Dubai Islamic Bank
Pakistan Limited

Condensed Interim Financial Information
for the period ended
September 30, 2024

Dubai Islamic Bank Pakistan Limited

Condensed Interim Statement of Financial Position

As at September 30, 2024

	Note	September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
		---- Rupees in '000 ----	
ASSETS			
Cash and balances with treasury banks	*6*	**22,830,589**	28,901,856
Balances with other banks	*7*	**2,473,345**	3,985,034
Due from financial institutions	*8*	**3,999,728**	2,900,000
Investments	*9*	**146,551,013**	121,361,640
Islamic financing and related assets	*10*	**221,914,466**	243,067,943
Property and equipment	*11*	**2,040,988**	1,789,929
Right of use assets	*12*	**4,823,832**	4,630,652
Intangible assets	*13*	**594,227**	670,469
Deferred tax assets	*14*	**5,059,451**	4,488,375
Other assets	*15*	**21,103,038**	19,196,483
Total assets		**431,390,677**	430,992,381
LIABILITIES			
Bills payable	*16*	**4,192,299**	4,395,198
Due to financial institutions	*17*	**26,535,691**	33,908,833
Deposits and other accounts	*18*	**327,586,147**	324,876,776
Lease liabilities	*19*	**5,502,339**	5,047,147
Subordinated sukuks	*20*	**7,120,000**	7,120,000
Other liabilities	*21*	**16,098,116**	18,479,542
Total liabilities		**387,034,592**	393,827,496
NET ASSETS		**44,356,085**	37,164,885
REPRESENTED BY			
Share capital		**11,652,288**	11,652,288
Reserves		**6,521,253**	5,219,664
Surplus / (deficit) on revaluation of investments	*22*	**368,907**	(314,350)
Unappropriated profit		**25,813,637**	20,607,283
		44,356,085	37,164,885
CONTINGENCIES AND COMMITMENTS	*23*		

The annexed notes 1 to 39 form an integral part of this condensed interim financial information.

President & Chief Executive **Chief Financial Officer** **Director** **Director** **Director**

Dubai Islamic Bank Pakistan Limited

Condensed Interim Profit and Loss Account (Un-Audited)

For the period ended September 30, 2024

		Quarter ended		Nine months period ended	
		September 30, 2024	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
	Note	**Rupees in '000**			
Profit / return earned	*24*	**17,160,485**	17,931,588	**52,731,566**	48,207,063
Profit / return expensed	*25*	**(9,799,777)**	(9,897,924)	**(29,724,279)**	(26,521,418)
Net profit / return		**7,360,708**	8,033,664	**23,007,287**	21,685,645
OTHER INCOME					
Fee and commission income	*26*	**633,400**	526,076	**2,039,822**	1,622,504
Dividend income		**-**	-	**-**	-
Foreign exchange income		**350,986**	445,475	**1,092,121**	1,146,245
Gain on securities		**-**	-	**-**	-
Other income	*27*	**3,070**	1,167	**9,814**	1,150
Total other income		**987,456**	972,718	**3,141,757**	2,769,899
Total income		**8,348,164**	9,006,382	**26,149,044**	24,455,544
OTHER EXPENSES					
Operating expenses	*28*	**(3,701,786)**	(3,182,694)	**(10,742,210)**	(8,929,058)
Workers Welfare Fund		**(91,373)**	(112,469)	**(310,309)**	(262,061)
Other charges	*29*	**(80,668)**	(1,900)	**(80,966)**	(16,476)
Total other expenses		**(3,873,827)**	(3,297,063)	**(11,133,485)**	(9,207,595)
Profit before credit loss allowance / provision		**4,474,337**	5,709,319	**15,015,559**	15,247,949
Credit loss allowance / provision and write offs - net	*30*	**(127,193)**	(2,128,196)	**(2,132,591)**	(6,416,393)
PROFIT BEFORE TAXATION		**4,347,144**	3,581,123	**12,882,968**	8,831,556
Taxation	*31*	**(2,176,321)**	(1,761,870)	**(6,375,025)**	(4,153,121)
PROFIT AFTER TAXATION		**2,170,823**	1,819,253	**6,507,943**	4,678,435
		Rupees			
Basic & diluted earnings per share	*32*	**1.87**	1.57	**5.59**	4.02

The annexed notes 1 to 39 form an integral part of this condensed interim financial information.

President & Chief Executive | **Chief Financial Officer** | **Director** | **Director** | **Director**

Dubai Islamic Bank Pakistan Limited

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the period ended September 30, 2024

	Quarter ended		Nine months period ended	
	September 30, 2024	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
	----------------------- **Rupees in '000**		---------------------	
Profit after taxation for the period	**2,170,823**	1,819,253	**6,507,943**	4,678,435
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in revaluation of investments - net of tax	**712,641**	(164,177)	**683,257**	(367,097)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Effect of change in tax rate on remeasurement gain on defined benefit obligations	**-**	-	**-**	6,206
Total comprehensive income	**2,883,464**	1,655,076	**7,191,200**	4,317,544

The annexed notes 1 to 39 form an integral part of this condensed interim financial information.

President & Chief Executive	**Chief Financial Officer**	**Director**	**Director**	**Director**

Dubai Islamic Bank Pakistan Limited

Condensed Interim Statement of Changes in Equity (Un-Audited)

For the period ended September 30, 2024

	Share capital	Statutory reserve	Surplus / (deficit) on revaluation of investments	Unappro-priated profit	Total
	Rupees in '000				
Opening balance as at January 01, 2023 - audited	11,652,288	3,875,828	(674,055)	15,252,756	30,106,817
Profit after taxation for the period ended September 30, 2023	-	-	-	4,678,435	4,678,435
Other comprehensive loss - net of tax					
Movement in revaluation of investments - net of tax	-	-	(367,097)	-	(367,097)
Effect of change in tax rate on remeasurement gain on defined benefit obligations	-	-	-	6,206	6,206
	-	-	(367,097)	6,206	(360,891)
Transfer to statutory reserve	-	935,687	-	(935,687)	-
Opening balance as at October 01, 2023	11,652,288	4,811,515	(1,041,152)	19,001,710	34,424,361
Profit after taxation for the period ended December 31, 2023	-	-	-	2,040,744	2,040,744
Other comprehensive income / (loss) - net of tax					
Movement in revaluation of investments - net of tax			726,802		726,802
Remeasurement loss on defined benefit obligation - net of tax	-	-	-	(27,022)	(27,022)
	-	-	726,802	(27,022)	699,780
Transfer to statutory reserve	-	408,149	-	(408,149)	-
Opening balance as at January 01, 2024 - audited	11,652,288	5,219,664	(314,350)	20,607,283	37,164,885
Impact of adopting IFRS 9 - net of tax (note 3.3)	-	-	-	-	-
Profit after taxation for the period ended September 30, 2024	-	-	-	**6,507,943**	**6,507,943**
Other comprehensive income - net of tax					
Movement in revaluation of investments - net of tax	-	-	**683,257**	-	**683,257**
Transfer to statutory reserve	-	**1,301,589**	-	**(1,301,589)**	-
Closing balance as at September 30, 2024	**11,652,288**	**6,521,253**	**368,907**	**25,813,637**	**44,356,085**

The annexed notes 1 to 39 form an integral part of this condensed interim financial information.

President & Chief Executive	**Chief Financial Officer**	**Director**	**Director**	**Director**

Dubai Islamic Bank Pakistan Limited

Condensed Interim Cash Flow Statement (Un-Audited)

For the period ended September 30, 2024

	Note	September 30, 2024	September 30, 2023
		---------- Rupees in '000 ---------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**12,882,968**	8,831,556
Adjustments:			
Net Profit / return		**(23,007,287)**	(21,685,645)
Depreciation	*28*	**478,944**	346,743
Depreciation on right-of-use assets	*28*	**757,448**	728,457
Depreciation on non-banking assets acquired in satisfaction of claims	*28*	**95**	-
Amortisation	*28*	**127,755**	87,266
Finance charges on leased assets	*25*	**520,108**	382,225
Gain on sale of property and equipment	*27*	**(9,814)**	(1,150)
Credit loss allowance / provision and write offs - net	*30*	**2,132,591**	6,416,393
		(19,000,160)	(13,725,711)
		(6,117,192)	(4,894,155)
Decrease / (increase) in operating assets			
Due from financial institutions		**(1,100,000)**	23,500,000
Islamic financing and related assets		**18,947,004**	(817,363)
Others assets		**50,261,958**	41,622,766
		68,108,962	64,305,403
(Decrease) / increase in operating liabilities			
Bills payable		**(202,899)**	(3,844,701)
Due to financial institutions		**(7,373,142)**	(1,544,170)
Deposits and other accounts		**2,709,371**	(24,316,178)
Other liabilities (excluding current taxation)		**(31,316,867)**	(23,894,796)
		(36,183,537)	(53,599,845)
		25,808,233	5,811,403
Income tax paid		**(7,743,823)**	(5,841,639)
Net cash flow generated from / (used in) operating activities		**18,064,410**	(30,236)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in FVTPL		**936,028**	-
Net investments in FVOCI / available for sale securities		**(24,795,631)**	(13,459,141)
Investments in property and equipment		**(743,589)**	(491,748)
Disposal of property and equipment		**23,400**	3,387
Investments in intangibles		**(51,514)**	(192,411)
Net cash flow used in investing activities		**(24,631,306)**	(14,139,913)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		**(1,015,544)**	(721,175)
Decrease in cash and cash equivalents		**(7,582,440)**	(14,891,324)
Cash and cash equivalents at beginning of the period		**32,886,890**	46,777,790
Cash and cash equivalents at end of the period	*33*	**25,304,450**	31,886,466

The annexed notes 1 to 39 form an integral part of this condensed interim financial information.

President & Chief Executive **Chief Financial Officer** **Director** **Director** **Director**

1. STATUS AND NATURE OF BUSINESS

1.1 Dubai Islamic Bank Pakistan Limited (the Bank) was incorporated in Pakistan as an unlisted public limited company on May 27, 2005 under the Companies Act, 2017 to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shari'a.

1.2 The State Bank of Pakistan (the SBP) granted a “Scheduled Islamic Commercial Bank” license to the Bank on November 26, 2005 and subsequently the Bank received the Certificate of Commencement of Business from the Securities and Exchange Commission of Pakistan (the SECP) on January 26, 2006. The Bank commenced its operations as a scheduled Islamic Commercial Bank with effect from March 28, 2006 on receiving certificate of commencement of business from the SBP. The Bank is principally engaged in corporate, commercial, consumer, investing and retail banking activities.

1.3 VIS Credit Rating Company Limited on June 27, 2024 has reaffirmed the Bank's medium to long-term rating at 'AA' (Double A) and the short term rating at 'A-1+' (A-One Plus) with stable outlook.

1.4 The Bank is operating through 235 branches as at September 30, 2024 (December 31, 2023: 235 branches). The registered office of the Bank is situated at Hassan Chambers, DC-7, Block-7 Kehkashan, Clifton, Karachi. The Bank is a wholly owned subsidiary of Dubai Islamic Bank PJSC, UAE (the Holding Company).

2. BASIS OF PREPARATION

2.1 The Bank provides Islamic financing and makes investments mainly through Murabaha, Musharaka, Running Musharaka, Shirkatulmilk, Istisna cum Wakala, Wakala Istithmar and export refinance under Islamic export refinance schemes as well as various long term refinancing facility of the SBP respectively as briefly explained in the notes to the audited annual financial statements for the year ended December 31, 2023. The transactions of purchases, sales and leases executed under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of rental / profit thereon. The income on such Islamic financing and related assets is recognised in accordance with the principles of Shari'a. However, income if any, received which does not comply with the principles of Shari'a is recognised as charity payable if so directed by the Shari'a Board / Resident Shari'a Board Member of the Bank.

2.2 STATEMENT OF COMPLIANCE

This condensed interim financial information (financial information) has 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 (IAS 34) 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, as are notified under the Companies Act, 2017;

- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and

- Directives issued by the SBP and the SECP.

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 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The disclosures made in these condensed interim financial information have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS34, Interim Financial Reporting. They do not include all the information and disclosures required in preparation of audited annual financial statements, and should be read inconjunction with the audited annual financial statements for the year ended December 31, 2023.

3 MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies used in the preparation of these condensed interim financial information are consistent with those disclosed in the annual audited financial statements of the bank for the year ended December 31, 2023 except for changes to the accounting for financial instruments resulting from the adoption of IFRS 9 - Financial Instruments as disclosed in note 3.3.

3.1 Amendments to approved accounting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on January 1, 2024 but are considered not to be relevant or do not have any significant effect on the Bank's operations to be updated except for the implementation of IFRS 9: 'Financial Instruments' as detailed in note 3.3.

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

There are certain other standards, amendments and interpretations with respect to the approved accounting standards that are not yet effective (enumerated in note 2 to the annual audited financial statements of the Bank for the year ended December 31, 2023) and are not expected to have any material impact on the Bank's condensed interim financial information in the period of their initial application.

3.3 IFRS 9 - Financial Instruments

During the period, as directed by the SBP vide its BPRD Circular No. 07 of 2023 dated April 13, 2023, IFRS 9: 'Financial Instruments' (the Standard) became applicable to the Bank.

BPRD Circular No. 03 of 2022 issued by SBP provides detailed instructions on implementation of IFRS 9 (the Application Instructions) for ensuring smooth and consistent implementation of the standard across banks. The SBP vide its BPRD Circular Letter No. 16 of 2024 dated July 29, 2024 has made certain amendments and extend the timelines of IFRS 9 application instructions to address most of the matters raised by the banks with a direction to ensure compliance by the extended timelines. There are a few matters which include income recognition on islamic financing and fair valuation of subsidised financing etc., the treatments of which are still under deliberation with the SBP. The Bank has continued to follow the treatment adopted in respect of these matters in the prior periods till the time SBP issues the relevant guidance / clarification.

The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach as previously followed. The ECL has impact on all the assets of the Bank which are exposed to credit risk.

The Bank has adopted IFRS 9 in accordance with the Application Instructions from January 1, 2024, using the modified retrospective approach and has not restated comparatives for the 2023 reporting period and the differences in carrying amount of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2024, as permitted under the specific transitional provisions in the Standard. Accordingly, the information presented for 2023 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2024 under IFRS 9. The accounting policies applicable to the 2023 presented information is consistent with the policies mentioned in the annual audited financial statements for the year ended December 31, 2023.

3.3.1 Impact on the condensed interim statement of financial position

The Bank has adopted IFRS 9 effective January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. Details of impact of initial application are tabulated below

			Impact due to							
Financial Asset / Liabilities	**Previous classification**	**Balances as of December 31, 2023**	**Change in classification**	**Recognition of expected credit loss (ECL)**	**Reversal of Provision held**	**Total Impact**	**Taxation**	**Total impact - net of tax**	**Balances as of January 01, 2024**	**Classification under IFRS 9**
		------ Rupees in '000	**------**	**------**	**------**	**------**	**------**	**------**	**------**	
Assets										
Cash and balances with treasury banks	Financing and receivables	28,901,856	-	(89)	-	(89)	-	(89)	28,901,767	Amortised cost
Balances with other banks	Financing and receivables	3,985,034	-	(283)	-	(283)	-	(283)	3,984,751	Amortised cost
Due from financial institutions	Financing and receivables	2,900,000	-	(33)	-	(33)	-	(33)	2,899,967	Amortised cost
Investments										
- Classified as available for sale	Available for sale	121,361,640	(121,361,640)	-	-	(121,361,640)	-	(121,361,640)	-	
- Classified as fair value through profit or loss	Available for sale	-	4,453,044	-	-	4,453,044	-	4,453,044	4,453,044	FVTPL
- Classified as fair value through other comprehensive income	Available for sale	-	116,908,596	(93,365)	89,316	116,904,547	-	116,904,547	116,904,547	FVOCI
Islamic financing and related assets										
- Gross amount	Financing and receivables	261,768,470	-	-	-	-	-	-	261,768,470	Amortised cost
- Provision	Financing and receivables	(18,700,527)	-	(18,696,073)	18,700,527	4,454	-	4,454	(18,696,073)	Amortised cost
Property and equipment		1,789,929	-	-	-	-	-	-	1,789,929	Outside the scope of IFRS 9
Right of use assets		4,630,652	-	-	-	-	-	-	4,630,652	Outside the scope of IFRS 9
Intangible assets		670,469	-	-	-	-	-	-	670,469	Outside the scope of IFRS 9
Deferred tax assets		4,488,375	-	-	-	-	-	-	4,488,375	Outside the scope of IFRS 9
Other assets										
- Financial other assets	Financing and receivables	13,355,614	-	(13,047)	13,047	-	-	-	13,355,614	Amortised cost
- Non-financial other assets		5,840,869	-	-	-	-	-	-	5,840,869	Outside the scope of IFRS 9
Total assets		**430,992,381**	**-**	**(18,802,890)**	**18,802,890**	**-**	**-**	**-**	**430,992,381**	
Liabilities										
Bills payable	Other financial liabilities	4,395,198	-	-	-	-	-	-	4,395,198	Amortised cost
Due to financial institutions	Other financial liabilities	33,908,833	-	-	-	-	-	-	33,908,833	Amortised cost
Deposits and other accounts	Other financial liabilities	324,876,776	-	-	-	-	-	-	324,876,776	Amortised cost
Lease liabilities	Other financial liabilities	5,047,147	-	-	-	-	-	-	5,047,147	Amortised cost
Subordinated sukuks	Other financial liabilities	7,120,000	-	-	-	-	-	-	7,120,000	Amortised cost
Other liabilities										
- Financial other liabilities	Other financial liabilities	13,693,745	-	-	-	-	-	-	13,693,745	Amortised cost
- Non-financial other liabilities		4,785,797	-	-	-	-	-	-	4,785,797	Outside the scope of IFRS 9
Total liabilities		**393,827,496**	**-**	**-**	**-**	**-**	**-**	**-**	**393,827,496**	
Net Assets		**37,164,885**	**-**	**(18,802,890)**	**18,802,890**	**-**	**-**	**-**	**37,164,885**	
Represented By										
Share capital		11,652,288	-	-	-	-	-	-	11,652,288	
Reserves		5,219,664	-	-	-	-	-	-	5,219,664	
Deficit on revaluation of investments		(314,350)	-	-	-	-	-	-	(314,350)	
Unappropriated profit		20,607,283	-	-	-	-	-	-	20,607,283	
		37,164,885	**-**	**-**	**-**	**-**	**-**	**-**	**37,164,885**	

3.3.2 Impact on regulatory capital

Based on the Bank's assessment, the IFRS 9 requirements does not have any impact on the capital ratios of the Bank.

3.3.3 Classification and measurement

Under the new standard, classification and measurement of financial assets depends on how these are managed based on business model and their contractual cash flow characteristics. Financial assets that do not meet the Solely Payment of Principal and Profit (SPPI) criteria are required to be measured at fair value through profit or loss (FVTPL) regardless of the business model in which they are held.

Recognition and initial measurement

Trade receivable and investment securities issued are initially recorded when they are originated. All other financial assets and financial liabilities are initially recognised when the Bank becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price.

Classification of Financial Assets

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL. A financial asset is measured at amortised cost if 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 SPPI. An investment security is measured at FVOCI only if the asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

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.

IFRS 9 allows entities to irrevocably designate, at initial recognition, a financial asset as measured at FVTPL if doing so eliminates or significantly reduces any 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing gains and losses on them on different basis. SBP instructions state that banks may apply the fair value option if, in addition to the IFRS 9 criterion, (a) it is consistent with a documented risk management strategy, and (b) fair values are reliable at inception and throughout the life of the instrument. Nonetheless, banks should avoid this option for financial instruments that are categorized as Level 3 in terms of the IFRS 13 hierarchy.

Classification of 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 profit rate method. Profit expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

3.3.4 Business model assessment

A financial asset is classified as either Held to collect, Held to collect and sale and Others based on Business model assessment. The Bank makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The assessment requires judgement based on facts and circumstances on the date of assessment. The information considered mainly includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management’s strategy focuses on earning contractual profit 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 realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how 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); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank’s stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking “worst case” or “stress case” scenarios into account.

Transfer of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Bank continuing recognition 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.

3.3.5 Assessments whether contractual cash flows are Solely Payments of Principal and Profit (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Profit' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse financing); and
- features that modify consideration of the time value of money (e.g. periodical reset of profit rates).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and profit on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual profit (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The Bank holds a portfolio of long-term fixed-rate financing for which the Bank has the option to propose to revise the profit rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the financing at par without penalty. The Bank has determined that the contractual cash flows of these financing are SPPI because the option varies the profit rate in a way that is consideration for the time value of money, credit risk, other basic financing risks and costs associated with the principal amount outstanding.

3.3.6 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any profit is recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective profit rate method. The amortised cost is reduced by impairment losses. profit, foreign exchange gains and losses and impairment are recognised in profit or loss.
Investment securities at FVOCI	These assets are subsequently measured at fair value and is assessed for impairment under the new ECL model. Profit income is calculated using the effective profit rate method and includes amortisation of premiums and accretion of discount, foreign exchange gains and losses and impairment are recognised in profit and loss account. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

3.3.7 Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective profit rate method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance (or impairment allowance before 1 January 2024).

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

3.3.8 Calculation of profit income and expense

Profit income and expense are recognised in profit or loss using the effective profit rate method. The 'effective profit rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The calculation of the effective profit rate includes transaction costs and fees and points paid or received that are an integral part of the effective profit rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

In calculating profit income and expense, the effective profit rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, profit income is calculated by applying the effective profit rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of profit income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, profit income is calculated by applying the credit-adjusted effective profit rate to the amortised cost of the asset. The calculation of profit income does not revert to a gross basis, even if the credit risk of the asset improves.

3.3.9 Derecognition

The Bank derecognises 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 either:

  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - 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 derecognition of a financial asset in its entirety, the difference between:

a) the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and
b) the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in OCI shall be recognised in profit or loss.

Any profit in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

In transactions in which the Bank neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Bank retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

3.3.10 Modification

Financial assets

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of financing to its customers. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and

- other fees are included in profit or loss as part of the gain or loss on derecognition.

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.

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 profit rate of the asset and recognise the resulting adjustment as a modification gain or loss in profit or loss. Any costs or fees incurred, and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

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 profit 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 recognised at fair value. The difference between the carrying amount of the financial liability recognised and consideration paid is recognised in profit or 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 profit rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective profit rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective profit rate on the instrument.

3.3.11 Impairment

The impairment requirements apply to financial assets measured at amortised cost and FVOCI, 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 expected credit losses ('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').

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 derecognised 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 profit rate of the existing financial asset.

Financial assets where 12-month ECL is recognised 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 investment securities carried at FVOCI, and finance lease receivables 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 calculates the ECL against corporate, commercial & SME financing portfolios as higher of PR and ECL under IFRS 9 at borrower/facility level, whereas against the retail borrowers the Bank will calculate ECL at higher of PR and ECL under IFRS 9 at segment/product basis as instructed under Annexure-A of BPRD Circular letter no 16 of 2024 dated July 29, 2024.

Based on the requirements of IFRS 9 and Application Instructions, the Bank has performed an ECL assessment considering the following key elements:

- PD: The probability that a counterparty will default over the next 12 months from the reporting date (12- month ECL, Stage1) or over the lifetime of the product (lifetime ECL, Stage 2). PD is estimated using internal rating classes and are based on the Bank's internal risk rating. The bank has used Transition Matrix approach for estimation of PD for each internal rating. The bank has use roll-rate method using the days past due (DPD) criteria to estimated PD for its retail portfolio. PD are then adjusted with forward looking information for calculation of ECL.

- EAD: The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant. The Bank estimates EAD for financial assets carried at an amortised cost equal to principal plus profit. Each repayment date is assumed to be default point in the model and the ECL is calculated on EAD at each reporting date and discounted at the effective profit rate. Further, cash and cash equivalent collaterals that the Bank holds against the non-retail facilities are adjusted from the EAD.

- LGD: An estimate of the loss incurred on a facility upon default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive, including from the liquidation of any form of collateral. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor.

3.3.12 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. The Bank used 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 30 days or more past due. Qualitative factors include unavailability of financial information and pending litigations.

As required by the Application Instructions, financial assets may be reclassified out of stage 3 if they meet the requirements of PR issued by SBP. 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 period of 12 months for Non-Retail & 6 months for Retail from initial downgrade is required before facility is moved back to Stage 1 from Stage 2. For a facility to move back from Stage 3 to Stage 2, it should meet the criteria defined under the respective Prudential Regulations for de-classification of account / facility. 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. However, banks are free to choose more stringent days past due criteria.

3.3.13 Write-offs

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

3.3.14 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.3.15 Governance, ownership and responsibilities

The Bank has adopted a governance framework requiring the Board of Directors, Board Risk Monitoring Committee (BRMC), Risk Management Committee (RMC), and IFRS 9 Steering committee 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 has developed Models/ methodologies for PD and LGD. These models shall be validated on annual basis considering the following aspects:

- Quantitative Validation: Expected credit loss (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 Bank will define the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach.

The Bank will perform ECL calculation and will assess the financial impact, meet the financial reporting requirements and further monitor the impact on the financial ratios. The Bank shall also present quarterly progress report to its relevant Board Sub Committee.

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

The Bank's Internal Audit function will carry out periodic review of IFRS 9 methodology and impacts calculated by the Management.

3.3.16 Revised format of condensed interim financial information

The SBP through its BPRD Circular No. 02 dated February 9, 2023, and BPRD Circular Letter No. 07 of 2023 dated April 13, 2023, has amended the format of quarterly and half yearly financial statements of banks. All banks are directed to prepare their quarterly and half yearly financial statements on the revised format effective from accounting year starting from January 1, 2024. Accordingly, the Bank has prepared these condensed interim financial information on the new format prescribed by the SBP.

The adoption of revised format has resulted in following significant changes:

- Right-of-use-assets (note 12) amounting to Rs. 4,824 million (December 31, 2023: Rs 4,630 million) which were previously shown as part of fixed assets are now shown separately on the statement of financial position.
- Lease liabilities (note 19) amounting to Rs. 5,502 million (December 31, 2023: Rs. 5,047 million) which were previously shown as part of other liabilities (note 21) are now shown separately on the statement of financial position.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim financial information is the same as that applied in the preparation of the financial statements for the year ended December 31, 2023, except for the changes in the critical accounting estimates and judgment due to adoption of IFRS 9. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

5. FINANCIAL RISK MANAGEMENT

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

	Note	September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
		------ Rupees in '000 ------	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		**4,506,564**	4,987,441
- foreign currencies		**921,950**	1,015,762
		5,428,514	6,003,203
With State Bank of Pakistan in			
- local currency current account	*6.1*	**12,512,248**	17,877,677
- foreign currency current account		**104,569**	259,377
- foreign currency deposit accounts			
- Cash reserve account		**1,873,314**	1,885,789
- Special cash reserve account		**2,247,890**	2,260,323
	6.1	**4,121,204**	4,146,112
With National Bank of Pakistan in			
- local currency current accounts		**664,340**	615,487
		22,830,875	28,901,856
Less: Credit loss allowance		**(286)**	-
Cash and bank balances with treasury banks - net		**22,830,589**	28,901,856

6.1 These include local and foreign currency amounts required to be maintained by the Bank with the SBP under the Banking Companies Ordinance, 1962 and / or stipulated by the SBP. These accounts are non-remunerative in nature.

	Note	September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
		------ Rupees in '000 ------	
7 BALANCES WITH OTHER BANKS			
Balances with Other Banks			
In Pakistan			
- in local currency current account		**420,696**	573,348
- in foreign currency current account		**-**	17,650
		420,696	590,998
Outside Pakistan			
- in foreign currency current accounts	*7.1*	**2,052,879**	3,394,036
		2,473,575	3,985,034
Less: Credit loss allowance		**(230)**	-
Balances with other banks - net		**2,473,345**	3,985,034

7.1 This includes an amount of Rs. 263.30 million (December 31, 2023: Rs. 85.40 million) deposited with the holding company.

	September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
8 DUE FROM FINANCIAL INSTITUTIONS	------ Rupees in '000 ------	
Musharaka - unsecured	**4,000,000**	2,900,000
Less: Credit loss allowance	**(272)**	-
Due from financial institutions - net	**3,999,728**	2,900,000

9 INVESTMENTS

9.1 Investments by types:

	September 30, 2024 (Un-Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	-------------------------- Rupees in '000 --------------------------			
FVTPL				
Federal Government securities	**3,517,016**	**-**	**-**	**3,517,016**
FVOCI				
Federal Government securities	**82,030,586**	**-**	**1,329,384**	**83,359,970**
Non-Government securities	**38,274,816**	**(89,585)**	**790,878**	**38,976,109**
Foreign securities	**22,104,514**	**(9,681)**	**(1,396,915)**	**20,697,918**
	142,409,916	**(99,266)**	**723,347**	**143,033,997**
Total investments	**145,926,932**	**(99,266)**	**723,347**	**146,551,013**

	December 31, 2023 (Audited)			
	Cost / amortised cost	Provision for diminution	(Deficit) / surplus	Carrying value
Available-for-sale securities	-------------------------- Rupees in '000 --------------------------			
Federal Government securities	60,926,345	-	644,349	61,570,694
Non-Government securities	38,653,566	(89,316)	963,471	39,527,721
Foreign securities	22,487,418	-	(2,224,193)	20,263,225
Total investments	122,067,329	(89,316)	(616,373)	121,361,640

9.1.1 Investments given as collateral

No investments given as collateral as at September 30, 2024 (December 31, 2023: Nil).

	September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
9.2 Credit loss allowance / provision for diminution in value of investments	------ Rupees in '000 ------	
9.2.1 Opening balance	**89,316**	89,316
Impact of ECL recognized on adoption of IFRS 9	**4,049**	-
Charge for the period / year	**5,901**	-
Closing balance	**99,266**	89,316

	September 30, 2024 (Un-audited)	
	Outstanding amount	Credit loss allowance held
9.3 Particulars of credit loss allowance / provision against investments	---------- Rupees in '000 ----------	
Domestic		
Performing - Stage 1	**142,320,600**	**9,950**
Underperforming - Stage 2	**-**	**-**
Non-performing - Stage 3		
Loss	**89,316**	**89,316**
	142,409,916	**99,266**
Overseas	-	-
Total	**142,409,916**	**99,266**

	December 31, 2023 (Audited)	
	Non Performing	Provision held
Domestic	---------- Rupees in '000 ----------	
Loss	89,316	89,316
	89,316	89,316
Overseas	-	-
Total	89,316	89,316

10 ISLAMIC FINANCING AND RELATED ASSETS

	Note	September 30, 2024 (Un-Audited)			December 31, 2023 (Audited)		
		Performing / under performing	Non Performing	Total	Performing	Non Performing	Total
		------ Rupees in '000 ------					
Murabaha	10.1	**7,216,702**	**2,340,215**	**9,556,917**	23,332,980	1,810,008	25,142,988
Musawamah	10.2	**5,228,283**	**321,424**	**5,549,707**	5,610,685	289,525	5,900,210
Tijarah cum wakala	10.3	**15,116,472**	**811,731**	**15,928,203**	15,700,461	307,052	16,007,513
Istisna cum Wakala	10.4	**15,804,618**	**864,852**	**16,669,470**	16,891,999	365,698	17,257,697
Salam	10.5	**2,067,933**	**-**	**2,067,933**	1,074,282	-	1,074,282
Islamic Export Refinance Scheme - SBP	10.6	**11,766,921**	**-**	**11,766,921**	15,291,529	119,341	15,410,870
Other Islamic Refinance Schemes - SBP	10.7	**14,099,254**	**929,939**	**15,029,193**	16,280,574	176,507	16,457,081
Wakala Istithmar		**21,612,477**	**2,682,234**	**24,294,711**	26,956,935	855,053	27,811,988
Running Musharaka financing		**40,639,070**	**852,841**	**41,491,911**	29,944,047	655,901	30,599,948
Shirkatulmilk - Housing	10.8	**14,326,310**	**762,729**	**15,089,039**	15,796,787	604,644	16,401,431
Shirkatulmilk - Autos	10.9	**13,511,128**	**245,696**	**13,756,824**	17,126,612	240,254	17,366,866
Shirkatulmilk - Fleet financing	10.10	**3,778,375**	**188,964**	**3,967,339**	3,987,223	223,691	4,210,914
Shirkatulmilk - Others		**5,896,759**	**7,084,341**	**12,981,100**	6,514,639	6,232,932	12,747,571
Diminishing Musharaka - Others		**47,006,249**	**3,842,125**	**50,848,374**	48,533,288	4,163,729	52,697,017
Staff financing		**3,652,984**	**-**	**3,652,984**	2,682,094	-	2,682,094
Islamic financing and related assets - gross		**221,723,535**	**20,927,091**	**242,650,626**	245,724,135	16,044,335	261,768,470
Less: Credit loss allowance / provision against Islamic financing and related assets	10.13						
-Stage 1		**(594,408)**	**-**	**(594,408)**	-	-	-
-Stage 2		**(2,518,819)**	**(14,318)**	**(2,533,137)**	-	-	-
-Stage 3		**-**	**(17,608,615)**	**(17,608,615)**	-	-	-
-Specific		**-**	**-**	**-**	-	(15,527,356)	(15,527,356)
-General		**-**	**-**	**-**	(3,173,171)	-	(3,173,171)
		(3,113,227)	**(17,622,933)**	**(20,736,160)**	(3,173,171)	(15,527,356)	(18,700,527)
Islamic financing and related assets - net of credit loss allowance		**218,610,308**	**3,304,158**	**221,914,466**	242,550,964	516,979	243,067,943

		September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
		--- Rupees in '000 ---	
10.1	**Murabaha**		
	Financing	**3,319,937**	14,773,626
	Inventory	**5,702,320**	10,094,185
	Advance	**534,660**	275,177
		9,556,917	25,142,988
10.2	**Musawamah**		
	Financing	**5,491,242**	5,818,080
	Advance	**58,465**	82,130
		5,549,707	5,900,210
10.3	**Tijarah cum wakala**		
	Financing	**14,871,806**	11,132,211
	Inventory	**1,056,397**	4,875,302
		15,928,203	16,007,513
10.4	**Istisna cum Wakala**		
	Financing	**8,192,073**	6,635,802
	Advance	**8,477,397**	10,621,895
		16,669,470	17,257,697
10.5	**Salam**		
	Financing	**2,067,933**	-
	Advance	**-**	1,074,282
		2,067,933	1,074,282
10.6	**Islamic Export Refinance Scheme - SBP**		
	Istisna - Advance	**-**	399,993
	Istisna - Financing	**-**	19,000
	Running Musharaka - Financing	**7,261,534**	7,631,858
	Wakala Istithmar - Financing	**4,505,387**	7,360,019
		11,766,921	15,410,870

	September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
	--- Rupees in '000 ---	
10.7 Other Islamic Refinance Schemes - SBP		
Islamic Long Term Financing Facility		
-Diminishing Musharaka - Financing	**2,708,855**	3,530,862
Payment of Wages and Salaries Refinance Scheme		
- Shirkatulmilk - Financing	**7,500**	7,500
- Murabaha - Financing	**515**	533
	8,015	8,033
Islamic Financing Facility for Combating COVID 19		
-Musharaka - Financing	**373,327**	428,430
Islamic Finance Facility For Renewable Energy		
-Diminishing Musharaka - Financing	**871,067**	852,199
Islamic Temporary Economic Refinance Facility		
-Musharaka - Financing	**249,506**	307,084
-Shirkatulmilk - Financing	**9,957,453**	11,149,387
	10,206,959	11,456,471
Other Islamic Refinance Facilities		
-Shirkatulmilk - Financing	**860,970**	181,086
	15,029,193	16,457,081
10.8 Shirkatulmilk - Housing		
Financing	**15,056,763**	16,389,431
Advance	**32,276**	12,000
	15,089,039	16,401,431
10.9 Shirkatulmilk - Autos		
Financing	**13,447,894**	17,188,553
Advance	**308,930**	178,313
	13,756,824	17,366,866
10.10 Shirkatulmilk - Fleet financing		
Financing	**3,838,264**	3,664,732
Advance	**129,075**	546,182
	3,967,339	4,210,914
10.11 Particulars of Islamic financing and related assets (gross)		
In local currency	**241,111,608**	261,032,459
In foreign currencies	**1,539,018**	736,011
	242,650,626	261,768,470

10.12 Islamic financing and related assets include Rs. 20,927.09 million (December 31, 2023: Rs. 16,044.34 million) which have been placed under non-performing status including Stage 3 as detailed below:

	September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Non performing	Credit loss allowance	Non performing	Provision held
Category of Classification	---------------------- Rupees in '000 ----------------------			
Domestic				
Other Assets Especially Mentioned (OAEM)	**91,543**	**14,318**	113,937	-
Substandard - stage 3	**2,984,828**	**1,237,606**	117,381	18,868
Doubtful - stage 3	**726,523**	**533,109**	183,133	1,762
Loss - stage 3	**17,124,197**	**15,837,900**	15,629,884	15,506,726
	20,835,548	**17,608,615**	15,930,398	15,527,356
	20,927,091	**17,622,933**	16,044,335	15,527,356

10.13 Particulars of credit loss allowance against Islamic financing and related assets:

	September 30, 2024 (Un-audited)					
	Stage 3	Stage 2	Stage 1	Specific	General	Total
	Rupees in '000					
Opening balance	-	-	-	15,527,356	3,173,171	18,700,527
Impact of ECL recognized on adoption of IFRS 9	15,527,356	2,443,140	725,577	(15,527,356)	(3,173,171)	(4,454)
Restated balance	15,527,356	2,443,140	725,577	-	-	18,696,073
Charge for the period	4,186,047	1,570,034	262,769	-	-	6,018,850
Reversals during the period	(2,018,893)	(1,480,037)	(393,938)	-	-	(3,892,868)
	2,167,154	89,997	(131,169)	-	-	2,125,982
Amount written-off	(85,895)	-	-	-	-	(85,895)
Closing balance	17,608,615	2,533,137	594,408	-	-	20,736,160

	December 31, 2023 (Audited)		
	Specific	General	Total
	Rupees in '000		
Opening balance	8,335,970	3,179,014	11,514,984
Charge for the year	7,716,981	-	7,716,981
Reversals during the year	(343,170)	(5,843)	(349,013)
	7,373,811	(5,843)	7,367,968
Amount written-off	(182,425)	-	(182,425)
Closing balance	15,527,356	3,173,171	18,700,527

10.13.1 Credit loss allowance for Stage 1 and Stage 2 represents credit loss allowance maintained against performing and under performing portfolio of Islamic financing and related assets as required under IFRS 9.

10.13.2 As allowed by the SBP, the Bank has availed benefit of Forced Sale Value (FSV) of collaterals amounting to Rs. 1,200.88 million (December 31, 2023: Rs. 215.44 million) against non performing Islamic financings as at September 30, 2024. The additional profit arising from availing the FSV benefit - net of tax as at September 30, 2024 which is not available for distribution as either cash or stock dividend to shareholders amounted to Rs. 612.45 million (December 31, 2023: Rs. 109.87 million).

10.14 Islamic financing and related assets - particulars of credit loss allowance

	September 30, 2024 (Un-audited)		
	Stage 3	Stage 2	Stage 1
	Rupees in '000		
10.14.1 Opening balance	-	-	-
Impact of ECL recognized on adoption of IFRS 9	15,527,356	2,443,140	725,577
Fresh disbursements	1,992	26,419	94,004
Amount derecognised or repaid	(2,018,605)	(517,457)	(289,907)
Transfer to stage 1	-	(21,734)	21,734
Transfer to stage 2	(289)	102,097	(101,808)
Transfer to stage 3	943,070	(940,846)	(2,224)
	(1,073,832)	(1,351,521)	(278,201)
Amounts written off	(85,895)	-	-
Changes in risk parameters	3,240,986	1,441,518	147,032
Closing balance	17,608,615	2,533,137	594,408

10.14.2 Category of classification

	September 30, 2024 (Un-Audited)	
	Outstanding amount	Credit loss allowance held
	Rupees in '000	
Domestic		
Performing - Stage 1	148,515,997	594,408
Underperforming - Stage 2	73,207,538	2,518,819
Non-Performing		
OAEM	91,543	14,318
Substandard - stage 3	2,984,828	1,237,606
Doubtful - stage 3	726,523	533,109
Loss - stage 3	17,124,197	15,837,900
Total	242,650,626	20,736,160

		Note	September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
			--- Rupees in '000 ---	
11	**PROPERTY AND EQUIPMENT**			
	Capital work-in-progress	*11.1*	**161,082**	72,190
	Property and equipment		**1,879,906**	1,717,739
			2,040,988	1,789,929
11.1	**Capital work-in-progress**			
	Civil works		**15,119**	72,190
	Equipment		**145,963**	-
			161,082	72,190

		September 30, 2024	September 30, 2023
		(Un-audited)	
11.2	**Additions to property and equipment**	--- (Rupees in '000) ---	
	Furniture and fixtures	**71,836**	32,253
	Electrical, office and computer equipment	**421,620**	108,628
	Leasehold improvements	**134,286**	63,863
	Vehicles	**26,955**	-
		654,697	204,744

		September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
		--- Rupees in '000 ---	
12	**RIGHT-OF-USE ASSETS**		
	Buildings on leasehold land		
	Cost	**8,944,102**	7,013,472
	Accumulated depreciation	**(4,313,450)**	(3,333,073)
	Net carrying amount at the start of the period / year	**4,630,652**	3,680,399
	Additions during the period / year	**1,031,971**	2,022,796
	Deletions during the period / year	**(81,343)**	(92,166)
	Depreciation charge for the period / year	**(757,448)**	(980,377)
	Net carrying amount at the end of the period / year	**4,823,832**	4,630,652
13	**INTANGIBLE ASSETS**		
	Capital work-in-progress - Advance to suppliers	**133,662**	162,544
	Computer software	**460,565**	507,925
		594,227	670,469

		September 30, 2024	September 30, 2023
		(Un-audited)	
13.1	**Additions to intangible assets**	--- (Rupees in '000) ---	
	Directly purchased	**80,396**	90,142

		Note	September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
			--- Rupees in '000 ---	
14	**DEFERRED TAX ASSETS**			
	Deductible / (taxable) temporary differences on:			
	Credit loss allowance against non-performing Islamic financing and related assets		**5,289,202**	4,104,663
	Credit loss allowance against other financial assets		**6,030**	6,393
	Surplus / (deficit) on revaluation of investments		**(354,440)**	302,023
	Deficit on defined benefit plan		**76,648**	76,648
	Accelerated tax depreciation and amortisation		**42,011**	(1,352)
			5,059,451	4,488,375
15	**OTHER ASSETS**			
	Profit / return accrued in local currency		**15,520,051**	13,004,946
	Profit / return accrued in foreign currencies		**149,953**	264,872
	Advances, deposits and other prepayments		**938,590**	984,208
	Non-banking assets acquired in satisfaction of claims	*15.1*	**84,850**	-
	Mark to market gain on forward foreign exchange contracts		**295,988**	237,764
	Acceptances		**3,937,192**	4,584,769
	Commission receivable		**122,073**	15,123
	Others		**55,908**	117,848
			21,104,605	19,209,530
	Less: Credit loss allowance held against other assets		**(1,567)**	(13,047)
			21,103,038	19,196,483
15.1	**Market value of Non-banking assets acquired in satisfaction of claims**		**84,945**	-
15.1.1	**Movement in Non-banking assets acquired in satisfaction of claims**			
	Opening Balance		-	-
	Additions		**84,945**	-
	Depreciation		**(95)**	-
	Closing Balance		**84,850**	-
16	**BILLS PAYABLE**			
	In Pakistan		**4,185,722**	4,388,541
	Outside Pakistan		**6,577**	6,657
			4,192,299	4,395,198
17	**DUE TO FINANCIAL INSTITUTIONS**			
	Secured			
	Musharaka from the State Bank of Pakistan under Islamic Export Refinance Scheme		**9,226,743**	14,141,539
	Investment from the State Bank of Pakistan			
	under Islamic Long Term Financing Facility		**2,725,005**	3,523,043
	under Islamic Financing Facility for Combating COVID 19		**298,957**	407,532
	under Islamic Finance Facility For Renewable Energy		**402,029**	375,122
	under Islamic Temporary Economic Refinance Facility		**10,119,990**	11,384,057
	under other Islamic Refinance Facilities		**762,967**	177,540
			23,535,691	30,008,833
	Musharaka from other financial institution		**3,000,000**	3,000,000
	Total Secured		**26,535,691**	33,008,833
	Unsecured			
	Musharaka acceptance		-	900,000
			26,535,691	33,908,833

18 DEPOSITS AND OTHER ACCOUNTS

	Note	September 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
		Rupees in '000					
Customers							
Current deposits		**65,017,211**	**19,180,465**	**84,197,676**	72,171,613	19,554,421	91,726,034
Savings deposits		**144,318,285**	**10,434,182**	**154,752,467**	122,381,412	11,150,393	133,531,805
Term deposits		**32,850,023**	**29,498,788**	**62,348,811**	30,518,612	31,091,875	61,610,487
Others	*18.1*	**7,795,449**	**-**	**7,795,449**	15,326,991	-	15,326,991
		249,980,968	**59,113,435**	**309,094,403**	240,398,628	61,796,689	302,195,317
Financial institutions							
Current deposits		**567,894**	**42,613**	**610,507**	539,086	70,347	609,433
Savings deposits		**16,833,201**	**-**	**16,833,201**	20,356,519	-	20,356,519
Term deposits		**402,050**	**-**	**402,050**	1,011,050	-	1,011,050
Others	*18.1*	**645,986**	**-**	**645,986**	704,457	-	704,457
		18,449,131	**42,613**	**18,491,744**	22,611,112	70,347	22,681,459
		268,430,099	**59,156,048**	**327,586,147**	263,009,740	61,867,036	324,876,776

18.1 This includes deposits in respect of margin accounts and call deposit receipts.

19 LEASE LIABILITIES	Note	September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
		Rupees in '000	
Outstanding amount at the start of the period / year		**5,047,147**	3,804,180
Additions during the period / year		**904,664**	1,856,889
Deletion during the period / year		**(81,343)**	(88,267)
Lease payments		**(888,237)**	(1,104,244)
Finance charges on leased assets		**520,108**	578,589
Outstanding amount at the end of the period / year		**5,502,339**	5,047,147

19.1 Lease liabilities Outstanding

Not later than one year	**618,105**	548,671
Later than one year and upto five years	**3,062,914**	2,317,433
Over five years	**1,821,320**	2,181,043
Total at the year end	**5,502,339**	5,047,147

20 SUBORDINATED SUKUKS

Additional Tier I Sukuk	*20.1*	**3,120,000**	3,120,000
Tier II Sukuk	*20.2*	**4,000,000**	4,000,000
		7,120,000	7,120,000

20.1 In December 2018, the Bank issued regulatory Sharia'h compliant perpetual, unsecured, subordinated privately placed Additional Tier I Sukuk based on Mudaraba of Rs. 3,120 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of sukuk is as follows:

Credit rating	A+ (Single A Plus) by VIS Credit Rating Company Limited.
Tenor	Perpetual
Profit payment frequency	Monthly in arrears
Redemption	Perpetual
Expected periodic profit amount (Mudaraba profit amount)	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk is 21.99% per annum.
Call option	The Bank may call Additional Tier I Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss absorbency	The Additional Tier I Sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit and/or redemption amount can be held back in respect of the Additional Tier I Sukuk, if such payment will result in a shortfall in the Issuer’s minimum capital or capital adequacy ratio requirement.

20.2 In December 2022, the Bank issued regulatory Sharia'h compliant unsecured, subordinated privately placed Tier II Sukuk based on Mudaraba of Rs. 4,000 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of sukuk is as follows:

Credit rating	AA- (Double AA Minus) by VIS Credit Rating Company Limited.
Tenor	10 years form the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	On the tenth anniversary from the issue date of sukuk.
Expected periodic profit amount (Mudaraba profit amount)	The Mudaraba Profit is in accordance with the agreed profit sharing ratios / weightages assigned by the bank from time-to-time coinciding with the relevant profit distribution frequency for the relevant profit distribution period. Last announced profit rate on the sukuk is 21.96% per annum.
Call option	The Bank may call Tier II Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss absorbency	The Tier II Sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit and/or redemption amount can be held back in respect of the Tier II Sukuk, if such payment will result in a shortfall in the Issuer’s minimum capital or capital adequacy ratio requirement.

			September 30, 2024	**December 31, 2023**
			(Un-Audited)	**(Audited)**
		Note	**--- Rupees in '000 ---**	
21	**OTHER LIABILITIES**			
	Profit / return payable in local currency		**3,636,523**	3,807,778
	Profit / return payable in foreign currencies		**336,572**	333,431
	Deferred income		**2,029,306**	2,911,086
	Accrued expenses		**1,395,848**	1,102,404
	Advance from financing customers		**1,188,830**	1,507,683
	Mark to market loss on forward foreign exchange contracts		**375,062**	785,559
	Acceptances		**3,937,192**	4,584,769
	Current taxation (provisions less payments)		**47,566**	188,825
	Workers welfare fund payable		**1,405,194**	1,094,885
	Payable to Employees Old Age Benefit Institution (EOBI)		**200,363**	182,238
	Others		**1,545,660**	1,980,884
			16,098,116	18,479,542
22	**SURPLUS / (DEFICIT) ON REVALUATION OF INVESTMENTS**			
	Surplus on revaluation of FVOCI securities			
	Sukuk certificates	*9.1*	**723,347**	-
	Less: Related deferred tax liability		**(354,440)**	-
			368,907	-
	Deficit on revaluation of Available for sale securities			
	Sukuk certificates	*9.1*	**-**	(616,373)
	Less: Related deferred tax asset		**-**	302,023
			-	(314,350)

		Note	September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
			--- Rupees in '000 ---	
23	**CONTINGENCIES AND COMMITMENTS**			
	Guarantees	*23.1*	**42,574,060**	30,351,181
	Commitments	*23.2*	**108,906,980**	118,947,582
	Other contingent liabilities	*23.3*	**498,350**	465,500
			151,979,390	149,764,263
23.1	**Guarantees**			
	Performance guarantees		**12,401,358**	11,483,725
	Other guarantees		**30,172,702**	18,867,456
			42,574,060	30,351,181
23.2	**Commitments**			
	Documentary credits and short-term trade-related transactions			
	- Letters of credit		**25,562,989**	33,593,415
	Commitments in respect of:			
	- Forward foreign exchange contracts	*23.2.1*	**75,424,164**	80,231,744
	- Islamic financing and related assets		**7,401,000**	4,345,000
	Commitments for acquisition of:			
	- Property and equipment		**183,086**	256,420
	- Intangible assets		**335,741**	521,003
			108,906,980	118,947,582
23.2.1	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		**51,028,681**	53,809,679
	Sale		**24,395,483**	26,422,065
			75,424,164	80,231,744

23.3 Other contingencies liabilities

The income tax authorities have amended assessment orders of the Bank for prior years including the tax year 2023. The issues contested mainly include adjustment of minimum tax, charge/reversals of provision against financing and investments, initial allowance, Workers Welfare Fund and Leases related adjustments amounting to Rs.498.35 million. The Bank has filed appeals before the various appellate forums against these amendments. Out of the total contingent liability Rs. 211.48 million pertains to tax year 2015 where tax authorities have issued a notice to amend assessment against the adjustment of minimum tax paid in prior years. The management of the Bank approached Sindh High Court and subsequently the Honourable Supreme Court of Pakistan against the order of the Sindh High Court. The Honourable Supreme Court of Pakistan has granted leave to appeal. The appeal is expected to be fixed soon. Through Finance Act 2021 favourable amendment has been made to section 113(2)(c) strengthening Bank’s stance on adjustment of minimum tax for the years where no tax was payable. The management of the Bank is confident that the appeals will be decided in favor of the Bank in respect of the aforementioned matters.

		September 30, 2024	September 30, 2023
		(Un-Audited)	
		--- Rupees in '000 ---	
24	**PROFIT / RETURN EARNED**		
	On Islamic financing and related assets to customers	**34,810,101**	34,526,740
	On investments	**17,355,655**	13,121,327
	On deposits / placements with financial institutions	**565,810**	558,996
		52,731,566	48,207,063
25	**PROFIT / RETURN EXPENSED**		
	Deposits and other accounts	**23,563,028**	20,851,830
	Subordinated sukuks	**1,197,204**	1,110,854
	Due to financial institutions	**2,487,906**	2,684,486
	Finance charges on leased assets	**520,108**	382,225
	Cost of foreign currency swaps	**1,956,033**	1,492,023
		29,724,279	26,521,418
26	**FEE & COMMISSION INCOME**		
	Consumer finance related fees	**385,470**	499,150
	Credit related fees	**63,103**	70,860
	Investment banking fees	**32,466**	81,491
	Branch banking customer fees	**68,723**	69,458
	Card related fees	**304,294**	216,843
	Commission on trade	**393,074**	336,968
	Commission on guarantees	**451,172**	104,263
	Commission on cash management	**102,291**	100,515
	Commission on remittances including home remittances	**76,146**	11,583
	Commission on bancassurance	**13,242**	12,967
	Rebate income	**129,458**	109,111
	Others	**20,383**	9,295
		2,039,822	1,622,504
27	**OTHER INCOME**		
	Gain on sale of property and equipment - net	**9,814**	1,150

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

28 OPERATING EXPENSES

Total compensation expense	**4,322,581**	3,726,854
Property expense		
Utilities cost	**652,657**	562,436
Security	**320,502**	259,623
Repair & maintenance (including janitorial charges)	**213,351**	169,053
Takaful charges	**1,739**	1,469
Depreciation	**66,949**	63,583
Depreciation on right-of-use assets	**757,448**	728,457
Depreciation on non-banking assets acquired in satisfaction of claims	**95**	-
	2,012,741	1,784,621
Information technology expenses		
Software maintenance	**725,915**	490,022
Hardware maintenance	**271,349**	233,679
Depreciation	**194,205**	180,652
Amortisation	**127,755**	87,266
Networking and connectivity charges	**144,986**	134,666
Outsourced services cost	**54,751**	42,749
Takaful charges	**2,524**	2,171
Others	**8,300**	4,231
	1,529,785	1,175,436
Other operating expenses		
Directors' fee and allowances	**15,429**	14,153
Fees and allowances to Sharia'h Board members	**13,322**	13,425
Legal and professional charges	**104,613**	65,070
Outsourced services cost	**185,935**	157,579
Travelling and conveyance	**56,736**	35,075
NIFT clearing charges	**36,834**	42,700
Depreciation	**217,790**	102,508
Training and development	**39,009**	19,340
Postage and courier charges	**46,066**	30,605
Communications	**524,865**	294,210
Stationary and printing	**193,738**	168,256
Marketing, advertising and publicity	**251,984**	163,279
Auditors' remuneration	**9,019**	8,143
Brokerage, commission and bank charges	**328,333**	373,875
Tracker related charges	**94,558**	109,997
Cash transportation charges	**348,359**	262,074
Repair and maintenance	**113,347**	95,844
Subscription fees	**24,889**	19,597
Takaful charges	**34,448**	36,242
Deposit premium cost	**109,575**	103,022
Others	**128,254**	127,153
	2,877,103	2,242,147
	10,742,210	8,929,058

		Note	September 30, 2024	September 30, 2023
			(Un-Audited)	
			--- Rupees in '000 ---	
29	**OTHER CHARGES**			
	Penalties imposed by State Bank of Pakistan		**80,966**	16,476
30	**CREDIT LOSS ALLOWANCE / PROVISION AND WRITE OFFS - NET**			
	Credit loss allowance against cash and balances with treasury banks		**197**	-
	Credit loss allowance against balances with other banks		**(53)**	-
	Credit loss allowance against due from financial institutions		**239**	-
	Credit loss allowance for diminution in value of investments		**5,901**	-
	Credit loss allowance / provision against Islamic financing and related assets		**2,125,982**	6,416,393
	Credit loss allowance for other assets		**325**	-
			2,132,591	6,416,393
31	**TAXATION**			
	Current		**7,602,564**	6,420,489
	Deferred		**(1,227,539)**	(2,267,368)
			6,375,025	4,153,121
32	**BASIC AND DILUTED EARNINGS PER SHARE**			
	Profit for the period		**6,507,943**	4,678,435
			------- (Number) -------	
	Weighted average number of ordinary shares		**1,165,228,776**	1,165,228,776
			-------- (Rupees) -------	
	Earning per share - basic and diluted		**5.59**	4.02
33	**CASH AND CASH EQUIVALENTS**		--- Rupees in '000 ---	
	Cash and balances with treasury banks	*6*	**22,830,875**	30,031,987
	Balances with other banks	*7*	**2,473,575**	1,854,479
			25,304,450	31,886,466

34 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortized cost.

34.1 Fair value of financial assets and liabilities

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

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).

	September 30, 2024 (Un-Audited)							
	Carrying Value				Fair Value			
On-Balance sheet Financial Instruments	**FVTPL**	**FVOCI**	**Amortised cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees in '000							
Financial assets - measured at fair value								
Investments - FVTPL								
Federal Government securities	3,517,016	-	-	3,517,016	-	3,517,016	-	3,517,016
Investments - FVOCI								
Federal Government securities	-	83,359,970	-	83,359,970	39,034,600	44,325,370	-	83,359,970
Non-Government debt securities	-	38,976,109	-	38,976,109	-	38,976,109	-	38,976,109
Foreign securities	-	20,697,918	-	20,697,918	-	20,697,918	-	20,697,918
Financial assets - disclosed but not measured at fair value								
Cash and balances with treasury banks	-	-	22,830,589	22,830,589				
Balances with other banks	-	-	2,473,345	2,473,345				
Due from financial institution	-	-	3,999,728	3,999,728				
Islamic financings and related assets	-	-	221,914,466	221,914,466				
Other asset	-	-	19,798,910	19,798,910				
	3,517,016	143,033,997	271,017,038	417,568,051				
Financial liabilities - disclosed but not measured at fair value								
Bills payable	-	-	4,192,299	4,192,299				
Due to financial institutions	-	-	26,535,691	26,535,691				
Deposits and other accounts	-	-	327,586,147	327,586,147				
Subordinated sukuk	-	-	7,120,000	7,120,000				
Other liabilities	-	-	13,693,745	13,693,745				
	-	-	379,127,882	379,127,882				
Off-balance sheet financial instruments - measured at fair value								
Forward foreign exchange contracts	75,345,090	-	-	75,345,090	-	75,345,090	-	75,345,090

	December 31, 2023 (Audited)								
	Carrying Value					Fair Value			
On-Balance sheet Financial Instruments	**Held to Maturity**	**Available for Sale**	**Financing and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees in '000								
Financial assets - measured at fair value									
Investments - AFS									
Federal Government securities	-	61,570,694	-	-	61,570,694	-	61,570,694	-	61,570,694
Non-Government debt securities	-	39,527,721	-	-	39,527,721	-	39,527,721	-	39,527,721
Foreign securities	-	20,263,225	-	-	20,263,225	-	20,263,225	-	20,263,225
Financial assets - disclosed but not measured at fair value									
Cash and balances with treasury banks	-	-	28,901,856	-	28,901,856				
Balances with other banks	-	-	3,985,034	-	3,985,034				
Due from financial institution	-	-	2,900,000	-	2,900,000				
Islamic financings and related assets - net	-	-	243,067,943	-	243,067,943				
Other asset	-	-	13,355,614	-	13,355,614				
	-	121,361,640	292,210,447	-	413,572,087				
Financial liabilities - not measured at fair value									
Bills payable	-	-	-	4,395,198	4,395,198				
Due to financial institutions	-	-	-	33,908,833	33,908,833				
Deposits and other accounts	-	-	-	324,876,776	324,876,776				
Subordinated sukuk	7,120,000	-	-	-	7,120,000				
Other liabilities	-	-	-	13,687,977	13,687,977				
	7,120,000	-	-	376,868,784	383,988,784				
Off-balance sheet financial instruments - measured at fair value									
Forward foreign exchange contracts	-	-	79,683,949	-	79,683,949	-	79,683,949	-	79,683,949

35 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	September 30, 2024 (Un-Audited)						
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Others	Inter-segment Elimination	Total
	---------- Rupees in '000 ----------						
Condensed Interim Profit and Loss Account							
Net Profit / return	12,741,763	526,090	(7,356,194)	17,018,002	77,626	-	23,007,287
Inter segment revenue - net	(10,585,230)	4,924,394	21,610,709	(15,873,180)	(76,693)	-	-
Other income	575,183	654,113	1,146,922	755,255	10,284	-	3,141,757
Total income	2,731,716	6,104,597	15,401,437	1,900,077	11,217	-	26,149,044
Segment direct expenses	(726,728)	(1,893,582)	(6,643,152)	(190,868)	(1,679,155)	-	(11,133,485)
Inter segment expense allocation	(168,820)	(339,037)	(1,111,369)	(59,929)	1,679,155	-	-
Total expenses	(895,548)	(2,232,619)	(7,754,521)	(250,797)	-	-	(11,133,485)
Credit loss allowance	(2,510,020)	589,540	(194,936)	(5,958)	(11,217)	-	(2,132,591)
Profit before tax	(673,852)	4,461,518	7,451,980	1,643,322	-	-	12,882,968
Condensed Interim Statement of Financial Position							
Cash and bank balances	-	896,418	4,532,096	2,473,345	17,402,075	-	25,303,934
Due from financial institutions	-	-	-	3,999,728	-	-	3,999,728
Investments	-	-	-	146,551,013	-	-	146,551,013
Net inter segment lending	-	29,678,302	157,716,727	-	28,035,559	(215,430,588)	-
Islamic financings and related assets - performing	144,935,503	33,357,468	36,680,764	-	3,636,573	-	218,610,308
- non-performing	2,275,854	562,677	465,627	-	-	-	3,304,158
Others	7,696,908	5,187,399	8,106,289	7,280,351	5,350,589	-	33,621,536
Total Assets	154,908,265	69,682,264	207,501,503	160,304,437	54,424,796	(215,430,588)	431,390,677
Due to financial institutions	17,048,465	6,487,226	-	3,000,000	-	-	26,535,691
Deposits & other accounts	75,872,024	57,143,739	194,288,291	282,093	-	-	327,586,147
Net inter segment borrowing	59,189,385	-	-	156,241,203	-	(215,430,588)	-
Subordinated sukuk	-	-	-	-	7,120,000	-	7,120,000
Others	2,798,391	6,051,299	13,213,212	412,234	3,317,618	-	25,792,754
Total liabilities	154,908,265	69,682,264	207,501,503	159,935,530	10,437,618	(215,430,588)	387,034,592
Equity	-	-	-	368,907	43,987,178	-	44,356,085
Total Equity and liabilities	154,908,265	69,682,264	207,501,503	160,304,437	54,424,796	(215,430,588)	431,390,677
Contingencies and Commitments	49,816,590	23,020,792	3,219,226	75,424,432	498,350	-	151,979,390

	September 30, 2023 (Un-Audited)						
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Others	Inter-segment Elimination	Total
	Rupees in '000						
Condensed Interim Profit and Loss Account							
Net Profit / return	12,870,482	855,825	(5,310,515)	13,194,994	74,859	-	21,685,645
Inter segment revenue - net	(10,567,287)	4,305,450	20,006,512	(13,668,666)	(76,009)	-	-
Other income	516,238	686,927	1,156,596	408,988	1,150	-	2,769,899
Total income	2,819,433	5,848,202	15,852,593	(64,684)	-	-	24,455,544
Segment direct expenses	(580,904)	(1,587,990)	(5,462,315)	(132,944)	(1,443,442)	-	(9,207,595)
Inter segment expense allocation	(126,258)	(291,090)	(976,198)	(49,896)	1,443,442	-	-
Total expenses	(707,162)	(1,879,080)	(6,438,513)	(182,840)	-	-	(9,207,595)
(Provisions) / reversals	(999,757)	(5,419,177)	2,541	-	-	-	(6,416,393)
Profit before tax	1,112,514	(1,450,055)	9,416,621	(247,524)	-	-	8,831,556

	December 31, 2023 (Audited)						
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Inter-segment Elimination	Total
	Rupees in '000						
Condensed Interim Statement of Financial Position							
Cash and bank balances	-	1,002,116	5,001,087	3,985,034	22,898,653	-	32,886,890
Due from financial institutions	-	-	-	2,900,000	-	-	2,900,000
Investments	-	-	-	121,361,640	-	-	121,361,640
Net inter segment lending	-	40,054,774	144,896,666	-	16,705,591	(201,657,031)	-
Islamic financings and related assets - performing	160,335,925	37,149,110	42,383,835	-	2,682,094	-	242,550,964
- non-performing	-	8,000	508,979	-	-	-	516,979
Others	9,753,049	4,274,082	6,907,675	4,861,948	4,979,154	-	30,775,908
Total Assets	170,088,974	82,488,082	199,698,242	133,108,622	47,265,492	(201,657,031)	430,992,381
Due to financial institutions	20,022,095	9,986,738	-	3,900,000	-	-	33,908,833
Deposits & other accounts	71,997,446	66,911,497	185,681,528	286,305	-	-	324,876,776
Net inter segment borrowing	73,237,180	-	-	128,419,851	-	(201,657,031)	-
Subordinated sukuk	-	-	-	-	7,120,000	-	7,120,000
Others	4,832,253	5,589,847	14,016,714	816,816	2,666,257	-	27,921,887
Total liabilities	170,088,974	82,488,082	199,698,242	133,422,972	9,786,257	(201,657,031)	393,827,496
Equity	-	-	-	(314,350)	37,479,235	-	37,164,885
Total Equity and liabilities	170,088,974	82,488,082	199,698,242	133,108,622	47,265,492	(201,657,031)	430,992,381
Contingencies and Commitments	34,120,615	31,159,125	3,783,616	80,235,407	465,500	-	149,764,263

36 RELATED PARTY TRANSACTIONS

The Bank has related party relationship with Dubai Islamic Bank P.J.S.C, U.A.E, the holding company, directors, related group companies, associated companies, key management personnel and staff retirement funds.

A number of banking transactions are entered into with related parties in the normal course of business. These mainly includes financing, deposits and foreign currencies transactions. These transactions are executed substantially on the same terms including profit rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk. Contributions to staff retirement benefit plan are made in accordance with the terms of the contribution plan. Remuneration and other benefits to the executives are determined in accordance with the terms of their appointment.

Usual transactions with related parties include deposits, financing, returns and provision of other banking services. Transactions with executives are undertaken at terms in accordance with employment agreements and service rules.

The details of transactions with related parties and balances with them are given below:

	September 30, 2024 (Un-Audited)					December 31, 2023 (Audited)				
	Holding Company	**Directors**	**Key management personnel**	**Others****	**Total**	**Holding Company**	**Directors**	**Key management personnel**	**Others****	**Total**
	----- Rupees in '000 -----									
Balances with other banks										
Opening balance	**85,403**	-	-	-	**85,403**	128,641	-	-	-	128,641
Deposited during the period / year	**57,368,951**	-	-	-	**57,368,951**	54,689,272	-	-	-	54,689,272
Withdrawals during the period / year	**(57,191,074)**	-	-	-	**(57,191,074)**	(54,732,510)	-	-	-	(54,732,510)
Closing balance	**263,280**	-	-	-	**263,280**	85,403	-	-	-	85,403
Islamic financing and related assets										
Opening balance	-	-	**166,181**	-	**166,181**	-	-	205,096	-	205,096
Disbursed during the period / year	-	-	**124,729**	-	**124,729**	-	-	10,000	-	10,000
Repaid during the period / year	-	-	**(67,862)**	-	**(67,862)**	-	-	(60,478)	-	(60,478)
Adjustments *	-	-	**23,189**	-	**23,189**	-	-	11,563	-	11,563
Closing balance	-	-	**246,237**	-	**246,237**	-	-	166,181	-	166,181
Deposits and other accounts										
Opening balance	**145,402**	**18,886**	**188,776**	**490,036**	**843,100**	73,931	1,963	101,325	1,406,741	1,583,960
Received during the period / year	**3,597,349**	**35,662**	**930,956**	**2,208,004**	**6,771,971**	11,465,671	37,179	1,073,775	843,556	13,420,181
Withdrawals during the period / year	**(3,706,231)**	**(46,246)**	**(965,498)**	**(1,963,031)**	**(6,681,006)**	(11,394,200)	(20,256)	(986,340)	(1,760,261)	(14,161,057)
Adjustments *			**(75,315)**	-	**(75,315)**	-	-	16	-	16
Closing balance	**36,520**	**8,302**	**78,919**	**735,009**	**858,750**	145,402	18,886	188,776	490,036	843,100
Other Liability										
Opening balance	-	-	**33,060**	-	**33,060**	-	-	29,026	-	29,026
Withheld during the period / year	-	-	**18,486**	-	**18,486**	-	-	19,405	-	19,405
Paid during the period / year	-	-	**(14,563)**	-	**(14,563)**	-	-	(15,371)	-	(15,371)
Adjustments *	-	-	**(3,191)**	-	**(3,191)**	-	-	-	-	-
Closing balance	-	-	**33,792**	-	**33,792**	-	-	33,060	-	33,060
Contingencies and commitments										
Foreign currency purchase contracts	**8,829,386**	-	-	-	**8,829,386**	7,982,615	-	-	-	7,982,615
Foreign currency sale contracts	**8,829,386**	-	-	-	**8,829,386**	7,982,615	-	-	-	7,982,615
Other guarantees	**6,097**	-	-	-	**6,097**	6,180	-	-	-	6,180

	September 30, 2024 (Un-Audited)					September 30, 2023 (Un-Audited)				
	Holding Company	**Directors**	**Key management personnel**	**Others****	**Total**	**Holding Company**	**Directors**	**Key management personnel**	**Others****	**Total**
	----- Rupees in '000 -----									
Transactions during the period										
Income										
Profit earned on financings	-	-	**9,303**	-	**9,303**	-	-	8,181	-	8,181
Fees and allowances	-	**15,429**	**9,569**	-	**24,998**	-	14,153	8,710	-	22,863
Expense										
Profit expensed on deposits	-	**1,459**	**22,261**	**121,181**	**144,901**	-	141	6,581	72,867	79,589
Profit expensed on other liability	-	-	**4,481**	-	**4,481**	-	-	4,441	-	4,441
Remuneration to key management personnel (including bonus)	-	-	**363,537**	-	**363,537**	-	-	333,156	-	333,156
Contribution made to gratuity fund	-	-	-	**72,000**	**72,000**	-	-	-	72,000	72,000
Contribution made to provident fund	-	-	-	**134,263**	**134,263**	-	-	-	115,322	115,322

* Primarily relates to those directors, associates and key management personnel who are no longer related parties or have become related parties of the Bank as at September 30, 2024.

* * Represents Dubai Islamic Bank Pakistan Limited's Provident & Gratuity Funds.

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
	--- (Rupees in '000) ---	
Minimum Capital Requirement (MCR):		
Paid-up capital	**11,652,288**	11,652,288
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier I (CET I) Capital	**42,303,479**	35,082,379
Eligible Additional Tier I (ADT I) Capital	**3,120,000**	3,120,000
Total Eligible Tier I Capital	**45,423,479**	38,202,379
Eligible Tier II Capital	**6,738,846**	6,542,922
Total Eligible Capital (Tier I + Tier II)	**52,162,325**	44,745,301
Risk Weighted Assets (RWAs):		
Credit Risk	**189,595,137**	203,433,773
Market Risk	**1,008,461**	219,191
Operational Risk	**45,098,472**	45,098,472
Total	**235,702,070**	248,751,436
Common Equity Tier I Capital Adequacy ratio	**17.95%**	14.10%
Tier I Capital Adequacy Ratio	**19.27%**	15.36%
Total Capital Adequacy Ratio	**22.13%**	17.99%
Leverage Ratio (LR):		
Eligible Tier I Capital	**45,423,479**	38,202,379
Total Exposures	**519,403,022**	510,291,406
Leverage Ratio	**8.75%**	7.49%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**140,764,343**	121,023,376
Total Net Cash Outflow	**62,954,522**	67,643,573
Liquidity Coverage Ratio	**223.60%**	178.91%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**306,386,773**	301,119,747
Total Required Stable Funding	**209,783,180**	214,888,432
Net Stable Funding Ratio	**146.05%**	140.13%

38 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 23, 2024 by the Board of Directors of the Bank.

39 GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

President & Chief Executive	**Chief Financial Officer**	**Director**	**Director**	**Director**