



HALF YEARLY REPORT JUNE 2022

Evolving Trust

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Corporate Information

Board of Directors

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

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

Shariah Supervisory Board

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

Chairperson
Member
Member
Member

Audit Committee

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

Chairperson
Member
Member
Member
Member

Risk Management Committee

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

Chairperson
Member
Member
Member

Board Human Resources & Remuneration Committee

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

Chairperson
Member
Member
Member
Member
Member

Information Technology (IT) Committee

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

Chairperson
Member
Member
Member

Company Secretary

Mr. Muhammad Shoaib

Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

Legal Adviser

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

Management (in alphabetical order)

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

Registered Office

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

Share Registrar

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

Public Dealing Timings of Share Registrar

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

Website:

www.bankislami.com.pk

Directors' Report

Dear Shareholders,

On behalf of the Board, we are pleased to present the interim report of BankIslami Pakistan Limited ('BankIslami' or 'the Bank') for the half year ended June 30, 2022.

Economic Snapshot

Subsequent to June 30, 2022, Monetary Policy Committee (MPC) has raised policy rate by 125 bps to take the policy rate to 15%, representing a cumulative increase of 525 bps during last seven months. The hikes in policy rates have largely been part of monetary tightening strategy adopted by an apex authority to ensure soft landing of economy amid uncertain macro and global environment.

On account of removal of energy subsidies, decade high global inflationary indicators and devaluation of Pak Rupee; YoY inflation has mushroomed to 24.9% in July 2022 as opposed to 8.4% in July 2021, with 12 months moving average inflation also increasing to 13.36% in July 2022 versus 8.8% recorded in July 2021. Moreover, owing to increase in global commodity prices and pressure on import bills, FX reserves of the country declined from USD 23.9 Bn in Dec 2021 to USD 15.5 Bn in June 2022. Consequently, USD-PKR parity also weakened to Rs. 239.38 in July 2022 from Rs. 178.17 in Dec 2021 which resulted in restrictions being imposed by regulator on import related outflows.

Nonetheless, as a result of (i) positive development with IMF, (ii) support/commitments from other bilateral partners, and (iii) declining trend in trade deficit, the PKR has gained strength against USD during second week of August with exchange rate falling from Rs. 239.38 to Rs. 215.49.

Despite strict monetary and fiscal stance of our policy makers, inflation is likely to remain on higher side during FY23 (Jul 2022 to Jun 2023) and is forecasted to remain above 18% before declining sharply in FY24.

With current measures being taken by the Government, such as keeping imports under watch, curbing use of energy by means of restricted working hours for commercial markets and planned load shedding of electricity, CA deficit is expected to achieve a narrow level of 3% of GDP in FY23. Nonetheless, actual outcome will primarily remain dependent upon political stability in the country, realization of funds through IMF, enhancement in export proceeds and cooling down of global commodity indices.

Source: State Bank of Pakistan

Financial Performance

Following are the key financial highlights for the half year ended June 30, 2022:

Financial Position

Particulars	Jun 2022	Dec 2021	Jun 2021	Growth %	
	----- Rupees in Million -----			Vs Dec 2021	Vs Jun 2021
Total Deposits	370,708	344,788	304,102	7.5%	21.9%
Total Assets	460,786	408,390	355,131	12.8%	29.8%
Total Financing and Related Assets – net	208,806	181,176	143,548	15.3%	45.5%
Investments – net	127,022	124,838	107,128	1.7%	18.6%
Treasury and Bank Placements	57,238	38,637	48,704	48.1%	17.5%
Net Assets	24,047	22,511	21,333	6.8%	12.7%
Branches network (number)	346	340	343	1.8%	0.9%

Profit and Loss

Particulars	Half Year Ended		Growth %
	Jun 2022	Jun 2021	
	----- Rupees in million -----		
Net Spread Earned	7,918	5,067	56.3%
Fee and Commission Income	729	611	19.3%
Operating Expenses	5,513	4,484	22.9%
Operating Profit	4,054	1,592	154.6%
Provisions and Write Offs-Net	1,356	(287)	572.5%
Profit Before Tax	2,698	1,880	43.5%
Profit After Tax	1,436	1,162	23.6%
Basic Earnings per share (Rupees)	1.2954	1.0481	23.6%

The growth in balance sheet during half year ended June 2022 was mainly driven by Deposits, more specifically through growth in Current Account (CA) deposits to underpin improvement in profitability indicators and managing overall cost of funds in the current scenario where benchmark rates have remained on the higher side. Vis-à-vis Dec 2021, total deposits and CA deposits grew by 7.5% and 12.5% respectively in June 2022, with CA mix improving to 40.8% as opposed to 39.0% in Dec 2021. When compared with June 2021, YoY growth in deposits clocked at 21.9% while CA deposits depicted an impressive rise of 31.4%. Going forward, the Bank will continue with its strategy to enhance its overall, particularly CA, deposit base through expanding its branch network, offering competitive Shariah compliant products for both retail and corporate segments and growing its trade based clientele with specific focus towards small and medium sized enterprises.

In order to augment the profitability, the Bank channelized its surplus liquidity towards revenue generating avenues such as financing to Corporate, Consumer, Agri & SME segments and treasury placements. As a result Islamic financing (net) of the Bank rose by 15.3% during half year ended June 2022, while treasury placements grew by 48.1%. With the growth in overall Islamic Financing book, NPL ratio of the Bank has reduced from 8.7% in Dec 2021 to 8.1% in June 2022. Owing to current weak economic indicators, the management has taken additional provisioning, due to which the provision coverage ratio (including general provision) enhanced from 89.6% in Dec 2021 to 91.7% in Jun 2022. Keeping in view the current macro-economic scenario and rising trend in policy and inflation rates, the Bank is prudently assessing its credit risk profile and going forward will diligently expand its credit exposures based on its robust risk management framework.

In tandem with rise in policy rates, growth in earning assets and continuous improvement in CA deposits; net spreads earned depicted a healthy growth of 56.3% during half year ended June 2022 as compared to same period last year. Furthermore, non-funded income of the Bank also registered an impressive growth of 62.4% during half year ended June 2022 when compared with same period last year. This was largely due to growth in income earned through digital delivery channels and trade services. Moreover, rise in FX income due to volatility in exchange rate and gains earned on sale of non-banking assets also complemented the overall growth in non-funded income.

Operating expenses of the Bank rose by 22.9% which was mainly attributable to abnormal rise in domestic inflation and FX rates. Increase in operating cost is also due to hiring of staff to foster business growth and rise in variable cost associated with growth in business related transactions. Despite increase in administrative outlays, cost to income ratio of the Bank for the half year ended June 2022 has improved to 57.9% from 76.1% in same period last year.

On account of increase in net spreads and non-funded income, profit before provisioning of the Bank grew by 154.6% to Rs. 4,054 Mn during half year ended June 2022 as compared Rs. 1,592 Mn made during half year ended June 2021. Provisioning against non-performing assets of the Bank depicted an increase of Rs. 1,643 Mn due to booking of additional provisioning to enhance credit risk absorption capacity of the Bank. In line with this, the Bank generated Profit after tax (PAT) amounting to Rs. 1,436 Mn for the half year ended June 2022 i.e. 23.6% higher from PAT of Rs. 1,162 Mn generated during half year ended June 2021, *Alhamdulillah*.

Group Results

As at June 30, 2022, total assets and deposits of the Group grew by 12.8% and 7.5% respectively when compared with balances as at December 31, 2021. On account of persistent increase in benchmark rates and the associated repricing of profit bearing assets and liabilities, net spreads earned by the Group improved by 55.7% during half year ended June 2022 versus same period last year. Consequently, overall profitability of the Group has increased by 30.5% and posted a PAT of Rs. 1,446 Mn for the half year ended June 2022 as compared to PAT of Rs. 1,108 generated during same period 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 mentioned in the corporate information section of this report.*



Acknowledgement

The Board would like to place on record its deep appreciation to the State Bank of Pakistan for providing assistance and guidance. It would also like to thank the Securities and Exchange Commission of Pakistan and other regulatory authorities for their support. The Board would also like to express our gratitude to our valued customers, business partners and shareholders for their continued patronage and trust. Moreover, the Board would also like to acknowledge the dedication, commitment and hard work put in by 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

August 24, 2022

-Sd-

Ali Hussain
Chairman of the Board

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

منجانب بورڈ

-Sd-

سید عامر علی

صدر اور چیف ایگزیکٹو آفیسر

-Sd-

علی حسین

بورڈ چیئرمین

24 اگست، 2022

لیے بینک کی لاگت سے آمدنی کا تناسب گزشتہ سال کی اسی مدت کے 76.1 فیصد سے کم ہو کر 57.9 فیصد ہو گیا ہے۔

خالص سپریڈ اور نان فنڈڈ آمدن کے تناظر میں بینک کا پروویژن سے قبل منافع جون 2022 کو ختم ہونے والی ششماہی کے دوران 154.6 فیصد اضافہ کے ساتھ 4,054 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت کے دوران یہ منافع 1,592 ملین روپے تھا۔ بینک کے غیر فعال اثاثہ جات کی پروویژن میں 1,643 ملین روپے کا اضافہ ہوا جس کی وجہ بینک کی قرضوں سے ہونے والے نقصان کو جذب کرنے کی صلاحیت کو بہتر کیا۔ بینک نے جون 2022 کو ختم ہونے والی ششماہی کیلئے 1,436 ملین روپے بعد از ٹیکس منافع حاصل کیا جو جون 2021 کی اسی مدت کے 1,162 ملین روپے کے مقابلے میں 23.6 فیصد زیادہ ہے۔

گروپ کے مالی نتائج

30 جون، 2022 تک گروپ کے مجموعی اثاثوں اور ڈیپازٹس میں 31 دسمبر، 2021 تک موجود بیلنسز کے مقابلے میں بالتریب 12.8 فیصد اور 7.5 فیصد بڑھے۔ بینچ مارک ریٹس میں مسلسل اضافہ اور منافع کے حامل اثاثوں اور واجبات کی متعلقہ ری پرائسنگ کی وجہ سے گروپ کی طرف سے حاصل کردہ خالص سپریڈ گزشتہ سال کی اسی مدت کے مقابلے میں جون 2022 کو ختم ہونے والی ششماہی کے دوران 55.7 فیصد بہتر ہوئی۔ بینچ مارک گروپ کے منافع میں 30.5 فیصد اضافہ ہوا جو گزشتہ سال کی اسی مدت کے 1,108 ملین روپے کے بعد از محصول منافع کے مقابلے میں جون 2022 کو ختم ہونے والی ششماہی کیلئے 1,446 ملین روپے رہا۔

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 دیئے گئے ہیں۔

جون 2022 کو ختم ہونے والے ششماہی کے دوران بیلنس شیٹ میں اضافہ بنیادی طور پر ڈیپازٹس کے باعث ہوا خاص طور پر کرنٹ اکاؤنٹ (CA) ڈیپازٹس میں نموکے ذریعے منافع کے اشاریوں میں بہتری اور فنڈز کی مجموعی لاگت کا انتظام موجودہ منظر نامے میں جہاں بیچ مارک کی شرحیں اونچائی کی طرف ہیں۔

دسمبر 2021 کے مقابلے میں جون 2022 میں کل ڈیپازٹس اور کرنٹ اکاؤنٹ ڈیپازٹس میں بالترتیب 7.5 فیصد اور 12.5 فیصد اضافہ ہوا، کرنٹ اکاؤنٹ کس دسمبر 2021 میں 39.0 فیصد کے مقابلے میں 40.8 فیصد ہوا۔ جون 2021 کے ساتھ موازنہ میں ڈیپازٹس سال بہ سال کی بنیاد پر 21.9 فیصد تک پہنچا جبکہ کرنٹ اکاؤنٹ ڈیپازٹس میں 31.4 فیصد کا متاثر کن اضافہ دکھایا گیا۔ بینک اپنے برانچ نیٹ ورک کو وسعت دینے کے ذریعے اپنے مجموعی ملخصوں کرنٹ اکاؤنٹ ڈیپازٹس میں کو بڑھانے کی اپنی حکمت عملی جاری رکھے گی۔ بینک رینیل اور کارپوریٹ سیکٹس کیلئے مسابقتی شرعی مالی مصنوعات پیش کرنے کے ساتھ ساتھ چھوٹے اور درمیانے درجے کے کاروبار پر خصوصی توجہ کے ساتھ اپنے تجارتی بنیادوں پر اپنے صارفین کی تعداد میں اضافہ کا سلسلہ جاری رکھے گا۔

منافع میں اضافہ کیلئے بینک نے اپنے اضافی سرمایہ کو آمدن بڑھانے والے شعبوں جیسا کہ کارپوریٹ، کنزرویٹو، زراعت اور ایس ایم ای سیگمنٹ کو فنانسنگ کی فراہمی میں استعمال کیا۔ جس کے نتیجے میں بینک کی اسلامی فنانسنگ (خالص) میں جون 2022 کو ختم ہونے والی ششماہی کے دوران 15.3 فیصد اضافہ ہوا جبکہ ٹریڈری پلیسمنٹ بھی 48.1 فیصد بڑھی۔ اسلامی فنانسنگ بک میں مجموعی نموکے ساتھ بینک کے غیر فعال قرضہ جات کا تناسب دسمبر 2021 میں 8.7 فیصد سے کم ہو کر جون 2022 میں 8.1 فیصد ہو گیا۔ موجودہ کمزور معاشی اعشاریوں کے باعث بینک نے اضافی پروویژن بک کیا جس کے نتیجے میں کوریج کا تناسب (بشمول عمومی پروویژن) دسمبر 2021 کے 89.6 سے بڑھ کر جون 2022 میں 91.7 فیصد ہو گیا۔ موجودہ میکرو معاشی منظر نامے اور پالیسی اور افراط زر میں بڑھتے ہوئے رجحان کے تناظر میں بینک اپنی کریڈٹ رسک پروفائل کا بغور جائزہ لیتا رہے گا۔

پالیسی ریٹ میں اضافے، کمائی والے اثاثوں میں اضافہ اور کرنٹ اکاؤنٹ ڈیپازٹس میں مسلسل بہتری کے ساتھ گزشتہ سال کی اسی مدت کے مقابلے میں جون 2022 کو ختم ہونے والے ششماہی کے دوران خالص اسپریڈز نے 56.3 فیصد کی بہتر نمود کھائی۔ مزید برآں بینک کی غیر فنڈز پر مبنی آمدنی میں بھی جون 2022 کو ختم ہونے والے ششماہی کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں 62.4 فیصد کا متاثر کن اضافہ ہوا۔ جس کی بڑی وجہ ڈیجیٹل ڈیلیوری چینلز اور تجارتی خدمات کے ذریعے حاصل ہونے والی آمدنی میں اضافہ تھا۔ مزید برآں شرح مبادلہ میں اثر چڑھاؤ کی وجہ سے غیر ملکی زرمبادلہ کی آمدنی میں اضافہ اور غیر بینکنگ اثاثوں کی فروخت سے حاصل ہونے والے رقم سے بھی غیر فنڈڈ آمدن میں اضافہ ہوا۔

ملکی افراط زر اور غیر ملکی زرمبادلہ میں غیر معمولی اضافہ کے باعث بینک کے آپریٹنگ اخراجات میں 22.9 فیصد اضافہ ہوا۔ آپریٹنگ لاگت میں اضافہ کاروبار کی ترقی کو فروغ دینے کے لیے عملی خدمات حاصل کرنے اور کاروبار سے متعلق لین دین میں ترقی کے ساتھ متغیر لاگت میں اضافے کی وجہ سے بھی ہے۔ انتظامی اخراجات میں اضافے کے باوجود، جون 2022 کو ختم ہونے والے ششماہی کے

مالیاتی کارکردگی

30 جون، 2022 کو ختم ہونے والی ششماہی کے حوالے سے اہم مالیاتی نکات درج ذیل ہیں۔

مالی حیثیت

تفصیلات		جون 2022	دسمبر 2021	جون 2021	نمو %
----- روپے بلین میں -----					
مجموعی ڈیپازٹس	370,708	344,788	304,102	7.5%	21.9%
مجموعی اثاثے	460,786	408,390	355,131	12.8%	29.8%
مجموعی فنانسنگ اور متعلقہ					
اثاثہ جات - صافی	208,806	181,176	143,548	15.3%	45.5%
سرمایہ کاری - صافی	127,022	124,838	107,128	1.7%	18.6%
ٹریڈری اور بینک پلیسمنٹس	57,238	38,637	48,704	48.1%	17.5%
صافی اثاثہ جات	24,047	22,511	21,333	6.8%	12.7%
برانچز نیٹ ورک (تعداد)	346	340	343	1.8%	0.9%

نفع ونقصان

نفع و نقصان	ششماہی		نمو %
تفصیلات	جون 2022	جون 2021	
	----- روپے بلین میں -----		
حاصل کردہ صافی آمدن	7,918	5,067	56.3%
فیس اور کمیشن آمدن	729	611	19.3%
آپریٹنگ اخراجات	5,513	4,484	22.9%
آپریٹنگ منافع	4,054	1,592	154.6%
فرائمی اور دستبرداری۔ صافی	1,356	(287)	572.5%
قبل از محصول منافع	2,698	1,880	43.5%
بعد از محصول منافع	1,436	1,162	23.6%
فی حصص بنیادی آمدن (روپے)	1.2954	1.0481	23.6%

ڈائریکٹرز کی رپورٹ

معزز حصص یافتگان

ہم بورڈ کی جانب سے 30 جون، 2022 کو ختم ہونے والی ششماہی کے حوالے سے بینک اسلامی پاکستان لمیٹڈ ("بینک اسلامی" یا "بینک") کی عبوری رپورٹ پیش کرنے پر خوشی محسوس کرتے ہیں۔

معاشی جائزہ

30 جون، 2022 کے بعد مانیٹری پالیسی کمیٹی (ایم پی سی) نے پالیسی ریٹ 125 بیس پوائنٹس بڑھا کر 15 فیصد کیا، جب کہ کمیٹی کی طرف سے گزشتہ سات مہینوں کے دوران 525 بی پی ایس کا مجموعی اضافہ کیا گیا۔ پالیسی ریٹ میں اضافہ حکام کی طرف سے سخت مالی پالیسی اختیار کرنے کا ایک حصہ ہے تاکہ غیر یقینی میکرو اور عالمی حالات میں معیشت کی سائیکل میں استحکام کو یقینی بنایا جاسکے۔

انرجی سبسڈیز کے خاتمے، عالمی سطح پر مہنگائی کے اشاریے اور پاکستانی روپے کی قدر کی وجہ سے افراط زر سال بہ سال کی بنیاد پر جولائی 2022 میں گزشتہ سال جولائی 2022 کے 8.4 فیصد کے مقابلے میں 24.9 فیصد رہا جس میں 12 ماہ کے اوسط افراط زر میں جولائی 2021 کے 8.8 فیصد اضافہ کے مقابلے میں جولائی 2022 میں 13.36 فیصد اضافہ ہوا۔ عالمی اجناس کی قیمتوں میں اضافہ اور درآمدی بلوں پر دباؤ کی وجہ سے ملک کے غیر ملکی زرمبادلہ کے ذخائر دسمبر 2021 میں 23.9 بلین ڈالر سے کم ہو کر جون 2022 میں 15.5 بلین ڈالر رہ گئے۔ نتیجتاً روپے کے مقابلے میں ڈالر مضبوط ہو گیا جو دسمبر 2021 میں 178.17 روپے سے جولائی 2022 میں 239.38 تک جا پہنچا جس کے باعث درآمدی اشیاء پر پابندیاں لگائی گئیں۔

آئی ایم ایف کے ساتھ مثبت پیش رفت، دیگر دو طرفہ شراکت داروں کی طرف سے معاونت/وعدے اور تجارتی خسارے میں کمی کے رجحان کے نتیجے میں اگست کے دوسرے ہفتے میں امریکی ڈالر 239.38 روپے سے کم ہو کر 215.49 روپے پر آیا جس کی وجہ سے ڈالر کے مقابلے میں روپے کی قدر مستحکم ہوئی۔

مالیات کے حوالے سے ہمارے پالیسی سازوں کے سخت موقف کے باوجود مالی سال 2023 (جولائی 2022 سے جون 2023) کے دوران افراط زر کا زیادہ رہنے کا امکان ہے جس کی وجہ سے مہنگائی کی شرح 18 فیصد سے زائد رہنے کی پیش گوئی ہے، جب کہ مالی سال 2024 میں افراط زر کی شرح میں کمی دیکھی جاسکے گی۔

درآمدت پر نظر رکھنا، مارکیٹوں کے اوقات کار میں کمی اور بجلی کی اعلانیہ لوڈ شیڈنگ کے ذریعے توانائی کے استعمال میں کمی جیسے حکومتی اقدامات کے ساتھ مالی سال 2023 میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کا 3 فیصد رہنے کی توقع ہے۔ تاہم حقیقی بہتری کا انحصار ملک میں سیاسی استحکام، آئی ایم ایف کے ذریعے فنڈز کا صحیح استعمال، برآمدی پیداوار میں اضافہ اور عالمی اجناس کی قیمتوں میں کمی پر ہے۔

ماخذ: اسٹیٹ بینک آف پاکستان

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Condensed Interim
Unconsolidated Financial Statements
of
BankIslami Pakistan Limited
For the Half Year Ended
June 30, 2022

Independent Auditor's Review Report

To the members of BankIslami Pakistan Limited

Report on review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **BankIslami Pakistan Limited** ("the Bank") as at 30 June 2022 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated cash flow statement, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim unconsolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matters

The figures for the quarter ended 30 June 2022 in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

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

-Sd-

Date: 26 August 2022

Karachi

UDIN # RR2022101062Y6Xj8g9J

KPMG Taseer Hadi & Co.
Chartered Accountants

BankIslami Pakistan Limited

Condensed Interim Unconsolidated Statement of Financial Position

AS AT JUNE 30, 2022

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note		
		----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	29,657,681	24,552,347
Balances with other banks	7	4,604,026	3,691,953
Due from financial institutions - net	8	52,634,211	34,945,365
Investments - net	9	127,021,761	124,838,317
Islamic financing, related assets and advances - net	10	208,805,802	181,176,239
Fixed assets	11	13,430,094	13,617,439
Intangible assets	12	3,262,380	3,176,180
Deferred tax assets	13	3,733,625	4,308,141
Other assets - net	14	17,635,991	18,084,193
Total Assets		460,785,571	408,390,174
LIABILITIES			
Bills payable	15	5,629,394	3,484,210
Due to financial institutions	16	42,891,272	21,193,332
Deposits and other accounts	17	370,707,941	344,787,956
Subordinated sukuk	18	2,000,000	2,000,000
Deferred tax liabilities		-	-
Other liabilities	19	15,510,081	14,413,474
		436,738,688	385,878,972
NET ASSETS		24,046,883	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	3,451,232	3,464,337
Unappropriated profit		7,884,496	6,335,710
		24,046,883	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

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CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2022

	Note	Quarter Ended		Half Year Ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		----- Rupees in '000 -----			
Profit / return earned	22	10,616,214	5,618,530	18,370,569	10,957,253
Profit / return expensed	23	6,042,378	3,019,024	10,452,343	5,890,478
Net profit / return		4,573,836	2,599,506	7,918,226	5,066,775
OTHER INCOME					
Fee and commission income	24	325,340	306,551	729,150	611,204
Dividend income		12,565	3,878	12,565	9,048
Foreign exchange income		378,128	108,516	591,381	169,579
Gain on securities	25	3,157	189,724	18,725	218,595
Other income - net	26	317,491	28,356	358,003	44,742
Total other income		1,036,681	637,025	1,709,824	1,053,168
Total income		5,610,517	3,236,531	9,628,050	6,119,943
OTHER EXPENSES					
Operating expenses	27	2,852,136	2,304,340	5,512,865	4,484,473
Workers' Welfare Fund		36,488	22,029	53,951	40,934
Other charges	28	7,441	2,010	7,701	2,055
Total other expenses		2,896,065	2,328,379	5,574,517	4,527,462
Profit before provisions		2,714,452	908,152	4,053,533	1,592,481
Provisions and write offs - net	29	890,045	(334,508)	1,355,962	(287,278)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		1,824,407	1,242,660	2,697,571	1,879,759
Taxation	30	910,266	470,561	1,261,314	717,731
PROFIT AFTER TAXATION		914,141	772,099	1,436,257	1,162,028
----- Rupees -----					
Basic and diluted earnings per share	31	0.8245	0.6964	1.2954	1.0481

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

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CHAIRMAN

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DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2022

	Quarter Ended		Half Year Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	----- Rupees in '000 -----			
Profit after taxation for the period	914,141	772,099	1,436,257	1,162,028
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	141,291	122,280	99,424	274,699
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of operating fixed assets - net of tax	-	-	-	1,150
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-
	-	-	-	1,150
Total comprehensive income	<u>1,055,432</u>	<u>894,379</u>	<u>1,535,681</u>	<u>1,437,877</u>

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

-Sd-
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CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2022

	Share capital	Discount on issue of shares	Statutory reserve	Revenue reserve for bad debts & contingency	Surplus on revaluation of		Unappropriated profit	Total
					Investments	Fixed / Non-Banking Assets		
Rupees in '000								
Opening Balance as at January 1, 2021	11,087,033	(79,042)	1,276,894	250,000	1,398,010	1,632,499	4,329,779	19,895,173
Profit after taxation for the half year ended June 30, 2021	-	-	-	-	-	-	1,162,028	1,162,028
Other comprehensive income for the half year ended June 30, 2021 - net of tax	-	-	-	-	274,699	1,150	-	275,849
	-	-	-	-	274,699	1,150	1,162,028	1,437,877
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(833)	833	-
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 to unappropriated profit - net of tax	-	-	-	-	-	(691)	691	-
Opening Balance as at July 1, 2021	11,087,033	(79,042)	1,276,894	250,000	1,672,709	1,625,259	5,500,197	21,333,050
Profit after taxation for the period from July 01, 2021 to December 31, 2021	-	-	-	-	-	-	969,322	969,322
Other comprehensive (loss) / income for the period from July 01, 2021 to December 31, 2021 - net of tax	-	-	-	-	(283,373)	525,982	(33,779)	208,830
	-	-	-	-	(283,373)	525,982	935,543	1,178,152
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	-	-	-	-	-	(690)	690	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	-	-	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(18,602)	18,602	-
Transfer to statutory reserve	-	-	426,270	-	-	-	(426,270)	-
Transfer from revenue reserve for bad debts & contingency to unappropriated profit	-	-	-	(250,000)	-	-	250,000	-
Opening Balance as at January 1, 2022	11,087,033	(79,042)	1,703,164	-	1,389,336	2,075,001	6,335,710	22,511,202
Profit after taxation for the half year ended June 30, 2022	-	-	-	-	-	-	1,436,257	1,436,257
Other comprehensive income for the half year ended June 30, 2022 - net of tax	-	-	-	-	99,424	-	-	99,424
	-	-	-	-	99,424	-	1,436,257	1,535,681
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(58,209)	58,209	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(561)	561	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(10,412)	10,412	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(43,347)	43,347	-
Closing Balance as at June 30, 2022	11,087,033	(79,042)	1,703,164	-	1,488,760	1,962,472	7,884,496	24,046,883

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

-Sd-
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CHAIRMAN

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DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

FOR THE HALF YEAR ENDED JUNE 30, 2022

	Note	June 30, 2022	June 30, 2021
----- Rupees in '000 -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		2,697,571	1,879,759
Less: Dividend income		(12,565)	(9,048)
		<u>2,685,006</u>	<u>1,870,711</u>
Adjustments for non-cash charges and other items:			
Depreciation on fixed assets		468,593	395,041
Depreciation on non-banking assets		2,126	2,976
Depreciation on right-of-use assets		423,459	420,710
Amortization		44,133	29,855
Depreciation on operating Ijarah assets		46,081	428,712
Amortisation of lease liability against right of use assets	23	174,589	197,460
Provisions and write offs - net	29	1,355,962	(287,278)
Charge for defined benefit plan		76,396	63,279
Gain on sale of non-current assets held for sale	25.1	-	(151,601)
Gain on sale of fixed assets	26	(11,503)	(269)
Gain on sale of non-banking assets	26	(208,967)	-
		<u>2,370,869</u>	<u>1,098,885</u>
		5,055,875	2,969,596
(Increase) / decrease in operating assets			
Due from financial institutions		(17,688,846)	(187,156)
Islamic financing and related assets and advances - net		(29,028,848)	(14,276,061)
Others assets (excluding advance taxation)		699,205	444,288
		<u>(46,018,489)</u>	<u>(14,018,929)</u>
Increase / (decrease) in operating liabilities			
Bills payable		2,145,184	897,432
Due to financial institutions		21,697,940	(3,459,110)
Deposits		25,919,985	20,460,580
Other liabilities (excluding current taxation)		774,400	(327,261)
		<u>50,537,509</u>	<u>17,571,641</u>
		9,574,895	6,522,308
Income tax paid		(257,214)	(380,836)
Net cash flow generated from operating activities		<u>9,317,681</u>	<u>6,141,472</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(2,085,065)	(11,593,597)
Dividends received		12,565	9,048
Payment of Ijarah (lease) liability against right-of-use assets		(559,092)	(500,619)
Investments in operating fixed assets		(612,989)	(1,736,619)
Investments in intangible assets		(130,333)	(62,544)
Proceeds from sale of non-current assets held for sale		-	753,210
Proceeds from sale of fixed assets		74,640	33,253
Net cash flow (used in) investing activities		<u>(3,300,274)</u>	<u>(13,097,868)</u>
Increase / (decrease) in cash and cash equivalents			
		6,017,407	(6,956,396)
Cash and cash equivalents at beginning of the period		28,244,300	34,342,294
Cash and cash equivalents at end of the period		<u>34,261,707</u>	<u>27,385,898</u>

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

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
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-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2022

1 STATUS AND NATURE OF BUSINESS

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

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

The Bank is operating through 346 branches including 80 sub-branches as at June 30, 2022 (December 31, 2021: 340 branches including 80 sub-branches). The registered office of the Bank is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited.

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

- 2.2 The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These condensed interim unconsolidated financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2021.
- 2.3 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars. The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services.
- 2.4 Further, as per SBP's BPRD circular no. 03 of 2022, IFRS 9 'Financial Instruments' is applicable:
- Effective from 1 January 2023 for banks having asset size of PKR 500 billion or above as per their Annual Financial Statements of December 31, 2021.
 - Effective from 1 January 2024 for all other banks.

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

- 2.5 These condensed interim financial statements are separate condensed interim unconsolidated financial statements of the Bank in which investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any, and are not consolidated. The condensed interim consolidated financial statements of the Bank are being issued separately.
- 2.6 The Bank provides financing mainly through Murabahah, Ijarah, Istisna, Musharakah, Diminishing Musharakah, Muswammah and other Islamic modes.

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current and application of materiality to disclosure of accounting policies - Amendments to IAS 1.	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5 FINANCIAL RISK MANAGEMENT

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

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

6 CASH AND BALANCES WITH TREASURY BANKS

In hand:

- Local currency	8,712,350	8,369,573
- Foreign currency	871,491	710,923
	<u>9,583,841</u>	<u>9,080,496</u>

With the State Bank of Pakistan in:

- Local currency current account	13,852,321	10,641,385
- Foreign currency deposit accounts:		
- Cash reserve account	618,637	565,020
- Special cash reserve account	747,281	682,577
- US dollar clearing account	66,811	11,674
	<u>1,432,729</u>	<u>1,259,271</u>

With National Bank of Pakistan in:

- Local currency current account	4,787,997	3,563,460
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Prize bonds

	793	7,735
	<u>29,657,681</u>	<u>24,552,347</u>

7 BALANCES WITH OTHER BANKS

In Pakistan:

- In current accounts
- In deposit accounts

Outside Pakistan:

- In current accounts
- In deposit accounts

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
-----Rupees in '000-----		
	927	967
	127	125
	1,054	1,092
	4,266,934	3,501,107
	336,038	189,754
	4,602,972	3,690,861
	4,604,026	3,691,953

8 DUE FROM FINANCIAL INSTITUTIONS - NET

Note	(Un-audited) June 30, 2022			(Audited) December 31, 2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
-----Rupees in '000-----						
Secured						
Bai Muajjal Receivable						
-from Banks	8.1	-	-	4,951,909	-	4,951,909
-from Other Financial Institutions	8.1	11,532,608	11,532,608	4,008,737	-	4,008,737
Unsecured						
Wakalah Placement	8.2	-	-	-	518,416	518,416
Musharaka Placements	8.3	19,000,000	19,000,000	15,000,000	-	15,000,000
Bai Muajjal Receivable						
-from Banks	8.1	-	-	1,980,792	-	1,980,792
-from Other Financial Institutions	8.1	22,101,603	22,101,603	8,485,511	-	8,485,511
Other placements		22,680	22,680	24,300	-	24,300
		52,656,891	52,656,891	34,451,249	518,416	34,969,665
Provision held against Financial Institution Placements	8.4	(22,680)	(22,680)	(24,300)	-	(24,300)
Due from financial institutions - net		52,634,211	52,634,211	34,426,949	518,416	34,945,365

- 8.1 The average return on this product ranges between 11.15% to 15.50% (2021: 7.35% to 11.52%) per annum. The balances have maturities ranging between 4 days to 280 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.12,000 million as at June 30, 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 13.4% to 14% (2021: 10% to 11%) per annum and the agreements have maturities ranging between 4 to 13 days (2021: 4 to 7 days).

8.4 Category of classification

	(Un-audited) June 30, 2022		(Audited) December 31, 2021	
	Classified placements	Provision held	Classified placements	Provision held
-----Rupees in '000-----				
Domestic				
Loss	22,680	22,680	24,300	24,300

- 8.4.1 The Bank does not hold overseas classified placements.

9 INVESTMENTS - NET

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
-----Rupees in '000-----			
Investments - Islamic	9.1 & 9.3	126,444,086	124,260,642
Investments - Conventional (relating to amalgamated entity)	9.2 & 9.4	577,675	577,675
		<u>127,021,761</u>	<u>124,838,317</u>

9.1 Islamic Investments by type

Note	(Un-audited) June 30, 2022				(Audited) December 31, 2021			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying Value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
-----Rupees in '000-----								
Available for sale securities								
Federal Government Shariah								
Compliant Securities	86,242,730	-	(22,188)	86,220,542	83,614,067	-	22,710	83,636,777
Shares / Modaraba certificates	378,604	(71,722)	101,053	407,935	277,373	(70,677)	153,826	360,522
Non-Government Shariah								
Compliant Securities	37,012,012	(35,880)	2,211,535	39,187,667	37,710,377	(35,880)	1,960,904	39,635,401
	<u>123,633,346</u>	<u>(107,602)</u>	<u>2,290,400</u>	<u>125,816,144</u>	<u>121,601,817</u>	<u>(106,557)</u>	<u>2,137,440</u>	<u>123,632,700</u>
Associates	627,942	-	-	627,942	627,942	-	-	627,942
Total Islamic investments	<u>124,261,288</u>	<u>(107,602)</u>	<u>2,290,400</u>	<u>126,444,086</u>	<u>122,229,759</u>	<u>(106,557)</u>	<u>2,137,440</u>	<u>124,260,642</u>

9.2 Conventional Investments by type*

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

9.3 Islamic Investments by segments

Federal Government Shariah								
Compliant Securities								
GoP Ijarah Sukuks	86,242,730	-	(22,188)	86,220,542	73,308,231	-	22,710	73,330,941
Bai Muajjal	-	-	-	-	10,305,836	-	-	10,305,836
	<u>86,242,730</u>	<u>-</u>	<u>(22,188)</u>	<u>86,220,542</u>	<u>83,614,067</u>	<u>-</u>	<u>22,710</u>	<u>83,636,777</u>
Shares								
Listed companies	371,784	(71,722)	101,053	401,115	270,553	(70,677)	153,826	353,702
Non-Government Shariah								
Compliant Securities								
Listed								
Pakistan Energy Sukuk-I	27,146,945	-	1,845,992	28,992,937	27,146,945	-	1,832,419	28,979,364
Pakistan Energy Sukuk-II	3,391,835	-	15,853	3,407,688	3,392,588	-	42,172	3,434,760
	<u>30,538,780</u>	<u>-</u>	<u>1,861,845</u>	<u>32,400,625</u>	<u>30,539,533</u>	<u>-</u>	<u>1,874,591</u>	<u>32,414,124</u>
Unlisted								
Sukuk certificates	6,473,232	(35,880)	349,690	6,787,042	7,170,844	(35,880)	86,313	7,221,277
Foreign securities								
Equity securities	6,820	-	-	6,820	6,820	-	-	6,820
Associates								
Shakarganj Food Products Limited	627,942	-	-	627,942	627,942	-	-	627,942
	<u>124,261,288</u>	<u>(107,602)</u>	<u>2,290,400</u>	<u>126,444,086</u>	<u>122,229,759</u>	<u>(106,557)</u>	<u>2,137,440</u>	<u>124,260,642</u>

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

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

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

9.4 Conventional Investments by segments*

	(Un-audited)				(Audited)			
	June 30, 2022				December 31, 2021			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
-----Rupees in '000-----								
Shares								
Unlisted Companies	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)	-	-
	<u>2,648,407</u>	<u>(2,070,732)</u>	<u>-</u>	<u>577,675</u>	<u>2,648,407</u>	<u>(2,070,732)</u>	<u>-</u>	<u>577,675</u>

* 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	Note	June 30, 2022	December 31, 2021
			-----Rupees in '000-----	
	Federal Government Securities		30,889,000	5,889,000
9.6	Provision for diminution in value of investments			
9.6.1	Opening balance		2,177,289	2,448,730
	Charge / reversal			
	Charge for the period / year		1,045	-
	Reversals for the period / year		-	(14,022)
			1,045	(14,022)
	Amounts written off		-	(257,419)
	Closing Balance	9.6.1.1	2,178,334	2,177,289
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
			2,178,334	2,177,289
9.6.2	Particulars of provision against debt securities			
	Category of classification			
			(Un-audited)	(Audited)
			June 30, 2022	December 31, 2021
			Non-performing investments	Non-performing investments
			Specific provision	Specific provision
			-----Rupees in '000-----	
	Domestic			
	Loss		634,568	634,568
	Total		634,568	358,317

9.6.2.1 The Bank does not hold overseas classified debt securities.

10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES - NET

		Note	(Un-audited) June 30, 2022		(Audited) December 31, 2021	
			-----Rupees in '000-----			
Islamic financing and related assets - net		10.1	208,629,555		180,992,699	
Advances (relating to amalgamated entity) - net		10.2	176,247		183,540	
			208,805,802		181,176,239	

10.1 ISLAMIC FINANCING AND RELATED ASSETS								
Note	(Un-audited)		(Audited)		(Un-audited)		(Audited)	
	Performing		Non Performing		Total			
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
-----Rupees in '000-----								
In Pakistan								
- Running Musharakah	10.9	71,255,486	62,385,085	1,361,510	1,424,510	72,616,996	63,809,595	
- Diminishing Musharakah financing and related assets - Others	10.3	38,505,391	32,865,920	3,277,207	1,616,390	41,782,598	34,482,310	
- Diminishing Musharakah - Housing		24,498,968	18,814,897	1,509,437	1,621,348	26,008,405	20,436,245	
- Diminishing Musharakah financing and related assets - Auto		24,588,760	22,580,287	410,868	267,268	24,999,628	22,847,555	
- Istisna financing and related assets	10.4 & 10.10	17,083,090	14,388,358	1,643,755	948,614	18,726,845	15,336,972	
- Murabahah financing and related assets	10.5 & 10.11	15,527,816	14,608,663	256,913	581,036	15,784,729	15,189,699	
- Musawamah financing and related assets / Tijarah	10.6 & 10.12	7,609,924	4,709,506	3,339,761	4,059,763	10,949,685	8,769,269	
- Investment Agency Wakalah		4,166,667	5,208,333	-	-	4,166,667	5,208,333	
- Financing against Bills		1,347,993	1,593,966	-	-	1,347,993	1,593,966	
- Bai Muajjal - Corporate		999,042	-	-	-	999,042	-	
- Ijarah financing under IFAS 2 and related assets	10.7	606,993	504,768	144,793	338,865	751,786	843,633	
- Murabahah against Bills		382,383	970,192	25,622	-	408,005	970,192	
- Musharakah financing		280,000	280,000	-	-	280,000	280,000	
- Qardh-e-Hasana		37,516	1,680	120,679	121,860	158,195	123,540	
- Salam	10.8	143,900	104,898	-	-	143,900	104,898	
- Net investment in Ijarah financing in Pakistan		111,548	131,545	-	-	111,548	131,545	
- Past Due Acceptance		4,580	32,280	29,153	-	33,733	32,280	
- Housing finance portfolio - others		25,187	31,241	-	-	25,187	31,241	
Islamic financing and related assets - gross		207,175,244	179,211,619	12,119,698	10,979,654	219,294,942	190,191,273	
Less: Provision against non-performing Islamic financing and related assets								
- Specific	10.15	-	-	(9,172,941)	(8,431,606)	(9,172,941)	(8,431,606)	
- General	10.15	(1,492,446)	(766,968)	-	-	(1,492,446)	(766,968)	
Islamic financing and related assets - net of provision		205,682,798	178,444,651	2,946,757	2,548,048	208,629,555	180,992,699	

10.2 ADVANCES						
- Loans, cash credits, running finances, etc. - In Pakistan*	23,227	89,776	4,776,192	4,830,544	4,799,419	4,920,320
- Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan	-	-	684,295	684,295	684,295	684,295
- Net investment in finance lease - In Pakistan	-	-	582,185	582,185	582,185	582,185
Advances - gross	23,227	89,776	6,042,672	6,097,024	6,065,899	6,186,800
Provision against advances						
- Specific	10.15	-	-	(5,983,416)	(6,097,024)	(5,983,416)
- General	10.15	(55)	(55)	-	-	(55)
Advances - net of provision	23,172	89,721	59,256	-	82,428	89,721
Fair value adjustment	10.16	-	-	93,819	93,819	93,819
Advances - net of provision and fair value adjustment	23,172	89,721	153,075	93,819	176,247	183,540

* This includes non-interest bearing performing financing facilities amounting to Rs. 23,227 million (2021: Rs. 89,776 million).

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	-----Rupees in '000-----	
10.3 Diminishing Musharakah financing and related assets - Others		
Diminishing Musharakah financing	36,330,272	29,496,294
Advance against Diminishing Musharakah financing	5,452,326	4,986,016
	<u>41,782,598</u>	<u>34,482,310</u>
10.4 Istisna financing and related assets		
Istisna financing	8,836,074	6,984,506
Advance against Istisna financing	9,890,771	8,352,466
	<u>18,726,845</u>	<u>15,336,972</u>
10.5 Murabahah financing and related assets		
Murabahah financing	9,610,785	7,461,935
Deferred murabahah income	620,271	288,114
Advances against Murabaha financing	1,135,025	1,927,813
Murabaha Inventories	4,418,648	5,511,837
	<u>15,784,729</u>	<u>15,189,699</u>
10.6 Musawamah financing and related assets / Tijarah		
Musawamah financing	8,857,146	6,246,037
Advance against Musawamah financing	126,157	266,839
Musawamah inventories	1,966,382	2,256,393
	<u>10,949,685</u>	<u>8,769,269</u>
10.7 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	748,238	843,022
Advance against Ijarah financing	3,548	611
	<u>751,786</u>	<u>843,633</u>
10.8 Salam		
Salam financing	35,001	54,999
Advance against Salam	108,899	49,899
	<u>143,900</u>	<u>104,898</u>
10.9 Running musharakah financing and related assets includes financing amounting to Rs. 2,373 million (2021: Rs. 2,554 million) under Islamic Export Refinance Scheme.		
10.10 Istisna financing and related assets includes financing amounting to Rs. 785.687 million (2021: Rs.1,586 million) and advance amounting to Rs. 1,478.50 million (2021: Rs. 678.800 million) under Islamic Export Refinance Scheme.		
10.11 Murabahah financing and related assets includes financing amounting to Nil (2021: Rs.192.500 million) under Islamic Export Refinance Scheme.		
10.12 Musawamah financing and related assets / Tijarah includes financing amounting to Rs. 50 million (2021: Nil) and Advance amounting to Rs. 100 million (2021: Rs.100 million) under Islamic Export Refinance Scheme.		
	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000-----	
10.13 Particulars of Islamic financing and related assets and advances - gross		
In local currency	223,533,346	195,464,197
In foreign currency	1,827,495	913,876
	<u>225,360,841</u>	<u>196,378,073</u>

10.14 Islamic financing and related assets and advances include Rs.18,162.370 million (2021: Rs.17,076.678 million) which have been placed under non-performing status as detailed below:

Category of classification

	(Un-audited) June 30, 2022		(Audited) 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	160,939	-	164,571	-
Substandard	937,473	165,106	554,426	92,057
Doubtful	1,387,365	487,136	1,113,707	334,116
Loss	15,676,593	14,504,115	15,243,974	14,102,457
	<u>18,162,370</u>	<u>15,156,357</u>	<u>17,076,678</u>	<u>14,528,630</u>

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) June 30, 2022			(Audited) December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
Opening balance	14,528,630	767,023	15,295,653	14,491,608	802,048	15,293,656
Charge for the period / year	1,013,567	725,478	1,739,045	2,736,255	(35,025)	2,701,230
Reversals for the period / year	(385,840)	-	(385,840)	(2,389,299)	-	(2,389,299)
	627,727	725,478	1,353,205	346,956	(35,025)	311,931
Amount written off	-	-	-	(309,934)	-	(309,934)
Closing balance	<u>15,156,357</u>	<u>1,492,501</u>	<u>16,648,858</u>	<u>14,528,630</u>	<u>767,023</u>	<u>15,295,653</u>
10.15.1 Islamic	9,172,941	1,492,446	10,665,387	8,431,606	766,968	9,198,574
Conventional	5,983,416	55	5,983,471	6,097,024	55	6,097,079
	<u>15,156,357</u>	<u>1,492,501</u>	<u>16,648,858</u>	<u>14,528,630</u>	<u>767,023</u>	<u>15,295,653</u>

	(Un-audited) June 30, 2022		(Audited) December 31, 2021	
	Specific	General	Specific	General
----- 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			385,840	2,389,299
Charge for the period / year			(1,739,045)	(2,701,230)
			(1,353,205)	(311,931)
Fair value adjusted - net			-	(23,679)
Net charge taken to the profit and loss account			<u>(1,353,205)</u>	<u>(335,610)</u>

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

	(Un-audited) June 30, 2022			(Audited) December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
In local currency	15,156,357	1,492,501	16,648,858	14,528,630	767,023	15,295,653
In foreign currency	-	-	-	-	-	-
	<u>15,156,357</u>	<u>1,492,501</u>	<u>16,648,858</u>	<u>14,528,630</u>	<u>767,023</u>	<u>15,295,653</u>

10.15.4 The Bank maintains general reserve (provision) amounting to Rs. 492.501 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. 1,000 million (December 31, 2021: Rs. 350 million) as a matter of prudence based on management estimate.

10.15.5 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at June 30, 2022 amounts to Rs. 951.065 million (2021: Rs. 1,043.691 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 580.150 million (2021: Rs. 636.651 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

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

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	-----Rupees in '000-----	
10.17	SBP other refinance schemes		
	Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	5,792,412	4,489,370
	Islamic Long-Term Financing Facility	293,661	-
	Islamic refinance scheme for payment of wages and salaries	1,136,582	1,824,118
	Islamic refinance scheme for combating COVID (IRFCC)	308,140	328,351
	Islamic refinance facility for Modernization of SMEs	81,468	115,470
	Islamic refinance scheme for Renewable Energy	231,517	-
	Islamic Refinance and Credit Guarantee Scheme For Women	5,000	-
	Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)	60,972	18,289
		<u>7,909,752</u>	<u>6,775,598</u>

11 FIXED ASSETS

	Capital work-in-progress	11.1	1,370,430	1,264,988
	Property and equipment		9,685,597	9,709,779
	Right of use assets		2,374,067	2,642,672
			<u>13,430,094</u>	<u>13,617,439</u>

11.1 Capital work-in-progress

	Advances to suppliers and contractors	179,707	74,265
	Advance for acquiring properties:		
	- Office premises	1,190,723	1,190,723
		<u>1,370,430</u>	<u>1,264,988</u>

		(Un-audited) June 30, 2022	(Un-audited) June 30, 2021
	Note	----- 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	133,147	527,999
	Property and equipment		
	Leasehold building	209,436	187,021
	Furniture and fixture	120,325	108,533
	Electrical office and computer equipment	166,505	270,282
	Vehicles	15,264	1,168
		511,530	567,004
	Right of use assets		
	Leasehold building	159,641	196,487
	Total	<u>804,318</u>	<u>1,291,490</u>

11.3 Disposal of fixed assets

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

	Leasehold building	59,620	31,004
	Furniture and fixture	7,298	14,527
	Electrical office and computer equipment	212	135
	Total	<u>67,130</u>	<u>45,666</u>

11.3.1 Furniture & Fixtures includes write-offs amounting to Rs. 5.83 million (June 30, 2021: Rs. 14.19 million).

12 INTANGIBLE ASSETS

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
Computer software	269,424	184,539
Core deposits	24,510	25,080
Membership & Subscription	24,149	22,264
Goodwill	2,944,297	2,944,297
	<u>3,262,380</u>	<u>3,176,180</u>

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

12.1 Additions to intangible assets

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

- Directly purchased	<u>131,597</u>	<u>62,544</u>
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12.2 Disposals of intangible assets

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

Membership & Subscription	<u>1,837</u>	<u>-</u>
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(Un-audited) June 30, 2022	(Audited) December 31, 2021
----- (Rupees in '000) -----	

13 DEFERRED TAX ASSETS

Deductible Temporary Differences on:

Accumulated tax losses	2,137,477	2,591,239
Tax credit against minimum tax	-	32,238
Provision for diminution in the value of investments	199,769	199,769
Provision against non-performing Islamic financing and related assets and advances	3,509,743	3,344,708
Ijarah financing and related assets	38,136	234,991
Accelerated tax depreciation	162,599	128,401
Others	(140,178)	(13,052)
	<u>5,907,546</u>	<u>6,518,294</u>

Taxable Temporary Differences on:

Accelerated tax depreciation		
Fair value adjustments relating to net assets acquired upon amalgamation	(315,562)	(344,266)
Surplus on revaluation of available for sale securities	(801,640)	(748,104)
Surplus on revaluation of fixed assets	(1,013,990)	(1,051,413)
Surplus on revaluation of non-banking assets	(42,729)	(66,370)
	<u>(2,173,921)</u>	<u>(2,210,153)</u>
	<u>3,733,625</u>	<u>4,308,141</u>

- 13.1 The Bank has aggregate tax losses of Rs. 6,107.077 million as at June 30, 2022 (2021: Rs. 7,403.539 million) which includes tax losses of amalgamated entity. The management has carried out an assessment for estimating the benefit of these losses. The Bank would be able to set off the profit earned in future years against these carry forward losses. Based on this assessment the management has recognized deferred tax debit balance amounting to Rs. 2,137.477 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

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
-----Rupees in '000-----			
Profit / return accrued in local currency		8,571,744	9,110,889
Profit / return accrued in foreign currency		15,713	194
Advances, deposits, advance rent and other prepayments		1,191,089	1,105,402
Non-banking assets acquired in satisfaction of claims		1,459,060	2,116,519
Branch Adjustment Account		40,707	440,114
Takaful / insurance claim receivable		96,239	69,511
Receivable against takaful and registration charges - Diminishing Musharakah Auto Financing		266,662	313
Receivable against First WAPDA Sukuk		50,000	50,000
Acceptances		5,357,503	5,462,889
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts		392,575	28,980
Others		837,576	771,124
		<u>18,278,868</u>	<u>19,155,935</u>
Less: Provision held against other assets	14.2	<u>(764,955)</u>	<u>(1,261,370)</u>
Other Assets (net of provision)		<u>17,513,913</u>	<u>17,894,565</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		<u>122,078</u>	<u>189,628</u>
Other assets - total		<u><u>17,635,991</u></u>	<u><u>18,084,193</u></u>
14.1 Market value of non-banking assets acquired in satisfaction of claims		<u>1,274,335</u>	<u>1,506,468</u>
14.2 Provision held against other assets			
Advances, deposits, advance rent & other prepayments		26,692	26,692
Non banking assets acquired in satisfaction of claims		305,762	799,679
Others		432,501	434,999
14.2.1		<u>764,955</u>	<u>1,261,370</u>
14.2.1 Movement in provision held against other assets			
Opening balance		1,261,370	1,588,151
Charge for the period / year			399,738
Reversals during the period / year		(2,498)	(25,069)
Adjustment during the period / year		<u>(493,917)</u>	<u>(701,450)</u>
Closing balance		<u>764,955</u>	<u>1,261,370</u>

15 BILLS PAYABLE

In Pakistan	<u>5,629,394</u>	<u>3,484,210</u>
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16 DUE TO FINANCIAL INSTITUTIONS

Secured

Due to State Bank of Pakistan

Acceptances from SBP under Mudaraba	24,229,079	-
Acceptances under Islamic Export Refinance Scheme	3,881,000	5,143,000
Acceptances for financial assistance	3,862,147	3,691,010
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	5,374,124	4,349,261
Islamic refinance scheme for Renewable Energy	93,387	
Islamic refinance scheme for payment of wages and salaries	1,112,007	1,805,305
Islamic refinance scheme for combating COVID (IRFCC)	94,040	23,921
Islamic Refinance Scheme for Modernization of SMEs	82,580	-
Islamic Long-Term Financing Facility	201,870	-
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)	47,744	18,289
	<u>38,977,978</u>	<u>15,030,786</u>
Refinance facility for Islamic Mortgage	<u>3,413,294</u>	<u>3,762,546</u>
Total secured	<u>42,391,272</u>	<u>18,793,332</u>

Unsecured

Musharakah Acceptance	500,000	2,400,000
Total unsecured	<u>500,000</u>	<u>2,400,000</u>
	<u>42,891,272</u>	<u>21,193,332</u>

17 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	June 30, 2022			December 31, 2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	139,708,915	4,256,125	143,965,040	128,156,769	3,998,743	132,155,512
Savings deposits	83,756,972	3,815,050	87,572,022	80,518,080	3,609,545	84,127,625
Term deposits	116,239,003	4,002,329	120,241,332	103,796,987	3,357,730	107,154,717
Others	7,030,888	71,505	7,102,393	1,979,022	85,336	2,064,358
	346,735,778	12,145,009	358,880,787	314,450,858	11,051,354	325,502,212
Financial Institutions						
Current deposits	223,273	25,434	248,707	258,791	12,098	270,889
Savings deposits	11,297,257	-	11,297,257	18,187,489	-	18,187,489
Term deposits	281,190	-	281,190	827,366	-	827,366
Others	11,801,720	25,434	11,827,154	19,273,646	12,098	19,285,744
	358,537,498	12,170,443	370,707,941	333,724,504	11,063,452	344,787,956

18 SUBORDINATED SUKUK

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

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

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

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

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
Note	-----Rupees in '000-----	
19 OTHER LIABILITIES		
Profit / return payable in local currency	2,995,366	2,065,774
Profit / return payable in foreign currencies	32,042	15,883
Accrued expenses	1,158,981	1,212,470
Deferred Murabahah Income Financing and IERS	359,503	224,673
Payable to defined benefit plan	4,677	4,677
Payable to defined contribution plan	30,145	26,008
Defined Benefit Plan liabilities	250,026	173,630
Security deposits against Ijarah	714,974	802,252
Lease liability against right-of-use assets	2,983,807	3,213,456
Provision against off-balance sheet obligations	85,975	85,975
Acceptances	5,357,503	5,462,889
Current taxation (provisions less payments)	528,285	52,825
Provision against other tax liabilities	150,711	104,864
Sundry creditors	320,177	362,068
Payable to brokers against purchase of shares - net	442	270
Charity payable	7,621	2,360
Retention money payable	13,486	13,402
Provision for Workers' Welfare Fund	247,808	193,857
Branch adjustment account	-	-
Rental received in advance	36,555	99,555
Others	231,997	296,586
	<u>15,510,081</u>	<u>14,413,474</u>

20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of:

Available for sale securities	9.1	2,290,400	2,137,440
Fixed assets		2,897,113	3,003,156
Non-banking assets acquired in satisfaction of claims		122,078	189,628
		5,309,591	5,330,224

Deferred tax liability on surplus on revaluation of:

Available for sale securities	13	(801,640)	(748,104)
Fixed assets		(1,013,990)	(1,051,413)
Non-banking assets acquired in satisfaction of claims		(42,729)	(66,370)
		<u>(1,858,359)</u>	<u>(1,865,887)</u>
		<u>3,451,232</u>	<u>3,464,337</u>

21 CONTINGENCIES AND COMMITMENTS

- Guarantees	21.1	6,887,208	8,224,035
- Commitments	21.2	48,072,119	40,351,640
- Other contingent liabilities	21.3	229,652	229,652
		<u>55,188,979</u>	<u>48,805,327</u>

21.1 Guarantees:

Performance guarantees		3,742,875	3,920,100
Other guarantees		3,144,333	4,303,935
		<u>6,887,208</u>	<u>8,224,035</u>

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
		-----Rupees in '000-----	
21.1 Guarantees:			
Performance guarantees		3,742,875	3,920,100
Other guarantees		3,144,333	4,303,935
		<u>6,887,208</u>	<u>8,224,035</u>
21.2 Commitments:			
Documentary credits and short-term trade-related transactions:			
- letters of credit		37,867,710	27,081,324
Commitments in respect of:			
- Shariah compliant alternative of forward foreign exchange contracts	21.2.1	2,812,934	3,963,854
Commitments for acquisition of:			
- fixed assets		306,507	198,978
- intangible assets		25,914	107,052
Other commitments	21.2.2	<u>7,059,054</u>	<u>9,000,432</u>
		48,072,119	40,351,640
21.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions			
Purchase		29,723,528	15,970,727
Sale		(26,910,594)	(12,006,873)
		<u>2,812,934</u>	<u>3,963,854</u>
21.2.2 Other commitments			
Bills for collection		<u>7,059,054</u>	<u>9,000,432</u>
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	<u>225,452</u>	<u>225,452</u>
		<u>229,652</u>	<u>229,652</u>
21.3.1	There is no change in the status of contingencies related to pending legal cases, as set out in note 26.3.1 to the annual financial statements of the Bank for the year ended December 31, 2021.		
21.3.2	There is no change in the status of tax and other contingencies, as set out in note 26.3.2 to the annual financial statements of the Bank for the year ended December 31, 2021.		

		(Un-audited) June 30, 2022	(Audited) June 30, 2021
		-----Rupees in '000-----	
22 PROFIT / RETURN EARNED			
On:			
Financing		10,016,294	5,731,035
Investments		6,515,454	3,473,281
Placements		1,764,257	1,691,901
Others		74,564	61,036
		<u>18,370,569</u>	<u>10,957,253</u>

	Note	(Un-audited) June 30, 2022	June 30, 2021
		-----Rupees in '000-----	
23	PROFIT / RETURN EXPENSED		
	On:		
	Deposits and other accounts	8,107,010	5,199,484
	Due to financial institutions	1,974,677	385,843
	Cost of foreign currency swaps against foreign currency deposits	57,627	5,849
	Amortisation of lease liability against right of use assets	174,589	197,460
	Subordinated Sukuk	138,440	101,842
		<u>10,452,343</u>	<u>5,890,478</u>
24	FEE AND COMMISSION INCOME		
	Branch banking customer fees	28,444	24,540
	Commission on bancatakaful	59,107	79,389
	Card related fees	263,742	169,062
	Commission on arrangement with financial institutions	49,040	48,039
	Consumer finance related fees	37,561	34,153
	Commission on guarantees	32,468	53,615
	Investment banking fees	55,790	79,570
	Commission on cash management	6,899	2,786
	Commission on remittances including home remittances	35,491	14,496
	Commission on trade	156,654	102,441
	Others	3,954	3,113
		<u>729,150</u>	<u>611,204</u>
25	GAIN ON SECURITIES		
	Realized gain	25.1 <u>18,725</u>	<u>218,595</u>
25.1	Realized gain on:		
	Federal Government Shariah Compliant Securities	18,725	-
	Non-Government Shariah compliant Securities	-	45,354
	Shares	-	21,640
	Non-Current Assets held for sale	-	151,601
		<u>18,725</u>	<u>218,595</u>
26	OTHER INCOME - NET		
	Rent on property	729	579
	Gain on termination of financing	61,064	40,704
	Gain on sale of fixed assets	11,503	269
	Gain on sale of non-banking assets	208,967	-
	Recoveries against previously expensed items	73,854	3,190
	Others	1,886	-
		<u>358,003</u>	<u>44,742</u>

27 OPERATING EXPENSES

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

Total compensation expense	2,553,138	1,984,800
Property expense		
Rent & taxes	30,898	31,352
Takaful cost	2,218	967
Utilities cost	237,583	198,294
Security (including guards)	200,025	174,388
Repair & maintenance (including janitorial charges)	107,072	102,267
Depreciation	240,722	190,130
Depreciation on right-of-use assets	423,459	420,710
	1,241,977	1,118,108
Information technology expenses		
Software maintenance	174,590	156,063
Hardware maintenance	78,360	48,706
Depreciation	129,716	110,706
Amortization	41,837	28,728
Network charges	111,971	92,492
	536,474	436,695
Other operating expenses		
Directors' fees and allowances	5,880	7,160
Fees and allowances to Shariah Board	10,986	8,885
Legal & professional charges	69,441	71,429
Travelling & conveyance	39,594	19,759
NIFT clearing charges	12,839	14,035
Depreciation	98,155	94,205
Depreciation on non-banking assets	2,126	2,976
Entertainment expense	50,415	28,890
Training & development	3,552	2,617
Postage & courier charges	24,786	16,218
Communication	33,826	23,630
Stationery & printing	128,456	64,177
Marketing, advertisement & publicity	136,353	65,709
Repairs and maintenance	63,964	45,011
Takaful, tracker and other charges on car Ijarah - net of income	-	99,893
Takaful / Insurance	168,593	140,447
Fee and subscription	103,306	74,370
Vehicle running and maintenance	124,129	75,391
Donations	56	1,500
Auditors remuneration	11,464	6,790
Amortization	2,296	1,127
CDC and share registrar services	3,984	4,710
Brokerage and commission	12,179	11,187
Stamp duty, registration & verification charges	44,915	46,096
Others	29,981	18,658
	1,181,276	944,870
	5,512,865	4,484,473

	Note	(Un-audited)	
		June 30, 2022	June 30, 2021
		-----Rupees in '000-----	
28	OTHER CHARGES		
	Penalties imposed by the State Bank of Pakistan	7,701	2,055
29	PROVISIONS AND WRITE OFFS - NET		
	Reversal of provision against Due from financial institutions	(1,620)	(1,620)
	Charge / (reversal) of provision for diminution in value of Investments	1,045	(18,774)
	Provision against Islamic financing and related assets and advances - net	10.15.2 1,353,205	461,169
	Other provisions / (reversal) / write offs - net	3,332	(728,053)
		1,355,962	(287,278)
30	TAXATION		
	Current	732,674	249,988
	Prior periods	-	(149,216)
	Deferred	528,640	616,959
		1,261,314	717,731
31	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit after taxation for the period	1,436,257	1,162,028
		----- Number of shares -----	
	Weighted average number of ordinary shares	1,108,703,299	1,108,703,299
		----- Rupees -----	
	Basic and diluted EPS	31.1 1.2954	1.0481
31.1	There were no convertible / dilutive potential ordinary shares outstanding as at June 30, 2022 and June 30, 2021, therefore diluted earning per share has not been presented separately.		

32 FAIR VALUE MEASUREMENTS

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

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

32.1 Fair value of financial assets

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

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

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

(Un-audited)				
June 30, 2022				
Level 1	Level 2	Level 3	Total	
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / Modaraba certificates	401,115	-	584,495	985,610
GoP Ijarah Sukuks	-	86,220,542	-	86,220,542
Non-Government Shariah compliant securities	32,400,625	6,787,042	-	39,187,667
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	-	7,555,763	7,555,763
Non-banking assets acquired in satisfaction of claims	-	-	1,275,376	1,275,376
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	29,723,528	-	29,723,528
Shariah compliant alternative of forward sale of foreign exchange	-	26,910,594	-	26,910,594

(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 / Modaraba certificates	353,702	-	584,495	938,197
GoP Ijarah Sukuks	-	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) June 30, 2022					
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
----- Rupees in '000 -----					
Profit & Loss					
Net profit / return	5,877,315	(5,086,961)	7,375,263	(247,391)	7,918,226
Inter segment revenue - net	(6,558,250)	14,047,396	(7,679,563)	190,417	-
Total other income	671,710	547,874	264,348	225,892	1,709,824
Total income	(9,225)	9,508,309	(39,952)	168,918	9,628,050
Segment direct expenses	39,882	3,303,365	289,385	1,941,885	5,574,517
Inter segment expense allocation	16,152	1,079,387	295,492	(1,391,031)	-
Total expenses	56,034	4,382,752	584,877	550,854	5,574,517
Provisions / (reversals)	(575)	80,192	1,273,960	2,385	1,355,962
Profit / (loss) before tax	(64,684)	5,045,365	(1,898,789)	(384,321)	2,697,571

Balance Sheet

(Un-audited) June 30, 2022				
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
Rupees in '000				
Cash & Bank balances	4,731,332	29,530,375	-	34,261,707
Investments	127,021,761	-	-	127,021,761
Net inter segment placements	-	294,954,029	7,386,717	302,340,746
Due from financial institutions	52,634,211	-	-	52,634,211
Islamic financing and related assets				
- performing	-	45,224,019	3,858,799	205,799,790
- non-performing - net	-	1,120,777	187,600	3,006,012
Others	4,781,628	998,652	9,975,603	22,306,207
Total Assets	189,168,932	371,827,852	168,390,210	33,739,323
Due to financial institutions	28,591,226	3,413,294	10,886,752	-
Subordinated sukuk	-	-	-	2,000,000
Deposits & other accounts	10,046,932	360,198,859	462,150	370,707,941
Net inter segment acceptances	150,391,606	-	151,949,140	-
Others	139,168	8,215,699	5,554,318	7,230,290
Total liabilities	189,168,932	371,827,852	168,390,210	9,692,440
Equity	-	-	-	24,046,883
Total Equity & liabilities	189,168,932	371,827,852	168,390,210	33,739,323
Contingencies & Commitments	2,812,934	-	51,813,972	562,073

(Un-audited) June 30, 2021				
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
Rupees in '000				
Profit & Loss				
Net profit / return	4,252,376	(3,333,345)	4,188,868	(41,124)
Inter segment revenue - net	(3,941,898)	7,672,745	(3,631,317)	(99,530)
Total other income	272,020	356,239	247,628	177,281
Total Income	582,498	4,695,639	805,179	36,627
Segment direct expenses	39,162	3,439,623	170,554	878,123
Inter segment expense allocation	48,886	446,228	339,914	(835,028)
Total expenses	88,048	3,885,851	510,468	43,095
Provisions / (reversals)	(20,394)	97,149	360,281	(724,314)
Profit / (loss) before tax	514,844	712,639	(65,570)	717,846

(Audited) December 31, 2021				
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
Rupees in '000				
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
- non-performing - net	-	1,189,828	1,242,013	116,206
Others	6,700,295	7,658,757	543,878	24,283,023
Total Assets	182,079,810	339,064,683	139,104,721	32,327,327
Due to financial institutions	6,091,010	3,727,127	11,375,195	-
Subordinated sukuk	-	-	-	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	-
Others	29,880	7,598,553	2,453,126	7,816,125
Total liabilities	182,079,811	339,064,683	139,104,720	9,816,125
Equity	-	-	-	22,511,202
Total Equity & liabilities	182,079,811	339,064,683	139,104,720	32,327,327
Contingencies & Commitments	3,963,854	-	44,305,791	535,682

34 RELATED PARTY TRANSACTIONS

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

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

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

	(Un-audited)					(Audited)				
	June 30, 2022					December 31, 2021				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)										
Investments										
Opening balance	-	-	104,771	1,660,111	-	-	-	104,771	1,660,111	-
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the period / year	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
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	-	133,065	-	255,856	2,043,995	-	137,090	679,000	386,691	4,264,589
Repaid during the period / year	(2,184)	(85,939)	-	(255,974)	(1,793,995)	(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	13,198	308,846	-	480,422	950,001	15,382	280,483	-	480,540	700,001
Other assets										
Profit receivable on financings	90	115	-	3,921	8,662	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	12,815	391,007	-	713,158	7,117,551	63,980	474,247	19,340,732	2,350,516	10,058,067
Withdrawn during the period / year	(13,961)	(396,380)	-	(739,546)	(6,804,761)	(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	4,917	37,189	4	950	2,221,944	6,063	42,412	4	27,338	1,306,399
Other liabilities										
Profit / return payable	1	271	-	-	14,623	1	201	1	2	7,305
Contingencies and Commitments										
Other contingencies	-	-	-	17,280	892,427	-	-	-	23,385	697,037
(Rupees in '000)										
	(Un-audited)					(Un-audited)				
	June 30, 2022					June 30, 2021				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Income										
Profit / return earned	674	5,515	-	10,718	26,830	866	4,286	-	19,380	35,702
Other income	-	6,265	-	-	-	-	3,922	579	-	-
Expense										
Profit / return expensed	6	444	-	17	71,592	26	444	28,043	611	49,187
Other administrative expenses	-	1,629	-	-	20,651	-	1,867	251	-	4,404
Meeting fee / remuneration	5,880	205,450	-	-	-	7,160	137,667	-	-	-
Contribution to employees provident fund	-	-	-	-	82,746	-	-	-	-	67,142
Charge for employees gratuity fund	-	-	-	-	76,396	-	-	-	-	63,279

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
	11,007,991	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	15,702,818	13,551,736
Eligible Additional Tier 1 (ADT 1) Capital	2,000,000	2,000,000
Total Eligible Tier 1 Capital	17,702,818	15,551,736
Eligible Tier 2 Capital	5,511,471	4,749,756
Total Eligible Capital (Tier 1 + Tier 2)	23,214,289	20,301,492
Risk Weighted Assets (RWAs):		
Credit Risk	138,477,689	118,364,672
Market Risk	2,538,187	1,120,150
Operational Risk	24,003,263	24,003,263
Total	165,019,139	143,488,085
Common Equity Tier 1 Capital Adequacy ratio	9.52%	9.44%
Tier 1 Capital Adequacy Ratio	10.73%	10.84%
Total Capital Adequacy Ratio	14.07%	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) June 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	17,702,818	17,050,328
Total Exposures	520,520,638	432,073,943
	3.40%	3.95%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	146,130,149	117,677,463
Total Net Cash Outflow	53,144,885	48,190,151
Liquidity Coverage Ratio	274.97%	249.73%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	370,501,486	347,348,801
Total Required Stable Funding	166,884,173	145,818,809
Net Stable Funding Ratio	222.01%	238.21%

36 GENERAL

36.1 Captions, as prescribed by BPRD Circular No. 02, dated: January 25, 2018 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these unconsolidated financial statements, except for captions of the condensed interim Unconsolidated Statement of Financial Position and condensed interim Unconsolidated Profit and Loss Account.

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

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

36.4 Corresponding figures

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

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

37 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on August 24, 2022 by the Board of Directors of the Bank.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

Condensed Interim
Consolidated Financial Statements
of
BankIslami Pakistan Limited
For the Half Year Ended
June 30, 2022

BankIslami Pakistan Limited

Condensed Interim Consolidated Statement of Financial Position

AS AT JUNE 30, 2022

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
----- Rupees in '000 -----			
ASSETS			
Cash and balances with treasury banks	6	29,657,681	24,552,347
Balances with other banks	7	4,606,228	3,694,155
Due from financial institutions - net	8	52,634,211	34,945,365
Investments - net	9	127,421,852	125,228,590
Islamic financing, related assets and advances - net	10	208,805,802	181,176,239
Fixed assets	11	13,431,146	13,618,491
Intangible assets	12	3,309,391	3,223,191
Deferred tax assets	13	3,608,539	4,183,055
Other assets - net	14	17,635,695	18,084,464
Total Assets		461,110,545	408,705,897
LIABILITIES			
Bills payable	15	5,629,394	3,484,210
Due to financial institutions	16	42,891,272	21,193,332
Deposits and other accounts	17	370,707,936	344,787,951
Subordinated Sukuk	18	2,000,000	2,000,000
Deferred tax liabilities		-	-
Other liabilities	19	15,529,276	14,433,237
		436,757,878	385,898,730
NET ASSETS		24,352,667	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	3,442,167	3,455,272
Unappropriated profit		8,199,365	6,640,760
		24,352,667	22,807,167
CONTINGENCIES AND COMMITMENTS	21		

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

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2022

	Note	Quarter Ended		Half Year Ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		Rupees in '000			
Profit / return earned	22	10,616,214	5,618,530	18,370,569	10,948,721
Profit / return expensed	23	6,042,378	3,007,176	10,452,343	5,862,446
Net Profit / return		4,573,836	2,611,354	7,918,226	5,086,275
OTHER INCOME					
Fee and commission income	24	325,340	306,551	729,150	611,204
Dividend income		12,565	3,878	12,565	9,048
Foreign exchange income		378,128	108,516	591,381	169,579
Gain on securities	25	3,157	70	18,725	28,941
Other income - net	26	317,491	28,009	358,003	44,163
Total other income		1,036,681	447,024	1,709,824	862,935
Total Income		5,610,517	3,058,378	9,628,050	5,949,210
OTHER EXPENSES					
Operating expenses	27	2,852,136	2,304,340	5,512,865	4,484,473
Workers Welfare fund		36,488	22,029	53,951	40,934
Other charges	28	7,441	2,010	7,701	2,055
Total other expenses		2,896,065	2,328,379	5,574,517	4,527,462
Profit before provisions		2,714,452	729,999	4,053,533	1,421,748
Provisions and write offs - net	29	890,045	(314,508)	1,355,962	(267,278)
Extra ordinary / unusual items		-	-	-	-
Share of profit / (loss) from associate - net of tax		9,819	21,422	9,819	43,858
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		1,834,226	1,065,929	2,707,390	1,732,884
Taxation	30	910,266	470,561	1,261,314	717,731
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		923,960	595,368	1,446,076	1,015,153
DISCONTINUED OPERATIONS					
Profit after taxation from Discontinued Operations		-	40,215	-	92,609
PROFIT AFTER TAXATION		923,960	635,583	1,446,076	1,107,762
ATTRIBUTABLE TO:					
Equity shareholders of the Bank		923,960	621,226	1,446,076	1,078,070
Non-controlling interest		-	14,357	-	29,692
		923,960	635,583	1,446,076	1,107,762
----- Rupees -----					
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Bank					
Basic and diluted	31	0.8334	0.5370	1.3043	0.9156
Earnings per share for profit attributable to the ordinary equity holders of the Bank					
Basic and diluted	31	0.8334	0.5733	1.3043	0.9724

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

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2022

	Quarter Ended		Half Year Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
----- Rupees in '000 -----				
Profit after taxation for the year attributable to:				
Equity shareholders of the Bank	923,960	621,226	1,446,076	1,078,070
Non-controlling interest	-	14,357	-	29,692
	<u>923,960</u>	<u>635,583</u>	<u>1,446,076</u>	<u>1,107,762</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	141,291	118,516	99,424	269,785
Non-controlling interest	-	3,764	-	4,048
	<u>141,291</u>	<u>122,280</u>	<u>99,424</u>	<u>273,833</u>
Items that may not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of operating fixed assets - net of tax	-	-	-	1,150
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,150</u>
Total comprehensive income	<u>1,065,251</u>	<u>757,863</u>	<u>1,545,500</u>	<u>1,382,745</u>
Total comprehensive income attributable to:				
Equity shareholders of the Bank	1,065,251	739,742	1,545,500	1,349,005
Non-controlling interest	-	18,121	-	33,740
	<u>1,065,251</u>	<u>757,863</u>	<u>1,545,500</u>	<u>1,382,745</u>
Total comprehensive income attributable to equity shareholders of the Bank:				
Continuing operations	1,065,251	705,128	1,545,500	1,313,432
Discontinued operations	-	34,614	-	35,573
	<u>1,065,251</u>	<u>739,742</u>	<u>1,545,500</u>	<u>1,349,005</u>

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

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

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

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2022

	Share capital	Discount on Issue of shares	Statutory reserve	Revenue reserve for bad debts & contingency	Surplus on revaluation of		Unappropriated profit	Sub total	Non-controlling interest	Total
					Investments	Fixed / Non Banking Assets				
Rupees in '000										
Opening Balance as at January 1, 2021	11,087,033	(79,042)	1,276,894	250,000	1,393,859	1,632,499	4,734,999	20,296,242	216,840	20,513,082
Profit after taxation for the half year ended June 30, 2021	-	-	-	-	-	-	1,078,070	1,078,070	29,692	1,107,762
Other comprehensive income for the half year ended June 30, 2021 - net of tax	-	-	-	-	269,785	1,150	-	270,935	4,048	274,983
	-	-	-	-	269,785	1,150	1,078,070	1,349,005	33,740	1,382,745
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	-	-	-	-	-	(833)	833	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(691)	691	-	-	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(6,866)	6,866	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Opening Balance as at July 1, 2021	11,087,033	(79,042)	1,276,894	250,000	1,663,644	1,625,259	5,821,459	21,645,247	-	21,645,247
Profit after taxation for the period from July 01, 2021 to December 31, 2021	-	-	-	-	-	-	953,090	953,090	-	953,090
Other comprehensive (loss) / income for the period from July 01, 2021 to December 31, 2021 - net of tax	-	-	-	-	(283,373)	525,982	(33,779)	208,830	-	208,830
	-	-	-	-	(283,373)	525,982	919,311	1,161,920	-	1,161,920
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	-	-	-	-	-	(1,381)	1,381	-	-	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-
Transfer from Surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(17,911)	17,911	-	-	-
Transfer to statutory reserve	-	-	426,250	-	-	-	(426,250)	-	-	-
Transfer from revenue reserve for bad debts & contingencies to unappropriated profit	-	-	-	(250,000)	-	-	250,000	-	-	-
Opening Balance as at January 1, 2022	11,087,033	(79,042)	1,703,144	-	1,380,271	2,075,001	6,640,760	22,807,167	-	22,807,167
Profit after taxation for the half year ended June 30, 2022	-	-	-	-	-	-	1,446,076	1,446,076	-	1,446,076
Other comprehensive income for the half year ended June 30, 2022 - net of tax	-	-	-	-	99,424	-	-	99,424	-	99,424
	-	-	-	-	99,424	-	1,446,076	1,545,500	-	1,545,500
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(58,209)	58,209	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	(561)	561	-	-	-
Transfer from surplus on revaluation of fixed assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(10,412)	10,412	-	-	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	-	(43,347)	43,347	-	-	-
Closing Balance as at June 30, 2022	11,087,033	(79,042)	1,703,144	-	1,479,695	1,962,472	8,199,366	24,352,667	-	24,352,667

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

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CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR



BankIslami Pakistan Limited

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

FOR THE HALF YEAR ENDED JUNE 30, 2022

		June 30, 2022	June 30, 2021
Note		Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
		2,707,390	1,732,884
		-	141,722
		(12,565)	(9,048)
		(9,819)	(43,858)
		2,685,006	1,821,700
Adjustments for non-cash charges and other items:			
		468,593	395,041
		2,126	2,976
		423,459	420,710
		44,133	29,855
		46,081	1,112,358
		174,589	197,460
23		1,355,962	(267,278)
29		76,396	63,279
		-	38,053
25.1		(11,503)	(269)
26		(208,967)	-
26			
		2,370,869	1,992,185
		5,055,875	3,813,885
(Increase) / decrease in operating assets			
		(17,688,846)	(187,156)
		(29,028,848)	(15,149,707)
		699,774	395,390
		(46,017,920)	(14,941,473)
Increase / (decrease) in operating liabilities			
		2,145,184	897,432
		21,697,940	(3,459,110)
		25,919,985	21,165,176
		773,832	(330,055)
		50,536,941	18,273,443
		9,574,896	7,145,855
		(257,214)	(380,836)
		9,317,682	6,765,019
Net cash generated from continuing operations			
		9,317,682	6,765,019
Net cash used in discontinued operations			
		-	(591,071)
Net cash generated from operating activities			
		9,317,682	6,173,948
CASH FLOW FROM INVESTING ACTIVITIES			
		(2,085,066)	(11,614,463)
		12,565	9,048
		(559,092)	(512,620)
		(612,990)	(1,735,469)
		(130,333)	(62,544)
		-	753,210
		74,640	33,253
		(3,300,275)	(13,129,586)
Net cash flow (used in) investing activities			
		6,017,407	(6,955,638)
		28,246,502	34,344,497
		34,263,909	27,388,859
Increase / (Decrease) in cash and cash equivalents			
		6,017,407	(6,955,638)
		28,246,502	34,344,497
		34,263,909	27,388,859

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

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DIRECTOR

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DIRECTOR

BankIslami Pakistan Limited

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

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2022

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

1.1 BankIslami Pakistan Limited (Holding Company or the Bank)

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

The State Bank of Pakistan (SBP) granted a 'Scheduled Islamic Commercial Bank' license to the 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 346 branches including 80 sub-branches as at June 30, 2022 (December 31, 2021: 340 branches including 80 sub-branches). The registered office of the Holding Company is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. The shares of the Holding Company are quoted on the Pakistan Stock Exchange Limited.

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

1.2 Subsidiary Companies

1.2.1 My Solutions Corporation Limited - 100 percent holding

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

- 2.2 The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These condensed interim consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021.
- 2.3 The SBP, through its BSD Circular No. 10 dated August 26, 2002, has deferred the implementation of International Accounting Standard (IAS) 39 - "Financial Instruments: Recognition and Measurement" and IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Accordingly, the requirements of these Standards have not been considered in the preparation of these consolidated financial statements. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of this standard have also not been considered in the preparation of these condensed interim consolidated financial statements. However, investments and non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 2.4 Further, as per SBP's BPRD circular no. 03 of 2022, IFRS 9 'Financial Instruments' is applicable:
- Effective from 1 January 2023 for banks having asset size of PKR 500 billion or above as per their Annual Financial Statements of December 31, 2021.
 - Effective from 1 January 2024 for all other banks.

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

- 2.5 The Holding Company provides financing mainly through Murabahah, Ijarah, Istisna, Diminishing Musharakah, Muswammah and other Islamic modes.

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

2.6 Basis of Consolidation

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

The financial statements of all material subsidiaries are prepared for the same reporting period as the Holding Company, using accounting policies that are generally consistent with those of the Holding Company, except for non-banking subsidiaries in Pakistan which follow the requirements of IFRS 9: Financial Instruments, IAS 40: Investment Property and IFRS - 7: Financial Instruments: Disclosures, which are required to comply with local regulations enforced within the respective jurisdictions.

Material intra-group balances and transactions are eliminated.

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current and application of materiality to disclosure of accounting policies - Amendments to IAS 1.	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5 FINANCIAL RISK MANAGEMENT

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

6 CASH AND BALANCES WITH TREASURY BANKS

In hand:

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
- Local currency	8,712,350	8,369,573
- Foreign currency	871,491	710,923
	<u>9,583,841</u>	<u>9,080,496</u>

With the State Bank of Pakistan in:

- Local currency current account	13,852,321	10,641,385
- Foreign currency deposit accounts:		
- Cash reserve account	618,637	565,020
- Special cash reserve account	747,281	682,577
- US dollar clearing account	66,811	11,674
	<u>1,432,729</u>	<u>1,259,271</u>

With National Bank of Pakistan in:

- Local currency current account	4,787,997	3,563,460
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Prize bonds

	793	7,735
	<u>29,657,681</u>	<u>24,552,347</u>

7 BALANCES WITH OTHER BANKS

In Pakistan:

- In current accounts	927	967
- In deposit accounts	2,329	2,327
	<u>3,256</u>	<u>3,294</u>

Outside Pakistan:

- In current accounts	4,266,934	3,501,107
- In deposit accounts	336,038	189,754
	<u>4,606,228</u>	<u>3,694,155</u>

8 DUE FROM FINANCIAL INSTITUTIONS - NET

Note	(Un-audited)			(Audited)		
	June 30, 2022			December 31, 2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- Rupees in '000 -----						
Secured						
Bai Muajjal Receivable						
-from Banks	8.1	-	-	4,951,909	-	4,951,909
-from Other Financial Institutions	8.1	11,532,608	11,532,608	4,008,737	-	4,008,737
Unsecured						
Wakalah Placement	8.2	-	-	-	518,416	518,416
Musharaka Placements	8.3	19,000,000	19,000,000	15,000,000	-	15,000,000
Bai Muajjal Receivable						
-from Banks	8.1	-	-	1,980,792	-	1,980,792
-from other financial Institutions	8.1	22,101,603	22,101,603	8,485,511	-	8,485,511
Other placements		22,680	22,680	24,300	-	24,300
		<u>52,656,891</u>	<u>52,656,891</u>	<u>34,451,249</u>	<u>518,416</u>	<u>34,969,665</u>
Provision held against						
Financial Institution Placements	8.4	(22,680)	(22,680)	(24,300)	-	(24,300)
Due from financial institutions - net		<u>52,634,211</u>	<u>52,634,211</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 11.15% to 15.50% (2021: 7.35% to 11.52%) per annum. The balances have maturities ranging between 4 days to 280 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.12,000 million as at June 30, 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 13.4% to 14% (2021: 10% to 11%) per annum and the agreements have maturities of 4 to 13 days (2021: 4 to 7 days).

8.4 Category of classification

Domestic	(Un-audited)		(Audited)	
	June 30, 2022		December 31, 2021	
	Classified Placements	Provision held	Classified Placements	Provision held
----- Rupees in '000 -----				
Loss	22,680	22,680	24,300	24,300

8.4.1 The Holding Company does not hold overseas classified placements.

9 INVESTMENTS - NET

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	----- Rupees in '000 -----	
INVESTMENTS - NET			
Investments - Islamic	9.1 & 9.3	126,844,177	124,650,915
Investments - Conventional (relating to amalgamated entity)	9.2 & 9.4	577,675	577,675
		<u>127,421,852</u>	<u>125,228,590</u>

9.1 Islamic Investments by type

Note	(Un-audited)				(Audited)			
	June 30, 2022				December 31, 2021			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----								
Available for sale securities								
Federal Government Shariah Compliant Securities								
	86,242,730	-	(22,188)	86,220,542	83,614,067	-	22,710	83,636,777
Shares / Modaraba certificates								
	378,604	(71,722)	101,053	407,935	277,373	(70,677)	153,826	360,522
Non-Government Shariah Compliant Securities								
	37,012,012	(35,880)	2,211,535	39,187,667	37,710,377	(35,880)	1,960,904	39,635,401
	123,633,346	(107,602)	2,290,400	125,816,144	121,601,817	(106,557)	2,137,440	123,632,700
Associates								
	1,028,033	-	-	1,028,033	1,018,215	-	-	1,018,215
Total Islamic investments								
	124,661,379	(107,602)	2,290,400	126,844,177	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								
	86,242,730	-	(22,188)	86,220,542	73,308,231	-	22,710	73,330,941
Bai Muajjal								
	-	-	-	-	10,305,836	-	-	10,305,836
	86,242,730	-	(22,188)	86,220,542	83,614,067	-	22,710	83,636,777
Shares								
Listed companies								
	371,784	(71,722)	101,053	401,115	270,553	(70,677)	153,826	353,702
Non-Government Shariah Compliant Securities								
Listed								
Pakistan Energy Sukuk-I								
9.3.1	27,146,945	-	1,845,992	28,992,937	27,146,945	-	1,832,419	28,979,364
Pakistan Energy Sukuk-II								
9.3.2	3,391,835	-	15,853	3,407,688	3,392,588	-	42,172	3,434,760
	30,538,780	-	1,861,845	32,400,625	30,539,533	-	1,874,591	32,414,124
Unlisted								
Sukuk certificates								
	6,473,232	(35,880)	349,690	6,787,042	7,170,844	(35,880)	86,313	7,221,277
Foreign securities								
Equity securities								
	6,820	-	-	6,820	6,820	-	-	6,820
Associates								
Shakarganj Food Products Limited								
	1,028,033	-	-	1,028,033	1,018,215	-	-	1,018,215
	124,661,379	(107,602)	2,290,400	126,844,177	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)			
	June 30, 2022				December 31, 2021			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----								
Shares								
Unlisted Companies	33,680	(33,680)	-	-	33,680	(33,680)	-	-
Non Government Debt Securities								
Listed	82,785	(82,785)	-	-	82,785	(82,785)	-	-
Unlisted	239,652	(239,652)	-	-	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)	-	-
	2,544,213	(1,966,538)	-	577,675	2,544,213	(1,966,538)	-	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)
		June 30, 2022	December 31, 2021
		----- Rupees in '000 -----	
9.5	Investments given as collateral		
	Federal Government Securities	30,889,000	5,889,000
9.6	Provision for diminution in value of investments		
9.6.1	Opening balance	2,073,095	2,344,536
	Charge / reversals		
	Charge for the period / year	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)	
	June 30, 2022		December 31, 2021	
	Non-performing investments	Specific Provision	Non-performing investments	Specific Provision
----- Rupees in '000 -----				
Domestic				
Loss	634,568	358,317	634,568	358,317
Total	634,568	358,317	634,568	358,317

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

10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES - NET

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
		----- Rupees in '000 -----	
Islamic financing and related assets - net	10.1	208,629,555	180,992,699
Advances (relating to amalgamated entity) - net	10.2	176,247	183,540
		<u>208,805,802</u>	<u>181,176,239</u>

Note	(Un-audited)		(Audited)		(Un-audited)		(Audited)		(Un-audited)		(Audited)	
	Performing		Non Performing		Non Performing		Total		Total		Total	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
----- Rupees in '000 -----												
10.1 ISLAMIC FINANCING AND RELATED ASSETS												
In Pakistan												
- Running Musharakah	10.9	71,255,486	62,285,085	1,361,510	1,424,510	72,616,996	63,709,595					
- Diminishing Musharakah financing and related assets - Others	10.3	38,505,391	32,965,920	3,277,207	1,616,390	41,782,598	34,582,310					
- Diminishing Musharakah - Housing		24,498,968	18,814,897	1,509,437	1,621,348	26,008,405	20,436,245					
- Diminishing Musharakah financing and related assets - Auto		24,588,760	22,580,287	410,868	267,268	24,999,628	22,847,555					
- Istisna financing and related assets	10.4 & 10.10	17,083,090	14,388,358	1,643,755	948,614	18,726,845	15,336,972					
- Murabahah financing and related assets	10.5 & 10.11	15,527,816	14,608,663	256,913	581,036	15,784,729	15,189,699					
- Musawamah financing and related assets / Tijarah	10.6 & 10.12	7,609,924	4,709,506	3,339,761	4,059,763	10,949,685	8,769,269					
- Investment Agency Wakalah		4,166,667	5,208,333	-	-	4,166,667	5,208,333					
- Financing against Bills		1,347,993	1,593,966	-	-	1,347,993	1,593,966					
- Bai Muajjal- Corporate		999,042	-	-	-	999,042	-					
- Ijarah financing under IFAS 2 and related assets	10.7	606,993	504,768	144,793	338,865	751,786	843,633					
- Murabahah against Bills		382,383	970,192	25,622	-	408,005	970,192					
- Musharakah financing		280,000	280,000	-	-	280,000	280,000					
- Qardh-e-Hasana		37,516	1,680	120,679	121,860	158,195	123,540					
- Salam	10.8	143,900	104,898	-	-	143,900	104,898					
- Net investment in Ijarah financing in Pakistan		111,548	131,545	-	-	111,548	131,545					
- Past Due Acceptance		4,580	32,280	29,153	-	33,733	32,280					
- Housing finance portfolio - others		25,187	31,241	-	-	25,187	31,241					
Islamic financing and related assets - gross		<u>207,175,244</u>	<u>179,211,619</u>	<u>12,119,698</u>	<u>10,979,654</u>	<u>219,294,942</u>	<u>190,191,273</u>					
Less: Provision against non-performing Islamic financing and related assets												
- Specific	10.15	-	-	(9,172,941)	(8,431,606)	(9,172,941)	(8,431,606)					
- General	10.15	(1,492,446)	(766,968)	-	-	(1,492,446)	(766,968)					
		(1,492,446)	(766,968)	(9,172,941)	(8,431,606)	(10,665,387)	(9,198,574)					
Islamic financing and related assets - net of provision		<u>205,682,798</u>	<u>178,444,651</u>	<u>2,946,757</u>	<u>2,548,048</u>	<u>208,629,555</u>	<u>180,992,699</u>					

10.2 ADVANCES

Loans, cash credits, running finances, etc. - In Pakistan*	23,227	89,776	4,776,192	4,830,544	4,799,419	4,920,320
Net investment in finance lease - In Pakistan	-	-	582,185	582,185	582,185	582,185
Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan	-	-	684,295	684,295	684,295	684,295
Advances - gross	<u>23,227</u>	<u>89,776</u>	<u>6,042,672</u>	<u>6,097,024</u>	<u>6,065,899</u>	<u>6,186,800</u>
Provision against advances						
- Specific	10.15	-	-	(5,983,416)	(6,097,024)	(5,983,416)
- General	10.15	(55)	(55)	-	-	(55)
		(55)	(55)	(5,983,416)	(6,097,024)	(6,097,079)
Advances - net of provision	<u>23,172</u>	<u>89,721</u>	<u>59,256</u>	<u>93,819</u>	<u>82,428</u>	<u>89,721</u>
Fair value adjustment	10.16	-	-	93,819	93,819	93,819
Advances - net of provision and fair value adjustment	<u>23,172</u>	<u>89,721</u>	<u>153,075</u>	<u>93,819</u>	<u>176,247</u>	<u>183,540</u>

* This includes non-interest bearing performing financing facilities amounting to Rs. 23,227 million (2021: Rs. 89,776 million).

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
10.3 Diminishing Musharakah financing and related assets - Others		
Diminishing Musharakah financing	36,330,272	29,596,294
Advance against Diminishing Musharakah financing	5,452,326	4,986,016
	<u>41,782,598</u>	<u>34,582,310</u>
10.4 Istisna financing and related assets		
Istisna financing	8,836,074	6,984,506
Advance against Istisna financing	9,890,771	8,352,466
	<u>18,726,845</u>	<u>15,336,972</u>
10.5 Murabahah financing and related assets		
Murabahah financing	9,613,416	7,461,935
Deferred murabahah income	617,640	288,114
Advances against Murabaha financing	1,135,025	1,927,813
Murabaha Inventories	4,418,648	5,511,837
	<u>15,784,729</u>	<u>15,189,699</u>
10.6 Muswamah financing and related assets / Tijarah		
Musawamah financing	8,857,146	6,246,037
Advance against Musawamah financing	126,157	266,839
Musawamah inventories	1,966,382	2,256,393
	<u>10,949,685</u>	<u>8,769,269</u>
10.7 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	748,238	843,022
Advance against Ijarah financing	3,548	611
	<u>751,786</u>	<u>843,633</u>
10.8 Salam		
Salam financing	35,001	54,999
Advance against Salam	108,899	49,899
	<u>143,900</u>	<u>104,898</u>
10.9 Running musharakah financing and related assets includes financing amounting to Rs. 2,373 million (2021: Rs. 2,554 million) under Islamic Export Refinance Scheme.		
10.10 Istisna financing and related assets includes financing amounting to Rs. 785.687 million (2021: Rs.1,586 million) and advance amounting to Rs. 1,478.50 million (2021: Rs. 678.800 million) under Islamic Export Refinance Scheme.		
10.11 Murabahah financing and related assets includes financing amounting to Nil (2021: Rs.192.500 million) under Islamic Export Refinance Scheme.		
10.12 Musawamah financing and related assets / Tijarah includes financing amounting to Rs. 50 million (2021: Nil) and Advance amounting to Rs. 100 million (2021: Rs.100 million) under Islamic Export Refinance Scheme.		
	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
10.13 Particulars of Islamic financing and related assets and advances - gross		
In local currency	223,533,346	195,464,197
In foreign currency	1,827,495	913,876
	<u>225,360,841</u>	<u>196,378,073</u>

10.14 Islamic financing and related assets and advances include Rs.18,162.370 million (2021: Rs.17,076.678 million) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited)		(Audited)	
	June 30, 2022		December 31, 2021	
	Non-performing Islamic financing, related assets and advances	Specific Provision	Non-performing Islamic financing, related assets and advances	Specific Provision
----- Rupees in '000 -----				
Domestic				
Other assets especially mentioned	160,939	-	164,571	-
Substandard	937,473	165,106	554,426	92,057
Doubtful	1,387,365	487,136	1,113,707	334,116
Loss	15,676,593	14,504,115	15,243,974	14,102,457
	18,162,370	15,156,357	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)		
	June 30, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	14,528,630	767,023	15,295,653	14,491,608	802,048	15,293,656
Charge for the period / year	1,013,567	725,478	1,739,045	2,736,255	(35,025)	2,701,230
Reversals for the period / year	(385,840)	-	(385,840)	(2,389,299)	-	(2,389,299)
	627,727	725,478	1,353,205	346,956	(35,025)	311,931
Amount written off	-	-	-	(309,934)	-	(309,934)
Closing balance	15,156,357	1,492,501	16,648,858	14,528,630	767,023	15,295,653
10.15.1 Islamic	9,172,941	1,492,446	10,665,387	8,431,606	766,968	9,198,574
Conventional	5,983,416	55	5,983,471	6,097,024	55	6,097,079
	15,156,357	1,492,501	16,648,858	14,528,630	767,023	15,295,653

	(Un-audited)		(Audited)	
	June 30, 2022		December 31, 2021	
----- Rupees in '000 -----				
10.15.2 Provision / reversal of provision net of fair value adjustment taken to the profit and loss account				
Gross reversals for the period / year			385,840	2,389,299
Charge for the period / year			(1,739,045)	(2,701,230)
			(1,353,205)	(311,931)
Fair value adjusted - net			-	(23,679)
Net charge taken to the profit and loss account			(1,353,205)	(335,610)

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

	(Un-audited)			(Audited)		
	June 30, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
In local currency	15,156,357	1,492,501	16,648,858	14,528,630	767,023	15,295,653
In foreign currency	-	-	-	-	-	-
	15,156,357	1,492,501	16,648,858	14,528,630	767,023	15,295,653

10.15.4 The Holding Company maintains general reserve (provision) amounting to Rs. 492.501 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. 1,000 million (December 31, 2021: Rs. 350 million) as a matter of prudence based on management estimate.

- 10.15.5** In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Holding Company has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at June 30, 2022 amounts to Rs. 951.065 million (2021: Rs. 1,043.691 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 580.150 million (2021: Rs. 636.651 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.
- 10.16** Provision in respect of acquired loans related to amalgamated entity have been determined after taking into considerations of the fair values of such loans on the basis of valuation exercise performed by the Independent consultant.

Note	(Un-audited)	(Audited)
	June 30, 2022	December 31, 2021
10.17 SBP other refinance schemes	----- (Rupees in '000) -----	
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	5,792,412	4,489,370
Islamic Long-Term Financing Facility	293,661	-
Islamic refinance scheme for payment of wages and salaries	1,136,582	1,824,118
Islamic refinance scheme for combating COVID (IRFCC)	308,140	328,351
Islamic refinance facility for Modernization of SMEs	81,468	115,470
Islamic refinance scheme for Renewable Energy	231,517	-
Islamic Refinance and Credit Guarantee Scheme For Women	5,000	-
Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)	60,972	18,289
	<u>7,909,752</u>	<u>6,775,598</u>

11 FIXED ASSETS

Capital work-in-progress	11.1	1,370,430	1,264,988
Property and equipment		9,686,649	9,710,831
Right of use assets		<u>2,374,067</u>	<u>2,642,672</u>
		<u>13,431,146</u>	<u>13,618,491</u>

11.1 Capital work-in-progress

Advances to suppliers and contractors	179,707	74,265
Advance for acquiring properties:		
- Office premises	<u>1,190,723</u>	<u>1,190,723</u>
	<u>1,370,430</u>	<u>1,264,988</u>

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

11.2 Additions to fixed assets

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

Capital work-in-progress	133,147	527,999
Property and equipment		
Leasehold building	209,436	187,021
Furniture and fixture	120,325	108,533
Electrical office and computer equipment	166,505	270,282
Vehicles	<u>15,264</u>	<u>1,168</u>
	511,530	567,004
Right of use assets		
Leasehold building	<u>159,641</u>	<u>196,487</u>
Total	<u>804,318</u>	<u>1,291,490</u>

11.3 Disposal of fixed assets

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

Leasehold building	59,620	31,004
Furniture and fixture	7,298	14,527
Electrical office and computer equipment	<u>212</u>	<u>135</u>
	<u>67,130</u>	<u>45,666</u>

- 11.3.1** Furniture & Fixtures includes write-offs amounting to Rs. 5.83 million (June 30, 2021: Rs. 14.19 million).

12 INTANGIBLE ASSETS

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	
Computer software	269,424	185,392
Core deposits	24,510	24,227
Membership and Subscription	24,149	22,264
Goodwill	2,991,308	2,991,308
	<u>3,309,391</u>	<u>3,223,191</u>
	(Un-audited) June 30, 2022	(Un-audited) June 30, 2021
	----- (Rupees in '000) -----	

12.1 Additions to intangible assets

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

- Directly purchased	131,597	62,544
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12.2 Disposals of intangible assets

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

Membership & Subscription	1,837	-
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(Un-audited) June 30, 2022	(Audited) December 31, 2021
----- (Rupees in '000) -----	

13 DEFERRED TAX ASSETS

Deductible temporary differences on:

Accumulated tax losses	2,137,477	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	3,509,743	3,344,708
Provision for gratuity	-	-
Ijarah financing and related assets	38,136	234,991
Accelerated tax depreciation	162,599	128,401
Others	(140,178)	(13,052)
	<u>5,782,460</u>	<u>6,393,208</u>

Taxable temporary difference on:

Fair value adjustments relating to assets acquired upon amalgamation	(315,562)	(344,266)
Accelerated tax depreciation	-	-
Surplus on revaluation of fixed assets	(1,013,990)	(1,051,413)
Surplus on revaluation of non-banking assets	(42,729)	(66,370)
Surplus on revaluation of available for sale securities	(801,640)	(748,104)
	<u>(2,173,921)</u>	<u>(2,210,153)</u>
	<u>3,608,539</u>	<u>4,183,055</u>

- 13.1 The Holding Company has aggregate tax losses of bank. 6,107.077 million as at June 30, 2022 (2021: Rs. 7,403.539 million) which includes tax losses of amalgamated entity. The management has carried out an assessment for estimating the benefit of these losses. The Holding Company would be able to set off the profit earned in future years against these carry forward losses. Based on this assessment the management has recognized deferred tax debit balance amounting to Rs. 2,137.477 million (2021: Rs. 2,591.239 million). The amount of this benefit has been determined based on the projected financial statements for the future periods as approved by the management. The determination of future taxable profit is most sensitive to certain key assumptions such as cost to income ratio of the Holding Company, deposit's composition, kibar rates, growth of deposits and financing, investment returns, product mix of financing, potential provision against assets / financings, recoveries from non-performing financing and branch expansion plan. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
Note		----- (Rupees in '000) -----	
14	OTHER ASSETS - NET		
	Profit / return accrued in local currency	8,571,744	9,110,889
	Profit / return accrued in foreign currency	15,713	194
	Advances, deposits, advance rent and other prepayments	1,191,263	1,105,576
	Advance taxation (payments less provision)	-	-
	Non-banking assets acquired in satisfaction of claims	1,459,060	2,116,519
	Branch Adjustment Account	40,707	440,114
	Takaful / insurance claim receivable	96,239	69,511
	Receivable against takaful and registration charges - Diminishing Musharakah Auto Financing	266,662	313
	Receivable against First WAPDA Sukuk	50,000	50,000
	Trade debts	532	532
	Acceptances	5,357,503	5,462,889
	Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts	392,575	28,980
	Other receivables	836,574	770,689
		<u>18,278,572</u>	<u>19,156,206</u>
	Less: Provision held against other assets	14.1 (764,955)	(1,261,370)
	Other Assets (net of provision)	<u>17,513,617</u>	<u>17,894,836</u>
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	<u>122,078</u>	<u>189,628</u>
	Total other assets	<u><u>17,635,695</u></u>	<u><u>18,084,464</u></u>
	Market value of non-banking assets acquired in satisfaction of claims	<u><u>1,274,335</u></u>	<u><u>1,506,468</u></u>
14.1	Provision held against other assets		
	Advances, deposits, advance rent & other prepayments	26,692	26,692
	Non banking assets acquired in satisfaction of claims	305,762	799,679
	Others	432,501	434,999
		<u>764,955</u>	<u>1,261,370</u>
14.1.1	Movement in provision held against other assets		
	Opening balance	1,261,370	1,588,151
	Charge for the period / year	-	399,738
	Reversals for the period / year	(2,498)	(25,069)
	Adjustment during the period / year	<u>(493,917)</u>	<u>(701,450)</u>
	Closing balance	<u><u>764,955</u></u>	<u><u>1,261,370</u></u>

15 **BILLS PAYABLE**

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
In Pakistan	5,629,394	3,484,210

16 **DUE TO FINANCIAL INSTITUTIONS**

Secured

Due to State Bank of Pakistan		
Acceptances from SBP under Mudaraba	24,229,079	-
Acceptances under Islamic Export Refinance Scheme	3,881,000	5,143,000
Acceptances for financial assistance	3,862,147	3,691,010
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	5,374,124	4,349,261
Islamic refinance scheme for Renewable Energy	93,387	-
Islamic refinance scheme for payment of wages and salaries	1,112,007	1,805,305
Islamic refinance scheme for combating COVID (IRFCC)	94,040	23,921
Islamic Refinance Scheme for Modernization of SMEs	82,580	-
Islamic Long-Term Financing Facility	201,870	-
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)	47,744	18,289
	38,977,978	15,030,786
Refinance facility for Islamic Mortgage	3,413,294	3,762,546
Total secured	42,391,272	18,793,332
Unsecured		
Musharakah Acceptance	500,000	2,400,000
Total unsecured	500,000	2,400,000
	42,891,272	21,193,332

17 **DEPOSITS AND OTHER ACCOUNTS**

	(Un-audited) June 30, 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	139,708,915	4,256,125	143,965,040	124,240,504	3,998,743	128,239,247
Savings deposits	83,756,972	3,815,050	87,572,022	84,434,345	3,609,545	88,043,890
Term deposits	116,239,003	4,002,329	120,241,332	103,796,987	3,357,730	107,154,717
Others	7,030,888	71,505	7,102,393	1,979,022	85,336	2,064,358
	346,735,778	12,145,009	358,880,787	314,450,858	11,051,354	325,502,212
Financial Institutions						
Current deposits	223,273	25,434	248,707	258,791	12,098	270,889
Savings deposits	11,297,252	-	11,297,252	18,187,484	-	18,187,484
Term deposits	281,190	-	281,190	827,366	-	827,366
	11,801,715	25,434	11,827,149	19,273,641	12,098	19,285,739
	358,537,493	12,170,443	370,707,936	333,724,499	11,063,452	344,787,951

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:

Issue 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.

19 OTHER LIABILITIES

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	
Profit / return payable in local currency	2,995,366	2,066,342
Profit / return payable in foreign currencies	32,042	15,883
Accrued expenses	1,175,177	1,228,666
Deferred Murabahah Income - Financing and IERS	359,503	224,673
Payable to defined benefit plan	4,677	4,677
Payable to defined contribution plan	30,145	26,008
Defined Benefit Plan liabilities	250,026	173,630
Security deposits against Ijarah	715,209	802,487
Ijarah (lease) Liability	2,983,807	3,213,456
Provision against off-balance sheet obligations	85,975	85,975
Acceptances	5,357,503	5,462,889
Current taxation (provisions less payments)	517,801	42,341
Provision against other tax liabilities	150,711	104,864
Sundry creditors	320,177	362,068
Payable to brokers against purchase of shares - net	442	270
Charity payable	7,621	2,360
Retention money payable	13,486	13,402
Provision for Workers' Welfare Fund	247,808	193,857
Rental received in advance	36,555	99,555
Others	245,245	309,834
	<u>15,529,276</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)
	June 30, 2022	December 31, 2021
	----- Rupees in '000 -----	
9.1	2,290,400	2,137,440
14	2,897,113	3,003,156
	122,078	189,628
	5,309,591	5,330,224
13	(801,640)	(748,104)
	(1,013,990)	(1,051,413)
	(42,729)	(66,370)
	(1,858,359)	(1,865,887)
	3,451,232	3,464,337
	(9,065)	(9,065)
	3,442,167	3,455,272

21 CONTINGENCIES AND COMMITMENTS

- Guarantees

- Commitments

- Other contingent liabilities

21.1	6,887,208	8,224,035
21.2	48,072,119	40,351,640
21.3	229,652	229,652
	55,188,979	48,805,327

21.1 Guarantees:

Financial guarantees

Performance guarantees

Other guarantees

-	-
3,742,875	3,920,100
3,144,333	4,303,935
6,887,208	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

37,867,710	27,081,324
2,812,934	3,963,854
306,507	198,978
25,914	107,052
7,059,054	9,000,432
48,072,119	40,351,640

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

Purchase

Sale

29,723,528	15,970,727
(26,910,594)	(12,006,873)
2,812,934	3,963,854

21.2.2 Other commitments

Bills for collection

7,059,054	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

22.3.1	4,200	4,200
22.3.2	225,452	225,452
	229,652	229,652

21.3.1 There is no change in the status of contingencies related to pending legal cases, as set out in note 26.3.1 to the annual consolidated financial statements of the Bank for the year ended December 31, 2021.

21.3.2 There is no change in the status of tax and other contingencies, as set out in note 26.3.2 to the annual consolidated financial statements of the Holding Company for the year ended December 31, 2021.

		----- (Un-audited) -----	
Note		June 30, 2022	June 30, 2021
		----- Rupees in '000 -----	
22	PROFIT / RETURN EARNED		
	On:		
	Financing	10,016,294	5,722,503
	Investments	6,515,454	3,473,281
	Placements	1,764,257	1,691,901
	Others	74,564	61,036
		<u>18,370,569</u>	<u>10,948,721</u>
23	PROFIT / RETURN EXPENSED		
	On:		
	Deposits and other accounts	8,107,010	5,171,452
	Due to financial institutions	1,974,677	385,843
	Cost of foreign currency swaps against foreign currency deposits	57,627	5,849
	Amortisation of lease liability against right-of-use assets	174,589	197,460
	Subordinated Sukuk	138,440	101,842
		<u>10,452,343</u>	<u>5,862,446</u>
24	FEE AND COMMISSION INCOME		
	Branch banking customer fees	28,444	24,540
	Commission on bancatakaful	59,107	79,389
	Card related fees	263,742	169,062
	Commission on arrangement with financial institutions	49,040	48,039
	Consumer finance related fees	37,561	34,153
	Commission on guarantees	32,468	53,615
	Investment banking fees	55,790	79,570
	Commission on cash management	6,899	2,786
	Commission on remittances including home remittances	35,491	14,496
	Commission on trade	156,654	102,441
	Others	3,954	3,113
		<u>729,150</u>	<u>611,204</u>
25	GAIN ON SECURITIES		
	Realized gain	25.1 <u>18,725</u>	<u>28,941</u>
25.1	Realized gain / (loss) on:		
	Federal Government Shariah Compliant Securities	18,725	-
	Non-Government Shariah compliant Securities	-	45,354
	Shares	-	21,640
	Non-Current Assets held for sale	-	(38,053)
		<u>18,725</u>	<u>28,941</u>
26	OTHER INCOME - NET		
	Rent on property	729	-
	Gain on termination of financing	61,064	40,704
	Gain on sale of fixed assets	11,503	269
	Gain on sale of non-banking assets	208,967	-
	Recoveries against previously expensed items	73,854	867
	Others	1,886	2,323
		<u>358,003</u>	<u>44,163</u>

27 OPERATING EXPENSES

	----- (Un-audited) -----	
	June 30, 2022	June 30, 2021
	----- Rupees in '000 -----	
Total compensation expense	2,553,138	1,984,800
Property expense		
Rent & taxes	30,898	31,352
Takaful / insurance	2,218	967
Utilities cost	237,583	198,294
Security (including guards)	200,025	174,388
Repair & maintenance (including janitorial charges)	107,072	102,267
Depreciation	240,722	190,130
Depreciation on right-of-use assets	423,459	420,710
Others	-	-
	1,241,977	1,118,108
Information technology expenses		
Software maintenance	174,590	156,063
Hardware maintenance	78,360	48,706
Depreciation	129,716	110,706
Amortisation	41,837	28,728
Network charges	111,971	92,492
	536,474	436,695
Other operating expenses		
Directors' fees and allowances	5,880	7,160
Fees and allowances to Shariah Board	10,986	8,885
Legal & professional charges	69,441	71,429
Travelling & conveyance	39,594	19,759
NIFT clearing charges	12,839	14,035
Depreciation	98,155	94,205
Depreciation on non-banking assets	2,126	2,976
Entertainment expense	50,415	28,890
Training & development	3,552	2,617
Postage & courier charges	24,786	16,218
Communication	33,826	23,630
Marketing, advertisement & publicity	136,353	65,709
Repairs and maintenance	63,964	45,011
Takaful, tracker and other charges on car Ijarah	-	99,893
Stationery & printing	128,456	64,177
Takaful / Insurance	168,593	140,447
Fee and subscription	103,306	74,370
Vehicle running and maintenance	124,129	75,391
Donations	56	1,500
Auditors remuneration	11,464	6,790
Amortization	2,296	1,127
CDC and share registrar services	3,984	4,710
Brokerage and commission	12,179	11,187
Stamp duty, registration & verification charges	44,915	46,096
Others	29,981	18,658
	1,181,276	944,870
	5,512,865	4,484,473

		----- (Un-audited) -----	
		June 30, 2022	June 30, 2021
Note		----- Rupees in '000 -----	
28	OTHER CHARGES		
	Penalties imposed by the State Bank of Pakistan	<u>7,701</u>	<u>2,055</u>
29	PROVISIONS AND WRITE OFFS - NET		
	Reversal of provision against Due from financial institutions	(1,620)	-
	Reversal of provision for diminution in value of Investments	1,045	(394)
	Provision against Islamic financing		
	and related assets and advances - net	1,353,205	461,169
10.15.2	Other provisions / write offs - net	<u>3,332</u>	<u>(728,053)</u>
		<u>1,355,962</u>	<u>(267,278)</u>
30	TAXATION		
	Current	732,674	249,988
	Prior periods	-	(149,216)
	Deferred	<u>528,640</u>	<u>616,959</u>
		<u>1,261,314</u>	<u>717,731</u>
31	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit for the period from continuing operations		
	(Attributable to equity shareholders of the Holding Company)	1,446,076	1,015,153
	Profit for the period from discontinued operations		
	(Attributable to equity shareholders of the Holding Company)	-	62,917
	Profit after taxation for the period (Attributable to equity shareholders of the Holding Company)	<u>1,446,076</u>	<u>1,078,070</u>
		----- Number of shares -----	
	Weighted average number of ordinary shares	<u>1,108,703,299</u>	<u>1,108,703,299</u>
		----- Rupees -----	
	Basic and diluted EPS from continuing operations	1.3043	0.9156
	Basic and diluted EPS from discontinued operations	-	0.0567
31.1	Basic and diluted EPS	<u>1.3043</u>	<u>0.9724</u>
31.1	There were no convertible / dilutive potential ordinary shares outstanding as at June 30, 2022 and June 30, 2021, therefore diluted earning per share has not been presented separately.		
32	FAIR VALUE MEASUREMENTS		

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

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

32.1 Fair value of financial assets

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

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

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

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

On balance sheet financial instruments

Financial assets - measured at fair value

Investments				
Shares / Modaraba certificates	401,115	-	584,495	985,610
GoP Ijara Sukuks	-	86,220,542	-	86,220,542
Non-Government Shariah compliant Securities	32,400,625	6,787,042	-	39,187,667

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	-	29,723,528	-	29,723,528
Shariah compliant alternative of forward sale of foreign exchange	-	26,910,594	-	26,910,594

(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 / Modaraba certificates	353,702	-	584,495	938,197
GoP Ijara Sukuks	-	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 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)					
June 30, 2022					
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
----- Rupees in '000 -----					
Profit & Loss					
Net profit / return	5,877,315	(5,086,961)	7,375,263	(247,391)	7,918,226
Inter segment revenue - net	(6,558,250)	14,047,396	(7,679,563)	190,417	-
Total other income	681,529	547,874	264,348	225,892	1,719,643
Total Income	594	9,508,309	(39,952)	168,918	9,637,869
Segment direct expenses	39,882	3,303,365	289,385	1,941,885	5,574,517
Inter segment expense allocation	16,152	1,079,387	295,492	(1,391,031)	-
Total expenses	56,034	4,382,752	584,877	550,854	5,574,517
Provisions / (reversals)	(575)	80,192	1,273,960	2,385	1,355,962
Profit / loss before tax	(54,865)	5,045,365	(1,898,789)	(384,321)	2,707,390

Balance Sheet	(Un-audited)				
	June 30, 2022				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
Cash & Bank balances	4,733,534	29,530,375	-	-	34,263,909
Investments	127,421,852	-	-	-	127,421,852
Net inter segment placements	-	294,954,029	-	7,711,694	302,665,723
Due from financial institutions	52,634,211	-	-	-	52,634,211
Islamic financing and related assets					
- performing	-	45,224,019	156,716,972	3,858,799	205,799,790
- non-performing	-	1,120,777	1,697,635	187,600	3,006,012
Others	4,704,308	998,652	9,975,603	22,306,208	37,984,771
Total Assets	189,493,905	371,827,852	168,390,210	34,064,301	763,776,268
Due to financial institutions	28,591,226	3,413,294	10,886,752	-	42,891,272
Subordinated sukuk	-	-	-	2,000,000	2,000,000
Deposits & other accounts	10,046,927	360,198,859	-	462,150	370,707,936
Net inter segment acceptances	150,716,584	-	151,949,139	-	302,665,723
Others	139,168	8,215,699	5,554,319	7,249,484	21,158,670
Total liabilities	189,493,905	371,827,852	168,390,210	9,711,634	739,423,601
Equity	-	-	-	24,352,667	24,352,667
Total Equity & liabilities	189,493,905	371,827,852	168,390,210	34,064,301	763,776,268
Contingencies & Commitments	2,812,934	-	51,813,972	562,073	55,188,979

Balance Sheet	(Un-audited)				
	June 30, 2021				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
Profit / return earned	4,271,876	(3,333,345)	4,188,868	(41,124)	5,086,275
Inter segment revenue - net	(3,941,898)	7,672,745	(3,631,317)	(99,530)	-
Other income	218,254	356,239	247,628	177,281	999,402
Total Income	548,232	4,695,639	805,179	36,627	6,085,677
Segment direct expenses	39,162	3,439,623	170,554	878,123	4,527,462
Inter segment expense allocation	48,886	446,228	339,914	(835,028)	-
Total expenses	88,048	3,885,851	510,468	43,095	4,527,462
Provisions / (reversals)	(394)	97,149	360,281	(724,314)	(267,278)
Profit before tax	460,578	712,639	(65,570)	717,846	1,825,493

Balance Sheet	(Audited)				
	December 31, 2021				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
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
Due to financial institutions	6,091,010	3,727,127	11,375,195	-	21,193,332
Subordinated sukuk	-	-	-	2,000,000	2,000,000
Deposits & other accounts	17,048,947	327,739,004	-	-	344,787,951
Net inter segment acceptances	158,909,968	-	125,213,135	-	284,123,103
Others	49,643	7,598,553	2,516,390	7,752,861	17,917,447
Total liabilities	182,099,568	339,064,684	139,104,720	9,752,861	670,021,833
Equity	-	-	-	22,807,167	22,807,167
Total Equity & liabilities	182,099,568	339,064,684	139,104,720	32,560,028	692,829,000
Contingencies & Commitments	3,963,854	-	44,305,791	535,682	48,805,327

34 RELATED PARTY TRANSACTIONS

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

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

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

	(Un-audited)				(Audited)			
	June 30, 2022				December 31, 2021			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
Rupees in '000								
Investments								
Opening balance	-	-	1,660,111	-	-	-	1,660,111	-
Investment made during the period / year	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the period / year	-	-	-	-	-	-	-	-
Closing balance	-	-	1,660,111	-	-	-	1,660,111	-
Provision for diminution in value of investments	-	-	(1,032,169)	-	-	-	(1,032,169)	-
Islamic financing and related assets								
Opening balance	15,382	280,483	480,540	700,001	19,239	305,603	489,677	496,392
Addition during the period / year	-	133,065	255,856	2,043,995	-	137,090	386,691	4,264,589
Repaid during the period / year	(2,184)	(85,939)	(255,974)	(1,793,995)	(3,857)	(57,239)	(395,828)	(4,290,511)
Transfer in / (out) - net	-	(18,763)	-	-	-	(104,971)	-	229,531
Closing balance	13,198	308,846	480,422	950,001	15,382	280,483	480,540	700,001
Other assets								
Profit receivable on financings	90	115	3,921	8,662	230	127	2,576	5,618
Subordinated debt								
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	27,338	1,306,399	18,887	25,210	85,142	1,171,529
Received during the period / year	12,815	391,007	713,158	7,717,551	63,980	474,247	2,350,516	10,058,067
Withdrawn during the period / year	(13,961)	(396,380)	(739,546)	(6,804,761)	(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	4,917	37,189	950	2,221,944	6,063	42,412	27,338	1,306,399
Other Liabilities								
Profit / return payable	1	271	-	14,623	1	201	2	7,305
Contingencies and Commitments								
Other contingencies	-	-	17,280	892,427	-	-	23,385	697,037

	(Un-audited)				(Un-audited)			
	June 30, 2022				June 30, 2021			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
Rupees in '000								
Income								
Profit / return earned	674	5,515	10,718	26,830	866	4,286	19,380	35,702
Other income	-	6,265	-	-	-	3,922	-	-
Expense								
Profit / return expensed	6	444	17	71,592	26	444	611	49,187
Other administrative expenses	-	1,629	-	20,651	-	1,867	-	4,404
Meeting fee / remuneration	5,880	205,450	-	-	7,160	137,667	-	-
Contribution to employees provident fund	-	-	-	82,746	-	-	-	67,142
Charge for employees gratuity fund	-	-	-	76,396	-	-	-	63,279

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,007,991	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	16,278,548	13,989,958
Eligible Additional Tier 1 (ADT 1) Capital	2,000,000	2,000,000
Total Eligible Tier 1 Capital	18,278,548	15,989,958
Eligible Tier 2 Capital	5,717,599	4,907,251
Total Eligible Capital (Tier 1 + Tier 2)	23,996,147	20,897,209
Risk Weighted Assets (RWAs):		
Credit Risk	143,879,309	122,367,298
Market Risk	2,538,187	1,120,150
Operational Risk	24,003,263	24,016,288
Total	170,420,759	147,503,736
Common Equity Tier 1 Capital Adequacy ratio	9.55%	9.48%
Tier 1 Capital Adequacy Ratio	10.73%	10.84%
Total Capital Adequacy Ratio	14.08%	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) June 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	18,278,548	15,989,958
Total Exposures	520,871,251	451,470,713
Leverage Ratio	3.51%	3.54%
Liquidity Coverage Ratio (LCR)*:		
Total High Quality Liquid Assets	146,130,149	117,677,463
Total Net Cash Outflow	53,144,885	48,190,151
Liquidity Coverage Ratio	274.97%	249.73%
Net Stable Funding Ratio (NSFR)*:		
Total Available Stable Funding	370,501,486	347,348,801
Total Required Stable Funding	166,884,173	145,818,809
Net Stable Funding Ratio	222.01%	238.21%

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

36 GENERAL

36.1 Captions, as prescribed by BPRD Circular No. 02, dated: January 25, 2018 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these consolidated financial statements, except for captions of the Consolidated Statement of Financial Position and Consolidated Profit and Loss Account.

36.2 These 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 reclassification to report during the year.

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 August 24, 2022 by the Board of Directors of the Holding Company.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

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