative of forward foreign exchange transactions

Commitments for acquisition of:

- operating fixed assets

- intangible assets

Other commitments

28,412,131	27,081,324
3,267,447	3,963,854
267,912	198,978
-	107,052
9,396,011	9,000,432
41,343,501	40,351,640

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

Purchase

Sale

29,033,730	15,970,727
(25,766,283)	(12,006,873)
3,267,447	3,963,854

21.2.2 Other commitments

Bills for collection

9,396,011	9,000,432
-----------	-----------

21.3 Other contingent liabilities

Suit filed by customers for recovery of alleged losses suffered, pending in the

High Court, which the Holding Company has not acknowledged as debt

Tax Contingencies

4,200	4,200
225,452	225,452
229,652	229,652

		----- (Un-audited) -----	
Note		March 31, 2022	March 31, 2021
		----- Rupees in '000 -----	
22	PROFIT / RETURN EARNED		
	Profit earned on:		
	Financing	4,067,874	2,793,347
	Investments	2,873,240	1,688,862
	Placements	778,339	818,451
	Others	<u>34,902</u>	<u>29,531</u>
		<u>7,754,355</u>	<u>5,330,191</u>
23	PROFIT / RETURN EXPENSED		
	Deposits and other accounts	3,625,363	2,502,761
	Due to financial institutions	596,121	203,262
	Cost of foreign currency swaps against foreign currency deposits	35,212	-
	Amortisation of lease liability against right-of-use assets	88,296	99,542
	Subordinated Sukuk	<u>64,973</u>	<u>49,705</u>
		<u>4,409,965</u>	<u>2,855,270</u>
24	FEE AND COMMISSION INCOME		
	Branch banking customer fees	14,764	12,271
	Commission on bancatakaful	25,980	50,739
	Card related fees	181,077	81,810
	Commission on arrangement with financial institutions	23,353	24,002
	Consumer finance related fees	19,850	18,157
	Guarantees related fee	12,362	29,255
	Investment banking fees	22,593	28,849
	Commission on cash management	3,371	1,195
	Commission on remittances including home remittances	22,904	7,777
	Commission on trade	76,058	48,708
	Others	<u>1,498</u>	<u>1,890</u>
		<u>403,810</u>	<u>304,653</u>
25	GAIN ON SECURITIES		
	Realized gain	25.1 <u>15,568</u>	<u>28,871</u>
25.1	Realized gain on:		
	Federal Government Shariah Compliant Securities	<u>15,568</u>	<u>-</u>
	Non-Government Shariah compliant Securities	<u>-</u>	<u>28,871</u>
		<u>15,568</u>	<u>28,871</u>
26	OTHER INCOME - NET		
	Rent on property	365	-
	Gain on termination of financing	27,325	13,849
	Gain / (loss) on sale of property and equipment	10,873	(63)
	Gain on sale of non-banking assets	-	-
	Recoveries against previously expensed items	-	867
	Others	<u>1,949</u>	<u>1,501</u>
		<u>40,512</u>	<u>16,154</u>

27 OPERATING EXPENSES

	----- (Un-audited) -----	
	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----	
Total compensation expense	1,270,803	984,424
Property expense		
Rent & taxes	13,896	21,066
Takaful / insurance	1,109	967
Utilities cost	98,696	81,714
Security (including guards)	88,267	79,933
Repair & maintenance (including janitorial charges)	50,994	52,108
Depreciation	118,626	81,811
Depreciation on right-of-use assets	210,897	209,441
Others	-	-
	582,485	527,040
Information technology expenses		
Software maintenance	60,138	66,402
Hardware maintenance	27,988	6,809
Depreciation	63,313	54,493
Amortisation	16,931	16,071
Network charges	51,820	40,626
	220,190	184,401
Other operating expenses		
Directors' fees and allowances	3,300	4,280
Fees and allowances to Shariah Board	5,448	4,354
Legal & professional charges	32,292	29,466
Travelling & conveyance	19,961	11,002
NIFT clearing charges	5,331	6,610
Depreciation	48,443	45,975
Depreciation on non-banking assets	1,982	1,309
Entertainment expense	25,207	16,596
Training & development	1,256	1,179
Postage & courier charges	12,233	10,751
Communication	14,198	7,717
Marketing, advertisement & publicity	55,094	31,021
Repairs and maintenance	31,857	28,614
Takaful, tracker and other charges on car Ijarah	29,379	69,739
Stationery & printing	59,259	38,346
Takaful / Insurance	69,754	59,895
Fee and subscription	68,404	40,147
Vehicle running and maintenance	58,453	36,611
Donations	-	1,100
Auditors' remuneration	4,640	3,613
Amortization	1,140	570
CDC and share registrar services	1,457	2,208
Brokerage and commission	6,610	6,753
Stamp duty, registration & verification charges	16,211	16,356
Others	15,342	10,056
	587,251	484,268
	2,660,729	2,180,133

28 OTHER CHARGES

Penalties imposed by the State Bank of Pakistan

Note	----- (Un-audited) -----	
	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----	

	260	45
--	-----	----

29 PROVISIONS AND WRITE OFFS - NET

Reversal of provision against Due from financial institutions
Reversal of provision for diminution in value of Investments
Provision against Islamic financing
and related assets and advances - net
Other provisions / write offs - net

10.15.2

(810)	-
1,045	(12,445)
463,655	77,443
2,027	(17,768)
465,917	47,230

30 TAXATION

Current
Deferred

195,955	124,252
155,093	122,918
351,048	247,170

31 BASIC AND DILUTED EARNINGS PER SHARE

Profit for the year from continuing operations
(Attributable to equity shareholders of the Holding Company)
Profit for the year from discontinued operations
(Attributable to equity shareholders of the Holding Company)
Profit after taxation for the period (Attributable to equity shareholders of the Holding Company)

522,116	419,785
-	37,059
522,116	456,844

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

Weighted average number of ordinary shares

1,108,703,299	1,108,703,299
---------------	---------------

----- Rupees -----

Basic and diluted EPS from continuing operations
Basic and diluted EPS from discontinued operations
Basic and diluted EPS

31.1

0.4709	0.3786
-	0.0334
0.4709	0.4121

31.1 There were no convertible / dilutive potential ordinary shares outstanding as at March 31, 2022 and March 31, 2021.

32 FAIR VALUE MEASUREMENTS

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

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

32.1 Fair value of financial assets

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

(Un-audited)			
March 31, 2022			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments				
Shares	360,745	-	-	360,745
GoP Ijara Sukuk	-	86,043,885	-	86,043,885
Non-Government Shariah compliant Securities	32,382,575	7,438,876	-	39,821,451

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	-	7,634,300	7,634,300
Non-banking assets acquired in satisfaction of claims	-	-	1,506,094	1,506,094

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	29,033,730	-	29,033,730
Shariah compliant alternative of forward sale of foreign exchange	-	25,766,283	-	25,766,283

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

On balance sheet financial instruments

Financial assets - measured at fair value

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

Non-Financial Assets - measured at fair value

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

Off-balance sheet financial instruments - measured at fair value

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

Valuation techniques used in determination of fair values within level 2

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

Valuation techniques used in determination of fair values within level 3

Fixed assets - Land and building	Land and buildings are revalued by professionally qualified valuers as per the accounting policy. The values 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 values are listed on the panel of the Pakistan Banks' Association. The valuation is based on their assessment of market value of the properties.

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

There were no transfers between levels 1 and 2 from last year.

33 SEGMENT INFORMATION

33.1 Segment Details with respect to Business Activities

	(Un-audited)				
	March 31, 2022				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
Profit & Loss					
Net profit / return	2,935,208	(2,371,891)	2,807,986	(26,913)	3,344,390
Inter segment revenue - net	(2,931,038)	6,106,061	(3,088,946)	(86,077)	-
Total other income	252,174	287,906	119,877	13,186	673,143
Total Income	256,344	4,022,076	(161,083)	(99,804)	4,017,533
Segment direct expenses	23,487	1,740,515	110,293	804,157	2,678,452
Inter segment expense allocation	56,224	491,904	260,750	(808,878)	-
Total expenses	79,711	2,232,419	371,043	(4,721)	2,678,452
Provisions / (reversals)	235	(4,643)	469,431	894	465,917
Profit / loss before tax	176,398	1,794,300	(1,001,557)	(95,977)	873,164
	(Un-audited)				
	March 31, 2022				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
Balance Sheet					
Assets					
Cash & Bank balances	18,507,852	10,958,860	-	-	29,466,712
Investments	127,821,971	-	-	-	127,821,971
Net inter segment placements	-	270,007,672	-	3,764,322	273,771,994
Due from financial institutions	23,160,161	-	-	-	23,160,161
Islamic financing and related assets					
- performing	-	41,131,437	148,852,395	3,510,992	193,494,824
- non-performing	-	1,134,536	1,259,336	139,766	2,533,638
Others	4,326,690	5,404,816	513,070	22,786,271	33,030,847
Total Assets	173,816,674	328,637,321	150,624,801	30,201,351	683,280,147
Liabilities					
Due to financial institutions	3,776,106	3,552,858	27,871,872	-	35,200,836
Subordinated sukuk	-	-	-	2,000,000	2,000,000
Deposits & other accounts	16,373,850	315,582,736	-	-	331,956,586
Net inter segment acceptances	153,596,280	-	120,175,714	-	273,771,994
Others	45,286	9,501,729	2,577,215	4,938,039	17,062,269
Total liabilities	173,791,522	328,637,323	150,624,801	6,938,039	659,991,685
Equity	-	-	-	23,288,462	23,288,462
Total Equity & liabilities	173,791,522	328,637,323	150,624,801	30,226,501	683,280,147
Contingencies & Commitments	3,267,447	-	44,580,985	313,158	48,161,590

(Un-audited)

March 31, 2021

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

Profit & Loss

Profit / return earned	2,040,200	(1,633,854)	2,081,145	(12,569)	2,474,921
Inter segment revenue - net	(1,866,706)	3,719,380	(1,804,331)	(48,344)	-
Other income	141,543	185,825	108,676	54,698	490,741
Total Income	315,037	2,271,351	385,490	(6,215)	2,965,662

Segment direct expenses

Segment direct expenses	19,506	1,453,818	79,601	646,158	2,199,083
Inter segment expense allocation	34,041	337,052	180,623	(551,716)	-
Total expenses	53,546	1,790,870	260,224	94,443	2,199,083
Provisions / (reversals)	(6,272)	21,596	48,620	(16,714)	47,230
Profit before tax	267,762	458,885	76,646	(83,944)	719,349

(Audited)

December 31, 2021

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

Assets

Cash & Bank balances	15,598,035	12,648,467	-	-	28,246,502
Investments	125,228,590	-	-	-	125,228,590
Net inter segment placements	-	279,554,688	-	4,568,415	284,123,103
Due from financial institutions	34,945,365	-	-	-	34,945,365
Islamic financing and related assets					
- performing	-	37,941,681	137,318,830	3,367,681	178,628,192
- non-performing	-	1,189,828	1,242,013	116,206	2,548,047
Others	6,623,543	7,730,019	543,878	24,211,761	39,109,201
Total Assets	182,395,533	339,064,683	139,104,721	32,264,063	692,829,000

Liabilities

Due to financial institutions	6,091,010	3,727,127	11,375,195	-	21,193,332
Subordinated sukuk	-	-	-	2,000,000	2,000,000
Deposits & other accounts	17,048,947	327,739,004	-	-	344,787,951
Net inter segment acceptances	158,909,968	-	125,213,135	-	284,123,103
Others	49,643	7,598,553	2,516,390	7,752,861	17,917,447
Total liabilities	182,099,568	339,064,684	139,104,720	9,752,861	670,021,833
Equity	-	-	-	22,807,167	22,807,167
Total Equity & liabilities	182,099,568	339,064,684	139,104,720	32,560,028	692,829,000

Contingencies & Commitments

	3,963,854	-	44,305,791	535,682	22,001,304
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34 RELATED PARTY TRANSACTIONS

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

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

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

	(Un-audited)				(Audited)			
	March 31, 2022				December 31, 2021			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
Rupees in '000								
Investments								
Opening balance	-	-	1,660,111	-	-	-	1,660,111	-
Investment made during the year	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the year	-	-	-	-	-	-	-	-
Closing balance	-	-	1,660,111	-	-	-	1,660,111	-
Provision for diminution in value of investments	-	-	(1,032,169)	-	-	-	(1,032,169)	-
Islamic financing and related assets								
Opening balance	15,382	280,483	480,540	700,001	19,239	305,603	489,677	496,392
Addition during the year	-	92,368	105,856	958,368	-	137,090	386,691	4,264,589
Repaid during the year	(1,069)	(44,150)	(105,926)	(618,839)	(3,857)	(57,239)	(395,828)	(4,290,511)
Transfer in / (out) - net	-	(18,763)	-	-	-	(104,971)	-	229,531
Closing balance	14,313	309,938	480,470	1,039,530	15,382	280,483	480,540	700,001
Other assets								
Profit receivable on financings	90	74	1,631	10,173	230	127	2,576	5,618
Subordinated debt								
Opening balance	-	1,015	-	-	-	1,015	-	-
Issued / purchased during the year	-	-	-	-	-	-	-	-
Redemption / sold during the year	-	-	-	-	-	-	-	-
Closing balance	-	1,015	-	-	-	1,015	-	-
Deposits and other accounts								
Opening balance	6,063	42,412	27,338	1,306,399	18,887	25,210	85,142	1,171,529
Received during the year	4,130	200,692	276,218	1,780,480	63,980	474,247	2,350,516	10,058,067
Withdrawn during the year	(7,116)	(199,835)	(301,003)	(1,713,342)	(76,802)	(456,200)	(2,394,418)	(9,840,769)
Transfer in / (out) - net	-	150	-	2,755	(2)	(845)	(13,902)	(82,428)
Closing balance	3,077	43,419	2,553	1,376,292	6,063	42,412	27,338	1,306,399
Other Liabilities								
Profit / return payable	-	239	1	3,361	1	201	2	7,305
Meeting fee / remuneration payable	-	-	-	-	-	-	-	-
Contingencies and Commitments								
Other contingencies	-	-	30,453	886,850	-	-	23,385	697,037

	(Un-audited)				(Un-audited)			
	March 31, 2022				March 31, 2021			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
Rupees in '000								
Income								
Profit / return earned	336	2,550	3,006	13,115	476	2,123	7,597	22,033
Other income	-	2,447	-	-	-	1,090	-	-
Expense								
Profit / return expensed	3	268	12	27,736	13	396	989	27,463
Other administrative expenses	-	656	-	9,083	-	509	-	1,757
Meeting fee / remuneration	3,300	141,590	-	-	4,280	86,806	-	-
Contribution to employees provident fund	-	-	-	41,283	-	-	-	33,756
Charge for employees gratuity fund	-	-	-	38,198	-	-	-	31,640

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,007,991	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	14,751,404	13,989,958
Eligible Additional Tier 1 (ADT 1) Capital	2,000,000	2,000,000
Total Eligible Tier 1 Capital	16,751,404	15,989,958
Eligible Tier 2 Capital	5,182,336	4,907,251
Total Eligible Capital (Tier 1 + Tier 2)	21,933,740	20,897,209
Risk Weighted Assets (RWAs):		
Credit Risk	126,753,777	122,367,298
Market Risk	3,483,087	1,120,150
Operational Risk	24,016,288	24,016,288
Total	154,253,152	147,503,736
Common Equity Tier 1 Capital Adequacy ratio	9.56%	9.48%
Tier 1 Capital Adequacy Ratio	10.86%	10.84%
Total Capital Adequacy Ratio	14.22%	14.17%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
CCB (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

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

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	16,751,404	15,989,958
Total Exposures	452,607,339	451,470,713
Leverage Ratio	3.70%	3.54%
Liquidity Coverage Ratio (LCR)*:		
Total High Quality Liquid Assets	146,636,311	117,677,463
Total Net Cash Outflow	62,214,518	48,190,151
Liquidity Coverage Ratio	237.53%	249.73%
Net Stable Funding Ratio (NSFR)*:		
Total Available Stable Funding	338,771,717	347,348,801
Total Required Stable Funding	150,232,274	145,818,809
Net Stable Funding Ratio	225.50%	238.21%

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

36 GENERAL

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

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

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

37 DATE OF AUTHORISATION FOR ISSUE

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



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