BankIslami

We Serve a BETTER BANKING EXPERIENCE

Quarterly Report September 2024

Contents

Corporate Information

Board of Directors

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

Shariah Supervisory Board

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

Board Audit Committee

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

Board Risk Management Committee

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

Board Human Resources & Remuneration Committee

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

Board Information Technology Committee

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

Company Secretary
Mr. Hasan Shahid

Chief Financial Officer
Mr. Sohail Sikandar

Auditors
KPMG Taseer Hadi & Co.,
Chartered Accountants

Legal Adviser
Haidermota & Co.
Mohsin Tayebaly & Co.

Management (in alphabetical order)

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

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) 34326053
URL: www.cdcsrsl.com
Email: info@cdcsrsl.com

Website:
www.bankislami.com.pk

Directors' Report to the Members

Dear Members,

On behalf of the Board of Directors, we are pleased to present the Directors' Report of BankIslami Pakistan Limited ('the Bank' or 'BankIslami') along with the Condensed Interim Un-audited Unconsolidated and Consolidated Financial Statements for the nine months ended September 30, 2024.

Economy Snapshot

At the beginning of FY24, Pakistan's economy faced a potential crisis in the wake of political uncertainty, global monetary policy tightening, and fiscal and external imbalances. These factors exerted pressure on domestic prices and foreign reserves. In order to improve the foreign reserves, measures to manage imports and capital outflows were introduced which disrupted local supply chains, economic activity and exacerbated inflationary pressures. Under the interim government, an IMF Stand-By Arrangement was approved in July 2023. Consequently, exchange rate flexibility was restored, import controls were relaxed, and steps were taken to contain the fiscal deficit. Coupled with favorable weather conditions and easing external conditions, the economy began recovering in FY24. Consequently, growth of real GDP rose to 2.4% in FY24, after contracting by 0.2% year on year in FY23.

For FY25, downside risks remain high, with the outlook dependent on the implementation of a new IMF Extended Fund Facility (EFF) program, continued fiscal restraint, and securing additional external financing. Higher banking sector exposure to the sovereign, uncertainty in domestic policy, geopolitical instability and delays in global monetary easing pose significant risks to the outlook. Robust economic recovery over the medium term will require the steadfast implementation of much broader fiscal and economic reforms.

The new IMF bailout package is a 37-month EFF totaling USD 7 billion, it targets achieving macroeconomic stability by consolidating public finances, rebuilding the foreign exchange reserves, reducing fiscal risks from state-owned enterprises, and improving the business environment to encourage growth led by the private sector. To qualify for the IMF package, the government imposed additional taxes from Rs. 1.4 trillion to Rs. 1.8 trillion, increased electricity prices up to 51% and committed to bring transparency in the affairs of the Sovereign Wealth Fund.

Pakistan's headline inflation declined to 6.9% year-on-year in September 2024. Pakistan's Current Account turned to surplus of USD 75 million in August 2024 compared to a deficit of USD 152 million posted in August 2023 and a deficit of USD 246 million posted in July 2024. During the first 2 months of current fiscal year the Current Account deficit stands at USD 171 million compared to a deficit of USD 893 million during the same period last year.

The Monetary Policy Committee (MPC) lowered policy rate to 17.5% i.e. reduction of 200 bps in September 2024, consistent with market expectations. This decision follows a 150 bps cut in June and a 100 bps cut in July 2024. The reduction is attributed to stronger-than-expected inflation results for August 2024 and progress in the external account, with FX reserves increasing despite continued debt repayments.

The MPC's tight monetary policy remains crucial until inflation stabilizes alongside necessary improvements in the foreign exchange (FX) market and the rebuilding of foreign reserves. The recent agreement with the IMF is pivotal for achieving stability across all economic fronts. Continued support from development and bilateral partners is also essential for the program's success.

The IMF anticipates a 3.5% growth in Pakistan's GDP for FY25, slightly below the 3.6% target set by the government, amidst a sluggish global economy. CPI inflation is expected to average around 13%, and the policy rate is forecasted to fall to 15% during the fiscal year.

(Source: SBP Monetary Policy Statement and News Reports)

Overview of Financial Performance

Following are the key financial highlights for the nine months ended September 30, 2024:

Key Balance Sheet Numbers	September 2024	December 2023	September 2023	September 2024 vs December 2023	September 2024 vs September 2023
	---------- Rupees in '000 ----------			---------- % ----------	
Deposits	**551,897,381**	522,540,925	461,908,104	5.62%	19.48%
Due to FI	**27,711,240**	60,659,056	60,146,046	-54.32%	-53.93%
Financing & related assets - net	**172,878,234**	230,194,288	203,699,800	-24.90%	-15.13%
Investments – net	**346,744,229**	314,083,872	276,160,518	10.40%	25.56%
Net Assets	**46,083,090**	36,465,918	32,694,168	26.37%	40.95%

Key Profit and Expense Numbers	September 2024	September 2023	Change
	---- Rupees in '000 ----		%
Profit / return earned	**85,967,950**	65,309,237	31.63%
Profit / return expensed	**52,198,273**	36,964,611	41.21%
Net Spread Earned	**33,769,677**	28,344,626	19.14%
Other Income	**3,497,172**	2,149,389	62.71%
Operating expenses	**16,211,906**	11,630,715	39.39%
Operating Profit before credit loss allowance	**21,054,943**	18,863,300	11.62%
Profit before taxation	**19,991,384**	14,959,811	33.63%
Profit after taxation	**10,207,192**	8,473,584	20.46%
Earnings per share (in Rupees)	**9.2064**	7.6428	20.46%
Transfer to Statutory Reserve	**2,041,438**	-	-

The Bank's deposit portfolio achieved solid growth, expanding by 19.48% in comparison with September 30, 2023, and showing an increase of 5.62% compared to December 31, 2023. This growth was largely fueled by a 12.2% rise in Term Deposits since December 2023 bringing stability in deposit book. Despite growth in term deposits, the Bank successfully maintained its CASA (Current Account Savings Account) deposit mix at 60%—a level sustained since 2021. This reflects increasing customer confidence, enhanced liquidity, and the Bank's strategic focus on expanding its CASA base through trade finance, employee banking, and cash management initiatives.

Amidst the continued economic uncertainty, which persisted throughout 2024, the Bank strategically allocated surplus liquidity primarily into GoP Ijarah Sukuk while cautiously growing its financing portfolio. This approach resulted in a significant expansion of the Bank's investment portfolio, rising from Rs. 276.2 billion in September 2023 to Rs. 346.7 billion in September 2024—an increase of 25.6%. Additionally, the investment portfolio grew by 10.4% compared to December 31, 2023. As a result, the Bank's investment-to-deposit ratio (IDR) saw a notable increase, moving from 59.8% in September 2023 to 62.8% in September 2024.

The Bank's gross financing portfolio decreased by 21.5% compared to the end of 2023, due to settlement of some large ticket financings. This reduction, alongside an increase in deposits, led to a decline in the Bank's gross Advance to Deposit Ratio (ADR), which fell from 48.6% in December 2023 to 36.1% by September 2024.

Going forward, the Bank is strategically focusing on selective large corporate, commercial and SME clients, leveraging current financing opportunities and exploring new investment avenues. These efforts aim to maintain profitability while ensuring the quality of the financing portfolio. Looking ahead, the Bank is targeting a gross ADR above 50% by the end of the current year, positioning itself for long-term resilience.

The reduction in financing has led to an increase in the infection ratio, which rose from 9% at the end of 2023 to 12.7% in the current period. In absolute terms, the delinquent financing portfolio grew by Rs. 2.4 billion during this period due to addition in non-performing portfolio. The Bank's specialized recovery team is putting its best efforts to recover delinquent financing portfolio, with the goal of bringing the infection ratio down over time.

The adoption of IFRS 9 by Pakistani banks, effective from January 01, 2024, marks a pivotal shift in financial reporting practices, aligning local banking standards with international frameworks. This change aims to enhance transparency and risk management by introducing forward-looking credit loss provisions. The impact of IFRS 9 adoption is detailed in Note 3.1 of the condensed interim financial statements.

Maintaining a resilient capital foundation is crucial for sustaining a robust asset portfolio. As of September 30, 2024, the Bank's Capital Adequacy Ratio (CAR) is reported at 29.16%, reflecting an increase of 5.37% from 23.79% as of December 31, 2023.

As a result of the overall expansion of the Bank's balance sheet, net spread has risen to Rs. 33.8 billion, up from Rs. 28.3 billion in the same period last year, reflecting a 19.1% increase. Additionally, non-funded income has significantly increased by 62.7%, reaching Rs. 3.5 billion compared to Rs. 2.1 billion same period last year. However, operating costs rose by 39.4%, primarily due to the heightened inflationary environment in the country. The increase in operating costs is also linked to strategic expansion initiatives, including the opening of new branches and increase in headcount, particularly in business segment.

Alhamdulillah! The Bank has reported a remarkable profit before tax of Rs. 19.9 billion for the nine-month period of 2024, reflecting a significant growth of 33.6% compared to the same period last year. Consequently, profit after tax reached Rs. 10.2 billion, also marking a substantial increase of 20.46% compared to the previous year. Basic Earnings per Share improved to Rs. 9.2 for the nine months period ended September 2024, up from Rs. 7.6 for the corresponding period last year.

Group Results

During the nine months ended September 30, 2024, the Group experienced slight growth of 1.2% in total assets. Notably, investments in GoP Ijarah Sukuks saw significant growth of 10.4%, while financing declined by 21.5%. The Group achieved a post-tax profit of Rs. 10.2 billion, reflecting a commendable increase of 20.7% compared to the same period last year. This outstanding achievement is attributed to the expansion of earning assets and the growth of profit-bearing liabilities.

Acknowledgements

The Board wishes to formally express its profound gratitude to the State Bank of Pakistan for their invaluable assistance and guidance. Additionally, we extend our appreciation to the Securities and Exchange Commission of Pakistan and other regulatory bodies for their unwavering support towards the Bank's endeavors. Our sincere gratitude goes out to our esteemed customers, valued business partners, and shareholders for their continuous loyalty and trust.

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

On behalf of the Board,

-Sd-
Rizwan Ata
President & Chief Executive Officer
October 24, 2024

-Sd-
Suleman Lalani
Chairman of the Board of Directors

اظہار تشکر

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

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

منجانب وحسب الحکم بورڈ

-Sd-

رضوان عطاء

صدر اور چیف ایگزیکٹو آفیسر

24 اکتوبر 2024

-Sd-

سلیمان لالانی

چیئرمین آف بورڈ آف ڈائریکٹرز

1 جنوری 2024 سے پاکستانی بینکوں کی جانب سے IFRS 9 کو اپنانا، بین الاقوامی فریم ورک کے ساتھ مقامی بینکنگ کے معیارات کو ہم آہنگ کرتے ہوئے، مالیاتی رپورٹنگ کے طریقوں میں ایک اہم تبدیلی کی نشاندہی کرتا ہے۔ اس تبدیلی کا مقصد مستقبل کے حوالے سے کریڈٹ نقصان کو متعارف کروا کر شفافیت اور رسک مینجمنٹ کو بہتر بنانا ہے۔ IFRS 9 کو اپنانے کے اثرات کی تفصیلات غیر پڑتال شدہ عبوری مالیاتی نتائج میں نوٹ 3.1 میں فراہم کی گئی ہیں۔

مضبوط اثاثہ جات کے پورٹ فولیو کو برقرار رکھنے کے لیے ایک مستحکم سرمایہ کی بنیاد کو برقرار رکھنا انتہائی اہم ہے۔ 30 ستمبر 2024 تک بینک کا (CAR) کیپٹل ایڈیکویسی ریشو 29.16 فیصد ہے، جو 31 دسمبر 2023 کے 23.79 فیصد کے مقابلے میں 5.37 فیصد کا اضافہ ظاہر کرتا ہے۔

بینک کی بیلنس شیٹ کی مجموعی نمو کے نتیجے میں، صافی آمدنی بڑھ کر 33.8 ارب روپے تک پہنچ گئی، جو گزشتہ سال کی اسی مدت میں 28.3 ارب روپے تھی جو کہ 19.1 فیصد کا اضافہ ظاہر کرتا ہے۔ مزید برآں، غیر فنڈڈ آمدنی میں نمایاں اضافہ ہوا ہے، جو 62.7 فیصد تک بڑھ کر 3.5 ارب روپے تک پہنچ گئی ہے، جبکہ گزشتہ سال کی اسی مدت میں یہ 2.1 ارب روپے تھی۔ تاہم عملیاتی اخراجات میں 39.4 فیصد اضافہ ہوا، جس کی بنیادی وجہ ملک میں بڑھتی ہوئی افراط زر کی شرح ہے۔ عملیاتی اخراجات میں اضافہ حکمت عملی کے تحت توسیعی اقدامات سے بھی جڑا ہوا ہے، جس میں نئی برانچز کا افتتاح اور خاص طور پر کاروباری شعبے میں عملے کی تعداد میں اضافہ شامل ہے۔

الحمدللہ! بینک نے 2024 کی نو ماہ کی مدت کے لیے 19.9 ارب روپے کا قبل از محصول شاندار منافع رپورٹ کیا ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں 33.6 فیصد کے نمایاں اضافے کی عکاسی کرتا ہے۔ نتیجتاً، بعد از محصول منافع بھی بڑھ کر 10.2 ارب روپے ہوگیا ہے، جو کہ گزشتہ سال کے مقابلے میں 20.46 فیصد کے خاطر خواہ اضافے کو ظاہر کرتا ہے۔ نو ماہ کی مدت کے لئے فی حصص بنیادی آمدنی ستمبر 2024 میں بڑھ کر 9.2 روپے ہوگئی ہے، جو گزشتہ سال اسی مدت کے لیے 7.6 روپے تھی۔

گروپ کے نتائج

30 ستمبر 2024 کو ختم ہونے والی مدت کے دوران گروپ کے مجموعی اثاثوں میں 1.2 فیصد کا معمولی اضافہ ہوا۔ قابل ذکر بات یہ ہے کہ حکومت پاکستان کے اجارہ صکوک میں سرمایہ کاری میں 10.4 فیصد کا نمایاں اضافہ دیکھنے میں آیا، جبکہ فنانسنگ میں 21.5 فیصد کمی واقع ہوئی۔ گروپ نے بعد از محصول منافع 10.2 ارب روپے حاصل کیا، جو گزشتہ سال کی اسی مدت کے مقابلے میں 20.7 فیصد کے قابل تحسین اضافے کو ظاہر کرتا ہے۔ یہ شاندار کامیابی منافع بخش اثاثوں میں اضافہ اور منافع پر مبنی واجبات میں اضافے کا نتیجہ ہے۔

بینک کے ڈیپازٹس پورٹ فولیو میں مضبوط نمو ہوئی، جس میں 30 ستمبر 2023 کے مقابلے میں 19.48 فیصد کا اضافہ دیکھنے میں آیا اور 31 دسمبر 2023 کے مقابلے میں 5.62 فیصد اضافہ ظاہر ہوا۔ یہ نمو بڑی حد تک دسمبر 2023 سے ٹرم ڈپازٹس میں 12.2 فیصد اضافے کی وجہ سے ہوئی جس سے ڈیپازٹس میں استحکام دیکھنے میں آیا۔ ٹرم ڈیپازٹس میں اضافے کے باوجود، بینک نے کامیابی کے ساتھ اپنا CASA (کرنٹ اکاؤنٹ سیونگز اکاؤنٹ) ڈیپازٹس مکس کو 60 فیصد پر برقرار رکھا ہے جو 2021 سے مسلسل اسی سطح پر ہے۔ یہ صارفین کے بڑھتے ہوئے اعتماد، بہتر لیکویڈیٹی، تجارتی کاروبار، ملازمین کی بینکنگ، اور کیش مینجمنٹ اقدامات کے ذریعے CASA بیس کو وسعت دینے کی اسٹریٹیجک توجہ کی عکاسی کرتا ہے۔

مسلسل غیر یقینی معاشی صورتحال جو 2024 کے دوران برقرار رہی، بینک نے اپنے مالیاتی پورٹ فولیو کو محتاط انداز میں توسیع دیتے ہوئے حکمت عملی کے ساتھ بنیادی طور پر حکومت پاکستان کے اجارہ صکوک میں اضافی سرمایہ مختص کیا۔ اس حکمت عملی کے نتیجے میں بینک کے سرمایہ کاری پورٹ فولیو میں نمایاں اضافہ ہوا، جو ستمبر 2023 میں 276.2 ارب روپے سے بڑھ کر ستمبر 2024 میں 346.7 ارب روپے ہو گیا جو 25.6 فیصد اضافے کو ظاہر کرتا ہے۔ مزید برآں، سرمایہ کاری پورٹ فولیو میں 31 دسمبر 2023 کے مقابلے میں 10.4 فیصد اضافہ دیکھنے میں آیا۔ نتیجتاً، بینک کے سرمایہ کاری اور ڈیپازٹس کے درمیان تناسب (IDR) میں نمایاں اضافہ دیکھا گیا، جو ستمبر 2023 میں 59.8 فیصد سے بڑھ کر ستمبر 2024 میں 62.8 فیصد ہو گیا۔

بینک کے مجموعی فنانسنگ پورٹ فولیو میں 2023 کے اختتام کے مقابلے میں 21.5 فیصد کمی واقع ہوئی، جس کی وجہ کچھ بڑی فنانسنگ کا تصفیہ تھی۔ فنانسنگ میں کمی کے ساتھ ساتھ ڈیپازٹس میں اضافے کی وجہ سے بینک کا ایڈوانس اور ڈیپازٹس کے درمیان مجموعی تناسب (ADR) میں کمی آئی جو دسمبر 2023 میں 48.6 فیصد سے کم ہو کر ستمبر 2024 میں 36.1 فیصد تک پہنچ گیا۔

مستقبل کے حوالے سے، بینک اپنی حکمت عملی کے تحت منتخب بڑے کارپوریٹ، تجارتی اور SME صارفین پر توجہ مرکوز کر رہا ہے، موجودہ مالیاتی مواقع سے مستفید ہوتے ہوئے اور نئی سرمایہ کاری کے مواقع تلاش کر رہا ہے۔ ان کوششوں کا مقصد شرح منافع کو برقرار رکھنا ہے جبکہ فنانسنگ پورٹ فولیو کے معیار کو بھی یقینی بنانا ہے۔ مستقبل قریب میں، بینک کا ہدف موجودہ سال کے آخر تک 50 فیصد سے زائد کا مجموعی ADR حاصل کرنا ہے، تاکہ طویل مدتی استحکام کے لیے خود کو تیار کر سکے۔

فنانسنگ میں کمی کے نتیجے میں انفیکشن کے تناسب میں اضافہ ہوا، جو 2023 کے آخر میں 9 فیصد سے بڑھ کر موجودہ مدت میں 12.7 فیصد ہو گیا۔ مطلق اعداد و شمار کے مطابق غیر ادا شدہ قرضہ جات کے پورٹ فولیو میں اس مدت کے دوران 2.4 ارب روپے کا اضافہ ہوا جس کی وجہ غیر فعال قرضہ جات کے پورٹ فولیو میں اضافہ ہے۔ بینک کی خصوصی ریکوری ٹیم بہترین کوششیں کر رہی ہے جس کا مقصد غیر ادا شدہ قرضہ جات کے پورٹ فولیو کی بحالی، اور انفیکشن کے تناسب کو کم کرنا ہے۔

مالی کارکردگی کا جائزہ

30 ستمبر 2024 کو ختم ہونے والی مدت کے لیے اہم مالیاتی نکات درج ذیل ہیں:

بیلنس شیٹ کے اہم اعداد و شمار	ستمبر 2024 روپے ہزار میں	دسمبر 2023 روپے ہزار میں	ستمبر 2023 روپے ہزار میں	ستمبر 2024 VS دسمبر 2023	ستمبر 2024 VS ستمبر 2023
ڈیپازٹس	551,897,381	522,540,925	461,908,104	5.62 فیصد	19.48 فیصد
مالیاتی اداروں کو واجب الادا	27,711,240	60,659,056	60,146,046	-54.32 فیصد	-53.93 فیصد
فنانسنگ اور متعلقہ اثاثہ جات- صافی	172,878,234	230,194,288	203,699,800	-24.90 فیصد	-15.13 فیصد
سرمایہ کاری-صافی	346,744,229	314,083,872	276,160,518	10.40 فیصد	25.56 فیصد
صافی اثاثہ جات	46,083,090	36,465,918	32,694,168	26.37 فیصد	40.95 فیصد

منافع اور اخراجات کے اہم اعداد و شمار	ستمبر 2024	ستمبر 2023	تبدیلی فیصد میں
حاصل شدہ منافع / آمدن	85,967,950	65,309,237	31.63 فیصد
خرچ شدہ منافع / آمدن	52,198,273	36,964,611	41.21 فیصد
حاصل کردہ صافی آمدن	33,769,677	28,344,626	19.14 فیصد
دیگر آمدن	3,497,172	2,149,389	62.71 فیصد
عملیاتی اخراجات	16,211,906	11,630,715	39.39 فیصد
کریڈٹ نقصان سے قبل آپریٹنگ منافع	21,054,943	18,863,300	11.62 فیصد
قبل از محصول منافع	19,991,384	14,959,811	33.63 فیصد
بعد از محصول منافع	10,207,192	8,473,584	20.46 فیصد
فی حصص آمدنی (روپے میں)	9.2064	7.6428	20.46 فیصد
اسٹیچوری ذخائر میں منتقلی	2,041,438	-	-

ستمبر 2024 میں پاکستان کی افراطِ زر سال بہ سال 6.9 فیصد تک کم ہوگئی۔ اگست 2024 میں پاکستان کا کرنٹ اکاؤنٹ 75 ملین امریکی ڈالر کے سرپلس میں تبدیل ہوگیا جبکہ اگست 2023 میں 152 ملین امریکی ڈالر کا خسارہ اور جولائی 2024 میں 246 ملین امریکی ڈالر کا خسارہ دیکھا گیا تھا۔ موجودہ مالی سال کے پہلے دو ماہ کے دوران کرنٹ اکاؤنٹ خسارہ 171 ملین ڈالر رہا، جو گزشتہ سال کی اسی مدت میں 893 ملین ڈالر تھا۔

مانیٹری پالیسی کمیٹی (MPC) نے ستمبر 2024 میں پالیسی ریٹ کو 200 بیسس پوائنٹس کی کمی کے ساتھ 17.5 فیصد کر دیا، جو مارکیٹ کی توقعات کے مطابق تھا۔ یہ فیصلہ جون میں 150 بیسس پوائنٹس اور جولائی 2024 میں 100 بیسس پوائنٹس کی کمی کے بعد آیا ہے۔ اس کمی کی وجہ اگست 2024 کے لئے افراطِ زر کی شرح میں توقع سے زیادہ کمی اور بیرونی اکاوئنٹ میں بہتری کو قرار دیا گیا ہے، کیونکہ قرضوں کی ادائیگیوں کے باوجود غیر ملکی زرمبادلہ کے ذخائر میں اضافہ ہو رہا ہے۔

MPC کی سخت مانیٹری پالیسی اس وقت تک اہم ہے جب تک افراطِ زر کی شرح مستحکم نہ ہو جائے، اس کے ساتھ زرمبادلہ کے ذخائر میں اضافہ اور فارن ایکسچینج مارکیٹ میں بہتری ضروری ہے۔ آئی ایم ایف کے ساتھ حالیہ معاہدہ تمام معاشی شعبوں میں استحکام کے حصول کے لیے اہم ہے۔ منصوبے کی کامیابی کے لیے ترقیاتی اور دوطرفہ شراکت داروں کی جانب سے مسلسل تعاون بھی ضروری ہے۔

آئی ایم ایف نے مالی سال 25 میں پاکستان کی مجموعی ملکی پیداوار (GDP) میں 3.5 فیصد کی نمو کا امکان ظاہر کیا ہے، جو حکومت کے مقرر کردہ 3.6 فیصد کے ہدف سے قدرے کم ہے، جبکہ عالمی معیشت سست روی کا شکار ہے۔ CPI کے تحت مہنگائی کی اوسط شرح 13 فیصد رہنے کی توقع ہے، اور مالی سال کے دوران پالیسی ریٹ میں 15 فیصد تک کمی کا امکان ظاہر کیا گیا ہے۔

(ماخذ: ایس بی پی مانیٹری پالیسی اسٹیٹمنٹ اینڈ نیوز رپورٹس)

ڈائریکٹرز کی رپورٹ

معززاراکین،

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

معاشی جائزہ

مالی سال 24 کے آغاز میں، پاکستان کی معیشت غیر یقینی سیاسی صورتحال، عالمی مالیاتی پالیسی میں سختی اور مالیاتی و بیرونی عدم توازن کے باعث ایک ممکنہ بحران کا شکار تھی۔ ان عوامل نے ملکی قیمتوں اور غیر ملکی ذخائر پر دباؤ ڈالا اس لیے غیر ملکی ذخائر میں بہتری کے لیے درآمدات اور سرمایہ کے اخراج کو منظّم کرنے کے اقدامات متعارف کرائے گئے، جس سے مقامی سپلائی چین، معاشی سرگرمیوں میں رکاوٹیں پیدا ہوئیں اور مہنگائی کے دباؤ میں اضافہ ہوا۔ عبوری حکومت کے تحت جولائی 2023 میں آئی ایم ایف کے ساتھ ایک اسٹینڈ بائی معاہدہ طے پایا جس کے نتیجے میں زرمبادلہ کی شرح میں بہتری دیکھنے میں آئی، درآمدی کنٹرول میں نرمی کی گئی اور مالیاتی خسارے پر قابو پانے کے لئے اقدامات اٹھائے گئے۔ سازگار موسمی اور بیرونی حالات میں بہتری کے ساتھ، مالی سال 24 میں معیشت بحال ہونا شروع ہوئی۔ نتیجتاً، حقیقی جی ڈی پی نمو مالی سال 24 میں بڑھ کر 2.4 فیصد ہوگئی جو کہ مالی سال 23 میں سال بہ سال 0.2 فیصد تھی۔

مالی سال 25 کے لیے معیشت کے حوالے سے منفی آثار نظر آرہے ہیں اور معاشی صورتحال کا انحصار آئی ایم ایف کے ساتھ نئے توسیعی فنڈ (EFF) پروگرام کے نفاذ، مالیاتی استحکام کی حکمت عملی، اور اضافی بیرونی مالی معاونت کے حصول پر ہے۔ بینکاری کے شعبے کا حکومتی قرضوں میں زیادہ ملوث ہونا، ملکی پالیسی میں غیر یقینی، جغرافیائی سیاسی عدم استحکام، اور عالمی مالیاتی نرمی میں تاخیر معیشت کے منظرنامے کے لیے اہم خطرات کا باعث ہے۔ درمیانی مدت میں معاشی بحالی کے لیے وسیع تر مالیاتی اور اقتصادی اصلاحات کے پختہ نفاذ کی ضرورت ہوگی۔

نیا آئی ایم ایف بیل آؤٹ پیکیج 37 ماہ پر مشتمل ایک EFF ہے، جس کی کل مالیت 7 ارب امریکی ڈالر ہے۔ اس کا ہدف عوامی مالیات کو مستحکم کرنے، غیر ملکی زرمبادلہ کے ذخائر میں اضافہ کرنے، سرکاری اداروں سے مالیاتی خطرات کو کم کرنے، اور سازگار کاروباری ماحول کو فروغ دینا شامل ہیں تاکہ نجی شعبے کی قیادت میں معاشی نمو کو فروغ دیا جاسکے۔ آئی ایم ایف پیکیج کی اہلیت پر پورا اترنے کے لیے، حکومت نے 1.4 کھرب روپے سے 1.8 کھرب روپے تک اضافی محصول عائد کیے، بجلی کی قیمتوں میں 51 فیصد تک اضافہ کیا، اور حکومتی مالیاتی فنڈ کے معاملات میں شفافیت لانے کا عہد کیا۔

Condensed Interim
Unconsolidated Financial Statements
of
BankIslami Pakistan Limited
For the Quarter and Nine Months Ended
September 30, 2024

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

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		-------- Rupees in '000 --------	
ASSETS			
Cash and balances with treasury banks	6	**43,834,362**	41,287,071
Balances with other banks	7	**632,479**	1,373,974
Due from financial institutions	8	**39,535,110**	16,502,138
Investments	9	**346,744,229**	314,083,872
Islamic financing, related assets and advances	10	**172,878,234**	230,194,288
Property and equipment	11	**14,652,573**	12,573,302
Right-of-use assets	12	**4,556,604**	3,566,267
Intangible assets	13	**3,910,855**	3,619,485
Deferred tax assets	14	**-**	235,534
Other assets	15	**35,839,873**	31,429,965
Total Assets		**662,584,319**	654,865,896
LIABILITIES			
Bills payable	16	**3,387,393**	5,125,177
Due to financial institutions	17	**27,711,240**	60,659,056
Deposits and other accounts	18	**551,897,381**	522,540,925
Lease liabilities	19	**5,412,665**	4,252,295
Subordinated sukuk	20	**3,000,000**	2,850,000
Deferred tax liabilities	14	**1,767,502**	-
Other liabilities	21	**23,325,048**	22,972,525
Total Liabilities		**616,501,229**	618,399,978
NET ASSETS		**46,083,090**	36,465,918
REPRESENTED BY			
Share capital - net		**11,007,991**	11,007,991
Reserves		**6,841,549**	4,800,111
Surplus on revaluation of assets	22	**6,883,764**	4,662,090
Unappropriated profit		**21,349,786**	15,995,726
		46,083,090	36,465,918
CONTINGENCIES AND COMMITMENTS	23		

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

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

BankIslami Pakistan Limited
Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)
For the Quarter and Nine months ended September 30, 2024

	Note	Quarter Ended		Nine Months Ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
		------------------------ Rupees in '000 ------------------------			
Profit / return earned	24	**27,247,721**	26,144,635	**85,967,950**	65,309,237
Profit / return expensed	25	**15,454,924**	14,453,407	**52,198,273**	36,964,611
Net Profit / return		**11,792,797**	11,691,228	**33,769,677**	28,344,626
OTHER INCOME					
Fee and commission income	26	**584,289**	476,971	**1,674,010**	1,274,885
Dividend income		**1,560**	16,975	**64,096**	44,313
Foreign exchange (loss) / income		**(165,702)**	510,175	**1,241,523**	755,525
Income / (loss) from shariah compliant forward and future contracts		**432,617**	(718,691)	**(13,266)**	(379,464)
Gain on securities - net	27	**18,876**	86,261	**395,841**	201,266
Net gains / (loss) on derecognition of financial assets measured at amortised cost		**-**	-	**-**	-
Other income - net	28	**56,526**	145,474	**134,968**	252,864
Total other income		**928,166**	517,165	**3,497,172**	2,149,389
Total Income		**12,720,963**	12,208,393	**37,266,849**	30,494,015
OTHER EXPENSES					
Operating expenses	29	**5,702,991**	3,831,461	**15,802,076**	11,325,125
Workers' Welfare Fund		**126,543**	132,322	**407,987**	298,239
Other charges	30	**1,429**	2,590	**1,843**	7,351
Total other expenses		**5,830,963**	3,966,373	**16,211,906**	11,630,715
Profit before credit loss allowance / provisions		**6,890,000**	8,242,020	**21,054,943**	18,863,300
Credit loss allowance / provisions and write offs - net	31	**689,384**	1,578,042	**1,063,559**	3,903,489
Extra ordinary / unusual items		**-**	-	**-**	-
PROFIT BEFORE TAXATION		**6,200,616**	6,663,978	**19,991,384**	14,959,811
Taxation	32	**3,057,813**	3,286,140	**9,784,192**	6,486,227
PROFIT AFTER TAXATION		**3,142,803**	3,377,838	**10,207,192**	8,473,584
		------------------------------- Rupees -------------------------------			
Basic / Diluted earnings per share	33	**2.8347**	3.0467	**9.2064**	7.6428

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

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

BankIslami Pakistan Limited
Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)
For the Quarter and Nine months ended September 30, 2024

	Quarter Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	------------------------ Rupees in '000 ------------------------			
Profit after taxation for the period	**3,142,803**	3,377,838	**10,207,192**	8,473,584
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	**3,234,897**	(654,034)	**2,529,298**	(948,918)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of property and equipment - net of tax	-	(2,735)	-	(169,369)
Movement in surplus on revaluation of non-banking assets - net of tax	-	231	-	(2,827)
	-	(2,504)	-	(172,196)
Total comprehensive income	**6,377,700**	2,721,300	**12,736,490**	7,352,470

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

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

BankIslami Pakistan Limited
Condensed Interim Unconsolidated Statement of Changes in Equity
For the Nine months ended September 30, 2024

	Share capital	Discount on issue of shares	Statutory reserve*	Surplus on revaluation of Investments	Surplus on revaluation of Property & Equipment / Non Banking Assets	Unappropriated profit	Total
	Rupees in '000						
Opening Balance as at January 1, 2023 (Audited)	11,087,033	(79,042)	2,591,091	1,131,256	1,637,031	10,083,032	26,450,401
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	8,473,584	8,473,584
Other comprehensive loss for the nine months ended September 30, 2023 - net of tax:							
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	(974,741)	-	-	(974,741)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	25,823	-	-	25,823
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	(169,369)	-	(169,369)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	(2,827)	-	(2,827)
Total other comprehensive income - net of tax	-	-	-	(948,918)	(172,196)	-	(1,121,114)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(100,671)	100,671	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(137)	137	-
Transactions with owners, recorded directly in equity							
Cash dividend to shareholders for the year 2022 @ Re. 1 per share	-	-	-	-	-	(1,108,703)	(1,108,703)
Opening Balance as at October 1, 2023 (Un-audited)	11,087,033	(79,042)	2,591,091	182,338	1,364,027	17,548,721	32,694,168
Profit after taxation for the period from October 01, 2023 to December 31, 2023	-	-	-	-	-	2,571,515	2,571,515
Other comprehensive income / (loss) - net of tax							
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	2,920,845	-	-	2,920,845
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	103,099	-	-	103,099
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	(33,459)	(33,459)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	150,206	-	150,206
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	(225)	-	(225)
Total other comprehensive income - net of tax	-	-	-	3,023,944	149,981	(33,459)	3,140,466
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(26,111)	26,111	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(31)	31	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(32,058)	32,058	-
Transfer to statutory reserve	-	-	2,209,020	-	-	(2,209,020)	-
Transactions with owners, recorded directly in equity							
First Interim cash dividend to shareholders for the year 2023 @ Rs. 1.75 per share	-	-	-	-	-	(1,940,231)	(1,940,231)
Opening Balance as at January 01, 2024 (Audited)	11,087,033	(79,042)	4,800,111	3,206,282	1,455,808	15,995,726	36,465,918
Impact of initial application of IFRS 9 as at January 01, 2024 - net of tax	-	-	-	(177,127)	-	(170,433)	(347,560)
Opening Balance as at January 01, 2024 (Adjusted)	**11,087,033**	**(79,042)**	**4,800,111**	**3,029,155**	**1,455,808**	**15,825,293**	**36,118,358**
Profit after taxation for the nine months ended September 30, 2024	**-**	**-**	**-**	**-**	**-**	**10,207,192**	**10,207,192**
Other comprehensive income for the nine months ended September 30, 2024 - net of tax:							
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	**-**	**-**	**-**	**2,529,298**	**-**	**-**	**2,529,298**
Total other comprehensive income - net of tax	**-**	**-**	**-**	**2,529,298**	**-**	**-**	**2,529,298**
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	**-**	**-**	**-**	**-**	**(129,205)**	**129,205**	**-**
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	**-**	**-**	**-**	**-**	**(1,292)**	**1,292**	**-**
Transfer to statutory reserve	**-**	**-**	**2,041,438**	**-**	**-**	**(2,041,438)**	**-**
Transactions with owners, recorded directly in equity							
Final Cash dividend to shareholders for the year 2023 @ Re. 1 per share	**-**	**-**	**-**	**-**	**-**	**(1,108,703)**	**(1,108,703)**
First Interim Cash dividend to shareholders for the year 2024 @ Rs. 1.5 per share	**-**	**-**	**-**	**-**	**-**	**(1,663,055)**	**(1,663,055)**
Closing Balance as at September 30, 2024 (Un-audited)	**11,087,033**	**(79,042)**	**6,841,549**	**5,558,453**	**1,325,311**	**21,349,786**	**46,083,090**

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

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

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

BankIslami Pakistan Limited
Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)
For the Nine months ended September 30, 2024

	Note	September 30, 2024	September 30, 2023
		Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		19,991,384	14,959,811
Less: Dividend income		(64,096)	(44,313)
		19,927,288	14,915,498
Adjustments for non-cash charges and other items:			
Net Profit / return		(33,769,677)	(28,344,626)
Depreciation on property and equipment		1,240,619	837,320
Depreciation on non-banking assets	29	1,289	1,726
Depreciation on right-of-use assets	29	1,021,679	625,803
Amortization		197,388	98,313
Depreciation on operating Ijarah assets		62,316	14,540
Finance charges on leased assets	25	587,199	956,819
Credit loss allowance / provisions and write offs - net	31	1,063,559	3,903,489
Unrealized gain on revaluation of investments classified as FVTPL	27	(47,069)	-
Charge for defined benefit plan		201,310	142,227
Gain on sale / disposal of property and equipment	28	(37,406)	(101,190)
		(29,478,793)	(21,865,579)
		(9,551,505)	(6,950,081)
(Increase) / decrease in operating assets			
Due from financial institutions		(23,030,656)	18,622,639
Securities classified as FVTPL		47,069	-
Islamic financing, related assets and advances		55,466,538	(5,650,502)
Other assets (excluding advance taxation)		2,654,985	(17,392,911)
		35,137,936	(4,420,774)
(Decrease) / increase in operating liabilities			
Bills payable		(1,737,784)	(890,513)
Due to financial institutions		(32,947,816)	39,093,790
Deposits and other accounts		29,356,456	45,996,162
Other liabilities (excluding current taxation)		1,900,215	4,952,268
		(3,428,929)	89,151,707
		22,157,502	77,780,852
Profit / return received		79,069,870	62,732,336
Profit / return paid		(51,583,608)	(34,387,709)
Income tax paid		(9,814,517)	(4,331,724)
Payment to Gratuity Fund		(100,000)	-
Net cash generated from operating activities		39,729,247	101,793,755
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		(30,131,084)	(97,947,295)
Dividends received		64,096	44,313
Investments in property and equipment		(3,328,457)	(2,064,479)
Investments in intangible assets		(504,388)	(272,198)
Proceeds from disposal of property and equipment		57,854	562,415
Net cash used in investing activities		(33,841,979)	(99,677,244)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(1,438,845)	(1,127,700)
Dividend paid		(2,791,839)	(1,009,228)
Proceeds from issuance of subordinated sukuk		150,000	-
Net cash used in financing activities		(4,080,684)	(2,136,928)
Increase / (decrease) in cash and cash equivalents		1,806,584	(20,417)
Cash and cash equivalents at the beginning of the period		42,660,257	42,018,657
Cash and cash equivalents at the end of the period		44,466,841	41,998,240

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

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

BankIslami Pakistan Limited
Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements (Un-Audited)
For the Nine months ended September 30, 2024

1 STATUS AND NATURE OF BUSINESS

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

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

The Bank is operating through 513 branches including 60 sub-branches as at September 30, 2024 (December 31, 2023: 440 branches including 60 sub-branches). The registered office of the Bank is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Bank's long-term rating to 'AA-' and short-term rating at 'A1' with stable outlook.

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

2.2 Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34, IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

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

2.4 These condensed interim unconsolidated financial statements are separate condensed interim unconsolidated financial statements of the Bank in which investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any, and are not consolidated. The condensed interim consolidated financial statements of the Bank are being issued separately.

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended December 31, 2023 except for changes mentioned in Note 3.1.

3.1 IFRS 9 - Financial Instruments:

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

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

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

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

3.1.1 Classification

Financial Assets

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

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

Financial Liabilities

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

3.1.2 Business Model and SPPI Assessments

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

a) Business model assessment

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

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

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

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

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

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

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

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

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

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

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

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

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

3.1.3 Initial recognition and subsequent measurement

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

a) **Amortised cost (AC)**

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

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

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

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

b) **Fair value through other comprehensive income (FVOCI)**

Financial assets at fair value through other comprehensive income comprise:

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

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

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

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

c) Fair value through profit or loss (FVTPL)

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

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

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

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

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

3.1.4 Derecognition

Financial assets

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

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

Financial liabilities

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

3.1.5 Modification

Financial Assets

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

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

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

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

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

Financial Liabilities

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

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

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

3.1.6 Reclassification

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

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

Reclassified from amortised cost

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

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

Reclassified from fair value through other comprehensive income

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

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

Reclassified from fair value through profit or loss

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

3.1.7 Impairment and measurement of ECL

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

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

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

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

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

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

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

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

Measurement of ECL

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

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

Restructured financial assets

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

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

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

Non-Performing financial assets

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a financing by the Bank on terms that the Bank would not consider otherwise;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

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

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

3.1.8 Significant increase in credit risk (SICR)

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

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

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

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

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

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

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

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

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

Undrawn financing commitments and guarantees:

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

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

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

3.1.9 Governance, ownership and responsibilities

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

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

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

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

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

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

3.1.10 Reconciliation of balances reported under local regulations and IFRS 9

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

	Local regulations classification		Reclassification	Re-measurement		IFRS 9	
	Category	Amount		ECL	Others	Amount	Category
		----- Rupees in '000 -----					
Financial Assets							
Cash and balances with treasury banks	Cash and cash equivalents	41,287,071	-	(299)	-	41,286,772	Amortized cost
Balances with other banks	Cash and cash equivalents	1,373,974	-	(4,238)	-	1,369,736	Amortized cost
Due from financial institutions	Financing and receivables	16,502,138	-	(20)	-	16,502,118	Amortized cost
Investments							
-Held for Trading							
Debt instruments	Held for Trading	-	-	-	-	-	Fair Value Through Profit or Loss
-Available for sale							
Debt instruments	Available for sale	313,384,471	(50,000)	(132)	-	313,334,339	Fair Value Through other comprehensive Income
		-	50,000	-	-	50,000	Fair Value Through Profit or Loss
Equity instruments	Available for sale	699,401	(699,401)	-	-	-	Fair Value Through other comprehensive Income
		-	699,401	-	-	699,401	Fair Value Through Profit or Loss
Islamic financing, related assets and Advances	Islamic financing, related assets and Advances	230,194,288	-	(5,061,068)	4,391,459	229,524,679	Amortized cost
Other assets	Other assets	31,429,965	-	(7,193)		31,422,772	Amortized cost
Total Financial Assets		634,871,308	-	(5,072,950)	4,391,459	634,189,817	
Non Financial Assets							
Deferred tax assets		235,534	-	-	333,931	569,465	
Total Non - Financial Assets		235,534	-	-	333,931	569,465	
Total Assets		635,106,842	-	(5,072,950)	4,725,390	634,759,282	
Financial Liabilities							
Due to financial institutions	Due to financial institutions	60,659,056	-	-	-	60,659,056	Amortized cost
Deposits and other accounts	Deposit and other accounts	522,540,925	-	-	-	522,540,925	Amortized cost
Sub-ordinated sukuk	Sub-ordinated sukuk	2,850,000	-	-	-	2,850,000	Amortized cost
	Provision against off balance sheet obligations	85,975	-	-	-	85,975	Amortized cost
Other liabilities	Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	313,494	-	-	-	313,494	Fair Value Through Profit or Loss
Total liabilities		586,449,450	-	-	-	586,449,450	

Net Impact on the statement of financial position as at January 01, 2024 upon adoption of IFRS 9	**Rupees in '000'**
ECL Charge	(5,072,950)
Reversal of general provision on Islamic financing, related assets and advances as at December 31, 2023	4,391,459
Deferred tax impact	333,931
	(347,560)

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

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

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

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

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

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

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

There are certain interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these condensed interim unconsolidated financial statements.

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

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

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
- Amendments to IAS 21- Lack of Exchangeability	January 01, 2025
- IFRS 18 Presentation and Disclosure in Financial Statements	January 01, 2027

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2023, except below which were a result of adoption of IFRS 9:

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

(b) Measurement of ECL

5 FINANCIAL RISK MANAGEMENT

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

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	--------Rupees in '000 --------	
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand:		
- Local currency	**11,687,330**	11,227,889
- Foreign currencies	**581,551**	1,319,857
	12,268,881	12,547,746
With the State Bank of Pakistan in:		
- Local currency current account	**26,433,425**	21,500,242
- Foreign currency deposit accounts:		
- Cash reserve account	**974,099**	969,037
- Special cash reserve account	**1,211,256**	1,206,364
- US dollar clearing account	**111,949**	38,902
	2,297,304	2,214,303
With National Bank of Pakistan in:		
- Local currency current account	**2,835,060**	5,021,445
Prize Bonds	**-**	3,335
Less: Credit loss allowance held against cash and balances with treasury banks	**(308)**	-
Cash and balances with treasury banks - net of credit loss allowance	**43,834,362**	41,287,071
7 BALANCES WITH OTHER BANKS		
In Pakistan:		
- In current accounts	**9**	9
- In deposit accounts	**158**	142
	167	151
Outside Pakistan:		
- In current accounts	**489,003**	1,186,902
- In deposit accounts	**144,097**	186,921
	633,100	1,373,823
Less: Credit loss allowance held against balances with other banks	**(788)**	-
Balances with other banks - net of credit loss allowance	**632,479**	1,373,974

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		--------Rupees in '000 --------	
8 DUE FROM FINANCIAL INSTITUTIONS			
Secured			
Bai Muajjal Receivable			
-with Other Financial Institutions	8.1	**23,765,920**	-
Unsecured			
Musharkah Placement		**3,000,000**	-
Bai Muajjal Receivable			
-with Other Financial Institutions	8.1	**12,769,304**	16,502,138
Other placements		**15,390**	17,820
		39,550,614	16,519,958
Less: Credit loss allowance held against due from financial institutions	8.2	**(15,504)**	(17,820)
Due from financial institutions - net of credit loss allowance		**39,535,110**	16,502,138

8.1 The average return on this product is 18.35% (2023: 22.05% to 22.35%) per annum. The balances have maturity of 258 days (2023: 6 days to 110 days).

8.2 Due from financial institutions - Particulars of credit loss allowance

		(Un-audited) September 30, 2024		(Audited) December 31, 2023	
		Due from financial institutions	Credit loss allowance held	Due from financial institutions	Provision held
		----------------------- Rupees in '000 -----------------------			
Domestic					
Performing	Stage 1	**39,535,224**	**114**	16,502,138	-
Under performing	Stage 2	**-**	**-**	-	-
Non-performing	Stage 3				
- Substandard		**-**	**-**	-	-
- Doubtful		**-**	**-**	-	-
- Loss		**15,390**	**15,390**	17,820	17,820
Total		**39,550,614**	**15,504**	16,519,958	17,820

8.2.1 The Bank does not hold overseas classified placements.

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		------- Rupees in '000 -------	
9 INVESTMENTS			
Investments - Islamic	9.1	**346,744,229**	314,083,872
Investments - Conventional (relating to amalgamated entity)	9.2	**-**	-
		346,744,229	314,083,872

9.1 Islamic Investments by type	Note	(Un-audited) September 30, 2024 Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	(Audited) December 31, 2023 Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		---------- Rupees in '000 ----------							
FVTPL									
Shares		58,451	-	40,636	99,087	-	-	-	-
Non-Government Shariah Compliant Securities		50,000	-	-	50,000	-	-	-	-
Modaraba certificates		12,288	-	6,433	18,721	-	-	-	-
		120,739	-	47,069	167,808	-	-	-	-
FVOCI									
Federal Government Shariah Compliant Securities		302,389,882	-	10,524,179	312,914,061	-	-	-	-
Non-Government Shariah Compliant Securities		33,316,696	(35,905)	374,749	33,655,540	-	-	-	-
Foreign securities		6,820	-	-	6,820	-	-	-	-
		335,713,398	(35,905)	10,898,928	346,576,421	-	-	-	-
Available for sale									
Federal Government Shariah Compliant Securities		-	-	-	-	272,237,369	-	5,630,029	277,867,398
Shares		-	-	-	-	336,073	-	344,220	680,293
Non-Government Shariah Compliant Securities		-	-	-	-	35,243,462	(35,880)	309,491	35,517,073
Modaraba certificates		-	-	-	-	9,200	-	3,088	12,288
Foreign securities		-	-	-	-	6,820	-	-	6,820
		-	-	-	-	307,832,924	(35,880)	6,286,828	314,083,872
Associate		627,942	(627,942)	-	-	627,942	(627,942)	-	-
Total Islamic investments		336,462,079	(663,847)	10,945,997	346,744,229	308,460,866	(663,822)	6,286,828	314,083,872

9.2 Conventional Investments by type	Note	(Un-audited) September 30, 2024 Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	(Audited) December 31, 2023 Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
FVTPL									
Shares	9.2.1	-	-	-	-	-	-	-	-
Foreign securities	9.2.1	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
FVOCI									
Shares	9.2.1	-	-	-	-	-	-	-	-
Non-Government Debt Securities		224,467	(224,467)	-	-	-	-	-	-
Foreign securities	9.2.1	-	-	-	-	-	-	-	-
		224,467	(224,467)	-	-	-	-	-	-
Amortised Cost									
Non-Government Debt Securities		92,145	(92,145)	-	-	-	-	-	-
Available for sale									
Shares	9.2.1	-	-	-	-	591,680	(591,680)	-	-
Non-Government Debt Securities		-	-	-	-	224,467	(224,467)	-	-
Foreign securities	9.2.1	-	-	-	-	1,155,350	(1,155,350)	-	-
		-	-	-	-	1,971,497	(1,971,497)	-	-
Held to maturity									
Non-Government Debt Securities		-	-	-	-	92,145	(92,145)	-	-
Associates	9.4	474,169	(474,169)	-	-	474,169	(474,169)	-	-
Subsidiary	9.3	104,771	(104,771)	-	-	104,771	(104,771)	-	-
Total conventional investments		895,552	(895,552)	-	-	2,642,582	(2,642,582)	-	-

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

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

	As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
				---- Rupees in '000 ----				
9.3 Details of investment in subsidiary								
Unlisted								
My Solutions Corporation Limited	December 31, 2013	100.00	Pakistan	69,539	10,105	14,580	(1,763)	(1,763)
9.4 Details of investment in associates								
Unlisted								
Islamic								
Shakarganj Food Products Limited	June 30, 2024	36.38	Pakistan	10,346,904	6,578,330	11,261,328	171,846	171,846
Conventional								
KASB Funds Limited	December 31, 2015	43.89	Pakistan	46,465	32,465	23,640	(66,241)	(65,679)
KASB Capital Limited	December 31, 2016	21.78	Mauritius	$ 652,864	$135,428	$ -	$ (34,084)	$ (34,084)

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		---- Rupees in '000 ----	
9.5 Investments given as collateral			
Federal Government Securities		2,814,000	35,314,000
9.6 Credit loss allowance / provision for diminution in value of investments			
9.6.1 Opening balance		3,306,404	2,178,358
Impact of adoption of IFRS 9		132	-
Charge / (reversal)			
Charge for the period / year		-	1,207,289
Reversals for the period / year		(107)	-
Reversal on disposals		-	-
	31	(107)	1,207,289
Amounts written off		-	(79,243)
Impact of reclassification of equity securities from FVOCI to FVTPL		(1,747,030)	-
Closing Balance		1,559,399	3,306,404

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

Category of classification		(Un-audited) September 30, 2024 Outstanding amount	Credit loss allowance held	(Audited) December 31, 2023 Outstanding amount	Provision held
		---- Rupees in '000 ----			
Domestic					
Performing	Stage 1	335,394,447	25	307,168,700	-
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		628,743	352,492	628,743	352,492
		628,743	352,492	628,743	352,492
Total		336,023,190	352,517	307,797,443	352,492

9.7.1 The Bank does not hold overseas classified debt securities.

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

10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Islamic financing and related assets - net	10.1	172,819,276	230,129,817
Advances (relating to amalgamated entity) - net	10.2	58,958	64,471
		172,878,234	230,194,288

10.1 ISLAMIC FINANCING AND RELATED ASSETS

	Note	Performing		Non Performing		Total	
		(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		---- Rupees in '000 ----					
In Pakistan							
- Running Musharakah	10.8	36,522,505	100,625,553	1,444,955	1,444,955	37,967,460	102,070,508
- Diminishing Musharakah financing and related assets - Others	10.3	54,119,595	46,055,344	5,013,697	3,529,814	59,133,292	49,585,158
- Diminishing Musharakah - Housing		20,865,980	23,553,066	2,282,974	2,019,821	23,148,954	25,572,887
- Istisna financing and related assets	10.4 & 10.9	18,890,773	20,455,759	4,123,586	3,630,366	23,014,359	24,086,125
- Diminishing Musharakah financing and related assets - Auto		16,609,249	16,380,932	637,310	538,620	17,246,559	16,919,552
- Murabahah financing and related assets	10.5 & 10.10	13,228,320	16,073,181	770,556	397,002	13,998,876	16,470,183
- Musawamah financing and related assets / Tijarah	10.6	6,944,829	3,781,236	4,869,816	5,024,205	11,814,645	8,805,441
- Investment Agency Wakalah		2,730,590	2,730,590	-	-	2,730,590	2,730,590
- Murabahah against Bills		504,163	671,556	196,778	192,048	700,941	863,604
- Ijarah financing under IFAS 2 and related assets	10.7	575,259	288,755	158,840	161,958	734,099	450,713
- Financing against Bills		3,033,615	209,100	-	-	3,033,615	209,100
- Qardh-e-Hasana		26,453	48,226	123,031	121,025	149,484	169,251
- Musharakah financing		-	-	160,000	160,000	160,000	160,000
- Past Due Acceptance		47,903	155,972	-	-	47,903	155,972
- Net investment in Ijarah financing in Pakistan		69,433	85,343	-	-	69,433	85,343
- Housing finance portfolio - others		19,086	24,091	-	-	19,086	24,091
Islamic financing and related assets - gross		174,187,753	231,138,704	19,781,543	17,219,814	193,969,296	248,358,518
Credit loss allowance / provision against islamic financing and related assets	10.12						
- Stage 1		(1,803,048)	-	-	-	(1,803,048)	-
- Stage 2		(1,142,355)	-	-	-	(1,142,355)	-
- Stage 3		-	-	(17,247,321)	-	(17,247,321)	-
- Specific		-	-	-	(13,837,297)	-	(13,837,297)
- General		-	(4,391,404)	-	-	-	(4,391,404)
		(2,945,403)	(4,391,404)	(17,247,321)	(13,837,297)	(20,192,724)	(18,228,701)
Fair value adjustment	10.1.1	(957,296)	-	-	-	(957,296)	-
Islamic financing and related assets - net of credit loss allowance / provision		170,285,054	226,747,300	2,534,222	3,382,517	172,819,276	230,129,817

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

10.1.2 Islamic Financing and related assets include Rs.19,781.543 million (December 2023: Rs.17,219.814 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) September 30, 2024		(Audited) December 31, 2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision held
	---- Rupees in '000 ----			
Islamic financing, related assets - Category of classification				
Domestic				
Other assets especially mentioned	991,832	451,141	393,831	-
Substandard	2,261,593	1,455,878	1,009,194	235,164
Doubtful	1,650,392	1,206,060	2,170,850	871,469
Loss	14,877,726	14,134,242	13,645,939	12,730,664
	19,781,543	17,247,321	17,219,814	13,837,297

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

10.2 ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Rupees in '000					
- Loans, cash credits, running finances, etc. - In Pakistan*	-	5,569	4,254,803	4,424,625	4,254,803	4,430,194
- Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan	-	-	684,295	684,295	684,295	684,295
- Net investment in finance lease - In Pakistan	-	-	554,963	561,908	554,963	561,908
Advances - gross	-	5,569	5,494,061	5,670,828	5,494,061	5,676,397
Credit loss allowance / provision against advances						
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	(5,435,103)	-	(5,435,103)	-
- Specific	-	-	-	(5,611,871)	-	(5,611,871)
- General	-	(55)	-	-	-	(55)
	-	(55)	(5,435,103)	(5,611,871)	(5,435,103)	(5,611,926)
Advances - net of credit loss allowance / provision	-	5,514	58,958	58,957	58,958	64,471
Fair value adjustment	-	-	-	-	-	-
Advances - net of credit loss allowance / provision and fair value adjustment	-	5,514	58,958	58,957	58,958	64,471

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

10.2.1 Advances include Rs. 5,494.061 million (December 2023: Rs. 5,670.828 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) September 30, 2024		(Audited) December 31, 2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision held
	Rupees in '000			
Advances - Category of classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	5,494,061	5,435,103	5,670,828	5,611,871
	5,494,061	5,435,103	5,670,828	5,611,871

10.2.2 The Bank does not hold overseas advances

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
		--------Rupees in '000 --------	
10.3	**Diminishing Musharakah financing and related assets - Others**		
	Diminishing Musharakah financing	**56,257,041**	46,307,161
	Advance against Diminishing Musharakah financing	**2,876,251**	3,277,997
		59,133,292	49,585,158
10.4	**Istisna financing and related assets**		
	Istisna financing	**8,933,423**	7,662,635
	Advance against Istisna financing	**14,030,936**	16,423,490
	Istisna inventories	**50,000**	-
		23,014,359	24,086,125
10.5	**Murabahah financing and related assets**		
	Murabahah financing	**7,175,493**	8,945,251
	Deferred murabahah income	**1,234,254**	1,663,483
	Advances against Murabaha financing	**2,610,191**	1,469,521
	Murabaha Inventories	**2,978,938**	4,391,928
		13,998,876	16,470,183
10.6	**Musawamah financing and related assets / Tijarah**		
	Musawamah financing	**5,269,305**	6,174,291
	Advance against Musawamah financing	**48,406**	123,620
	Musawamah inventories	**6,496,934**	2,507,530
		11,814,645	8,805,441
10.7	**Ijarah financing under IFAS 2 and related assets**		
	Net book value of assets under IFAS 2	**704,313**	435,282
	Advance against Ijarah financing	**29,786**	15,431
		734,099	450,713

10.8 Running musharakah financing and related assets includes financing amounting to Rs.1,215 million (2023: Rs. 2,403 million) under Islamic Export Refinance Scheme.

10.9 Istisna financing and related assets includes financing amounting to Rs. Nil (2023: Rs. 264.6 million) and advance amounting to Rs. 448 million (2023: Rs. 1,016.5 million) under Islamic Export Refinance Scheme.

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

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	-------- Rupees in '000 --------	
10.11 Particulars of Islamic financing and related assets and advances - gross		
In local currency	196,349,390	251,850,511
In foreign currency	3,113,967	2,184,404
	199,463,357	254,034,915

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

	(Un-audited) September 30, 2024						(Audited) December 31, 2023		
	Stage 3	Stage 2	Stage 1	Specific	General	Total	Specific	General	Total
	Rupees in '000								
Opening balance	-	-	-	19,449,168	4,391,459	23,840,627	16,119,131	2,987,168	19,106,299
Impact of adoption of IFRS 9	21,564,745	1,446,454	1,499,037	(19,449,168)	(4,391,459)	669,609	-	-	-
Charge for the period / year	2,564,507	786,677	953,146	-	-	4,304,330	4,006,703	1,500,000	5,506,703
Reversals for the period / year	(1,446,828)	(1,090,776)	(649,135)	-	-	(3,186,739)	(676,666)	(95,709)	(772,375)
	1,117,679	(304,099)	304,011	-	-	1,117,591	3,330,037	1,404,291	4,734,328
Amount written off	-	-	-	-	-	-	-	-	-
Closing balance	22,682,424	1,142,355	1,803,048	-	-	25,627,827	19,449,168	4,391,459	23,840,627
10.12.1 Islamic	17,247,321	1,142,355	1,803,048	-	-	20,192,724	13,837,297	4,391,404	18,228,701
Conventional	5,435,103	-	-	-	-	5,435,103	5,611,871	55	5,611,926
	22,682,424	1,142,355	1,803,048	-	-	25,627,827	19,449,168	4,391,459	23,840,627

10.12.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at September 30, 2024 amounts to Rs.814.411 million (2023: Rs. 943.552 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 415.350 million (2023: Rs. 481.211 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
10.12.3 Credit loss allowance / reversal net of fair value adjustment taken to the profit and loss account	---------Rupees in '000---------	
Gross reversals for the period	3,186,739	585,881
Charge for the period	(4,304,330)	(3,847,656)
	(1,117,591)	(3,261,775)
Fair value adjusted - net	-	(2,830)
Net charge taken to the profit and loss account	(1,117,591)	(3,264,605)

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

	(Un-audited) September 30, 2024		
	Stage 1	Stage 2	Stage 3
	-------------- Rupees in '000 --------------		
10.13.1 Opening balance			
Impact of adoption of IFRS 9	1,499,037	1,446,454	21,564,745
New financing	59,673	5,669	15,164
Financing derecognised or repaid	(56,817)	(61,355)	(425,036)
Transfer to stage 1	104,293	(104,293)	-
Transfer to stage 2	(196,825)	196,825	-
Transfer to stage 3	(1,096,441)	(392,313)	1,488,755
	(1,186,117)	(355,467)	1,078,883
Amounts written off / charged off	-	-	-
Changes in risk parameters	1,490,128	51,368	38,796
Closing balance	1,803,048	1,142,355	22,682,424

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
10.14 SBP other refinance schemes		------ Rupees in '000 ------	
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		**7,503,638**	8,005,247
Islamic Long-Term Financing Facility		**1,404,119**	1,320,910
Islamic refinance scheme for payment of wages and salaries		**54,822**	62,197
RM EFS - Rupee Based Discounting (TFA)		**8,964,003**	4,327,627
Islamic refinance scheme for Renewable Energy		**643,257**	677,678
Islamic refinance scheme for combating COVID (IRFCC)		**142,193**	197,509
Islamic refinance facility for Modernization of SMEs		**70,679**	67,654
Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)		**215,813**	47,836
Islamic Credit Guarantee Scheme For Women Entrepreneur		**114,520**	35,187
Islamic Refinance Scheme for Working Capital Financing		**50,000**	-
		19,163,044	14,741,845
11 PROPERTY AND EQUIPMENT			
	11.1	**2,003,400**	1,491,445
Capital work-in-progress		**12,649,173**	11,081,857
Property and equipment		**14,652,573**	12,573,302
11.1 Capital work-in-progress			
Advances to suppliers and contractors		**812,677**	300,722
Advance for acquiring properties and office premises		**1,190,723**	1,190,723
		2,003,400	1,491,445

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
11.2 Additions to property and equipment	------ Rupees in '000 ------	
The following additions have been made to property and equipment during the period:		
Capital work-in-progress	**772,057**	706,988
Property and equipment		
Furniture and fixture	**1,477,072**	559,143
Electrical, office and computer equipment	**1,239,271**	747,335
Vehicles	**96,236**	70,225
	2,812,579	1,376,703
Total	**3,584,636**	2,083,691
11.3 Disposal / transfer of property and equipment		
The net book value of property and equipment disposed off / transferred during the period is as follows:		
Disposal		
Building on freehold land	**-**	405,000
Leasehold building	**-**	42,523
Furniture and fixture	**4,357**	13,557
Electrical, office and computer equipment	**461**	14
Vehicle	**-**	130
	4,818	461,224
Total	**4,818**	461,224

12 RIGHT-OF-USE ASSETS	(Un-audited) September 30, 2024			(Audited) December 31, 2023		
	Buildings	Others	Total	Buildings	Others	Total
	----------Rupees in '000----------					
At January 1						
Cost	7,693,776	-	7,693,776	6,129,251	-	6,129,251
Accumulated Depreciation	(4,127,509)	-	(4,127,509)	(3,231,869)	-	(3,231,869)
Net Carrying amount	3,566,267	-	3,566,267	2,897,382	-	2,897,382
Additions during the period / year	2,269,086	-	2,269,086	1,564,525	-	1,564,525
Deletions during the period / year	(257,070)	-	(257,070)	-	-	-
Depreciation Charge for the period / year	(1,021,679)	-	(1,021,679)	(895,640)	-	(895,640)
Net Carrying amount at the end of period / year	4,556,604	-	4,556,604	3,566,267	-	3,566,267

13 INTANGIBLE ASSETS	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	---------Rupees in '000---------	
Computer software	903,077	616,201
Core deposits	18,905	20,590
Membership and Subscription	44,576	38,397
Goodwill	2,944,297	2,944,297
	3,910,855	3,619,485

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	---------Rupees in '000---------	
13.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Directly purchased	504,388	272,200
13.2 Disposals of intangible assets		
The net book value of intangible assets disposed off during the period is as follows:		
Disposal		
Membership and Subscription	15,630	-

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

14 DEFERRED TAX (LIABILITIES) / ASSETS

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Taxable temporary differences on			
- Fair value adjustments relating to net assets acquired upon amalgamation		**(246,317)**	(337,060)
- Surplus on revaluation of investment		**(5,340,475)**	(3,080,546)
- Surplus on revaluation of property and equipment	22	**(1,241,106)**	(1,365,244)
- Surplus on revaluation of non-banking assets	22	**(32,232)**	(33,473)
- Accelerated tax depreciation		**(948,223)**	(553,466)
- Others		**66,712**	(92,117)
		(7,741,641)	(5,461,906)
Deductible temporary differences on			
- Credit loss allowance against investments		**161,771**	161,754
- Credit loss allowance against non-performing Islamic financing, related assets and advances		**5,946,050**	5,516,884
- Other credit loss allowances		**6,506**	-
- Ijarah financing and related assets		**(140,188)**	18,802
		5,974,139	5,697,440
		(1,767,502)	235,534

15 OTHER ASSETS

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Profit / return accrued in local currency		**29,736,585**	22,877,808
Profit / return accrued in foreign currencies		**47,508**	8,205
Advances, deposits, advance rent and other prepayments		**675,205**	2,637,121
Non-banking assets acquired in satisfaction of claims	15.1	**1,454,033**	1,452,789
Takaful claim receivable		**27,406**	22,570
Fair value adjustment on financing	10.1.1	**995,361**	-
Receivable against takaful and registration charges		**256,020**	310,102
Receivable against First WAPDA Sukuk		**50,000**	50,000
Acceptances		**1,515,827**	3,966,916
Clearing and settlement accounts		**1,066,838**	-
Others		**829,489**	957,467
		36,654,272	32,282,978
Less: Credit loss allowance held against other assets	15.2	**(880,179)**	(921,326)
Other Assets - net of credit loss allowance		**35,774,093**	31,361,652
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	**65,780**	68,313
Other assets - total		**35,839,873**	31,429,965

15.1 Market value of non-banking assets acquired in satisfaction of claims		**1,214,051**	1,215,340

15.2 Credit loss allowance held against other assets

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Advances, deposits, advance rent & other prepayments		**50,843**	54,371
Non banking assets acquired in satisfaction of claims		**305,762**	305,762
Others		**523,574**	561,193
	15.2.1	**880,179**	921,326

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		---------Rupees in '000---------	
15.2.1 Movement in Credit loss allowance held against other assets			
Opening balance		**921,326**	764,955
Impact of adoption of IFRS 9		**7,193**	-
Charge for the period / year		**18,473**	156,571
Reversals during the period / year		**(66,313)**	(200)
	31	**(47,840)**	156,371
Amount written off		**(500)**	-
Closing balance		**880,179**	921,326
16 BILLS PAYABLE			
In Pakistan		**3,387,393**	5,125,177
Outside Pakistan		**-**	-
		3,387,393	5,125,177
17 DUE TO FINANCIAL INSTITUTIONS			
Secured			
Due to State Bank of Pakistan			
Acceptances from SBP under Mudaraba		**-**	30,694,154
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		**7,157,108**	7,746,700
Islamic Export Finance Scheme - Rupee based discounting		**4,574,997**	4,600,946
Acceptances for financial assistance		**4,723,276**	4,413,497
Acceptances under Islamic Export Refinance Scheme		**627,000**	3,554,100
Islamic Long-Term Financing Facility		**926,956**	957,745
Islamic Refinance Scheme for Renewable Energy		**585,441**	639,712
Islamic Refinance Scheme for combating COVID (IRFCC)		**133,333**	80,374
Islamic Refinance Scheme for Working Capital Financing		**50,000**	-
Islamic Refinance Scheme for Modernization of SMEs		**49,811**	60,271
Islamic Refinance Scheme for Facility of Storage of Agricultural Produce (IFFSAP)		**82,987**	43,264
Islamic Credit Guarantee Scheme for Women Entrepreneur		**77,472**	14,166
		18,988,381	52,804,929
Musharakah Acceptance		**-**	2,500,000
Refinance facility for Islamic Mortgage		**2,643,838**	3,354,127
Total secured		**21,632,219**	58,659,056
Unsecured			
Wakalah Acceptance		**-**	2,000,000
Musharakah Acceptance		**6,000,000**	-
Overdrawn nostro accounts		**79,021**	-
Total unsecured		**6,079,021**	2,000,000
		27,711,240	60,659,056

18 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) September 30, 2024			(Audited) December 31, 2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
Customers						
Current deposits	178,313,832	8,600,914	186,914,746	173,239,773	7,973,255	181,213,028
Savings deposits	130,286,894	3,909,791	134,196,685	119,740,262	3,796,970	123,537,232
Term deposits	213,493,454	7,560,775	221,054,229	188,301,494	8,389,258	196,690,752
Margin deposits	5,596,896	97,064	5,693,960	12,948,577	111,218	13,059,795
	527,691,076	20,168,544	547,859,620	494,230,106	20,270,701	514,500,807
Financial Institutions						
Current deposits	694,075	8,429	702,504	713,949	11,551	725,500
Savings deposits	2,688,513	-	2,688,513	6,415,172	-	6,415,172
Term deposits	646,598	-	646,598	899,300	-	899,300
Margin deposits	146	-	146	146	-	146
	4,029,332	8,429	4,037,761	8,028,567	11,551	8,040,118
	531,720,408	20,176,973	551,897,381	502,258,673	20,282,252	522,540,925

19 LEASE LIABILITIES	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		Rupees in '000	
Outstanding amount at the start of the period / year		4,252,295	3,559,675
Additions during the period / year		2,269,086	1,564,525
Lease payments including profit for the period / year		(1,695,915)	(1,797,604)
Finance charges on leased assets for the period / year		587,199	925,699
Outstanding amount at the end of the period / year	19.1	5,412,665	4,252,295
19.1 Liabilities Outstanding			
Not later than one year		496,734	37,720
Later than one year and upto five years		3,815,889	825,956
Over five years		1,100,042	3,388,619
Total at the period / year end		5,412,665	4,252,295

19.2 The Bank enters in to lease agreements with terms and conditions mainly included rent escalation usually at 10% p.a, sub-letting of the property at discretion of the Bank, alterations to the premises as per business requirement, termination of the agreement with notice period, agreement period, renewal of agreement usually at same terms with change in monthly rent, escalation clause and termination of the agreement. Discount rate ranges between 14.79% to 17.5% (2023: 12.19% to 17.5%).

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

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

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

Issued Amount	Rs. 2,000 million.
Issue Date	April 21, 2020
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.
Call option	The Bank may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

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

Issued Amount	Rs. 1,000 million.
Issue Date	February 21, 2024
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.
Call option	The Bank may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

21 OTHER LIABILITIES

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		---------Rupees in '000---------	
Profit / return payable in local currency		8,792,482	8,137,173
Profit / return payable in foreign currencies		230,804	271,448
Accrued expenses		2,484,003	2,077,161
Deferred Murabahah Income on Financing, IERS and Others		813,618	1,111,958
Payable to defined benefit plan		4,677	4,677
Payable to defined contribution plan		51,247	40,121
Defined benefit plan liabilities		530,251	428,941
Security deposits against Ijarah		462,300	421,586
Credit loss allowance against off-balance sheet obligations	21.1	85,975	85,975
Acceptances		1,515,827	3,966,916
Current taxation (provisions less payments)		2,048,339	2,281,081
Withholding taxes payable		437,032	327,185
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		13,266	313,494
Sundry creditors		3,015,360	1,595,515
Payable to brokers against purchase of shares - net		714	536
Charity payable		100,575	29,550
Retention money payable		94,131	63,047
Provision for Workers' Welfare Fund		1,176,874	768,887
Dividend Payable		181,518	201,599
Clearing and settlement accounts		-	40,087
Others		1,286,055	805,588
		23,325,048	22,972,525

21.1 Credit loss allowance against off-balance sheet obligations

Opening balance		85,975	85,975
Exchange adjustment		-	-
Charge for the period / year		-	-
Reversals		-	-
		-	-
Amount written off		-	-
Closing balance		85,975	85,975

22 SURPLUS ON REVALUATION OF ASSETS

	Note		
Surplus on revaluation of:			
- Securities measured at FVOCI / AFS - Debt	9.1	10,898,928	5,939,520
- Securities measured at AFS - Equity		-	347,308
- Property and equipment		2,532,869	2,786,212
- Non-banking assets acquired in satisfaction of claims	15	65,780	68,313
		13,497,577	9,141,353
Deferred tax liability on surplus on revaluation of:			
- Securities measured at FVOCI / AFS - Debt		(5,340,475)	(2,910,365)
- Securities measured at AFS - Equity		-	(170,181)
- Property and equipment	14	(1,241,106)	(1,365,244)
- Non-banking assets acquired in satisfaction of claims	14	(32,232)	(33,473)
		(6,613,813)	(4,479,263)
		6,883,764	4,662,090

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		---------Rupees in '000---------	
23 CONTINGENCIES AND COMMITMENTS			
- Guarantees	23.1	14,805,031	5,375,308
- Commitments	23.2	291,543,973	251,509,280
- Other contingent liabilities	23.3	720,593	720,593
		307,069,597	257,605,181
23.1 Guarantees:			
Performance guarantees		8,751,847	4,086,053
Other guarantees		6,053,184	1,289,255
		14,805,031	5,375,308
23.2 Commitments:			
Documentary credits and short-term trade-related transactions:			
- letters of credit		27,333,955	24,399,492
Commitments in respect of:			
- Shariah compliant alternative of forward foreign exchange contracts	23.2.1	92,629,580	100,971,691
Commitments for acquisition of:			
- property and equipment		602,939	1,105,974
- intangible assets		100,776	65,782
Other commitments			
- commitments in respect of financing	23.2.2	170,876,723	124,966,341
		291,543,973	251,509,280
23.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions			
Purchase		42,258,615	54,353,067
Sale		50,370,965	46,618,624
		92,629,580	100,971,691

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

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

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

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

		(Un-audited)	
24	**PROFIT / RETURN EARNED**	**September 30, 2024**	**September 30, 2023**
		---------Rupees in '000---------	
	Profit earned on:		
	Financing	**30,613,353**	31,408,149
	Investments	**51,681,136**	30,502,956
	Placements	**3,497,479**	3,257,499
	Others	**175,982**	140,633
		85,967,950	65,309,237
24.1	**Profit (calculated using effective profit rate method) recognised on:**		
	Financial assets measured at amortised cost	**34,286,814**	34,806,281
	Financial assets measured at FVOCI / AFS	**51,681,136**	30,502,956
		85,967,950	65,309,237
25	**PROFIT / RETURN EXPENSED**		
	Deposits and other accounts	**42,015,072**	28,202,280
	Due to financial institutions	**8,078,307**	6,936,758
	Cost of foreign currency swaps against foreign currency deposits	**983,391**	364,759
	Finance charges on leased assets	**587,199**	956,819
	Subordinated Sukuk	**534,304**	503,995
		52,198,273	36,964,611
25.1	Profit expense calculated using effective profit rate method	**9,199,810**	8,397,572
	Other financial liabilities	**42,998,463**	28,567,039
		52,198,273	36,964,611
26	**FEE AND COMMISSION INCOME**		
	Card related fees	**937,264**	612,611
	Commission on trade	**332,777**	338,526
	Commission on arrangement with financial institutions	**93,380**	62,923
	Investment banking fees	**118,273**	45,486
	Commission on bancatakaful	**46,109**	55,738
	Guarantees related fee	**47,606**	38,253
	Consumer finance related fees	**8,948**	19,005
	Branch banking customer fees	**25,955**	44,790
	Commission on remittances including home remittances	**38,874**	33,858
	Commission on cash management	**19,181**	16,087
	Others	**5,643**	7,608
		1,674,010	1,274,885

	Note	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
		---------Rupees in '000---------	
27 GAIN ON SECURITIES - NET			
Realized	27.1	348,772	201,266
Unrealized - Measured at FVTPL		47,069	-
		395,841	201,266
27.1 Realized gain on:			
Shares		286,353	-
Federal Government Shariah Compliant Securities		44,883	201,266
Non-Government Shariah Compliant Securities		17,536	-
		348,772	201,266
27.2 Net gain / (loss) on financial assets / liabilities measured at FVTPL:			
Designated upon initial recognition		47,069	-
Net gain / (loss) on financial assets measured at FVOCI / AFS		-	201,266
		47,069	201,266
28 OTHER INCOME - NET			
Recoveries against previously expensed items		11,216	11,330
Gain on termination of financing		80,984	139,578
Gain on sale of property and equipment		37,406	101,190
Rent on property		-	766
		134,968	252,864

	(Un-audited)	
	September 30, 2024	September 30, 2023
	---------Rupees in '000---------	

29 OPERATING EXPENSES

Total compensation expense	**6,875,356**	5,110,160
Property expense		
Rent & taxes	**201,407**	150,663
Takaful cost	**-**	1,118
Utilities cost	**939,901**	613,836
Security (including guards)	**683,697**	450,782
Repair & maintenance (including janitorial charges)	**360,207**	228,434
Depreciation	**537,831**	383,677
Depreciation on right-of-use assets	**1,021,679**	625,803
	3,744,722	2,454,313
Information technology expenses		
Software maintenance	**514,574**	454,820
Hardware maintenance	**186,868**	184,593
Depreciation	**341,148**	240,678
Amortization	**186,612**	93,718
Network charges	**305,877**	216,247
	1,535,079	1,190,056
Other operating expenses		
Directors' fees and allowances	**19,920**	15,780
Fees and allowances to Shariah Board	**24,912**	19,582
Legal & professional charges	**126,876**	88,071
Travelling & conveyance	**155,018**	83,963
NIFT clearing charges	**41,286**	28,609
Depreciation	**361,640**	212,965
Depreciation on non-banking assets	**1,289**	1,726
Entertainment expense	**132,170**	79,632
Training & development	**30,629**	21,164
Postage & courier charges	**54,772**	50,984
Communication	**273,687**	186,086
Stationery & printing	**322,639**	301,660
Marketing, advertisement & publicity	**153,609**	206,848
Repairs and maintenance	**225,213**	160,233
Takaful, tracker and other charges on car Ijarah - net of income	**96,463**	60,153
Takaful / Insurance	**355,891**	260,809
Fee and subscription	**508,344**	300,053
Vehicle running and maintenance	**435,058**	357,032
Donations	**148,871**	-
Auditors' remuneration	**27,968**	23,141
Amortization	**10,776**	4,595
CDC and share registrar services	**9,125**	11,311
Brokerage and commission	**25,359**	24,903
Stamp duty, registration & verification charges	**50,705**	37,719
Others	**54,699**	33,577
	3,646,919	2,570,596
	15,802,076	11,325,125

30 OTHER CHARGES

Penalties imposed by the State Bank of Pakistan	**1,843**	7,351

	Note	(Un-audited) September 30, 2024	September 30, 2023
		---------Rupees in '000---------	
31 CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET			
Reversal of credit loss allowance against due from financial institutions		**(2,336)**	(2,430)
(Reversal) / charge of credit loss allowance for diminution in value of investments	9.6.1	**(107)**	579,347
Credit loss allowance against Islamic financing, related assets and advances - net	10.12.3	**1,117,591**	3,264,605
Reversal of credit loss allowance against balance with treasury and other banks		**(3,749)**	-
Other credit loss allowance / (reversal) / write offs - net		**(47,840)**	61,967
		1,063,559	3,903,489
32 TAXATION			
Current		**9,581,775**	6,910,616
Prior years		**-**	123,235
Deferred		**202,417**	(547,624)
		9,784,192	6,486,227
33 BASIC / DILUTED EARNINGS PER SHARE			
Profit after taxation for the period		**10,207,192**	8,473,584
		------- Number of shares -------	
Weighted average number of ordinary shares		**1,108,703,299**	1,108,703,299
		------- Rupees -------	
Basic and diluted EPS	33.1	**9.2064**	7.6428

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

34 FAIR VALUE MEASUREMENTS

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

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

34.1 Fair value of financial assets

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

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

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

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

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

	(Un-audited)			
	September 30, 2024			
	Level 1	Level 2	Level 3	Total
	---------------- Rupees in '000 ----------------			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / Modaraba certificates	117,808	-	6,820	124,628
GoP Ijara Sukuk	47,469,014	265,445,047	-	312,914,061
Non-Government Shariah compliant securities	3,415,471	30,290,069	-	33,705,540
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	42,258,615	-	42,258,615
Shariah compliant alternative of forward sale of foreign exchange	-	50,370,965	-	50,370,965
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	-	6,564,897	6,564,897
Non-banking assets acquired in satisfaction of claims	-	-	1,214,051	1,214,051

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

Valuation techniques used in determination of fair values within level 1

Item	Valuation approach and input used
GOP Sukuks	The valuation has been determined through closing rates on Pakistan Stock Exchange.
Listed securities (Shares, Modaraba and Sukuks)	The valuation has been determined through closing rates on Pakistan Stock Exchange.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Shariah compliant alternative of forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.

Valuation techniques used in determination of fair values within level 3

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

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

35 SEGMENT INFORMATION

Segment Details with respect to Business Activities

	(Un-audited)				
	September 30, 2024				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
Profit & Loss	------------------------------ Rupees in '000 ----------------------------------				
Net profit / return	46,618,515	(35,906,369)	23,502,170	(444,639)	33,769,677
Inter segment revenue - net	(48,168,376)	69,875,325	(25,266,967)	3,560,018	-
Total other income	1,781,574	1,145,973	515,637	53,988	3,497,172
Total income	231,713	35,114,929	(1,249,160)	3,169,367	37,266,849
Segment direct expenses	100,216	7,639,113	645,169	7,827,408	16,211,906
Inter segment expense allocation	118,365	6,281,067	1,018,146	(7,417,578)	-
Total expenses	218,581	13,920,180	1,663,315	409,830	16,211,906
Credit loss allowance	(6,193)	6,089	1,105,754	(42,091)	1,063,559
Profit / (loss) before tax	19,325	21,188,660	(4,018,229)	2,801,628	19,991,384
Balance Sheet					
Assets					
Cash & Bank balances	632,479	43,834,362	-	-	44,466,841
Investments	346,070,896	-	673,333	-	346,744,229
Net inter segment placements	-	477,102,764	-	16,515,115	493,617,879
Due from financial institutions	39,535,110	-	-	-	39,535,110
Islamic financing and related assets - performing	-	30,666,701	132,344,646	7,273,707	170,285,054
- non-performing - net	-	984,774	1,381,435	226,971	2,593,180
Others	-	-	-	58,959,905	58,959,905
Total Assets	386,238,485	552,588,601	134,399,414	82,975,698	1,156,202,198
Liabilities					
Due to financial institutions	10,802,298	2,643,838	14,265,104	-	27,711,240
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	1,952,618	549,944,763	-	-	551,897,381
Net inter segment acceptances	373,483,569	-	120,134,310	-	493,617,879
Others	-	-	-	33,892,608	33,892,608
Total liabilities	386,238,485	552,588,601	134,399,414	36,892,608	1,110,119,108
Equity	-	-	-	46,083,090	46,083,090
Total Equity & liabilities	386,238,485	552,588,601	134,399,414	82,975,698	1,156,202,198
Contingencies & Commitments	92,629,580	-	42,138,986	172,301,031	307,069,597

Profit & Loss	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	(Un-audited) September 30, 2023				
	------------------------------ Rupees in '000 ----------------------------------				
Net profit / return	26,442,762	(21,084,790)	23,981,504	(994,850)	28,344,626
Inter segment revenue - net	(27,130,564)	50,040,608	(22,742,707)	(167,337)	-
Total other income	685,152	914,453	436,321	113,463	2,149,389
Total Income	(2,650)	29,870,271	1,675,118	(1,048,724)	30,494,015
Segment direct expenses	110,320	6,153,271	466,595	4,900,529	11,630,715
Inter segment expense allocation	36,240	1,978,172	559,652	(2,574,064)	-
Total expenses	146,560	8,131,443	1,026,247	2,326,465	11,630,715
Credit loss allowance	577,727	172,222	3,077,140	76,400	3,903,489
Profit / (loss) before tax	(726,937)	21,566,606	(2,428,269)	(3,451,589)	14,959,811

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

36 RELATED PARTY TRANSACTIONS

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

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

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

	(Un-audited) September 30, 2024						(Audited) December 31, 2023					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	(Rupees in '000)											
Due from financial institutions - net												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the period / year	-	-	-	-	-	-	3,233,725	-	-	-	-	-
Repaid during the period / year	-	-	-	-	-	-	(3,233,725)	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
Opening balance	-	-	-	104,771	1,102,111	-	-	-	-	104,771	1,102,111	-
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	104,771	1,102,111	-	-	-	-	104,771	1,102,111	-
Provision for diminution in value of investments	-	-	-	(104,771)	(1,102,111)	-	-	-	-	(104,771)	(1,102,111)	-
Islamic financing and related assets												
Opening balance	-	-	422,999	-	480,187	248,878	-	-	372,910	-	480,187	700,001
Addition during the period / year	-	-	159,113	-	418,721	955,260	-	-	226,783	-	903,910	4,461,960
Repaid during the period / year	-	-	(67,678)	-	(418,721)	(462,804)	-	-	(55,187)	-	(903,910)	(4,071,795)
Transfer in / (out) - net	-	-	(29,287)	-	-	-	-	-	(121,507)	-	-	(841,288)
Closing balance	-	-	485,147	-	480,187	741,334	-	-	422,999	-	480,187	248,878
Credit loss allowance held against Islamic financing and related assets	-	-	-	-	(221,004)	-	-	-	-	-	(221,004)	-
Other assets												
Profit receivable on financings	-	-	215	-	-	20,155	-	-	443	-	-	5,019
Due to financial institutions - net												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the period / year	61,500,000	-	-	-	-	-	161,865,000	-	-	-	-	-
Settled during the period / year	(61,500,000)	-	-	-	-	-	(161,865,000)	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated sukuk												
Opening balance	-	-	485	-	-	1,120	-	-	1,015	-	-	-
Issued / purchased during the period / year	-	-	-	-	-	142,670	-	-	-	-	-	-
Redemption / sold during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out)	-	-	-	-	-	-	-	-	(530)	-	-	1,120
Closing balance	-	-	485	-	-	143,790	-	-	485	-	-	1,120
Deposits and other accounts												
Opening balance	-	5,741	72,646	4	29,503	6,162,706	-	2,745	32,443	4	12,186	1,776,697
Received during the period / year	-	788,827	924,483	-	1,756,955	40,664,147	-	3,128,053	879,664	-	2,157,630	30,791,160
Withdrawn during the period / year	-	(741,481)	(825,274)	-	(1,587,365)	(44,009,700)	-	(3,125,331)	(839,085)	-	(2,140,297)	(29,438,326)
Transfer in / (out) - net	-	-	(27,687)	-	-	9,570	-	274	(376)	-	(16)	3,033,175
Closing balance	-	53,087	144,168	4	199,093	2,826,723	-	5,741	72,646	4	29,503	6,162,706
Other Liabilities												
Profit / return payable	-	44	2,199	-	2	44,141	-	3	333	-	13	126,064
Dividend Payable	-	76,454	-	-	-	-	-	169,317	-	-	-	-
Other liabilities	-	-	-	-	-	15,568	-	-	10	-	-	132
Meeting fee / remuneration payable	-	-	-	-	-	-	-	2,000	-	-	-	-

	(Un-audited) September 30, 2024						(Un-audited) September 30, 2023					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	(Rupees in '000)											
Income												
Profit / return earned	-	-	23,863	-	-	90,362	9,413	-	11,733	-	53,156	102,948
Other income	-	-	16	-	22	-	-	-	547	-	-	-
Expense												
Profit / return expensed	45,297	2,444	10,428	-	73	434,034	200,269	14	1,481	-	35	180,709
Other administrative expenses	-	3,627	26,605	-	-	147,738	-	4,072	1,662	-	-	48,830
Meeting fee / remuneration	-	19,920	350,895	-	-	-	-	15,780	370,472	-	-	-
Contribution to employees provident fund	-	-	-	-	-	208,836	-	-	-	-	-	155,144
Charge for employees gratuity fund	-	-	-	-	-	201,310	-	-	-	-	-	142,227
Donation paid	-	-	-	-	-	60,000	-	-	-	-	-	-
Dividend paid	2,082,030	386,296	99	-	-	65,287	-	-	-	-	-	-
Others	38,520	-	-	-	-	-	-	-	-	-	-	-

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	---------Rupees in '000---------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**11,007,991**	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**36,973,012**	28,516,942
Eligible Additional Tier 1 (ADT 1) Capital	**3,000,000**	2,850,000
Total Eligible Tier 1 Capital	**39,973,012**	31,366,942
Eligible Tier 2 Capital	**11,573,492**	10,586,929
Total Eligible Capital (Tier 1 + Tier 2)	**51,546,504**	41,953,871
Risk Weighted Assets (RWAs):		
Credit Risk	**125,389,405**	123,694,507
Market Risk	**1,431,018**	2,747,987
Operational Risk	**49,939,649**	49,939,650
Total	**176,760,072**	176,382,144
Common Equity Tier 1 Capital Adequacy ratio	**20.92%**	16.17%
Tier 1 Capital Adequacy Ratio	**22.61%**	17.78%
Total Capital Adequacy Ratio	**29.16%**	23.79%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	**6.00%**	6.00%
Tier 1 minimum ratio	**7.50%**	7.50%
Total capital minimum ratio	**10.00%**	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	**1.50%**	1.50%
Total Capital plus CCB	**11.50%**	11.50%

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

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	---------Rupees in '000---------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**39,973,012**	31,366,942
Total Exposures	**811,492,159**	661,785,605
Leverage Ratio	**4.93%**	4.74%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**385,887,032**	315,027,109
Total Net Cash Outflow	**104,280,791**	90,466,918
Liquidity Coverage Ratio	**370.05%**	348.22%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**569,741,183**	524,268,955
Total Required Stable Funding	**144,389,106**	170,271,142
Net Stable Funding Ratio	**394.59%**	307.90%

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

38 GENERAL

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

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

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

38.4 Corresponding figures

These condensed interim unconsolidated financial statements are prepared on revised format as per the directives issued by SBP vide BPRD circular No. 2 of 2023. Consequently, corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparisons. There were no significant reclassifications during the period except as disclosed below:

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

39 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on October 24, 2024 by the Board of Directors of the Bank.

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

Condensed Interim Consolidated Financial Statements of BankIslami Pakistan Limited For the Quarter and Nine Months Ended September 30, 2024

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

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		-------- Rupees in '000 --------	
ASSETS			
Cash and balances with treasury banks	6	**43,834,362**	41,287,071
Balances with other banks	7	**634,681**	1,376,176
Due from financial institutions	8	**39,535,110**	16,502,138
Investments	9	**346,744,229**	314,083,872
Islamic financing, related assets and advances	10	**172,878,234**	230,194,288
Property and equipment	11	**14,653,625**	12,574,354
Right-of-use assets	12	**4,556,604**	3,566,267
Intangible assets	13	**3,957,866**	3,666,496
Deferred tax assets	14	**-**	110,448
Other assets	15	**35,840,145**	31,430,237
Total Assets		**662,634,856**	654,791,347
LIABILITIES			
Bills payable	16	**3,387,393**	5,125,177
Due to financial institutions	17	**27,711,240**	60,659,056
Deposits and other accounts	18	**551,897,376**	522,540,920
Lease liabilities	19	**5,412,665**	4,252,295
Subordinated sukuk	20	**3,000,000**	2,850,000
Deferred tax liabilities	14	**1,892,588**	-
Other liabilities	21	**23,344,812**	22,992,289
Total Liabilities		**616,646,074**	618,419,737
NET ASSETS		**45,988,782**	36,371,610
REPRESENTED BY			
Share capital - net		**11,007,991**	11,007,991
Reserves		**6,841,529**	4,800,091
Surplus on revaluation of assets	22	**6,883,764**	4,653,025
Unappropriated profit		**21,255,498**	15,910,503
		45,988,782	36,371,610
CONTINGENCIES AND COMMITMENTS	23		

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

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

BankIslami Pakistan Limited
Condensed Interim Consolidated Profit and Loss Account (Un-audited)
For the Quarter and Nine months ended September 30, 2024

	Note	Quarter Ended September 30, 2024	Quarter Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
		Rupees in '000			
Profit / return earned	24	27,247,721	26,144,635	85,967,950	65,309,237
Profit / return expensed	25	15,454,924	14,453,407	52,198,273	36,964,611
Net Profit / return		11,792,797	11,691,228	33,769,677	28,344,626
OTHER INCOME					
Fee and commission income	26	584,289	476,971	1,674,010	1,274,885
Dividend income		1,560	16,975	64,096	44,313
Foreign exchange (loss) / income		(165,702)	510,175	1,241,523	755,525
Income / (loss) from shariah compliant forward and future contracts		432,617	(718,691)	(13,266)	(379,464)
Gain on securities - net	27	18,876	86,261	395,841	201,266
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income - net	28	56,526	145,474	134,968	252,864
Total other income		928,166	517,165	3,497,172	2,149,389
Total Income		12,720,963	12,208,393	37,266,849	30,494,015
OTHER EXPENSES					
Operating expenses	29	5,702,991	3,831,461	15,802,076	11,325,125
Workers' Welfare Fund		126,543	132,322	407,987	298,239
Other charges	30	1,429	2,590	1,843	7,351
Total other expenses		5,830,963	3,966,373	16,211,906	11,630,715
Share of profit / (loss) from associate - net of tax		19,645	(24,011)	62,692	(17,711)
Profit before credit loss allowance / provisions		6,909,645	8,218,009	21,117,635	18,845,589
Credit loss allowance / provisions and write offs - net	31	709,029	1,578,042	1,126,251	3,903,489
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		6,200,616	6,639,967	19,991,384	14,942,100
Taxation	32	3,057,813	3,286,140	9,784,192	6,486,227
PROFIT AFTER TAXATION		3,142,803	3,353,827	10,207,192	8,455,873
ATTRIBUTABLE TO:					
Equity shareholders of the Holding Company		3,142,803	3,353,827	10,207,192	8,455,873
Non-controlling interest		-	-	-	-
		3,142,803	3,353,827	10,207,192	8,455,873
		Rupees			
Basic / Diluted earnings per share	33	2.8347	3.0250	9.2064	7.6268

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

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

BankIslami Pakistan Limited
Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)
For the Quarter and Nine months ended September 30, 2024

	Quarter Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	------------------------ Rupees in '000 ------------------------			
Profit after taxation for the period	**3,142,803**	3,353,827	**10,207,192**	8,455,873
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	**3,234,897**	(48,724)	**2,529,298**	(997,642)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of property and equipment - net of tax	**-**	99,676	**-**	(69,693)
Movement in surplus on revaluation of non-banking assets - net of tax	**-**	(239)	**-**	(3,066)
	-	99,437	**-**	(72,759)
Total comprehensive income	**6,377,700**	3,404,540	**12,736,490**	7,385,472
ATTRIBUTABLE TO:				
Equity shareholders of the Holding Company	**6,377,700**	3,404,540	**12,736,490**	7,385,472
Non controlling interest	**-**	-	**-**	-
	6,377,700	3,404,540	**12,736,490**	7,385,472

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

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

BankIslami Pakistan Limited
Condensed Interim Consolidated Statement of Changes in Equity
For the Nine months ended September 30, 2024

	Share capital	Discount on issue of shares	Statutory reserve*	Surplus on revaluation of Investments	Surplus on revaluation of Property & Equipment / Non Banking Assets	Unappropriated profit	Sub-total	Non Controlling Interest	Total
	------- Rupees in '000 -------								
Opening Balance as at January 1, 2023 (Audited)	11,087,033	(79,042)	2,591,071	1,122,191	1,637,031	10,432,660	26,790,944	-	26,790,944
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	8,455,873	8,455,873	-	8,455,873
Other comprehensive loss for the nine months ended September 30, 2023 - net of tax:									
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	(974,741)	-	-	(974,741)	-	(974,741)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	25,823	-	-	25,823	-	25,823
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	(69,693)	-	(69,693)	-	(69,693)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	(3,066)	-	(3,066)	-	(3,066)
Total other comprehensive income - net of tax	-	-	-	(948,918)	(72,759)	-	(1,021,677)	-	(1,021,677)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(100,671)	100,671	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(137)	137	-	-	-
Transactions with owners, recorded directly in equity									
Cash dividend to shareholders for the year 2022 @ Re. 1 per share	-	-	-	-	-	(1,108,703)	(1,108,703)	-	(1,108,703)
Opening Balance as at October 1, 2023 (Un-audited)	11,087,033	(79,042)	2,591,071	173,273	1,463,464	17,880,638	33,116,437	-	33,116,437
"Profit after taxation for the period from October 01, 2023 to December 31, 2023"	-	-	-	-	-	2,154,375	2,154,375	-	2,154,375
Other comprehensive income / (loss) - net of tax									
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	2,920,845	-	-	2,920,845	-	2,920,845
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	103,099	-	-	103,099	-	103,099
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	(33,459)	(33,459)	-	(33,459)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	50,530	-	50,530	-	50,530
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	14	-	14	-	14
Total other comprehensive income - net of tax	-	-	-	3,023,944	50,544	(33,459)	3,041,029	-	3,041,029
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(26,111)	26,111	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(31)	31	-	-	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(32,058)	32,058	-	-	-
Transfer to statutory reserve	-	-	2,209,020	-	-	(2,209,020)	-	-	-
Transactions with owners, recorded directly in equity									
First Interim cash dividend to shareholders for the year 2023 @ Rs. 1.75 per share	-	-	-	-	-	(1,940,231)	(1,940,231)	-	(1,940,231)
Opening Balance as at January 01, 2024 (Audited)	11,087,033	(79,042)	4,800,091	3,197,217	1,455,808	15,910,503	36,371,610	-	36,371,610
Impact of initial application of IFRS 9 as at January 01, 2024 - net of tax	-	-	-	(177,127)	-	(170,433)	(347,560)		(347,560)
Opening Balance as at January 01, 2024 (Adjusted)	**11,087,033**	**(79,042)**	**4,800,091**	**3,020,090**	**1,455,808**	**15,740,070**	**36,024,050**	**-**	**36,024,050**
Profit after taxation for the nine months ended September 30, 2024	**-**	**-**	**-**	**-**	**-**	**10,207,192**	**10,207,192**	**-**	**10,207,192**
Other comprehensive income for the nine months ended September 30, 2024 - net of tax:									
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	**-**	**-**	**-**	**2,529,298**	**-**	**-**	**2,529,298**	**-**	**2,529,298**
Total other comprehensive income - net of tax	**-**	**-**	**-**	**2,529,298**	**-**	**-**	**2,529,298**	**-**	**2,529,298**
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	**-**	**-**	**-**	**-**	**(120,140)**	**120,140**	**-**	**-**	**-**
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	**-**	**-**	**-**	**-**	**(1,292)**	**1,292**	**-**	**-**	**-**
Transfer to statutory reserve	**-**	**-**	**2,041,438**	**-**	**-**	**(2,041,438)**	**-**	**-**	**-**
Transactions with owners, recorded directly in equity									
Final Cash dividend to shareholders for the year 2023 @ Re. 1 per share	**-**	**-**	**-**	**-**	**-**	**(1,108,703)**	**(1,108,703)**	**-**	**(1,108,703)**
First Interim Cash dividend to shareholders for the year 2024 @ Rs. 1.5 per share	**-**	**-**	**-**	**-**	**-**	**(1,663,055)**	**(1,663,055)**	**-**	**(1,663,055)**
Closing Balance as at September 30, 2024 (Un-audited)	**11,087,033**	**(79,042)**	**6,841,529**	**5,549,388**	**1,334,376**	**21,255,498**	**45,988,782**	**-**	**45,988,782**

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

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

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

BankIslami Pakistan Limited
Condensed Interim Consolidated Cash Flow Statement (Un-audited)
For the Nine months ended September 30, 2024

	Note	September 30, 2024	September 30, 2023
		------------ Rupees in '000 ------------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		19,991,384	14,942,100
Less: Dividend income		(64,096)	(44,313)
Less: Share of loss / (profit) from associate		(62,692)	17,711
		19,864,596	14,915,498
Adjustments for non-cash charges and other items:			
Net Profit / return		(33,769,677)	(28,344,626)
Depreciation on property and equipment		1,240,619	837,320
Depreciation on non-banking assets	29	1,289	1,726
Depreciation on right-of-use assets	29	1,021,679	625,803
Amortization		197,388	98,313
Depreciation on operating Ijarah assets		62,316	14,540
Finance charges on leased assets	25	587,199	956,819
Credit loss allowance / provisions and write offs - net	31	1,126,251	3,903,489
Unrealized gain on revaluation of investments classified as FVTPL	27	(47,069)	-
Charge for defined benefit plan		201,310	142,227
Gain on sale / disposal of property and equipment	28	(37,406)	(101,190)
		(29,416,101)	(21,865,579)
		(9,551,505)	(6,950,081)
(Increase) / decrease in operating assets			
Due from financial institutions		(23,030,656)	18,622,639
Securities classified as FVTPL		47,069	-
Islamic financing, related assets and advances		55,466,538	(5,650,502)
Other assets (excluding advance taxation)		2,529,899	(17,344,426)
		35,012,850	(4,372,289)
(Decrease) / increase in operating liabilities			
Bills payable		(1,737,784)	(890,513)
Due to financial institutions		(32,947,816)	39,093,790
Deposits and other accounts		29,356,456	45,996,162
Other liabilities (excluding current taxation)		1,900,215	4,952,268
		(3,428,929)	89,151,707
		22,032,416	77,829,337
Profit / return received		79,069,870	62,732,336
Profit / return paid		(51,583,608)	(34,387,709)
Income tax paid		(9,814,517)	(4,331,724)
Payment to Gratuity Fund		(100,000)	-
Net cash generated from operating activities		39,604,161	101,842,240
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		(30,005,998)	(98,095,456)
Dividends received		64,096	44,313
Investments in property and equipment		(3,328,457)	(1,964,803)
Investments in intangible assets		(504,388)	(272,198)
Proceeds from disposal of property and equipment		57,854	562,415
Net cash used in investing activities		(33,716,893)	(99,725,729)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(1,438,845)	(1,127,700)
Dividend paid		(2,791,839)	(1,009,228)
Proceeds from issuance of subordinated sukuk		150,000	-
Net cash used in financing activities		(4,080,684)	(2,136,928)
Increase / (decrease) in cash and cash equivalents		1,806,584	(20,417)
Cash and cash equivalents at the beginning of the period		42,662,459	42,020,859
Cash and cash equivalents at the end of the period		44,469,043	42,000,442

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

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

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

For the Nine months ended September 30, 2024

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

1.1 BankIslami Pakistan Limited (Holding Company or the Bank)

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

The State Bank of Pakistan (SBP) granted a 'Scheduled Islamic Commercial Bank' license to the Holding Company on March 18, 2005. The 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 Holding Company is principally engaged in corporate, commercial, consumer, retail banking and investment activities.

The Holding Company is operating through 513 branches including 60 sub-branches as at September 30, 2024 (December 31, 2023: 440 branches including 60 sub-branches). The registered office of the Holding Company is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. The shares of the Holding Company are quoted on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Holding Company's long-term rating to 'AA-' and short-term rating at 'A1' with stable outlook.

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

1.2 Subsidiary Company

1.2.1 My Solutions Corporations Limited - 100 percent holding

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

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

2.2 Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34, IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

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

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

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

2.5 Basis of Consolidation

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

The financial statements of the subsidiary company 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 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 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the audited consolidated annual financial statements of the Holding Company for the year ended December 31, 2023 except for changes mentioned in Note 3.1

3.1 IFRS 9 - Financial Instruments:

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

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

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

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

3.1.1 Classification

Financial Assets

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

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

Financial Liabilities

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

3.1.2 Business Model and SPPI Assessments

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

a) Business model assessment

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

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

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular profit rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

- How managers of the business are compensated (e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- The fair value of the assets managed or on the contractual cash flows collected); and
- The expected frequency, volume and timing of sales are also important aspects of the Holding Company's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

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

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

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

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

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

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

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

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

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

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

3.1.3 Initial recognition and subsequent measurement

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

a) Amortised cost (AC)

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

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

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

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

b) Fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income comprise:

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

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

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

c) Fair value through profit or loss (FVTPL)

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

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

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

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

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

3.1.4 Derecognition

Financial assets

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

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

Financial liabilities

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

3.1.5 Modification

Financial Assets

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

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

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

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

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

Financial Liabilities

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

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

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

3.1.6 Reclassification

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

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

Reclassified from amortised cost

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

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

Reclassified from fair value through other comprehensive income

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

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

Reclassified from fair value through profit or loss

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

3.1.7 Impairment and measurement of ECL

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

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

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

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

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

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

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

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

Measurement of ECL

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

- *financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Holding Company expects to receive);
- *financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows;

- *undrawn financing commitments:* as the present value of the difference between the contractual cash flows that are due to the Holding Company if the commitment is drawn down and the cash flows that the Holding Company expects to receive; and
- *financial guarantee contracts:* the expected payments to reimburse the holder less any amounts that the Holding Company expects to recover.

Restructured financial assets

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

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

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

Non-Performing financial assets

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

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

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

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

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

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

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

3.1.8 Significant increase in credit risk (SICR)

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

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

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

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

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

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

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

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

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

Undrawn financing commitments and guarantees:

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

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

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

3.1.9 Governance, ownership and responsibilities

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

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

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

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

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

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

3.1.10 Reconciliation of balances reported under local regulations and IFRS 9

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

	Local regulations classification		Reclassification	Re-measurement		IFRS 9	
	Category	Amount		ECL	Others	Amount	Category
		----------	Rupees in '000	----------			
Financial Assets							
Cash and balances with treasury banks	Cash and cash equivalents	41,287,071	-	(299)	-	41,286,772	Amortized cost
Balances with other banks	Cash and cash equivalents	1,373,974	-	(4,238)	-	1,369,736	Amortized cost
Due from financial institutions	Financing and receivables	16,502,138	-	(20)	-	16,502,118	Amortized cost
Investments							
-Held for Trading							
Debt instruments	Held for Trading	-	-	-	-	-	Fair Value Through Profit or Loss
-Available for sale							
Debt instruments	Available for sale	313,384,471	(50,000)	(132)	-	313,334,339	Fair Value Through other comprehensive Income
		-	50,000	-	-	50,000	Fair Value Through Profit or Loss
Equity instruments	Available for sale	699,401	(699,401)	-	-	-	Fair Value Through other comprehensive Income
		-	699,401	-	-	699,401	Fair Value Through Profit or Loss
Islamic financing, related assets and Advances	Islamic financing, related assets and Advances	230,194,288	-	(5,061,068)	4,391,459	229,524,679	Amortized cost
Other assets	Other assets	31,430,237	-	(7,193)		31,423,044	Amortized cost
Total Financial Assets		634,871,580	-	(5,072,950)	4,391,459	634,190,089	
Non Financial Assets							
Deferred tax assetst		110,448	-	-	333,931	444,379	
Total Non - Financial Assets		110,448	-	-	333,931	444,379	
Total Assets		634,982,028	-	(5,072,950)	4,725,390	634,634,468	
Financial Liabilities							
Due to financial institutions	Due to financial institutions	60,659,056	-	-	-	60,659,056	Amortized cost
Deposits and other accounts	Deposit and other accounts	522,540,925	-	-	-	522,540,925	Amortized cost
Sub-ordinated sukuk	Sub-ordinated sukuk	2,850,000	-	-	-	2,850,000	Amortized cost
	Provision against off balance sheet obligations	85,975	-	-	-	85,975	Amortized cost
Other liabilities	Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	313,494	-	-	-	313,494	Fair Value Through Profit or Loss
Total liabilities		586,449,450	-	-	-	586,449,450	

Net Impact on the statement of financial position as at January 01, 2024 upon adoption of IFRS 9	**Rupees in '000'**
ECL Charge	(5,072,950)
Reversal of general provision on Islamic financing, related assets and advances as at December 31, 2023	4,391,459
Deferred tax impact	333,931
	(347,560)

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

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

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

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

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

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

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

There are certain interpretations and amendments that are mandatory for the Holding Company's accounting periods beginning on or after January 01, 2024 but are considered not to be relevant or do not have any significant effect on the Holding Company's operations and therefore not detailed in these condensed interim consolidated financial statements.

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

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

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
- Amendments to IAS 21- Lack of Exchangeability	January 01, 2025
- IFRS 18 Presentation and Disclosure in Financial Statements	January 01, 2027

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2023, except below which were a result of adoption of IFRS 9:

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

5 FINANCIAL RISK MANAGEMENT

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

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	--------Rupees in '000 --------	
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand:		
- Local currency	**11,687,330**	11,227,889
- Foreign currencies	**581,551**	1,319,857
	12,268,881	12,547,746
With the State Bank of Pakistan in:		
- Local currency current account	**26,433,425**	21,500,242
- Foreign currency deposit accounts:		
- Cash reserve account	**974,099**	969,037
- Special cash reserve account	**1,211,256**	1,206,364
- US dollar clearing account	**111,949**	38,902
	2,297,304	2,214,303
With National Bank of Pakistan in:		
- Local currency current account	**2,835,060**	5,021,445
Prize Bonds	**-**	3,335
Less: Credit loss allowance held against cash and balances with treasury banks	**(308)**	-
Cash and balances with treasury banks - net of credit loss allowance	**43,834,362**	41,287,071

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
7 BALANCES WITH OTHER BANKS		
In Pakistan:		
- In current accounts	**9**	9
- In deposit accounts	**2,360**	2,344
	2,369	2,353
Outside Pakistan:		
- In current accounts	**489,003**	1,186,902
- In deposit accounts	**144,097**	186,921
	633,100	1,373,823
Less: Credit loss allowance held against balances with other banks	**(788)**	-
Balances with other banks - net of credit loss allowance	**634,681**	1,376,176

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		--------Rupees in '000 --------	
8 DUE FROM FINANCIAL INSTITUTIONS			
Secured			
Bai Muajjal Receivable			
-with Other Financial Institutions	8.1	23,765,920	-
Unsecured			
Musharkah Placement		3,000,000	-
Bai Muajjal Receivable			
-with Other Financial Institutions	8.1	12,769,304	16,502,138
Other placements		15,390	17,820
		39,550,614	16,519,958
Less: Credit loss allowance held against due from financial institutions	8.2	(15,504)	(17,820)
Due from financial institutions - net of credit loss allowance		39,535,110	16,502,138

8.1 The average return on this product is 18.35% (2023: 22.05% to 22.35%) per annum. The balances have maturity of 258 days (2023: 6 days to 110 days).

8.2 Due from financial institutions - Particulars of credit loss allowance

		(Un-audited) September 30, 2024		(Audited) December 31, 2023	
		Due from financial institutions	Credit loss allowance held	Due from financial institutions	Provision held
		----------------------- Rupees in '000 -----------------------			
Domestic					
Performing	Stage 1	39,535,224	114	16,502,138	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
- Substandard		-	-	-	-
- Doubtful		-	-	-	-
- Loss		15,390	15,390	17,820	17,820
Total		39,550,614	15,504	16,519,958	17,820

8.2.1 The Holding Company does not hold overseas classified placements.

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

9 INVESTMENTS

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Investments - Islamic	9.1	**346,744,229**	314,083,872
Investments - Conventional (relating to amalgamated entity)	9.2	**-**	-
		346,744,229	314,083,872

9.1 Islamic Investments by type	Note	(Un-audited) September 30, 2024				(Audited) December 31, 2023			
		Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		---------- Rupees in '000 ----------							
FVTPL									
Shares		58,451	-	40,636	99,087	-	-	-	-
Non-Government Shariah Compliant Securities		50,000	-	-	50,000	-	-	-	-
Modaraba certificates		12,288	-	6,433	18,721	-	-	-	-
		120,739	-	47,069	167,808	-	-	-	-
FVOCI									
Federal Government Shariah Compliant Securities		302,389,882	-	10,524,179	312,914,061	-	-	-	-
Non-Government Shariah Compliant Securities		33,316,696	(35,905)	374,749	33,655,540	-	-	-	-
Foreign securities		6,820	-	-	6,820	-	-	-	-
		335,713,398	(35,905)	10,898,928	346,576,421	-	-	-	-
Available for sale									
Federal Government Shariah Compliant Securities		-	-	-	-	272,237,369	-	5,630,029	277,867,398
Shares		-	-	-	-	336,073	-	344,220	680,293
Non-Government Shariah Compliant Securities		-	-	-	-	35,243,462	(35,880)	309,491	35,517,073
Modaraba certificates		-	-	-	-	9,200	-	3,088	12,288
Foreign securities		-	-	-	-	6,820	-	-	6,820
		-	-	-	-	307,832,924	(35,880)	6,286,828	314,083,872
Associate		1,186,124	(1,186,124)	-	-	1,123,432	(1,123,432)	-	-
Total Islamic investments		337,020,261	(1,222,029)	10,945,997	346,744,229	308,956,356	(1,159,312)	6,286,828	314,083,872

9.2 Conventional Investments by type	Note	(Un-audited) September 30, 2024				(Audited) December 31, 2023			
		Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
FVTPL									
Shares	9.2.1	-	-	-	-	-	-	-	-
Foreign securities	9.2.1	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
FVOCI									
Shares	9.2.1	-	-	-	-	-	-	-	-
Non-Government Debt Securities		224,467	(224,467)	-	-	-	-	-	-
Foreign securities	9.2.1	-	-	-	-	-	-	-	-
		224,467	(224,467)	-	-	-	-	-	-
Amortised Cost									
Non-Government Debt Securities		92,145	(92,145)		-	-	-	-	-
Available for sale									
Shares	9.2.1	-	-	-	-	591,680	(591,680)	-	-
Non-Government Debt Securities		-	-	-	-	224,467	(224,467)	-	-
Foreign securities	9.2.1	-	-	-	-	1,155,350	(1,155,350)	-	-
		-	-	-	-	1,971,497	(1,971,497)	-	-
Held to maturity									
Non-Government Debt Securities		-	-	-	-	92,145	(92,145)	-	-
Associates	9.3	474,169	(474,169)	-	-	474,169	(474,169)	-	-
Total conventional investments		790,781	(790,781)	-	-	2,537,811	(2,537,811)	-	-

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

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

9.3 Details of investment in associates

	As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
				---------- Rupees in '000 ----------				
Unlisted								
Islamic								
Shakarganj Food Products Limited	June 30, 2024	36.38	Pakistan	10,346,904	6,578,330	11,261,328	171,846	171,846
Conventional								
KASB Funds Limited	December 31, 2015	43.89	Pakistan	46,465	32,465	23,640	(66,241)	(65,679)
KASB Capital Limited	December 31, 2016	21.78	Mauritius	$ 652,864	$135,428	$ -	$ (34,084)	$ (34,084)

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		------- Rupees in '000 -------	
9.4 Investments given as collateral			
Federal Government Securities		2,814,000	35,314,000
9.5 Credit loss allowance / provision for diminution in value of investments			
9.5.1 Opening balance		3,697,123	2,073,587
Impact of adoption of IFRS 9		132	-
Charge / (reversal)			
Charge for the period / year		62,692	1,702,779
Reversals for the period / year		(107)	-
Reversal on disposals		-	-
	31	62,585	1,702,779
Amounts written off		-	(79,243)
Impact of reclassification of equity securities from FVOCI to FVTPL		(1,747,030)	-
Closing Balance		2,012,810	3,697,123

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

Category of classification		(Un-audited) September 30, 2024 Outstanding amount	(Un-audited) September 30, 2024 Credit loss allowance held	(Audited) December 31, 2023 Outstanding amount	(Audited) December 31, 2023 Provision held
		-------- Rupees in '000 --------			
Domestic					
Performing	Stage 1	335,394,447	25	307,168,700	-
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		628,743	352,492	628,743	352,492
		628,743	352,492	628,743	352,492
Total		336,023,190	352,517	307,797,443	352,492

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

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

10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES

	Note		
Islamic financing and related assets - net	10.1	172,819,276	230,129,817
Advances (relating to amalgamated entity) - net	10.2	58,958	64,471
		172,878,234	230,194,288

10.1 ISLAMIC FINANCING AND RELATED ASSETS

	Note	Performing		Non Performing		Total	
		(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		---------- Rupees in '000 ----------					
In Pakistan							
- Running Musharakah	10.8	36,522,505	100,625,553	1,444,955	1,444,955	37,967,460	102,070,508
- Diminishing Musharakah financing and related assets - Others	10.3	54,119,595	46,055,344	5,013,697	3,529,814	59,133,292	49,585,158
- Diminishing Musharakah - Housing		20,865,980	23,553,066	2,282,974	2,019,821	23,148,954	25,572,887
- Istisna financing and related assets	10.4 & 10.9	18,890,773	20,455,759	4,123,586	3,630,366	23,014,359	24,086,125
- Diminishing Musharakah financing and related assets - Auto		16,609,249	16,380,932	637,310	538,620	17,246,559	16,919,552
- Murabahah financing and related assets	10.5 & 10.10	13,228,320	16,073,181	770,556	397,002	13,998,876	16,470,183
- Musawamah financing and related assets / Tijarah	10.6	6,944,829	3,781,236	4,869,816	5,024,205	11,814,645	8,805,441
- Investment Agency Wakalah		2,730,590	2,730,590	-	-	2,730,590	2,730,590
- Murabahah against Bills		504,163	671,556	196,778	192,048	700,941	863,604
- Ijarah financing under IFAS 2 and related assets	10.7	575,259	288,755	158,840	161,958	734,099	450,713
- Financing against Bills		3,033,615	209,100	-	-	3,033,615	209,100
- Qardh-e-Hasana		26,453	48,226	123,031	121,025	149,484	169,251
- Musharakah financing		-	-	160,000	160,000	160,000	160,000
- Past Due Acceptance		47,903	155,972	-	-	47,903	155,972
- Net investment in Ijarah financing in Pakistan		69,433	85,343	-	-	69,433	85,343
- Housing finance portfolio - others		19,086	24,091	-	-	19,086	24,091
Islamic financing and related assets - gross		174,187,753	231,138,704	19,781,543	17,219,814	193,969,296	248,358,518
Credit loss allowance / provision against islamic financing and related assets	10.12						
- Stage 1		(1,803,048)	-	-	-	(1,803,048)	-
- Stage 2		(1,142,355)	-	-	-	(1,142,355)	-
- Stage 3		-	-	(17,247,321)	-	(17,247,321)	-
- Specific		-	-	-	(13,837,297)	-	(13,837,297)
- General		-	(4,391,404)	-	-	-	(4,391,404)
		(2,945,403)	(4,391,404)	(17,247,321)	(13,837,297)	(20,192,724)	(18,228,701)
Fair value adjustment	10.1.1	(957,296)	-	-	-	(957,296)	-
Islamic financing and related assets - net of credit loss allowance / provision		170,285,054	226,747,300	2,534,222	3,382,517	172,819,276	230,129,817

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

10.1.2 Islamic Financing and related assets include Rs.19,781.543 million (December 2023: Rs.17,219.814 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) September 30, 2024		(Audited) December 31, 2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision held
	---------- Rupees in '000 ----------			
Islamic financing, related assets - Category of classification				
Domestic				
Other assets especially mentioned	991,832	451,141	393,831	-
Substandard	2,261,593	1,455,878	1,009,194	235,164
Doubtful	1,650,392	1,206,060	2,170,850	871,469
Loss	14,877,726	14,134,242	13,645,939	12,730,664
	19,781,543	17,247,321	17,219,814	13,837,297

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

	Performing		Non Performing		Total	
	(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	---------- Rupees in '000 ----------					
10.2 ADVANCES						
- Loans, cash credits, running finances, etc. - In Pakistan*	-	5,569	4,254,803	4,424,625	4,254,803	4,430,194
- Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan	-	-	684,295	684,295	684,295	684,295
- Net investment in finance lease - In Pakistan	-	-	554,963	561,908	554,963	561,908
Advances - gross	-	5,569	5,494,061	5,670,828	5,494,061	5,676,397
Credit loss allowance / provision against advances						
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	(5,435,103)	-	(5,435,103)	-
- Specific	-	-	-	(5,611,871)	-	(5,611,871)
- General	-	(55)	-	-	-	(55)
	-	(55)	(5,435,103)	(5,611,871)	(5,435,103)	(5,611,926)
Advances - net of credit loss allowance / provision	-	5,514	58,958	58,957	58,958	64,471
Fair value adjustment	-	-	-	-	-	-
Advances - net of credit loss allowance / provision and fair value adjustment	-	5,514	58,958	58,957	58,958	64,471

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

10.2.1 Advances include Rs. 5,494.061 million (December 2023: Rs. 5,670.828 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) September 30, 2024		(Audited) December 31, 2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision held
	---------- Rupees in '000 ----------			
Advances - Category of classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	5,494,061	5,435,103	5,670,828	5,611,871
	5,494,061	5,435,103	5,670,828	5,611,871

10.2.2 The Holding Company does not hold overseas advances

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	--------Rupees in '000 --------	
10.3 Diminishing Musharakah financing and related assets - Others		
Diminishing Musharakah financing	56,257,041	46,307,161
Advance against Diminishing Musharakah financing	2,876,251	3,277,997
	59,133,292	49,585,158
10.4 Istisna financing and related assets		
Istisna financing	8,933,423	7,662,635
Advance against Istisna financing	14,030,936	16,423,490
Istisna inventories	50,000	-
	23,014,359	24,086,125
10.5 Murabahah financing and related assets		
Murabahah financing	7,175,493	8,945,251
Deferred murabahah income	1,234,254	1,663,483
Advances against Murabaha financing	2,610,191	1,469,521
Murabaha Inventories	2,978,938	4,391,928
	13,998,876	16,470,183
10.6 Musawamah financing and related assets / Tijarah		
Musawamah financing	5,269,305	6,174,291
Advance against Musawamah financing	48,406	123,620
Musawamah inventories	6,496,934	2,507,530
	11,814,645	8,805,441
10.7 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	704,313	435,282
Advance against Ijarah financing	29,786	15,431
	734,099	450,713

10.8 Running musharakah financing and related assets includes financing amounting to Rs.1,215 million (2023: Rs. 2,403 million) under Islamic Export Refinance Scheme.

10.9 Istisna financing and related assets includes financing amounting to Rs. Nil (2023: Rs. 264.6 million) and advance amounting to Rs. 448 million (2023: Rs. 1,016.5 million) under Islamic Export Refinance Scheme.

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

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

10.11 Particulars of Islamic financing and related assets and advances - gross

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
In local currency	196,349,390	251,850,511
In foreign currency	3,113,967	2,184,404
	199,463,357	254,034,915

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

	(Un-audited) September 30, 2024						(Audited) December 31, 2023		
	Stage 3	Stage 2	Stage 1	Specific	General	Total	Specific	General	Total
	---- Rupees in '000 ----								
Opening balance	-	-	-	19,449,168	4,391,459	23,840,627	16,119,131	2,987,168	19,106,299
Impact of adoption of IFRS 9	21,564,745	1,446,454	1,499,037	(19,449,168)	(4,391,459)	669,609	-	-	-
Charge for the period / year	2,564,507	786,677	953,146	-	-	4,304,330	4,006,703	1,500,000	5,506,703
Reversals for the period / year	(1,446,828)	(1,090,776)	(649,135)	-	-	(3,186,739)	(676,666)	(95,709)	(772,375)
	1,117,679	(304,099)	304,011	-	-	1,117,591	3,330,037	1,404,291	4,734,328
Amount written off	-	-	-	-	-	-	-	-	-
Closing balance	22,682,424	1,142,355	1,803,048	-	-	25,627,827	19,449,168	4,391,459	23,840,627

10.12.1

	Stage 3	Stage 2	Stage 1	Specific	General	Total	Specific	General	Total
Islamic	17,247,321	1,142,355	1,803,048	-	-	20,192,724	13,837,297	4,391,404	18,228,701
Conventional	5,435,103	-	-	-	-	5,435,103	5,611,871	55	5,611,926
	22,682,424	1,142,355	1,803,048	-	-	25,627,827	19,449,168	4,391,459	23,840,627

10.12.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Holding Company has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at September 30, 2024 amounts to Rs.814.411 million (2023: Rs. 943.552 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 415.350 million (2023: Rs. 481.211 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

10.12.3 Credit loss allowance / reversal net of fair value adjustment taken to the profit and loss account

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	---------Rupees in '000---------	
Gross reversals for the period	3,186,739	585,881
Charge for the period	(4,304,330)	(3,847,656)
	(1,117,591)	(3,261,775)
Fair value adjusted - net	-	(2,830)
Net charge taken to the profit and loss account	(1,117,591)	(3,264,605)

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

	(Un-audited) September 30, 2024		
	Stage 1	Stage 2	Stage 3
	-------------- Rupees in '000 --------------		
10.13.1 Opening balance			
Impact of adoption of IFRS 9	1,499,037	1,446,454	21,564,745
New financing	59,673	5,669	15,164
Financing derecognised or repaid	(56,817)	(61,355)	(425,036)
Transfer to stage 1	104,293	(104,293)	-
Transfer to stage 2	(196,825)	196,825	-
Transfer to stage 3	(1,096,441)	(392,313)	1,488,755
	(1,186,117)	(355,467)	1,078,883
Amounts written off / charged off	-	-	-
Changes in risk parameters	1,490,128	51,368	38,796
Closing balance	1,803,048	1,142,355	22,682,424

		Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
10.14	**SBP other refinance schemes**		------ Rupees in '000 ------	
	Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		**7,503,638**	8,005,247
	Islamic Long-Term Financing Facility		**1,404,119**	1,320,910
	Islamic refinance scheme for payment of wages and salaries		**54,822**	62,197
	RM EFS - Rupee Based Discounting (TFA)		**8,964,003**	4,327,627
	Islamic refinance scheme for Renewable Energy		**643,257**	677,678
	Islamic refinance scheme for combating COVID (IRFCC)		**142,193**	197,509
	Islamic refinance facility for Modernization of SMEs		**70,679**	67,654
	Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)		**215,813**	47,836
	Islamic Credit Guarantee Scheme For Women Entrepreneur		**114,520**	35,187
	Islamic Refinance Scheme for Working Capital Financing		**50,000**	-
			19,163,044	14,741,845
11	**PROPERTY AND EQUIPMENT**			
	Capital work-in-progress	11.1	**2,003,400**	1,491,445
	Property and equipment		**12,650,225**	11,082,909
			14,653,625	12,574,354
11.1	**Capital work-in-progress**			
	Advances to suppliers and contractors		**812,677**	300,722
	Advance for acquiring properties and office premises		**1,190,723**	1,190,723
			2,003,400	1,491,445

		(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
11.2	**Additions to property and equipment**	------ Rupees in '000 ------	
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress	**772,057**	706,988
	Property and equipment		
	Furniture and fixture	**1,477,072**	559,143
	Electrical, office and computer equipment	**1,239,271**	747,335
	Vehicles	**96,236**	70,225
		2,812,579	1,376,703
	Total	**3,584,636**	2,083,691
11.3	**Disposal / transfer of property and equipment**		
	The net book value of property and equipment disposed off / transferred during the period is as follows:		
	Disposal		
	Building on freehold land	**-**	405,000
	Leasehold building	**-**	42,523
	Furniture and fixture	**4,357**	13,557
	Electrical, office and computer equipment	**461**	14
	Vehicle	**-**	130
		4,818	461,224
	Total	**4,818**	461,224

	(Un-audited) September 30, 2024			(Audited) December 31, 2023		
	Buildings	Others	Total	Buildings	Others	Total
12 RIGHT-OF-USE ASSETS	--Rupees in '000--					
At January 1						
Cost	7,693,776	-	7,693,776	6,129,251	-	6,129,251
Accumulated Depreciation	(4,127,509)	-	(4,127,509)	(3,231,869)	-	(3,231,869)
Net Carrying amount	3,566,267	-	3,566,267	2,897,382	-	2,897,382
Additions during the period / year	2,269,086	-	2,269,086	1,564,525	-	1,564,525
Deletions during the period / year	(257,070)	-	(257,070)	-	-	-
Depreciation Charge for the period / year	(1,021,679)	-	(1,021,679)	(895,640)	-	(895,640)
Net Carrying amount at the end of period / year	4,556,604	-	4,556,604	3,566,267	-	3,566,267

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
13 INTANGIBLE ASSETS	---------Rupees in '000---------	
Computer software	903,077	616,201
Core deposits	18,905	20,590
Membership and Subscription	44,576	38,397
Goodwill	2,991,308	2,991,308
	3,957,866	3,666,496

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	---------Rupees in '000---------	
13.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Directly purchased	504,388	272,200
13.2 Disposals of intangible assets		
The net book value of intangible assets disposed off during the period is as follows:		
Disposal		
Membership and Subscription	15,630	-

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		---------Rupees in '000---------	
14 DEFERRED TAX (LIABILITIES) / ASSETS			
Taxable temporary differences on			
- Fair value adjustments relating to net assets acquired upon amalgamation		**(246,317)**	(337,060)
- Surplus on revaluation of investment		**(5,340,475)**	(3,080,546)
- Surplus on revaluation of property and equipment	22	**(1,241,106)**	(1,365,244)
- Surplus on revaluation of non-banking assets	22	**(32,232)**	(33,473)
- Accelerated tax depreciation		**(948,223)**	(553,466)
- Others		**66,712**	(92,117)
		(7,741,641)	(5,461,906)
Deductible temporary differences on			
- Credit loss allowance against investments		**36,685**	36,668
- Credit loss allowance against non-performing Islamic financing, related assets and advances		**5,946,050**	5,516,884
- Other credit loss allowances		**6,506**	-
- Ijarah financing and related assets		**(140,188)**	18,802
		5,849,053	5,572,354
		(1,892,588)	110,448
15 OTHER ASSETS			
Profit / return accrued in local currency		**29,736,585**	22,877,808
Profit / return accrued in foreign currencies		**47,508**	8,205
Advances, deposits, advance rent and other prepayments		**675,379**	2,637,295
Non-banking assets acquired in satisfaction of claims	15.1	**1,454,033**	1,452,789
Takaful claim receivable		**27,406**	22,570
Fair value adjustment on financing	10.1.1	**995,361**	-
Receivable against takaful and registration charges		**256,020**	310,102
Receivable against First WAPDA Sukuk		**50,000**	50,000
Trade Debts		**532**	532
Acceptances		**1,515,827**	3,966,916
Clearing and settlement accounts		**1,066,838**	-
Others		**829,055**	957,033
		36,654,544	32,283,250
Less: Credit loss allowance held against other assets	15.2	**(880,179)**	(921,326)
Other Assets - net of credit loss allowance		**35,774,365**	31,361,924
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	**65,780**	68,313
Other assets - total		**35,840,145**	31,430,237
15.1 Market value of non-banking assets acquired in satisfaction of claims		**1,214,051**	1,215,340
15.2 Credit loss allowance held against other assets			
Advances, deposits, advance rent & other prepayments		**50,843**	54,371
Non banking assets acquired in satisfaction of claims		**305,762**	305,762
Others		**523,574**	561,193
	15.2.1	**880,179**	921,326

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		---------Rupees in '000---------	
15.2.1 Movement in Credit loss allowance held against other assets			
Opening balance		**921,326**	764,955
Impact of adoption of IFRS 9		**7,193**	-
Charge for the period / year		**18,473**	156,571
Reversals during the period / year		**(66,313)**	(200)
	31	**(47,840)**	156,371
Amount written off		**(500)**	-
Closing balance		**880,179**	921,326
16 BILLS PAYABLE			
In Pakistan		**3,387,393**	5,125,177
Outside Pakistan		**-**	-
		3,387,393	5,125,177
17 DUE TO FINANCIAL INSTITUTIONS			
Secured			
Due to State Bank of Pakistan			
Acceptances from SBP under Mudaraba		**-**	30,694,154
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		**7,157,108**	7,746,700
Islamic Export Finance Scheme - Rupee based discounting		**4,574,997**	4,600,946
Acceptances for financial assistance		**4,723,276**	4,413,497
Acceptances under Islamic Export Refinance Scheme		**627,000**	3,554,100
Islamic Long-Term Financing Facility		**926,956**	957,745
Islamic Refinance Scheme for Renewable Energy		**585,441**	639,712
Islamic Refinance Scheme for combating COVID (IRFCC)		**133,333**	80,374
Islamic Refinance Scheme for Working Capital Financing		**50,000**	-
Islamic Refinance Scheme for Modernization of SMEs		**49,811**	60,271
Islamic Refinance Scheme for Facility of Storage of Agricultural Produce (IFFSAP)		**82,987**	43,264
Islamic Credit Guarantee Scheme for Women Entrepreneur		**77,472**	14,166
		18,988,381	52,804,929
Musharakah Acceptance		**-**	2,500,000
Refinance facility for Islamic Mortgage		**2,643,838**	3,354,127
Total secured		**21,632,219**	58,659,056
Unsecured			
Wakalah Acceptance		**-**	2,000,000
Musharakah Acceptance		**6,000,000**	-
Overdrawn nostro accounts		**79,021**	-
Total unsecured		**6,079,021**	2,000,000
		27,711,240	60,659,056

18 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) September 30, 2024			(Audited) December 31, 2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
Customers						
Current deposits	178,313,832	8,600,914	186,914,746	173,239,773	7,973,255	181,213,028
Savings deposits	130,286,889	3,909,791	134,196,680	119,740,257	3,796,970	123,537,227
Term deposits	213,493,454	7,560,775	221,054,229	188,301,494	8,389,258	196,690,752
Margin deposits	5,596,896	97,064	5,693,960	12,948,577	111,218	13,059,795
	527,691,071	20,168,544	547,859,615	494,230,101	20,270,701	514,500,802
Financial Institutions						
Current deposits	694,075	8,429	702,504	713,949	11,551	725,500
Savings deposits	2,688,513	-	2,688,513	6,415,172	-	6,415,172
Term deposits	646,598	-	646,598	899,300	-	899,300
Margin deposits	146	-	146	146	-	146
	4,029,332	8,429	4,037,761	8,028,567	11,551	8,040,118
	531,720,403	20,176,973	551,897,376	502,258,668	20,282,252	522,540,920

19 LEASE LIABILITIES

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		Rupees in '000	
Outstanding amount at the start of the period / year		4,252,295	3,559,675
Additions during the period / year		2,269,086	1,564,525
Lease payments including profit for the period / year		(1,695,915)	(1,797,604)
Finance charges on leased assets for the period / year		587,199	925,699
Outstanding amount at the end of the period / year	19.1	5,412,665	4,252,295

19.1 Liabilities Outstanding

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Not later than one year	496,734	37,720
Later than one year and upto five years	3,815,889	825,956
Over five years	1,100,042	3,388,619
Total at the period / year end	5,412,665	4,252,295

19.2 The Holding Company enters in to lease agreements with terms and conditions mainly included rent escalation usually at 10% p.a, sub-letting of the property at discretion of the Holding Company, alterations to the premises as per business requirement, termination of the agreement with notice period, agreement period, renewal of agreement usually at same terms with change in monthly rent, escalation clause and termination of the agreement. Discount rate ranges between 14.79% to 17.5% (2023: 12.19% to 17.5%).

20 SUBORDINATED SUKUK

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

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

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

Issued Amount	Rs. 2,000 million.
Issue Date	April 21, 2020
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding Company inline with SBP's guidelines of pool management.
Call option	The Holding Company may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

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

Issued Amount	Rs. 1,000 million.
Issue Date	February 21, 2024
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding Company inline with SBP's guidelines of pool management.
Call option	The Holding Company may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

21 OTHER LIABILITIES

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		---------Rupees in '000---------	
Profit / return payable in local currency		**8,792,482**	8,137,173
Profit / return payable in foreign currencies		**230,804**	271,448
Accrued expenses		**2,500,199**	2,093,357
Deferred Murabahah Income on Financing, IERS and Others		**813,618**	1,111,958
Payable to defined benefit plan		**4,677**	4,677
Payable to defined contribution plan		**51,247**	40,121
Defined benefit plan liabilities		**530,251**	428,941
Security deposits against Ijarah		**462,535**	421,821
Credit loss allowance against off-balance sheet obligations	21.1	**85,975**	85,975
Acceptances		**1,515,827**	3,966,916
Current taxation (provisions less payments)		**2,037,855**	2,270,597
Withholding taxes payable		**437,032**	327,185
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		**13,266**	313,494
Sundry creditors		**3,015,360**	1,595,515
Payable to brokers against purchase of shares - net		**714**	536
Charity payable		**100,575**	29,549
Retention money payable		**94,131**	63,047
Provision for Workers' Welfare Fund		**1,176,874**	768,887
Dividend Payable		**181,518**	201,599
Clearing and settlement accounts		**-**	40,087
Others		**1,299,872**	819,406
		23,344,812	22,992,289

21.1 Credit loss allowance against off-balance sheet obligations

Opening balance		**85,975**	85,975
Exchange adjustment		**-**	-
Charge for the period / year		**-**	-
Reversals		**-**	-
		-	-
Amount written off		**-**	-
Closing balance		**85,975**	85,975

22 SURPLUS ON REVALUATION OF ASSETS

Surplus on revaluation of:			
- Securities measured at FVOCI / AFS - Debt	9.1	**10,898,928**	5,939,520
- Securities measured at AFS - Equity		**-**	347,308
- Property and equipment		**2,532,869**	2,777,147
- Non-banking assets acquired in satisfaction of claims	15	**65,780**	68,313
		13,497,577	9,132,288
Deferred tax liability on surplus on revaluation of:			
- Securities measured at FVOCI / AFS - Debt		**(5,340,475)**	(2,910,365)
- Securities measured at AFS - Equity		**-**	(170,181)
- Property and equipment	14	**(1,241,106)**	(1,365,244)
- Non-banking assets acquired in satisfaction of claims	14	**(32,232)**	(33,473)
		(6,613,813)	(4,479,263)
		6,883,764	4,653,025

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
		---------Rupees in '000---------	
23 CONTINGENCIES AND COMMITMENTS			
- Guarantees	23.1	**14,805,031**	5,375,308
- Commitments	23.2	**291,543,973**	251,509,280
- Other contingent liabilities	23.3	**720,593**	720,593
		307,069,597	257,605,181
23.1 Guarantees:			
Performance guarantees		**8,751,847**	4,086,053
Other guarantees		**6,053,184**	1,289,255
		14,805,031	5,375,308
23.2 Commitments:			
Documentary credits and short-term trade-related transactions:			
- letters of credit		**27,333,955**	24,399,492
Commitments in respect of:			
- Shariah compliant alternative of forward foreign exchange contracts	23.2.1	**92,629,580**	100,971,691
Commitments for acquisition of:			
- property and equipment		**602,939**	1,105,974
- intangible assets		**100,776**	65,782
Other commitments			
- commitments in respect of financing	23.2.2	**170,876,723**	124,966,341
		291,543,973	251,509,280
23.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions			
Purchase		**42,258,615**	54,353,067
Sale		**50,370,965**	46,618,624
		92,629,580	100,971,691

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

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

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

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

		(Un-audited)	
24	**PROFIT / RETURN EARNED**	**September 30, 2024**	**September 30, 2023**
		---------Rupees in '000---------	
	Profit earned on:		
	Financing	**30,613,353**	31,408,149
	Investments	**51,681,136**	30,502,956
	Placements	**3,497,479**	3,257,499
	Others	**175,982**	140,633
		85,967,950	65,309,237
24.1	**Profit (calculated using effective profit rate method) recognised on:**		
	Financial assets measured at amortised cost	**34,286,814**	34,806,281
	Financial assets measured at FVOCI / AFS	**51,681,136**	30,502,956
		85,967,950	65,309,237
25	**PROFIT / RETURN EXPENSED**		
	Deposits and other accounts	**42,015,072**	28,202,280
	Due to financial institutions	**8,078,307**	6,936,758
	Cost of foreign currency swaps against foreign currency deposits	**983,391**	364,759
	Finance charges on leased assets	**587,199**	956,819
	Subordinated Sukuk	**534,304**	503,995
		52,198,273	36,964,611
25.1	Profit expense calculated using effective profit rate method	**9,199,810**	8,397,572
	Other financial liabilities	**42,998,463**	28,567,039
		52,198,273	36,964,611
26	**FEE AND COMMISSION INCOME**		
	Card related fees	**937,264**	612,611
	Commission on trade	**332,777**	338,526
	Commission on arrangement with financial institutions	**93,380**	62,923
	Investment banking fees	**118,273**	45,486
	Commission on bancatakaful	**46,109**	55,738
	Guarantees related fee	**47,606**	38,253
	Consumer finance related fees	**8,948**	19,005
	Branch banking customer fees	**25,955**	44,790
	Commission on remittances including home remittances	**38,874**	33,858
	Commission on cash management	**19,181**	16,087
	Others	**5,643**	7,608
		1,674,010	1,274,885

		Note	(Un-audited) September 30, 2024	September 30, 2023
			---------Rupees in '000---------	
27	**GAIN ON SECURITIES - NET**			
	Realized	27.1	348,772	201,266
	Unrealized - Measured at FVTPL		47,069	-
			395,841	201,266
27.1	**Realized gain on:**			
	Shares		286,353	-
	Federal Government Shariah Compliant Securities		44,883	201,266
	Non-Government Shariah Compliant Securities		17,536	-
			348,772	201,266
27.2	**Net gain / (loss) on financial assets / liabilities measured at FVTPL:**			
	Designated upon initial recognition		47,069	-
	Net gain / (loss) on financial assets measured at FVOCI / AFS		-	201,266
			47,069	201,266
28	**OTHER INCOME - NET**			
	Recoveries against previously expensed items		11,216	11,330
	Gain on termination of financing		80,984	139,578
	Gain on sale of property and equipment		37,406	101,190
	Rent on property		-	766
			134,968	252,864

		(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
		---------Rupees in '000---------	
29	**OPERATING EXPENSES**		
	Total compensation expense	**6,875,356**	5,110,160
	Property expense		
	Rent & taxes	**201,407**	150,663
	Takaful cost	**-**	1,118
	Utilities cost	**939,901**	613,836
	Security (including guards)	**683,697**	450,782
	Repair & maintenance (including janitorial charges)	**360,207**	228,434
	Depreciation	**537,831**	383,677
	Depreciation on right-of-use assets	**1,021,679**	625,803
		3,744,722	2,454,313
	Information technology expenses		
	Software maintenance	**514,574**	454,820
	Hardware maintenance	**186,868**	184,593
	Depreciation	**341,148**	240,678
	Amortization	**186,612**	93,718
	Network charges	**305,877**	216,247
		1,535,079	1,190,056
	Other operating expenses		
	Directors' fees and allowances	**19,920**	15,780
	Fees and allowances to Shariah Board	**24,912**	19,582
	Legal & professional charges	**126,876**	88,071
	Travelling & conveyance	**155,018**	83,963
	NIFT clearing charges	**41,286**	28,609
	Depreciation	**361,640**	212,965
	Depreciation on non-banking assets	**1,289**	1,726
	Entertainment expense	**132,170**	79,632
	Training & development	**30,629**	21,164
	Postage & courier charges	**54,772**	50,984
	Communication	**273,687**	186,086
	Stationery & printing	**322,639**	301,660
	Marketing, advertisement & publicity	**153,609**	206,848
	Repairs and maintenance	**225,213**	160,233
	Takaful, tracker and other charges on car Ijarah - net of income	**96,463**	60,153
	Takaful / Insurance	**355,891**	260,809
	Fee and subscription	**508,344**	300,053
	Vehicle running and maintenance	**435,058**	357,032
	Donations	**148,871**	-
	Auditors' remuneration	**27,968**	23,141
	Amortization	**10,776**	4,595
	CDC and share registrar services	**9,125**	11,311
	Brokerage and commission	**25,359**	24,903
	Stamp duty, registration & verification charges	**50,705**	37,719
	Others	**54,699**	33,577
		3,646,919	2,570,596
		15,802,076	11,325,125
30	**OTHER CHARGES**		
	Penalties imposed by the State Bank of Pakistan	**1,843**	7,351

	Note	(Un-audited) September 30, 2024	September 30, 2023
		---------Rupees in '000---------	
31 CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET			
Reversal of credit loss allowance against due from financial institutions		**(2,336)**	(2,430)
Credit loss allowance for diminution in value of investments	9.5.1	**62,585**	579,347
Credit loss allowance against Islamic financing, related assets and advances - net	10.12.3	**1,117,591**	3,264,605
Reversal of credit loss allowance against balance with treasury and other banks		**(3,749)**	-
Other credit loss allowance / (reversal) / write offs - net		**(47,840)**	61,967
		1,126,251	3,903,489
32 TAXATION			
Current		**9,581,775**	6,910,616
Prior years		**-**	123,235
Deferred		**202,417**	(547,624)
		9,784,192	6,486,227
33 BASIC / DILUTED EARNINGS PER SHARE			
Profit after taxation for the period		**10,207,192**	8,455,873
		------- Number of shares -------	
Weighted average number of ordinary shares		**1,108,703,299**	1,108,703,299
		------- Rupees -------	
Basic and diluted EPS	33.1	**9.2064**	7.6268

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

34 FAIR VALUE MEASUREMENTS

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

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

34.1 Fair value of financial assets

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

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

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

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

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

	(Un-audited) September 30, 2024			
	Level 1	Level 2	Level 3	Total
	---------------- Rupees in '000 ----------------			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / Modaraba certificates	117,808	-	6,820	124,628
GoP Ijara Sukuk	47,469,014	265,445,047	-	312,914,061
Non-Government Shariah compliant securities	3,415,471	30,290,069	-	33,705,540
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	42,258,615	-	42,258,615
Shariah compliant alternative of forward sale of foreign exchange	-	50,370,965	-	50,370,965
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	-	6,564,897	6,564,897
Non-banking assets acquired in satisfaction of claims	-	-	1,214,051	1,214,051

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

Valuation techniques used in determination of fair values within level 1

Item	Valuation approach and input used
GOP Sukuks	The valuation has been determined through closing rates on Pakistan Stock Exchange.
Listed securities (Shares, Modaraba and Sukuks)	The valuation has been determined through closing rates on Pakistan Stock Exchange.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Shariah compliant alternative of forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.

Valuation techniques used in determination of fair values within level 3

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

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

35 SEGMENT INFORMATION

Segment Details with respect to Business Activities

	(Un-audited) September 30, 2024				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
Profit & Loss	------------------------------ Rupees in '000 ----------------------------------				
Net profit / return	46,618,515	(35,906,369)	23,502,170	(381,947)	33,832,369
Inter segment revenue - net	(48,168,376)	69,875,325	(25,266,967)	3,560,018	-
Total other income	1,781,574	1,145,973	515,637	53,988	3,497,172
Total income	231,713	35,114,929	(1,249,160)	3,232,059	37,329,541
Segment direct expenses	100,216	7,639,113	645,169	7,827,408	16,211,906
Inter segment expense allocation	118,365	6,281,067	1,018,146	(7,417,578)	-
Total expenses	218,581	13,920,180	1,663,315	409,830	16,211,906
Credit loss allowance	(6,193)	6,089	1,105,754	20,601	1,126,251
Profit / (loss) before tax	19,325	21,188,660	(4,018,229)	2,801,628	19,991,384
Balance Sheet					
Assets					
Cash & Bank balances	632,479	43,834,362	-	2,202	44,469,043
Investments	346,070,896	-	673,333	-	346,744,229
Net inter segment placements	-	477,102,764	-	16,515,115	493,617,879
Due from financial institutions	39,535,110	-	-	-	39,535,110
Islamic financing and related assets - performing	-	30,666,701	132,344,646	7,273,707	170,285,054
- non-performing - net	-	984,774	1,381,435	226,971	2,593,180
Others	-	-	-	59,008,240	59,008,240
Total Assets	386,238,485	552,588,601	134,399,414	83,026,235	1,156,252,735
Liabilities					
Due to financial institutions	10,802,298	2,643,838	14,265,104	-	27,711,240
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	1,952,613	549,944,763	-	-	551,897,376
Net inter segment acceptances	373,483,569	-	120,134,310	-	493,617,879
Others	-	-	-	34,037,458	34,037,458
Total liabilities	386,238,480	552,588,601	134,399,414	37,037,458	1,110,263,953
Equity	-	-	-	45,988,782	45,988,782
Total Equity & liabilities	386,238,480	552,588,601	134,399,414	83,026,240	1,156,252,735
Contingencies & Commitments	92,629,580	-	42,138,986	172,301,031	307,069,597

Profit & Loss	(Un-audited) September 30, 2023 Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
Net profit / return	26,442,762	(21,084,790)	23,981,504	(1,012,561)	28,326,915
Inter segment revenue - net	(27,130,564)	50,040,608	(22,742,707)	(167,337)	-
Total other income	685,152	914,453	436,321	113,463	2,149,389
Total Income	(2,650)	29,870,271	1,675,118	(1,066,435)	30,476,304
Segment direct expenses	110,320	6,153,271	466,595	4,900,529	11,630,715
Inter segment expense allocation	36,240	1,978,172	559,652	(2,574,064)	-
Total expenses	146,560	8,131,443	1,026,247	2,326,465	11,630,715
Credit loss allowance	577,727	172,222	3,077,140	76,400	3,903,489
Profit / (loss) before tax	(726,937)	21,566,606	(2,428,269)	(3,469,300)	14,942,100

Balance Sheet	(Audited) December 31, 2023 Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
Assets					
Cash & Bank balances	1,478,512	41,184,735	-	-	42,663,247
Investments	306,999,736	-	-	7,084,136	314,083,872
Net inter segment placements	-	456,924,234	-	-	456,924,234
Due from financial institutions	16,502,138	-	-	-	16,502,138
Islamic financing and related assets - performing	-	32,950,449	183,437,696	10,423,626	226,811,771
- non-performing - net	-	1,631,568	1,750,949	-	3,382,517
Others	-	-	-	51,347,802	51,347,802
Total Assets	324,980,386	532,690,986	185,188,645	68,855,564	1,111,715,581
Liabilities					
Due to financial institutions	39,607,651	3,354,127	17,697,278	-	60,659,056
Subordinated sukuk	-	-	-	2,850,000	2,850,000
Deposits & other accounts	6,145,010	516,395,910	-	-	522,540,920
Net inter segment acceptances	279,132,859	-	167,064,813	10,726,562	456,924,234
Others	94,866	12,940,949	426,554	18,907,392	32,369,761
Total liabilities	324,980,386	532,690,986	185,188,645	32,483,954	1,075,343,971
Equity	-	-	-	36,371,610	36,371,610
Total Equity & liabilities	324,980,386	532,690,986	185,188,645	68,855,564	1,111,715,581
Contingencies & Commitments	100,971,691	-	29,774,800	126,858,690	257,605,181

36 RELATED PARTY TRANSACTIONS

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

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

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

	(Un-audited) September 30, 2024					(Audited) December 31, 2023				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Due from financial institutions - net										
Opening balance	-	-	-	-	-	-	-	-	-	-
Addition during the period / year	-	-	-	-	-	3,233,725	-	-	-	-
Repaid during the period / year	-	-	-	-	-	(3,233,725)	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Investments										
Opening balance	-	-	-	1,123,432	-	-	-	-	1,062,793	-
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the period / year	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	62,692	-	-	-	-	60,639	-
Closing balance	-	-	-	1,186,124	-	-	-	-	1,123,432	-
Provision for diminution in value of investments	-	-	-	(1,186,124)	-	-	-	-	(1,123,432)	-
Islamic financing and related assets										
Opening balance	-	-	422,999	480,187	248,878	-	-	372,910	480,187	700,001
Addition during the period / year	-	-	159,113	418,721	955,260	-	-	226,783	903,910	4,461,960
Repaid during the period / year	-	-	(67,678)	(418,721)	(462,804)	-	-	(55,187)	(903,910)	(4,071,795)
Transfer in / (out) - net	-	-	(29,287)	-	-	-	-	(121,507)	-	(841,288)
Closing balance	-	-	485,147	480,187	741,334	-	-	422,999	480,187	248,878
Credit loss allowance held against Islamic financing and related assets	-	-	-	(221,004)	-	-	-	-	(221,004)	-
Other assets										
Profit receivable on financings	-	-	215	-	20,155	-	-	443	-	5,019
Due to financial institutions - net										
Opening balance	-	-	-	-	-	-	-	-	-	-
Additions during the period / year	61,500,000	-	-	-	-	161,865,000	-	-	-	-
Settled during the period / year	(61,500,000)	-	-	-	-	(161,865,000)	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Subordinated sukuk										
Opening balance	-	-	485	-	1,120	-	-	1,015	-	-
Issued / purchased during the period / year	-	-	-	-	142,670	-	-	-	-	-
Redemption / sold during the period / year	-	-	-	-	-	-	-	-	-	-
Transfer in / (out)	-	-	-	-	-	-	-	(530)	-	1,120
Closing balance	-	-	485	-	143,790	-	-	485	-	1,120
Deposits and other accounts										
Opening balance	-	5,741	72,646	29,503	6,162,706	-	2,745	32,443	12,186	1,776,697
Received during the period / year	-	788,827	924,483	1,756,955	40,664,147	-	3,128,053	879,664	2,157,630	30,791,160
Withdrawn during the period / year	-	(741,481)	(825,274)	(1,587,365)	(44,009,700)	-	(3,125,331)	(839,085)	(2,140,297)	(29,438,326)
Transfer in / (out) - net	-	-	(27,687)	-	9,570	-	274	(376)	(16)	3,033,175
Closing balance	-	53,087	144,168	199,093	2,826,723	-	5,741	72,646	29,503	6,162,706
Other Liabilities										
Profit / return payable	-	44	2,199	2	44,141	-	3	333	13	126,064
Dividend Payable	-	76,454	-	-	-	-	169,317	-	-	-
Other liabilities	-	-	-	-	15,568	-	-	10	-	132
Meeting fee / remuneration payable	-	-	-	-	-	-	2,000	-	-	-

	(Un-audited) September 30, 2024					(Un-audited) September 30, 2023				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Income										
Profit / return earned	-	-	23,863	-	90,362	9,413	-	11,733	53,156	102,948
Other income	-	-	16	22	-	-	-	547	-	-
Expense										
Profit / return expensed	45,297	2,444	10,428	73	434,034	200,269	14	1,481	35	180,709
Other administrative expenses	-	3,627	26,605	-	147,738	-	4,072	1,662	-	48,830
Meeting fee / remuneration	-	19,920	350,895	-	-	-	15,780	370,472	-	-
Contribution to employees provident fund	-	-	-	-	208,836	-	-	-	-	155,144
Charge for employees gratuity fund	-	-	-	-	201,310	-	-	-	-	142,227
Donation paid	-	-	-	-	60,000	-	-	-	-	-
Dividend paid	2,082,030	386,296	99	-	65,287	-	-	-	-	-
Others	38,520	-	-	-	-	-	-	-	-	-

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	---------Rupees in '000---------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**11,007,991**	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**36,878,724**	28,431,699
Eligible Additional Tier 1 (ADT 1) Capital	**3,000,000**	2,850,000
Total Eligible Tier 1 Capital	**39,878,724**	31,281,699
Eligible Tier 2 Capital	**11,573,492**	10,583,630
Total Eligible Capital (Tier 1 + Tier 2)	**51,452,216**	41,865,329
Risk Weighted Assets (RWAs):		
Credit Risk	**125,389,405**	123,430,567
Market Risk	**1,431,018**	2,747,987
Operational Risk	**49,951,475**	49,951,475
Total	**176,771,898**	176,130,029
Common Equity Tier 1 Capital Adequacy ratio	**20.86%**	16.14%
Tier 1 Capital Adequacy Ratio	**22.56%**	17.76%
Total Capital Adequacy Ratio	**29.11%**	23.77%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	**6.00%**	6.00%
Tier 1 minimum ratio	**7.50%**	7.50%
Total capital minimum ratio	**10.00%**	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	**1.50%**	1.50%
Total Capital plus CCB	**11.50%**	11.50%

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

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	---------Rupees in '000---------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**39,878,724**	31,281,699
Total Exposures	**811,492,159**	661,785,605
Leverage Ratio	**4.91%**	4.73%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**385,887,032**	315,027,109
Total Net Cash Outflow	**104,280,791**	90,466,918
Liquidity Coverage Ratio	**370.05%**	348.22%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**569,784,638**	524,268,955
Total Required Stable Funding	**144,396,066**	170,271,142
Net Stable Funding Ratio	**394.60%**	307.90%

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

38 GENERAL

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

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

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

38.4 Corresponding figures

These condensed interim consolidated financial statements are prepared on revised format as per the directives issued by SBP vide BPRD circular No. 2 of 2023. Consequently, corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparisons. There were no significant reclassifications during the period except as disclosed below:

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

39 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on October 24, 2024 by the Board of Directors of the Holding Company.

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

BankIslami Pakistan Limited

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