



Meezan Bank
The Premier Islamic Bank



Recognized by
Pakistan Banking Awards

FORM-8

April 28, 2021

CS/PSX-16/092/2021

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

TRANSMISSION OF QUARTERLY REPORT OF MEEZAN BANK LIMITED FOR THE PERIOD ENDED MARCH 31, 2021

Dear Sir,

السلام عليكم

We have to inform you that the Quarterly Report of Meezan Bank for the period ended **March 31, 2021** have been transmitted through PUCARS and is also available on Bank's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

Muhammad Sohail Khan
Company Secretary

Encl: As above.

Meezan Bank Ltd.

Head Office: Meezan House, C-25, Estate Avenue, SITE, Karachi - Pakistan.
PABX: (92-21) 38103500 UAN: 111-331-331 & 111-331-332 www.meezanbank.com



FIRST
QUARTERLY REPORT
MARCH 31, 2021



Meezan Bank
The Premier Islamic Bank

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah The Beneficent The Merciful

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CORPORATE INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2021

Board of Directors	Riyadh S. A. A. Edrees Faisal A. A. A. AlNassar Bader H. A. M. A. AlRabiah Mubashar Maqbool Naveed Iftikhar Sherwani Mohamed Guermazi Noorur Rahman Abid Nausheen Ahmad Atif Azim Irfan Siddiqui	Chairman Vice Chairman
Shariah Supervisory Board	Justice (Retd.) Muhammad Taqi Usmani Dr. Muhammad Imran Ashraf Usmani Sheikh Esam Mohamed Ishaq Mufti Muhammad Naveed Alam	President & CEO Chairman Vice Chairman
Management	Irfan Siddiqui Ariful Islam	President & CEO Deputy CEO
Board Audit Committee	Noorur Rahman Abid Faisal A. A. A. AlNassar Bader H. A. M. A. AlRabiah	
Board Risk Management Committee	Faisal A. A. A. AlNassar Mubashar Maqbool Mohamed Guermazi	
Board Human Resources & Remuneration Committee	Noorur Rahman Abid Riyadh S. A. A. Edrees Nausheen Ahmad	
Board Information Technology Committee	Mubashar Maqbool Riyadh S. A. A. Edrees Faisal A. A. A. AlNassar Atif Azim Irfan Siddiqui	
Board IFRS 9 Implementation Oversight Committee	Riyadh S. A. A. Edrees Irfan Siddiqui	
Resident Shariah Board Member	Mufti Muhammad Naveed Alam	
Chief Financial Officer	Shabbir Hamza Khandwala	
Company Secretary	Muhammad Sohail Khan	
Auditors	EY Ford Rhodes, Chartered Accountants	
Legal Adviser	Haidermota & Co. Advocates	
Registered Office and Head Office	Meezan House C-25, Estate Avenue, SITE, Karachi - 75730, Pakistan Phone: (92-21) 38103500, Fax: (92-21) 36406049 24/7 Call Centre: 111-331-331 & 111-331-332	
E-mail	info@meezanbank.com	
Website	www.meezanbank.com www.meezanbank.pk	
Shares Registrar	THK Associates (Pvt.) Ltd Plot No. 32-C, Jami Commercial, Street 2, DHA, Phase VII, Karachi - 75500, Pakistan Phone: (92-21) 111-000-322, Fax: (92-21) 35310191 Email: secretariat@thk.com.pk Website: www.thk.com.pk	

DIRECTORS' REVIEW

The Board of Directors is pleased to present the condensed interim unaudited financial statements of Meezan Bank Limited and consolidated financial statements for the quarter ended March 31, 2021.

Economy

Regrettably the 3rd wave of the COVID-19 pandemic has now also hit Pakistan as with other countries around the globe notwithstanding the rolling out of vaccines. The Government of Pakistan continues to take cogent measures to contain the spread of the pandemic and support economic growth of the country. Meezan continues to operate at full strength and has maintained service levels across both physical and alternate delivery channels. Fortunately, we have escaped a complete lockdown and economic indicators remain positive under the circumstances with State Bank of Pakistan (SBP) revising the country's economic growth rate upward to 3% from earlier estimate of 2% for the current fiscal year. The SBP has kept the policy rate unchanged at 7.00% in view of stabilized inflation and overall improved business confidence. The Pak Rupee has also strengthened against the US dollar and the IMF program has also resumed which will also help the Government in advancing its fiscal reforms.

The Bank is also actively engaged in supporting construction and housing sector for revival of economic activities and has exceeded the targets assigned for housing and construction finance to date. The Bank has been recognized by the Government of Pakistan, for achieving the highest amount of deposit in Roshan Digital Account - a major initiative of the SBP and the Federal government, and highest amount of investment in Islamic Naya Pakistan Certificates in recent ceremony by the Prime Minister.

Financial Highlights

By the grace of Allah, Meezan Bank continued to perform well during the first quarter of 2021 and delivered strong financial results. Profit after tax of the Bank grew to Rs 6.1 billion from Rs 5.5 billion in corresponding period last year, a growth of 11% while Earnings per Share - on enhanced capital increased to Rs 4.31 per share from Rs 3.89 per share in March 2020. The Bank is a well-capitalized institution with Capital Adequacy Ratio (CAR) of 18.37%, well above the minimum regulatory requirement of 11.50%.

We are pleased to inform you that the Board has approved Rs 1.5 (15%) interim cash dividend for the first quarter of 2021. The financial highlights of Meezan Bank are given below:

DIRECTORS' REVIEW

Rupees in millions

Statement of Financial Position	March 31, 2021	December 31, 2020	Growth %
Investments	464,264	434,208	7%
Sovereign	443,046	413,855	7%
Others	21,218	20,353	4%
Islamic financing and related assets - net	522,478	512,532	2%
Total Assets	1,545,233	1,521,559	2%
Deposits	1,248,608	1,254,431	(0%)
Equity	72,542	69,155	5%

Rupees in millions

Profit & Loss Account	Jan - Mar 2021	Jan - Mar 2020	Growth %
Net spread earned	15,055	14,718	2%
Fee, commission and other income	2,317	1,423	63%
Non - funded income	3,562	3,191	12%
Operating income	18,617	17,909	4%
Operating and other expenses	(8,091)	(7,111)	14%
Taxation	(4,140)	(3,655)	13%
Profit after tax	6,101	5,505	11%
Earnings per share - Rupees	4.31	3.89	11%
Number of branches	825	774	7%

The total assets of the Bank increased to Rs 1.55 trillion in March 2021 from Rs 1.52 trillion in December 2020. The Bank's investment portfolio rose by 7% to Rs 464 billion from Rs 434 billion last year, out of which 95% represents investment in Federal Government / Government Guaranteed Securities. There has been no sukuk auction for last two consecutive months despite the strong appetite of Islamic Banking Industry in Pakistan. We are hopeful that with the focus of GoP and SBP to promote Islamic Finance, the Sukuk auctions will resume soon Insha'Allah.

The Bank's financings increased by Rs 10 billion to Rs 522 billion as compared to Rs 512 billion in 2020. The Bank is actively supporting SBP's measures for economic revival and has extended financing to its customers under a number of SBP refinance schemes. The financing portfolio remains well diversified among top notch Corporate, Commercial, mid-tier Small and Medium Enterprise (SME) and Consumer segments. The Board has approved an additional General Provision of Rs 300 million against any potential non-performing financings in view of prevalent

DIRECTORS' REVIEW

economic conditions. The Bank maintains a comfortable level of provisions against its non-performing financings with a coverage ratio of 130% - one of the highest in the Banking industry while its non-performing financing ratio stood lower at 2.7% - compared to an industry average of 10%.

Deposits of the Bank closed at Rs 1.25 trillion as of March 31, 2021. The Bank continued to re-align its deposits mix with a focus on enhancing low cost current and savings deposits. The current account deposits of the Bank now represent 41% of its total deposits, amounting to Rs 518 billion while the current and savings account (CASA) deposits now represent 79% of total deposits as compared to 76% in 2020. The Bank added another 10 branches to its network, bringing the total network size to 825 branches in 255 cities (December 2020: 815 Branches in 248 cities). Being cognizant of the rapidly changing economic environment and customer behaviors, the Bank continues to invest in technology to instill operational efficiencies and ensure service excellence, especially across digital channels. The Bank's Mobile Banking App has been consistently ranked as No.1 Mobile Banking App in Pakistan by both Apple Store and Google Play Store.

The Bank's return on financings, investments and placements decreased 19% to Rs 24.2 billion from Rs 29.8 billion in corresponding period last year mainly due to decline in underlying Policy Rate which decreased to 7% from 13.25% last year, however this decline in underlying Policy Rate has been substantially off-set by higher volume of earning assets. The return on deposits and other dues also decreased from Rs 15.1 billion in March 2020 to Rs 9.2 billion in March 2021 due to lower average Policy Rate and sizable increase in current account balances. On an overall basis, net spread of the Bank rose by 2% to Rs 15.1 billion from Rs 14.7 billion in corresponding period last year.

The Bank's fee, commission and other income grew by 63% to Rs 2.3 billion from Rs 1.4 billion in March 2020 mainly contributed by rise in trade, branch banking and debit card related fee income. On an overall basis, the Bank's non-funded income recorded a 12% growth from March 2020 closing at Rs 3.6 billion. The Bank's operating and other expenses also increased to Rs 8.1 billion from Rs 7.1 billion, primarily due to increase in cost associated with opening of 51 new branches from March 2020.

The VIS Credit Rating Company Limited, has assigned the Bank an Entity Rating of 'AA+' (Double A Plus) for the Long Term and 'A1+' (A-One Plus) for the Short Term with stable outlook.

Outlook

Islamic Banking has a strong potential in the country and the SBP in its third strategic plan for the Islamic Banking Industry 2021- 2025 has set a target to take the share of Islamic Banking assets to 30% of the total banking industry. We will continue to support the SBP in strengthening of Islamic Banking Industry in the country and will play our leadership role in achievement of targets set for assets, deposits and branches of Islamic banking industry.

DIRECTORS' REVIEW

The Board would like to express its sincere thanks and gratitude to the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan for their continuous commitment to establish a viable Islamic financial system in the country. We would also like to thank our Board members, Members of the Shariah Supervisory Board, shareholders, holders of Additional Tier I Sukuk and Sub-ordinated Sukuk (Tier II) for their continued support and unrelenting efforts towards establishing Meezan Bank as the Premier Islamic Bank. Most importantly, we are thankful to Allah Almighty for his continued blessings on our Bank which has enabled us to achieve this incredible performance in a very short span of time and we pray that He gives us more strength and wisdom to further expand our Vision of establishing Islamic banking as banking of first choice.

On behalf of the Board

Riyadh S.A.A. Edrees

Chairman

Karachi:

April 20, 2021

Irfan Siddiqui

President & CEO

ڈائریکٹر کا تجزیہ

بورڈ آف ڈائریکٹر مسٹر کے ساتھ 31 مارچ، 2021 کو قائم ہونے والی سماں کے لئے میزان بینک لیبٹ کے مختصر عبوری غیر جائز شدہ مالیاتی حسابات اور انعامی مالیاتی حسابات پیش کرتا ہے۔

معیشت

COVID-19 کی عالمی وبا کی تیسرا اہر نے دنیا بھر کے دیگر ممالک کے ساتھ ساتھ بد قدمتی سے پاکستان کو بھی لپیٹ میں لے لیا ہے، اگرچہ عوامی سطح پر دیکھیں بھی دستیاب ہے۔ حکومت پاکستان نے ملک میں وبا کے بھیلا کو کورونے اور ملکی معاشی ترقی میں مدد کے لئے مختصر اقدامات کا مسلسلہ جاری رکھا ہوا ہے۔ میزان بینک اپنی مکمل استعداد کے ساتھ کام کر رہا ہے اور تبادلہ تریلی ڈرائیگ، دونوں میں اپنی خدمات کا معیار برقرار رکھا ہے۔ خوش قدمتی سے ہمیں مکمل لاک ڈاؤن کا سامان نہیں کرنا پڑا اور معاشی اشارے بھی ان حالات کے تحت اس حد تک ثابت رہے کہ ایسٹ بینک آف پاکستان (SBP) نے ملکی معاشی ترقی کی شرح کو موجودہ مالی سال کے لئے سابقہ 2 فیصد انداز سے بڑھا کر 3 فیصد کر دیا۔ ایسٹ بینک آف پاکستان نے متوازن افریط از را اور مجموعی طور پر کاروباری اعتماد میں بہتری کے پیش نظر پالیسی شرح میں تبدیلی نہیں کی اور اسے 7 فیصد پر برقرار رکھا۔ پاکستانی روپیہ امریکی ڈالر کے مقابلے میں مختصر ہوا ہے اور آئی ایم ایف پر ڈگرام بھی دوبارہ شروع ہو گیا ہے جس سے حکومت کا پتی مالیاتی اصلاحات کو آگے بڑھانے میں مدد ملے گی۔

بینک معاشی سرگرمیوں کی بھائی کے لئے تغیرات اور باہمیگ کے شعبے کی اعانت میں بھرپور حصہ لے رہا ہے اور باہمیگ اور تغیرات کے لئے بینک نے اب تک مقررہ اہداف سے زیادہ کی فناںگ کی ہے۔ حکومت پاکستان کی جانب سے بھی بینک کی خدمات کا اعتراف کیا گیا ہے اور ایک حالیہ تقریب میں وزیر اعظم پاکستان نے روشن ڈیکھیں اکاؤنٹ میں، جو ایسٹ بینک آف پاکستان اور وفاقی حکومت کا ایک اقدام ہے، سب سے زیادہ رقوم جمع کرنے پر اور اسلامک نیا پاکستان سرٹیکٹیں میں سب سے زیادہ سرمایہ کاری پر میزان بینک کی خدمات کو سراہا ہے۔

اہم مالیاتی نکات

اللہ عزیز کی رحمت سے میزان بینک نے سال 2021 کی پہلی سماں میں بہتر کارکردگی کا مسلسلہ جاری رکھا ہے اور مختصر مالیاتی تاریخ پیش کئے ہیں۔ بینک کا بعد ازاں جیکس منافع گز شدہ سال کی اسی مدت کے 15 ارب روپے کے مقابلے میں 11 فیصد اضافے کے بعد 16.1 ارب روپے ہو گیا ہے جبکہ اضافہ شدہ سرمایہ پر فی حصہ آمدنی مارچ 2020 کے 3.89 روپے فی حصہ کے مقابلے میں بڑھ کر 4.31 روپے فی حصہ ہو گئی ہے۔ بینک 18.37 فیصد کی پیش ایڈیکٹیوی ریٹرو کے ساتھ ایک Well-Capitalized اوارہ ہے۔ بینک کا 11.50 CAR ہے۔

ہمیں آپ کو یہ بتاتے ہوئے مسٹر محسوس ہو رہی ہے کہ بورڈ نے سال 2021 کی پہلی سماں کے لئے 1.5 روپے (15 فیصد) عبوری نقد ڈیویڈنڈ کی منظوری دی ہے۔ میزان بینک کے اہم مالیاتی نکات درج ذیل ہیں:

روپے (ملین میں)

اہم مالیاتی نکات

مالیاتی حیثیت کا جائزہ	مالیاتی حیثیت کا جائزہ	2021 مارچ 31	2020 نومبر 31	اضافہ کی کی شرح %
سرمایہ کاریاں		464,264	434,208	7%
خود مختار		443,046	413,855	7%
دیگر		21,218	20,353	4%
اسلامی فناںگ اور متعلقہ ائام۔ خالص		522,478	512,532	2%
کل ائام۔		1,545,233	1,521,559	2%
جمع شدہ رقوم		1,248,608	1,254,431	(0%)
اکیوینٹ		72,542	69,155	5%

اضافہ کی شرح %	جنوری۔ مارچ 2020	جنوری۔ مارچ 2021	نفع و نقصان کھاتہ
2%	14,718	15,055	اصل منافع
63%	1,423	2,317	فیس، کیشن اور دیگر آمدنی
12%	3,191	3,562	نافذ آمدنی
4%	17,909	18,617	انتظائی آمدنی
14%	(7,111)	(8,091)	انتظائی اور دیگر اخراجات
13%	(3,655)	(4,140)	نیکس
11%	5,505	6,101	منافع بعد از نیکس
11%	3.89	4.31	فی حصص آمدنی۔ روپے
7%	774	825	برانچوں کی تعداد

بینک کے کل اناٹ جو ستمبر 2020 میں 1.52 اڑیلیں روپے تھے، مارچ 2021 میں بڑھ کر 1.55 اڑیلیں روپے ہو گئے۔ بینک کا سرمایہ کارپوریٹ فویگز شرط سال کے 1434 ارب روپے کے مقابلے میں 7 فیصد اضافہ کے بعد 464 ارب روپے تک پہنچ گیا جس میں سے 95 فیصد حصہ وفاقی حکومت/ حکومت کی خاتمت شدہ سیکیورٹیز میں سرمایہ کارپوریٹ پر مشتمل ہے۔ پاکستان میں اسلامی بینکاری صنعت کی اشہد ضرورت ہونے کے باوجود گزشتہ مسلسل دو ماہ سے تین ملکوں جاری نہیں کئے گئے ہیں۔ ہمیں امید ہے کہ حکومت پاکستان اور اسٹیٹ بینک آف پاکستان کی اسلامی فناں کے فروغ پر بھر پور توجہ کے باعث ملک کی فروخت انشاء اللہ بہت جلد دوبارہ شروع ہو جائے گی۔

بینک کی فناںگو سال 2020 کے 12 ارب روپے کے مقابلے میں 10 ارب روپے اضافے کے بعد 22 ارب روپے ہو گئیں۔ بینک معاشری بھائی کیلئے اٹھائے گئے اسٹیٹ بینک آف پاکستان کے اقدامات میں بھرپور مد کر رہا ہے اور اس نے اسٹیٹ بینک آف پاکستان کی متعدد روپی فناں اسکیہ کے تحت اپنے صارفین کو فناںگ فراہم کی ہے۔ بینک ایک متنوع سرمایہ کارپوریٹ فویگز کا حامل ہے جو اعلیٰ درجے کے کارپوریٹ، کرشل، درمیانی سطح کے چھوٹے اور درمیانی درجے کے کاروبار (SME) اور کمزیو مرتع بجات پر مشتمل ہے۔ بورڈ نے موجودہ معاشری حالات کے پیش نظر مکالمہ غیر فعال فناںگو کے لئے 300 ملین روپے کی اضافی عمومی پروپریٹیز کی مظہوری دی ہے۔ بینک نے غیر فعال فناںگو کی مدد میں 130 فیصد کو تین ریشوں کے ساتھ پروپریٹیز کی تلی بخش شرح برقرار کی ہے جو کہ بینکاری صنعت کی سب سے زیادہ شرحوں میں سے ایک ہے، جبکہ اس کی غیر فعال فناںگو کی شرح بینکاری صنعت کی اوسط شرح یعنی 10 فیصد سے کافی کم 2.7 فیصد پر برقرار ہے۔

31 مارچ 2021 تک بینک کی کل جمع شدہ رقم 1.25 اڑیلیں روپے تھیں۔ بینک نے کم لاگت کرٹ اور سیوگنزوڈ پاٹس میں اضافے پر توجہ کے ساتھ اپنے ڈپاٹس مکس کی دوبارہ ترتیب کا سلسلہ جاری رکھا۔ بینک کے کرٹ کا کوئی نہ ڈپاٹس 15 ارب روپے کے ساتھ اس کے کل ڈپاٹس کا 41 فیصد ہیں جبکہ کرٹ اینڈ سیوگنزوڈ اکاؤنٹ (CASA) ڈپاٹس کل ڈپاٹس کے 79 فیصد حصہ پر مشتمل ہیں جو 2020 میں 76 فیصد تھے۔ بینک نے اپنے نیٹ ورک میں مزید 10 نئی برانچوں کا اضافہ کیا ہے جس سے اس کا برائی نیٹ ورک 255 شہروں میں 825 برانچوں تک وسعت ہو گیا ہے (دسمبر 2020: 248 شہروں میں 815 برانچیں)۔ تیزی سے بدلتے معاشری محل اور صارفین کے رجھات کا اداک کرتے ہوئے بینک نے عملی استعداد میں بہتر ترک اضافے اور خدمات کے معیار کو بہتر بنانے کے لئے بالخصوص تمام ڈیجیٹل چینلوگی میں جنکنالوگی میں سرمایہ کارپوریٹ کا سلسلہ جاری رکھا ہوا ہے۔ بینک کی موبائل بینکنگ اپلیکیشن کو اپل اسٹور اور گوگل پلے اسٹور پر صارفین کی کی جانب سے تسلیم کے ساتھ پاکستان کی نمبر 1 موبائل بینکنگ ایپ قرار دیا جا رہا ہے۔ بینک کی فناںگو، سرمایہ کارپوریٹ اور پلیسمنٹس (Placements) کی آمدنی گزشتہ سال کی اسی مدت کے 29.8 ارب روپے کے مقابلے میں 19 فیصد کی کے بعد 42.4 ارب روپے رہی، جس کی بنیادی وجہ بنیادی پالیسی شرح میں کی تھی، جو گزشتہ سال کے 13.25 فیصد کے مقابلے میں کم ہو کر 7 فیصد ہو گئی تاہم بنیادی پالیسی شرح میں کمی کو آمدنی والے اٹاٹوں کے زیادہ جم نے کافی حد تک پورا کر دیا۔ کم اوسط پالیسی شرح اور کرٹ اکاؤنٹ میں خاصے ہرے اضافے کے باعث ڈپاٹس اور دیگر واجب الاداروں کی آمدنی 2021 میں کم ہو کر 9.2 ارب روپے ہو گئی تھی۔ 15 ارب روپے تھی۔ جموجموں طور پر بینک کی اصل آمدنی گزشتہ سال کی اسی مدت کے 14.7 ارب روپے کے مقابلے میں 2 فیصد اضافے کے بعد 15.1 ارب روپے رہی۔

بینک کی فیں، کیشن اور دیگر آمدنی مارچ 2020 کے 1.4 ارب روپے کے مقابلے میں 63 فیصد اضافے کے بعد 2.3 ارب روپے ہو گئی جس میں ایک بڑا حصہ ٹریڈ، برائج بینکنگ اور ڈیپٹ کارڈ سے متعلق فیں کی آمدنی کا تھا۔ مجموعی طور پر بینک کی نان فنڈ ڈاہمی میں مارچ 2020 کے مقابلے میں 12 فیصد اضافہ دیکھنے میں آیا جو کہ 3.6 ارب روپے رہی۔ بینک کے انتظامی اور دیگر اخراجات بھی 1.7 ارب روپے سے ہر ہر 1.8 ارب روپے ہو گئے، جس کی بنیادی وجہ مارچ 2020 کے بعد سے 51 نئی برائیں کھولنے پر ہونے والے اخراجات ہیں۔

VIS کریڈٹ رینگ کمپنی لمبڈے نے بینک کو مستحکم آثار کے ساتھ AA+(ڈبل اے بلس) طویل المیعاد رینگ اور A1+(اے ون بلس) قلیل المیعاد رینگ دی ہے۔

مستقبل کے امکانات

ملک میں اسلامی بینکاری کے فروغ کے امکانات روشن ہیں اور اسیٹ بینک آف پاکستان نے اسلامی بینکاری صنعت کے لئے اپنے تیرے اسٹریچک مخصوصے 2025-2021 میں اسلامی بینکاری کے اٹاٹوں کے حصہ کوکل بینکاری صنعت کے 30 فیصد تک بڑھانے کا ہدف مقرر کیا ہے۔ ہم ملک میں اسلامی بینکاری کی صنعت کے استحکام کے لئے اسیٹ بینک آف پاکستان کی اعانت چاری رکھیں گے اور اسلامی بینکاری کی صنعت کے اٹاٹوں، جمع شدہ رقوم اور برائیوں کے حوالے سے طشدہ اہداف کے حصول میں اپنا کامدانہ کردار ادا کرنے کا سلسلہ چاری رکھیں گے۔

بورڈ، اسیٹ بینک آف پاکستان (SBP)، وزارت خزانہ اور سکریوٹریز ایڈی پچھلے کمیشن آف پاکستان کو ملک میں ایک قابل عمل اسلامی مالیاتی نظام کے لئے کی گئی ان کی مسلسل کوششوں اور دلائیکی کے لئے خراج تحسین پیش کرتا ہے۔ ہم اپنے بورڈ ممبران، شریعہ پرو ایئری بورڈ کے ممبران، حصہ یافتگان، اضافی Tier 1 مکلوک اور ٹانوی مکلوک (Tier II) یافتگان کا ان کی معاونت اور انتہک کوششوں کے لئے شکریہ ادا کرنا چاہتے ہیں جنہوں نے میزان بینک کو اولین اسلامی بینک بنانے کے لئے مسلسل محنت کی ہے۔ سب سے ہر ہر کم اللہ ہبھی کے شکرگزار ہیں کہ اس کی مسلسل رحمت کے باعث ہم اس قلیل مدت میں اتنی شاندار کامیابیوں کے حصول کے قابل ہو سکے ہیں، اور ہم دعا گو ہیں کہ اللہ ہبھی میں حوصلہ اور دنائی عطا کرے کہ ہم اسلامی بینکاری کو بینکاری کا پہلا انتخاب بنانے کے لئے اپنے خواب کو تعبیر کی بلند یوں تک لے جاسکیں۔ آمین۔

(منجذب بورڈ)

عرفان صدیقی
صدر اور CEO

ریاض ایس. اے. اے. اوریں
چیئرمین

کراچی:
20 اپریل، 2021

**CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021**

	Note	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	6	146,910,480	136,242,495
Balances with other banks	7	11,609,241	19,445,879
Due from financial institutions - net	8	315,233,196	342,068,799
Investments - net	9	464,263,993	434,208,340
Islamic financing and related assets - net	10	522,477,559	512,531,930
Fixed assets	11	23,552,838	23,568,351
Intangible assets	12	1,335,378	1,079,961
Deferred tax assets	18	-	389,653
Other assets - net	13	59,850,669	52,024,055
		1,545,233,354	1,521,559,463
LIABILITIES			
Bills payable	14	31,405,183	26,494,006
Due to financial institutions	15	107,946,993	94,500,640
Deposits and other accounts	16	1,248,608,378	1,254,430,534
Sub-ordinated Sukuk	17	18,000,000	18,000,000
Deferred tax liabilities	18	977,696	-
Other liabilities	19	65,753,240	58,979,017
		1,472,691,490	1,452,404,197
NET ASSETS		72,541,864	69,155,266
REPRESENTED BY			
Share capital		14,147,228	14,147,228
Reserves		21,034,345	20,424,225
Unappropriated profit		31,683,158	29,021,521
Surplus on revaluation of assets - net of tax	20	5,677,133	5,562,292
		72,541,864	69,155,266
CONTINGENCIES AND COMMITMENTS	21		

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

Riyadh S. A. A. Edrees
Chairman

Irfan Siddiqui
President & Chief Executive

Faisal A. A. A. AlNassar
Director

Mubashar Maqbool
Director

Shabbir Hamza Khandwala
Chief Financial Officer

**CONDENSED INTERIM UNCONSOLIDATED
PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Note	Quarter ended March 31, 2021	Quarter ended March 31, 2020
Rupees in '000			
Profit / return earned on Islamic financing and related assets, investments and placements	22	24,229,266	29,833,742
Profit on deposits and other dues expensed	23	9,174,644	15,115,302
Net spread earned		15,054,622	14,718,440
OTHER INCOME			
Fee and commission income	24	2,066,710	1,288,317
Dividend income		283,312	124,577
Foreign exchange income		821,533	963,128
Gain on securities - net	25	140,743	680,461
Other income	26	250,283	134,454
Total income		3,562,581	3,190,937
		18,617,203	17,909,377
OTHER EXPENSES			
Operating expenses	27	7,835,599	6,806,598
Workers Welfare Fund		254,115	220,949
Other charges	28	1,382	83,179
Total other expenses		8,091,096	7,110,726
Profit before provisions		10,526,107	10,798,651
Provisions and write offs - net	29	284,571	1,637,731
Extra ordinary / unusual items		-	-
Profit before taxation		10,241,536	9,160,920
Taxation	30	4,140,333	3,655,464
Profit after taxation		6,101,203	5,505,456
Rupees			
Restated			
Basic and diluted earnings per share	31	4.31	3.89

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Chairman

Irfan Siddiqui
President & Chief Executive

Faisal A. A. A. AlNassar
Director

Mubashar Maqbool
Director

Shabbir Hamza Khandwala
Chief Financial Officer

**CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Note	Quarter ended March 31, 2021	Quarter ended March 31, 2020
<hr/>			
Profit after taxation for the quarter		6,101,203	5,505,456
Other comprehensive income			
Items that may be reclassified to			
profit and loss account in subsequent periods:			
Surplus / (deficit) on revaluation of investments	20	176,679	(3,962,184)
Deferred tax on revaluation of investments	20	(61,838)	1,386,764
		114,841	(2,575,420)
<hr/>			
Other Comprehensive Income / (loss) for the quarter		114,841	(2,575,420)
<hr/>			
Total Comprehensive Income for the quarter		6,216,044	2,930,036

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

Riyadh S. A. A. Edrees **Irfan Siddiqui** **Faisal A. A. A. AlNassar** **Mubashar Maqbool** **Shabbir Hamza Khandwala**
 Chairman President & Chief Executive Director Director Chief Financial Officer

**CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Capital reserves				Revenue reserve General reserve	Unappro- priated profit	Surplus / (deficit) on revaluation of		Total
	Share capital	Share premium	Statutory reserve *	Non- Distributable Capital Reserve Gain on Bargain Purchase			Investments	Non- banking Assets	
Rupees in '000									
Balance as at January 01, 2020	12,861,116	2,406,571	12,616,780	3,117,547	66,766	18,545,797	9,387,715	13,120	59,015,412
Profit after taxation for the quarter ended March 31, 2020	-	-	-	-	-	5,505,456	-	-	5,505,456
Other Comprehensive loss for the quarter ended March 31, 2020 - net of tax	-	-	-	-	-	5,505,456	(2,575,420)	-	(2,575,420)
Other appropriations									
Transfer to statutory reserve	-	-	550,546	-	-	(550,546)	-	-	-
Final cash dividend for the year 2019 @ Rs 2 per share	-	-	-	-	-	(2,572,224)	-	-	(2,572,224)
Balance as at March 31, 2020	12,861,116	2,406,571	13,167,326	3,117,547	66,766	20,928,483	6,812,295	13,120	59,373,224
Profit after taxation for the nine months period ended December 31, 2020	-	-	-	-	-	16,660,150	-	-	16,660,150
Other Comprehensive income / (loss) for the nine months period ended December 31, 2020 - net of tax	-	-	-	-	-	43,906	(1,269,944)	6,821	(1,219,217)
Other appropriations									
Transfer to statutory reserve	-	-	1,666,015	-	-	(1,666,015)	-	-	-
Transactions with owners recognised directly in equity									
Issue of bonus shares	1,286,112	-	-	-	-	(1,286,112)	-	-	-
Interim cash dividend for the year 2020 @ Rs 4 per share	-	-	-	-	-	(5,658,891)	-	-	(5,658,891)
Balance as at December 31, 2020	14,147,228	2,406,571	14,833,341	3,117,547	66,766	29,021,521	5,542,351	19,941	69,155,266
Profit after taxation for the quarter ended March 31, 2021	-	-	-	-	-	6,101,203	-	-	6,101,203
Other Comprehensive income for the quarter ended March 31, 2021 - net of tax	-	-	-	-	-	6,101,203	114,841	-	114,841
Other appropriations									
Transfer to statutory reserve	-	-	610,120	-	-	(610,120)	-	-	-
Final cash dividend for the year 2020	-	-	-	-	-	(2,829,446)	-	-	(2,829,446)
Balance as at March 31, 2021	14,147,228	2,406,571	15,443,461	3,117,547	66,766	31,683,158	5,657,192	19,941	72,541,864

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

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

Riyadh S. A. A. Edrees
Chairman

Irfan Siddiqui
President & Chief Executive

Faisal A. A. A. AlNassar
Director

Mubashar Maqbool
Director

Shabbir Hamza Khandwala
Chief Financial Officer

**CONDENSED INTERIM UNCONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Note	Quarter ended March 31, 2021	Quarter ended March 31, 2020	Rupees in '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxation		10,241,536	9,160,920	
Less: Dividend income		(283,312)	(124,577)	
		9,958,224	9,036,343	
Adjustments for non-cash charges and other items:				
Depreciation		556,452	478,644	
Amortization		73,181	56,706	
Non cash items related to right of use assets		795,336	823,858	
Provisions and write offs - net		284,571	1,637,731	
Gain on sale of fixed assets		(49,206)	(23,567)	
		1,660,334	2,973,372	
		11,618,558	12,009,715	
Decrease / (increase) in operating assets				
Due from financial institutions		26,835,603	(54,961,950)	
Islamic financings and related assets		(10,247,397)	19,779,201	
Other assets		(7,781,989)	(6,218,832)	
		8,806,217	(41,401,581)	
Increase / (decrease) in operating liabilities				
Bills payable		4,911,177	(32,591)	
Due to financial institutions		13,446,353	8,270,087	
Deposits and other accounts		(5,822,156)	(4,189,788)	
Other liabilities		6,675,820	7,150,051	
		19,211,194	11,197,759	
		39,635,969	(18,194,107)	
		(2,385,396)	(3,458,377)	
		37,250,573	(21,652,484)	
Net cash flow from / (used in) operating activities				
CASH FLOW FROM INVESTING ACTIVITIES				
Net (investments) / redemption in securities		(29,860,525)	6,193,239	
Dividends received		261,751	71,932	
Investments in fixed assets		(982,841)	(1,197,161)	
Investments in intangible assets		(328,598)	(187,883)	
Proceeds from sale of fixed assets		85,320	30,700	
Net cash (used in) / flow from investing activities		(30,824,893)	4,910,827	
CASH FLOW FROM FINANCING ACTIVITIES				
Issuance of Sub-ordinated Sukuk - Tier II		-	4,000,000	
Payment of lease liability against right-of-use assets		(763,608)	(650,944)	
Dividend paid		(2,830,725)	(1,091)	
Net cash (used in) / flow from financing activities		(3,594,333)	3,347,965	
Increase / (decrease) in cash and cash equivalents		2,831,347	(13,393,692)	
Cash and cash equivalents at the beginning of the quarter	32	155,688,374	107,565,594	
Cash and cash equivalents at the end of the quarter	32	158,519,721	94,171,902	

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

Riyadh S. A. A. Edrees **Irfan Siddiqui** **Faisal A. A. A. AlNassar** **Mubashar Maqbool** **Shabbir Hamza Khandwala**
Chairman President & Chief Executive Director Director Chief Financial Officer

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Meezan Bank Limited (the Bank) was incorporated in Pakistan on January 27, 1997, as a public limited company under the Companies Act, 2017 (previously Companies Ordinance, 1984), and its shares are quoted on the Pakistan Stock Exchange Limited. The Bank was registered as an 'Investment Finance Company' on August 8, 1997, and carried on the business of investment banking as permitted under SRO 585(I)/87 dated July 13, 1987, in accordance and in conformity with the principles of Islamic Shariah. A 'Certificate of Commencement of Business' was issued to the Bank on September 29, 1997.
- 1.2** The Bank was granted a 'Scheduled Islamic Commercial Bank' license on January 31, 2002 and formally commenced operations as a Scheduled Islamic Commercial Bank with effect from March 20, 2002, on receiving notification in this regard from the State Bank of Pakistan (the SBP) under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, investment and retail banking activities.
- 1.3** The Bank was operating through eight hundred and twenty five branches as at March 31, 2021 (December 31, 2020: eight hundred and fifteen branches). Its registered office is at Meezan House, C-25, Estate Avenue, SITE, Karachi, Pakistan.
- 1.4** Based on the financial statements of the Bank for the year ended December 31, 2019, the VIS Credit Rating Company Limited has reaffirmed the Bank's medium to long-term as 'AA+' and the short-term rating as "A1+" with stable outlook.

2 BASIS OF PRESENTATION

The Bank provides Islamic financing and related assets mainly through Murabaha, Istisna, Tijarah, Ijarah, Diminishing Musharakah, Running Musharakah, Bai Muajjal, Musawammah, Service Ijarah, Wakalah, Wakalah Tul Istithmar, and Export Refinance under Islamic Export Refinance Scheme and various long term refinancing facility of the State Bank of Pakistan.

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

3 STATEMENT OF COMPLIANCE

- 3.1** This condensed interim financial information (here-in-after referred to as "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:

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- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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 State Bank of Pakistan (SBP) and the Securities Exchange Commission of Pakistan (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, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

3.2 Significant accounting policies and financial risk management

The significant accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended December 31, 2020.

3.2.1 The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2020.

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

There are certain new and amended standards that became effective during the period (enumerated in note 3.5 to the annual financial statement of the Bank). However, such standards did not have any significant effect on this condensed interim unconsolidated financial information.

"IFRS 9 'Financial Instruments' - IFRS 9 replaced the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. SBP vide its BPRD Circular No. 04 of 2019 dated October 23, 2019 directed the banks in Pakistan to implement

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER ENDED MARCH 31, 2021

IFRS 9 with effect from January 01, 2021. Pakistan Banking Association has approached SBP for deferment of IFRS 9 pending the finalization of draft guidelines by SBP for the implementation of IFRS 9. Accordingly, the Bank has not adopted IFRS 9 in the condensed interim financial statements. The management of the Bank is regularly submitting ECL impact assessment to SBP on quarterly basis in compliance with SBP above mentioned Circular.

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

As referred to in note 3.5 to the annual financial statements of the Bank, there are certain amendments to the financial reporting standards which would become effective from the next financial year, however such amendments are not expected to have a material effect on the Bank's financial statements of the period of initial application.

4 BASIS OF MEASUREMENT

4.1 This condensed interim unconsolidated financial information has been prepared under the historical cost convention except that certain investments, foreign currency balances, Non-banking assets acquired in satisfaction of claims and commitments in respect of certain foreign exchange contracts have been marked to market and carried at fair value in accordance with the requirements of the SBP. In addition, obligation in respect of staff retirement benefit and employees compensated leave balances are carried at present value.

4.2 Functional and presentation currency

This condensed interim unconsolidated financial information has been presented in Pakistani Rupee, which is the Bank's functional and presentation currency.

4.3 Rounding off

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in this condensed interim financial information are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2020.

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	Note	March 31,	December 31,
		2021 (Unaudited)	2020 (Audited)
6 CASH AND BALANCES WITH TREASURY BANKS			
		Rupees in '000	
In hand			
- local currency		27,738,702	27,356,626
- foreign currencies		2,669,278	3,477,535
With the State Bank of Pakistan in			
- local currency current accounts	6.1	76,331,630	51,975,020
- foreign currency current accounts	6.1	8,400,266	8,542,148
With the National Bank of Pakistan in			
- local currency current accounts		31,259,269	42,518,016
National Prize Bonds	6.2	511,335	2,373,150
		146,910,480	136,242,495

- 6.1** These include local and foreign currency amounts required to be maintained by the Bank with the SBP as stipulated by the SBP. These accounts are non-remunerative in nature.
- 6.2** The Bank, as a matter of Shariah principle, does not deal in prize bonds. These represent the national prize bonds received from customers for onward surrendering to SBP.

	Note	March 31,	December 31,
		2021 (Unaudited)	2020 (Audited)
7 BALANCES WITH OTHER BANKS			
		Rupees in '000	
In Pakistan			
- in current accounts		10,227,881	7,055,015
- in deposit accounts	7.1	14	6,000,000
Outside Pakistan			
- in current accounts		1,345,658	2,234,338
- in deposit accounts	7.2	35,688	4,156,526
		11,609,241	19,445,879

- 7.1** The return on these balances is around 3.65% (December 31, 2020: 7.25%) per annum.
- 7.2** The return on these balances is 0.02% (December 31, 2020: 0.08%) per annum.

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	Note	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
8 DUE FROM FINANCIAL INSTITUTIONS - NET		Rupees in '000	
Bai Muajjal:			
With scheduled banks / financial institution - Secured	8.1	307,678,024	327,277,079
With other financial institution		15,500	15,500
		307,693,524	327,292,579
Musharakah	8.2	4,500,000	6,800,000
Wakalah	8.3	3,055,172	7,991,720
Commodity Murabaha		26,066	26,066
		315,274,762	342,110,365
Provision against non-performing amounts due from financial institutions	8.4	(41,566)	(41,566)
		315,233,196	342,068,799

- 8.1** The average return on this product is 7.94% (December 31, 2020: 7.86%) per annum. These balances have maturities ranging between April 2021 to July 2025 (December 31, 2020: January 2021 to July 2025).
- 8.2** The average return on this product is 7.25% (December 31, 2020: 7.15%) per annum. These balances are maturing latest by May 2021 (December 31, 2020: March 2021).
- 8.3** The return on this product is 0.05% (December 31, 2020: 0.05%) per annum. This balance is maturing latest by April 2021 (December 31, 2020: January 2021). These balances are placed outside Pakistan.

	March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Non- performing due from financial institutions	Provision held	Non- performing due from financial institutions	Provision held
Rupees in '000				
8.4 Category of classification				
Loss	41,566	41,566	41,566	41,566

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9 INVESTMENTS - NET

	March 31, 2021 (Unaudited)				December 31, 2020 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
9.1 Investments by types								
Available for sale securities								
Federal Government Securities								
- Ijarah Sukuk	190,988,743	-	264,026	191,252,769	168,574,511	-	(380,076)	168,194,435
- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	106,876,904	-	-	106,876,904	106,876,904	-	-	106,876,904
- Islamic Naya Pakistan Certificate - PKR	287,014	-	-	287,014	342,284	-	-	342,284
- Islamic Naya Pakistan Certificate - USD	281,284	-	-	281,284	124,151	-	-	124,151
- Islamic Naya Pakistan Certificate - GBP	764,601	-	-	764,601	-	-	-	-
- Islamic Naya Pakistan Certificate - EUR	731,444	-	-	731,444	-	-	-	-
Non Government Sukuk								
- Pakistan Energy Sukuk guaranteed by the Government of Pakistan	113,809,191	-	5,354,448	119,163,639	111,737,601	-	5,504,818	117,242,419
- Other Sukuk guaranteed by the Government of Pakistan	10,503,470	-	-	10,503,470	10,503,470	-	-	10,503,470
- Other Non Government Sukuk	4,418,177	75,892	-	4,342,285	3,865,919	79,348	-	3,786,571
Foreign Securities								
Shares	6,895,365	-	445,193	7,340,558	7,216,711	-	552,073	7,768,784
Shares	8,076,336	2,089,052	2,639,708	8,626,992	7,144,667	2,104,045	2,849,881	7,890,503
	443,632,529	2,164,944	8,703,375	450,170,960	416,386,218	2,183,393	8,526,696	422,729,521
Held to maturity securities								
- Ijarah Sukuk	13,185,217	-	-	13,185,217	10,571,003	-	-	10,571,003
In related parties								
Subsidiary (unlisted)								
- Shares	63,050	-	-	63,050	63,050	-	-	63,050
Associates (listed)								
- Units of funds	844,766	-	-	844,766	844,766	-	-	844,766
Total Investments	457,725,562	2,164,944	8,703,375	464,263,993	427,865,037	2,183,393	8,526,696	434,208,340

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	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
	Rupees in '000	
9.2 Provision against diminution in value of investments		
Opening balance	2,183,393	2,364,384
Charge / (reversals) for the quarter / year		
On available for sale securities		
- charge for the quarter / year on equity instruments	28,078	290,244
- reversals for the quarter / year on recovery of debt instruments	(3,456)	(16,548)
- reversals for the quarter / year on disposals of equity instruments	(43,071)	(387,700)
	(18,449)	(114,004)
Amount written off	-	(66,987)
Closing balance	2,164,944	2,183,393

	March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Non- performing investment	Provision held	Non- performing investment	Provision held
9.3 Particulars of provision against Sukuk	Rupees in '000			
Category of classification				
Loss	75,892	75,892	79,348	79,348

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	Note	March 31,	December 31,
		2021 (Unaudited)	2020 (Audited)
10 ISLAMIC FINANCING AND RELATED ASSETS			Rupees in '000
In Pakistan			
Murabaha financing and related assets			
- Murabaha financing	10.1	6,273,784	7,292,120
- Advances against Murabaha		3,009,978	2,986,634
- Murabaha inventory		885,844	1,407,894
- Financing under Islamic Export Refinance - Murabaha	10.2	1,261,940	873,321
- Inventory under Islamic Export Refinance - Murabaha		28,288	17,779
- Advance against Islamic Export Refinance - Murabaha		519,516	1,008,181
		11,979,350	13,585,929
Running Musharakah financing			
- Running Musharakah financing		110,004,205	102,571,519
- Financing under Islamic Export Refinance - Running Musharakah		30,730,544	35,775,663
		140,734,749	138,347,182
Istisna financing and related assets			
- Istisna financing		10,395,910	3,925,839
- Advances against Istisna		36,352,036	46,300,271
- Istisna inventory		17,178,413	6,437,594
- Financing under Islamic Export Refinance - Istisna		277,370	218,304
- Advances under Islamic Export Refinance - Istisna		9,173,356	8,422,231
- Inventory under Islamic Export Refinance - Istisna		1,386,227	2,723,453
		74,763,312	68,027,692
Tijarah financing and related assets			
- Tijarah financing		627,907	596,504
- Tijarah inventory		8,318,508	7,507,389
- Financing under Islamic Export Refinance - Tijarah		1,316,486	1,366,016
- Inventory under Islamic Export Refinance - Tijarah		809,843	897,624
		11,072,744	10,367,533
Musawammah financing and related assets			
- Musawammah financing	10.3	13,648,809	13,798,171
- Musawammah Inventory		8,675,020	7,613,522
- Advances against Musawammah		9,685,880	14,209,318
- Financing under Islamic Export Refinance - Musawammah	10.4	986,263	1,090,893
- Inventory under Islamic Export Refinance - Musawammah		360,000	45,000
- Advances under Islamic Export Refinance - Musawammah		37,500	994,771
		33,393,472	37,751,675
Salam Financing and related assets			
- Salam Financing		349,973	1,238,311
- Salam Inventory		1,693,556	6,378,860
- Advances against Salam		5,878,265	1,560,370
- Advances under Islamic Export Refinance - Salam		-	496,820
		7,921,794	9,674,361
Financing against bills			
- Financing against bills - Salam		6,154,079	4,151,254
- Advances against bills - Salam		19,828	1,738
		6,173,907	4,152,992
Bai Muajjal financing	10.5	1,633,373	1,633,373
Ijarah financing and related assets			
- Net investment in Ijarah		81,950	81,965
- Net book value of assets / investment in Ijarah under IFAS 2		46,612,292	43,569,281
- Net book value of assets / investment in Ijarah under IFAS 2 under SBP's ILTFF		54,484	48,778
- Advances against Ijarah		46,748,726	43,700,024
		5,982,801	6,210,281
		52,731,527	49,910,305

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	Note	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
Diminishing Musharakah financing and related assets			
- Diminishing Musharakah financing - housing		12,942,588	12,556,621
- Diminishing Musharakah financing - others		99,815,099	102,400,030
- Diminishing Musharakah financing - SBP's ILTFF		8,159,177	7,595,493
- Diminishing Musharakah financing - SBP's IRSPWS		4,471,194	4,481,268
- Diminishing Musharakah financing - SBP's IFRE		192,467	182,955
- Diminishing Musharakah financing - SBP's ITERF		300,000	-
- Advances against Diminishing Musharakah		9,667,938	7,667,897
- Advances against Diminishing Musharakah under SBP's IFRE		5,676,362	5,204,775
- Advances against Diminishing Musharakah under SBP's IRFCC		529,628	172,913
- Advances against Diminishing Musharakah under SBP's ITERF		2,466,702	676,621
- Advances against Diminishing Musharakah under SBP's ILTFF		6,173,762	5,559,059
		150,394,917	146,497,632
 - Musharakah financing		82,960	82,960
 - Wakalah Tul Istithmar financing		26,108,500	21,156,433
 - Advance against Wakalah Tul Istithmar financing		12,750,000	18,500,000
 - Wakalah financing		35,000	45,000
 - Advance against Service Ijarah		4,258,103	4,258,103
 - Qard financing under SBP's IRSPWS		46,263	46,263
 - Qard financing under SBP's IRFCC		541,848	440,310
 - Labbaik (Qard for Hajj and Umrah)		381	856
 - Staff financing		5,352,109	4,951,794
 - Other financing		1,863,513	2,157,222
 Gross Islamic financing and related assets		541,837,822	531,587,615
Less: Provision against non-performing Islamic financing and related assets - Specific	10.8	(13,607,552)	(13,602,974)
Less: Provision against non-performing Islamic financing and related assets - General	10.8	(5,752,711)	(5,452,711)
 Islamic financing and related assets - net of provision		522,477,559	512,531,930

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	Note	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
———— Rupees in '000 ——			
10.1	Murabaha receivable - gross	10.1.1	6,563,615
	Less: Deferred murabaha income	10.1.3	(95,049)
	Profit receivable shown in other assets		(194,782)
	Murabaha financing		<u>6,273,784</u>
10.1.1	Murabaha Sale Price	6,563,615	7,610,201
	Murabaha Purchase Price	<u>(6,273,784)</u>	(7,292,120)
10.1.2	The movement in Murabaha financing during the quarter / year is as follows:		<u>289,831</u>
	Opening balance	7,292,120	8,633,318
	Sales during the quarter / year	8,166,610	34,727,183
	Adjusted during the quarter / year	(9,184,946)	(36,068,381)
	Closing balance	<u>6,273,784</u>	7,292,120
10.1.3	Deferred Murabaha Income:		
	Opening balance	112,171	198,327
	Deferred during the quarter / year	271,182	921,798
	Recognised during the quarter / year	(288,304)	(1,007,954)
	Closing balance	<u>95,049</u>	112,171
10.2	Financing under Islamic Export Refinance - Murabaha - gross	1,284,321	893,589
	Less: Deferred income	(647)	(5,106)
	Profit receivable shown in other assets	(21,734)	(15,162)
	Financing under Islamic Export Refinance - Murabaha	<u>1,261,940</u>	873,321
10.2.1	The movement in Islamic Export Refinance		
	Murabaha financing during the quarter / year is as follows:		
	Opening balance	873,321	369,441
	Sales during the quarter / year	704,225	3,254,140
	Adjusted during the quarter / year	(315,606)	(2,750,260)
	Closing balance	<u>1,261,940</u>	873,321
10.2.2	Deferred Islamic Export Refinance Murabaha Income:		
	Opening balance	5,106	836
	Deferred during the quarter / year	12,903	42,170
	Recognised during the quarter / year	(17,362)	(37,900)
	Closing balance	<u>647</u>	5,106
10.3	Musawammah financing - gross	14,115,685	14,258,642
	Less: Deferred income	(179,760)	(272,835)
	Profit receivable shown in other assets	(287,116)	(187,636)
	Musawammah financing	<u>13,648,809</u>	13,798,171

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	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
	Rupees in '000	
10.4		
Financing under Islamic Export Refinance - Musawammah - gross	999,860	1,104,908
Less: Deferred income	(8,737)	(8,473)
Profit receivable shown in other assets	(4,860)	(5,542)
Financing under Islamic Export Refinance - Musawammah	986,263	1,090,893
10.5		
Bai Muajjal financing - gross	1,795,034	2,477,558
Less: Deferred income	(71,727)	(107,351)
Profit receivable shown in other assets	(89,934)	(736,834)
Bai Muajjal financing	1,633,373	1,633,373
10.6		
Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs 40,493 million (December 31, 2020: Rs 40,217 million).		
10.7		
Islamic financing and related assets include Rs. 14,870 million (December 31, 2020: Rs. 14,933 million) which have been placed under non-performing status as detailed below:		

Category of classification	March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Non-performing amount	Provision held	Non-performing amount	Provision held
Category of classification				
Domestic				
Other Assets Especially Mentioned	70,132	2,004	80,289	1,109
Substandard	552,034	77,113	790,278	165,158
Doubtful	1,191,512	527,060	966,160	425,586
Loss	13,056,269	13,001,375	13,096,746	13,011,121
	14,869,947	13,607,552	14,933,473	13,602,974

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

	March 31, 2021 (Unaudited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	13,602,974	5,452,711	19,055,685	8,284,519	4,452,711	12,737,230
Charge for the quarter / year	200,267	300,000	500,267	7,655,410	1,000,000	8,655,410
Less: Reversals	(195,689)	-	(195,689)	(314,555)	-	(314,555)
	4,578	300,000	304,578	7,340,855	1,000,000	8,340,855
Amount written off	-	-	-	(2,022,400)	-	(2,022,400)
Closing balance	<u>13,607,552</u>	<u>5,752,711</u>	<u>19,360,263</u>	<u>13,602,974</u>	<u>5,452,711</u>	<u>19,055,685</u>

10.8.1 The Bank maintains general reserve (provision) in accordance with the applicable requirements of the Prudential Regulations for Consumer Financing and House Financing issued by the SBP.

In addition, the Bank has also maintained a general provision of Rs 5,350 million (December 31, 2020: Rs 5,050 million) against financing made on prudent basis, in view of prevailing economic conditions. This general provision is in addition to the requirements of Prudential Regulations.

10.8.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sales Value (FSV) of collaterals against the non-performing financing. The accumulated benefit availed as at March 31, 2021 amounts to Rs 125.6 million (December 31, 2020: Rs 76.6 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs 76.6 million as at March 31, 2021 (December 31, 2020: Rs 46.7 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

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	Note	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
11 FIXED ASSETS			
Capital work-in-progress	11.1	3,573,226	3,230,914
Property and equipment		14,578,128	14,530,165
Right-of-use assets		5,401,484	5,807,272
		23,552,838	23,568,351

11.1 Capital work-in-progress

Advances to suppliers and contractors for:

	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
	Rupees in '000	
- civil works		
- civil works	2,520,297	2,171,132
- computer hardware	382,004	379,323
- purchase of vehicles	215,382	269,437
- office machines	324,084	272,364
- furniture and fixtures	131,459	138,658
	3,573,226	3,230,914

11.2 Additions to fixed assets

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

	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
	Rupees in '000	
Capital work-in-progress - net		
Capital work-in-progress - net	342,312	628,046
Property and equipment		
Leasehold land	141,606	-
Buidling on leasehold land	25,000	501
Leasehold improvements	83,977	101,624
Furniture and fixture	13,898	18,687
Electrical, office and computer equipment	106,668	301,814
Vehicles	269,380	146,489
	640,529	569,115
Total	982,841	1,197,161

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	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
Rupees in '000		

11.3 Disposal of fixed assets

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

Leasehold improvements	-	178
Vehicles	36,114	6,955
	36,114	7,133

12 INTANGIBLE ASSETS

Computer Software	949,397	745,513
Advance against computer software	385,981	334,448
	1,335,378	1,079,961

	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
Rupees in '000		

12.1 Additions to intangible assets	328,598	187,883
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	Note	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
13 OTHER ASSETS			
Profit / return accrued in local currency - net of provisions		47,123,924	40,953,826
Profit / return accrued in foreign currencies - net of provisions		60,956	79,029
Acceptances		9,778,303	8,488,266
Advances, deposits, advance rent and other prepayments		2,065,051	1,772,230
Non-banking assets acquired in satisfaction of claims		115,422	115,422
Receivables on account of sale of securities		456	16,956
Dividends receivable		29,738	8,177
Stamps		21,321	15,857
Security deposits		191,939	206,058
Advance for Investments		32,801	67,530
Other		430,098	323,949
		59,850,009	52,047,300
Provision against other assets	13.1	(30,018)	(53,923)
Other Assets (Net of Provision)		59,819,991	51,993,377
Surplus on revaluation of non-banking assets			
acquired in satisfaction of claims	20	30,678	30,678
Other Assets - total		59,850,669	52,024,055
13.1 Provision held against other assets			
Acceptances		9,664	33,980
Others		20,354	19,943
		30,018	53,923

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	Note	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
13.1.1 Movement in provision held against other assets			
Opening balance		53,923	74,686
Charge for the quarter / year		1,252	5,521
Reversals during the quarter / year		(24,316)	(20,763)
Amount adjusted / written off during the quarter / year		(841)	(5,521)
Closing balance		<u>30,018</u>	<u>53,923</u>
14 BILLS PAYABLE			
In Pakistan		31,405,183	26,494,006
Outside Pakistan		<u>31,405,183</u>	<u>26,494,006</u>
15 DUE TO FINANCIAL INSTITUTIONS			
In Pakistan		107,946,993	94,500,640
Outside Pakistan		<u>107,946,993</u>	<u>94,500,640</u>
15.1 Details of due to financial institutions secured / unsecured			
Secured			
With State Bank of Pakistan			
Musharakah under Islamic Export Refinance Scheme		45,032,421	51,995,700
Investment under Islamic Long Term Financing Facility		14,337,460	12,567,944
Investment under Islamic Refinance Facility for Combating COVID-19		714,762	610,809
Investment under Islamic Financing for Renewal Energy		5,743,100	5,315,473
Investment under Islamic Temporary Economic Refinance Facility for Plant and Machinery		2,685,979	514,115
Investment under Islamic Refinance Scheme for Payment of Wages & Salaries		3,929,052	4,527,531
		<u>72,442,774</u>	<u>75,531,572</u>
Other financial institutions		686,211	721,131
Unsecured			
Overdrawn nostro accounts		268,008	747,937
Other Musharakah	15.1.1	<u>34,550,000</u>	<u>17,500,000</u>
		<u>107,946,993</u>	<u>94,500,640</u>

15.1.1 These Musharakah are on profit and loss sharing basis with banks. The expected average return on these Musharakah is around 7.90% (December 2020: 7.44%) per annum. These balances are maturing in April 2021 (December 2020: January 2021).

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16 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2021 (Unaudited)			December 31, 2020 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
Customers						
- Current accounts - non-remunerative	478,450,072	24,264,906	502,714,978	465,573,842	24,180,026	489,753,868
- Savings deposits	423,650,355	35,022,018	458,672,373	415,280,740	33,825,435	449,106,175
- Fixed deposits	251,745,840	13,766,951	265,512,791	279,506,740	15,039,627	294,546,367
- Margin	13,820,688	5,695	13,826,383	10,603,578	5,957	10,609,535
	1,167,666,955	73,059,570	1,240,726,525	1,170,964,900	73,051,045	1,244,015,945
Financial institutions						
- Current accounts - non-remunerative	1,254,859	-	1,254,859	4,235,642	-	4,235,642
- Savings deposits	4,301,502	-	4,301,502	4,759,877	-	4,759,877
- Fixed deposits	2,325,492	-	2,325,492	1,419,070	-	1,419,070
	7,881,853	-	7,881,853	10,414,589	-	10,414,589
	1,175,548,808	73,059,570	1,248,608,378	1,181,379,489	73,051,045	1,254,430,534

17 SUB-ORDINATED SUKUK

	Note	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
Additional Tier I Sukuk	17.1	7,000,000	7,000,000
Tier II Sukuk	17.2	11,000,000	11,000,000
		<u>18,000,000</u>	<u>18,000,000</u>

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17.1 In August 2018, the Bank issued regulatory Shariah compliant unsecured, subordinated privately placed Additional Tier I Sukuk based on Mudaraba of Rs. 7,000 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of Additional Tier I sukuk is as follows:

Credit Rating	AA- (Double A minus) by VIS Credit Rating Company Limited
Issue Date	August 01, 2018
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 9.27% 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, upon directive of the SBP, if such payment will result in a shortfall in the Bank's minimum capital requirement, capital adequacy ratio requirement or leverage ratio requirement.

17.2 In September 2016 and January 2020, the Bank issued regulatory Shariah compliant unsecured, subordinated privately placed Tier II Sukuk based on Mudaraba of Rs. 7,000 million and Rs 4,000 million respectively as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of Tier II sukuk is as follows:

Credit Rating	AA (Double A) by VIS Credit Rating Company Limited
Issue Date	September 22, 2016 and January 09, 2020
Tenor	10 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the tenth year
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 are 8.29% and 8.46% per annum respectively.
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 upon directive of the SBP, if such payment will result in a shortfall in the Bank's minimum capital requirement, capital adequacy ratio requirement or leverage ratio requirement.

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	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
<hr/> Rupees in '000 <hr/>		
18 DEFERRED TAX LIABILITIES / (ASSETS)		
Taxable temporary differences due to:		
Excess of accounting book values over tax written down values of owned assets	300,460	321,162
Surplus on revaluation of available for sale investments	3,046,183	2,984,345
Surplus on revaluation of Non-banking assets acquired in satisfaction of claims	10,737	10,737
	3,357,380	3,316,244
Deductible temporary differences due to:		
Provision for diminution / impairment in value of investments	(1,019,759)	(1,009,932)
Provision against non-performing Islamic financing and related assets	(126,972)	(1,474,152)
Income not accrued due to non-culmination of financing	(1,051,166)	(1,048,537)
Provision against non-banking assets acquired in satisfaction of claims and others	(181,787)	(173,276)
	(2,379,684)	(3,705,897)
	<hr/> 977,696 <hr/>	<hr/> (389,653) <hr/>

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	Note	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
19 OTHER LIABILITIES			
Return on deposits and other dues		3,775,574	3,942,766
- payable in local currency		53,734	76,037
- payable in foreign currencies		1,107,696	862,453
Unearned income		11,117,475	9,568,182
Accrued expenses		10,124,730	9,675,304
Current taxation (provision less payments)		9,778,303	8,488,266
Acceptances		19,940	21,219
Dividends payable		459,378	663,141
Payable to defined benefit plan		17,994	989
Charity payable		60,805	36,489
Provision against off-balance sheet obligations	19.1	16,397,855	14,804,093
Security deposits against Ijarah		-	8,419
Payable on account of credit murabaha / ijarah		143,400	136,804
Security deposits against lockers		1,831,987	162,055
Unrealised loss on forward foreign exchange contracts - net		198,471	119,358
Advance against future Diminishing Musharakah		599,036	233,744
Withholding taxes payable		6,100,175	6,474,235
Lease liability against right-of-use assets		3,024,500	2,770,385
Workers Welfare Fund payable		942,187	935,078
Others		65,753,240	58,979,017
19.1 Provision against off-balance sheet obligations			
Opening balance		36,489	29,339
Charge for the quarter / year		24,316	7,150
Closing balance		60,805	36,489
20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Available for sale securities			
- Listed shares / units of mutual fund		2,639,708	2,849,881
- Sukuk		6,063,667	5,676,815
		8,703,375	8,526,696
Non-banking assets acquired in satisfaction of claims		30,678	30,678
		8,734,053	8,557,374
Less: Deferred tax liability on			
- Available for sale securities		(3,046,183)	(2,984,345)
- Non-banking assets acquired in satisfaction of claims		(10,737)	(10,737)
		(3,056,920)	(2,995,082)
		5,677,133	5,562,292

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	Note	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
21 CONTINGENCIES AND COMMITMENTS		Rupees in '000	
- Guarantees	21.1	37,121,938	37,768,446
- Commitments	21.2	719,330,795	736,693,486
- Other contingent liabilities	21.3	1,802,000	1,802,000
		758,254,733	776,263,932
21.1 Guarantees:			
Financial guarantees		1,616,681	1,629,063
Performance guarantees		20,394,201	20,050,469
Other guarantees		15,111,056	16,088,914
		37,121,938	37,768,446
21.2 Commitments:			
Documentary letters of credit		149,451,913	151,668,892
Commitments in respect of:			
- forward foreign exchange contracts	21.2.1	172,367,427	187,071,597
Commitments for acquisition of:			
- fixed assets		306,384	305,288
- intangible assets		407,476	387,064
Other commitments	21.2.2	396,797,595	397,260,645
		719,330,795	736,693,486
21.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		106,440,835	108,885,191
Sale		65,926,592	78,186,406
		172,367,427	187,071,597
21.2.2 Other Commitments			
Commitments in respect of financing		396,797,595	397,260,645
21.3 Other contingencies			

The Income Tax Department has amended the deemed assessment orders of the Bank for prior years including the tax year 2019. The additions / disallowances were mainly due to allocation of expenses relating to dividends and capital gain, allowability of provision against loans and advances, provision against investments and provision against other assets. In the amended order for tax year 2015, additional issues with respect to the taxability of gain on bargain purchase and non-adjustment of loss pertaining to HSBC Bank Middle East - Pakistan Branches have also been raised. The Bank has obtained stay order from the High Court of Sindh against the demands raised through the amended order for the tax year 2015. Both the Bank and the department have filed appeals with the Appellate Authorities in respect of the aforementioned matters.

The management of the Bank, in consultation with its tax advisors, is confident that the decision in respect of the above matters would be in Bank's favour and accordingly no provision has been made in this financial information with respect thereto. The additional tax liability in respect of gain on bargain purchase and non-adjustment of loss pertaining to HSBC Bank Middle East - Pakistan Branches is Rs 1,096 million and Rs 706 million respectively.

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	Note	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
		Rupees in '000	
22 PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS			
On financing	22.1	9,426,255	14,931,511
On investments in			
- Available for sale securities		9,077,079	6,336,822
- Held to maturity securities		266,504	-
On deposits / placements with financial institutions		5,459,428	8,565,409
		24,229,266	29,833,742
22.1 The income on Ijarah under IFAS 2 is net off takaful of Rs 390 million (March 31, 2020: Rs 445 million) recovered from customers.			
23 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED			
Deposits and other accounts	23.1	8,072,484	13,811,154
Sub-ordinated Sukuk		368,773	659,314
Other Musharakahs / Modarabas		518,008	393,480
Amortisation of lease liability against right-of-use assets		215,379	251,354
		9,174,644	15,115,302
23.1 This includes conversion cost of Rs 594 million (March 31, 2020: Rs 814 million) against foreign currency deposits.			
24 FEE AND COMMISSION INCOME			
Trade related fees and commissions		804,370	631,755
Commission on guarantees		37,878	25,096
Branch banking customer fees		370,642	194,696
Credit processing related fees		35,857	24,115
Debit card related fees		563,386	269,444
Investment banking related fees		119,076	37,202
Cash management fees		33,373	26,567
Home remittance related fees		56,626	40,561
Others		45,502	38,881
		2,066,710	1,288,317
25 GAIN ON SECURITIES - NET			
Realised	25.1	140,744	680,461
25.1 Realised gain / (loss) on:			
Listed Shares		102,943	(72,873)
Federal Government Securities		5,024	-
Pakistan Energy Sukuk		32,777	753,334
		140,744	680,461

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	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
	Rupees in '000	
26 OTHER INCOME		
Gain on termination of islamic financing	200,627	118,472
Gain on sale of fixed assets	49,206	23,567
Loss on disposal of Non-banking asset acquired in satisfaction of claim	-	(10,000)
Rental income	-	2,415
	250,283	134,454
27 OPERATING EXPENSES		
Total compensation expense	4,454,195	3,837,251
Property expense		
Depreciation on right-of-use assets	579,957	572,504
Rent and taxes	32,386	16,133
Utilities cost (including electricity and diesel)	206,997	199,433
Security (including guards)	201,211	217,147
Repair and maintenance (including janitorial charges)	138,855	111,606
Depreciation	196,978	166,496
Others	12,048	10,391
	1,368,432	1,293,710
Information technology expenses		
Software maintenance	143,797	136,707
Hardware maintenance	84,466	71,378
Depreciation	104,437	91,432
Amortisation	73,181	56,706
Network charges	56,308	51,607
	462,189	407,830
Other operating expenses		
Stationery and printing (including debit card related costs)	217,906	186,621
Repairs and maintenance	64,256	50,573
Local transportation and car running	138,621	118,994
Depreciation on vehicles, equipment etc.	255,037	220,716
Marketing, advertisement and publicity	200,404	96,352
Security charges - cash transportation	139,959	89,971
Communication (including courier)	143,893	119,297
Legal and professional charges	34,384	24,988
NIFT and other clearing charges	47,615	49,833
Travelling and conveyance	11,571	33,229
Training and Development	2,470	6,438
Donation	362	5,487
Fees, subscription and other charges	75,335	72,917
Brokerage and bank charges	70,604	56,101
Office supplies	75,192	69,202
Entertainment	17,622	17,477
Takaful expense	23,110	18,873
Outsourced services costs	2,980	3,734
Auditors' Remuneration	3,502	2,752
Shariah Board fees	3,651	3,351
Non-executive Directors' fee	17,110	16,060
Others	5,199	4,841
	1,550,783	1,267,807
	7,835,599	6,806,598

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	Note	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
		Rupees in '000	
28 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		1,382	83,179
29 PROVISIONS AND WRITE OFFS - NET			
Provision against non-performing islamic financing related assets - net	10.8	304,578	1,059,306
(Reversals) / provision against diminution in the value of investments	9.2	(18,449)	592,235
Provision / (reversals) against off-balance sheet obligations		24,316	(393)
Other reversals		(23,064)	(10,446)
Recovery against written off financing		(2,810)	(2,971)
		284,571	1,637,731

	Note	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
		Rupees in '000	
30 TAXATION			
Current - for the year	30.1	2,834,822	4,062,192
Deferred - for the year		1,305,511	(406,728)
		4,140,333	3,655,464

30.1 The Bank has recognized super tax charge of Rs 268.115 million (March 31, 2020: Rs 417.430 million) in the current quarter which is determined at the applicable tax rate of 4 percent on taxable income for the quarter.

	Note	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
		Rupees in '000	
31 BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the quarter		6,101,203	5,505,456
		(Number)	
Weighted average number of ordinary shares		1,414,722,784	1,414,722,784
		(Rupees)	
Basic and diluted earnings per share	31.1	4.31	3.89
		Restated	

31.1 The Bank issued bonus shares last year and accordingly the earnings per share for the comparative quarter has been restated.

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	Note	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
		Rupees in '000	
32 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	146,910,480	90,180,562
Balances with other banks	7	11,609,241	3,991,340
		158,519,721	94,171,902

33 FAIR VALUE OF FINANCIAL INSTRUMENT

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

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares, listed sukuk, units of open end mutual fund and foreign sukuk classified as available for sale.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of GoP Ijarah sukuk classified as available for sale.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

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

There were no transfers between levels 1 and 2 during the quarter.

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Valuation techniques used in determination of fair values

Item	Valuation approach and input used
GoP Sukuk	The fair value of GoP Ijarah Sukuk quoted are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by SBP.
Foreign Sukuk	The valuation has been determined through closing rates of Bloomberg.
Listed Securities	The valuation has been determined through closing rates of Pakistan Stock Exchange.
Mutual Funds	The valuation has been determined based on Net asset values declared by respective funds.

Fair value of Islamic financing and related assets, other assets, other liabilities and fixed term deposits and other accounts cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of Islamic financing and related assets has been calculated in accordance with the Bank's accounting policy as stated in note 6.3.2 to the 2020 annual financial statements.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these assets and liabilities are short term in nature or in the case of financings and deposits are frequently repriced.

33.2 The table below analyses financial and non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cash flows) (Level 3).

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RECURRING FAIR VALUE MEASUREMENTS	March 31, 2021 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
INVESTMENTS - NET				
Financial Assets				
Available for sale securities				
Ordinary shares - listed	8,106,829	-	-	8,106,829
Pakistan Energy Sukuk - listed	119,163,639	-	-	119,163,639
GOP Sukuks	191,252,769	-	-	191,252,769
Foreign Sukuk	7,330,169	-	-	7,330,169
Forward purchase of foreign exchange contracts	-	108,163,376	-	108,163,376
Forward sale of foreign exchange contracts	-	66,876,644	-	66,876,644

RECURRING FAIR VALUE MEASUREMENTS	December 31, 2020 (Audited)			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
INVESTMENTS - NET				
Financial Assets				
Available for sale securities				
Ordinary shares - listed	7,370,345	-	-	7,370,345
Pakistan Energy Sukuk - listed	117,242,419	-	-	117,242,419
GOP Sukuks	-	178,765,438	-	178,765,438
Foreign Sukuk	7,758,395	-	-	7,758,395
Forward purchase of foreign exchange contracts	-	110,550,519	-	110,550,519
Forward sale of foreign exchange contracts	-	79,023,239	-	79,023,239

Investment in associates (listed - mutual funds) have market value of Rs 1,683 million (December 31, 2020: Rs 1,654 million) which is being valued under level 1. These are carried at cost in the financial statements in accordance with the Bank's accounting policy.

33.3 Fair value of non-financial assets

Non-banking assets acquired in satisfaction of claims have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 13. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in this financial information.

33.4 Financial assets not measured at fair value

	Carrying Value	
	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
	Rupees in '000	
Cash and balances with treasury banks	146,910,480	136,242,495
Balances with other banks	11,609,241	19,445,879
Due from financial institutions - net	315,233,196	342,068,799
Investments - net	138,410,587	123,071,743
Islamic financings and related assets - net	522,477,559	512,531,930
Other assets - net	57,648,215	50,143,791

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

34 SEGMENT ANALYSIS

34.1 Segment Details with respect to Business Activities

	Corporate and Commercial banking	Retail Banking	Trading & Sales	Others	Inter-segment Eliminations	Total
March 31, 2021 (Unaudited)	Rupees in '000					
Profit and Loss Account						
External Revenue						
Inter segment revenue - net	8,794,298	2,339,780	15,799,139	858,630	-	27,791,847
Total Income	8,794,298	21,567,667	15,799,139	933,261	(19,302,518)	27,791,847
Segment direct expenses						
Inter segment expense allocation	962,177	15,598,951	327,856	376,756	-	17,265,740
Total expenses	6,008,814	15,598,951	13,293,704	376,756	(19,302,518)	17,265,740
Provision / (reversals) and write offs - net	6,970,991	15,598,951	13,621,560	376,756	(19,302,518)	284,571
Profit before tax	314,397	(14,833)	(14,993)	556,505	-	10,241,536
Statement of Financial Position						
Cash & Bank balances						
Due from financial institutions - net	-	157,138,375	1,381,346	-	-	158,519,721
Investments - net	-	-	315,233,196	-	-	315,233,196
Net inter segment lending	-	1,078,928,889	449,418,238	-	-	464,263,993
Islamic financings and related assets - net	441,093,224	81,384,335	-	1,257,017	(1,080,185,906)	522,477,559
Others	16,829,738	28,037,578	39,871,569	-	-	84,738,885
Total Assets	472,768,717	1,345,489,177	805,904,349	1,257,017	(1,080,185,906)	1,545,233,354
Due to financial institutions						
Deposits & other accounts	72,442,775	686,209	34,818,009	-	-	107,946,993
Subordinated Sukuk	-	1,248,608,378	-	-	-	1,248,608,378
Net inter segment borrowing	18,000,000	-	731,245,446	-	-	18,000,000
Others	348,940,460	-	2,007,253	1,257,017	(1,080,185,906)	98,136,119
Total liabilities	11,191,084	83,680,765	768,070,708	1,257,017	(1,080,185,906)	1,472,691,490
Equity	450,574,319	1,332,975,352	37,833,641	-	-	72,541,864
Total Equity & liabilities	472,768,717	1,345,489,177	805,904,349	1,257,017	(1,080,185,906)	1,545,233,354
Contingencies & Commitments						
March 31, 2020 (Unaudited)						
Profit and Loss Account						
External Revenue						
Inter segment revenue - net	13,915,340	2,600,123	16,106,813	402,403	-	33,024,679
Total Income	13,915,340	25,122,964	16,106,813	466,663	(22,587,101)	33,024,679
Segment direct expenses						
Inter segment expense allocation	1,142,737	20,581,153	272,861	229,277	-	22,226,028
Total expenses	9,128,316	10,271,053	13,458,785	229,277	(22,587,101)	22,226,028
Provision / (reversals) & write offs - net	10,464,435	20,581,153	13,731,646	-	-	1,637,731
Profit before tax	2,597,852	(3,961)	595,257	237,386	-	9,160,920
Statement of Financial Position						
Cash & Bank balances						
Due from financial institutions - net	-	92,925,674	1,246,228	-	-	94,171,902
Investments - net	-	-	278,651,275	-	-	278,651,275
Net inter segment lending	16,420,193	802,310,315	198,478,311	-	-	214,898,504
Islamic financings and related assets - net	392,848,040	80,091,770	-	742,963	(803,053,278)	472,939,810
Others	23,944,433	30,725,814	22,980,216	-	-	77,650,463
Total Assets	433,212,666	1,006,053,573	501,356,030	742,963	(803,053,278)	1,138,311,954
Due to financial institutions						
Deposits & other accounts	49,220,282	734,788	362,407	-	-	50,317,477
Subordinated Sukuk	-	928,389,326	-	-	-	928,389,326
Net inter segment borrowing	18,000,000	-	474,796,728	-	-	18,000,000
Others	328,256,550	-	46,661	742,963	(803,053,278)	82,231,927
Total liabilities	15,139,891	66,302,412	742,963	(803,053,278)	(803,053,278)	1,078,938,730
Equity	410,616,723	995,426,526	475,205,796	742,963	(803,053,278)	59,373,224
Total Equity & liabilities	433,212,666	10,627,047	26,150,234	742,963	(803,053,278)	1,138,311,954
Contingencies & Commitments						
681,834,105	126,952,156	305,556,549	-	-	-	1,114,342,810

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

35 RELATED PARTY TRANSACTIONS

- 35.1** Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes a subsidiary company, associated companies, retirement benefit funds, directors, and key management personnel and their close family members.
- 35.2** The Banks enters into transacitons with related paties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the key management personnel is determined in accordance with the terms of their appointment.
- 35.3 Subsidiary company**
- Al Meezan Investment Management Limited
- 35.4 Associates**
Associates include major shareholders, mutual funds managed by Al Meezan Investment Management Limited and entities having common directorship with the Board. However, entities are not considered related party only if common director is an independent director working on both the Baords.
- 35.5 Key management personnel**
- President and Chief Executive Officer
- Deputy Chief Executive Officer
- 35.6** Details of transactions with related parties and balances with them (other than those disclosed in respective notes) as at the quarter-end as are follows:

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	Mar 31, 2021 (Unaudited)	Dec 31, 2020 (Audited)										
Rupees in '000												
Islamic financing and related assets												
At January 1,			569,248				569,248					
Addition during the quarter / year												
Deletion during the quarter / year			9,859,061					9,859,061				
At March 31 / December 31			(10,428,309)					(10,428,309)				
Investments												
At January 1,	908,669	897,811	63,050	63,050	845,619	834,761						
Addition during the quarter / year			1,468,680				1,468,680					
Deletion during the quarter / year	(144)	(1,457,822)			(144)	(1,457,822)						
At March 31 / December 31	908,525	908,669	63,050	63,050	845,475	845,619						
Due from financial institutions												
At January 1,	36,671,288	24,985,377			36,671,288	24,985,377						
Addition during the quarter / year	21,707,826	70,174,844			21,707,826	70,174,844						
Deletion during the quarter / year	(19,842,170)	(58,488,933)			(19,842,170)	(58,488,933)						
At March 31 / December 31	38,536,944	36,671,288			38,536,944	36,671,288						

Balances pertaining to parties that were related at the beginning of the quarter but ceased to be related during any part of the current quarter are not reflected as part of the closing balance. However, new related parties have been added during the quarter. The same are accounted for through the movement presented above.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	Mar 31, 2021 (Unaudited)	Dec 31, 2020 (Audited)										
	Rupees in '000											
Deposits	10,145,686	9,921,195	24,915	18,292	4,873,411	5,078,362	21,101	28,185	330,793	428,646	4,895,466	4,367,710
Provision held against investments	527	527	-	-	527	527	-	-	-	-	-	-
Other Assets												
Profit receivable on financing / investments / placements	582,723	982,419	-	-	582,723	982,419	-	-	-	-	-	-
Fee and Other Receivable	55,405	31,661	43,513	27,319	11,892	1,314	-	-	-	-	-	3,028
Sub-ordinated Sukuk (Tier II)	578,000	578,000	-	-	578,000	578,000	-	-	-	-	-	-
Other Liabilities												
Payable to defined benefit plan	459,378	663,141	-	-	-	-	-	-	367,269	358,978	92,109	304,163
Accrued Expenses	402,986	477,762	2,986	77,762	-	-	-	-	-	-	400,000	400,000
Unearned Income	10,873	5,012	-	-	10,873	5,012	-	-	-	-	-	-
Contingencies and Commitments												
Letters of Guarantee (unfunded)	2,191,377	1,066,377	100	100	2,191,277	1,066,277	-	-	-	-	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	Mar 31, 2021 (Unaudited)	Mar 31, 2020 (Unaudited)										
Rupees in '000												
Profit earned on financing / investments / placements	581,701	1,182,887	-	-	581,701	1,182,887	-	-	-	-	-	-
Fees and other income earned	38,669	30,136	27,122	22,227	11,497	7,909	2	-	10	-	38	-
Dividend income earned	214,500	65,000	214,500	65,000	-	-	-	-	-	-	-	-
Return on deposits / borrowing expensed	133,949	191,177	292	732	59,630	74,221	189	581	2,763	2,135	71,075	113,508
Charge for defined benefit plan	92,109	80,486	-	-	-	-	-	-	-	-	92,109	80,486
Contribution to defined contribution plan	104,771	83,179	-	-	-	-	-	-	-	-	104,771	83,179
Contribution to staff benevolent fund	4,149	3,321	-	-	-	-	-	-	-	-	4,149	3,321
Fees expensed	3,612	42,397	2,980	3,734	632	38,663	-	-	-	-	-	-
Provision against investments	-	6,953	-	-	-	6,953	-	-	-	-	-	-
Donation	-	5,000	-	-	-	-	-	-	-	-	-	5,000
Purchase of fixed assets	112,445	-	-	-	112,445	-	-	-	-	-	-	-
Remuneration to the directors and key management personnel including fee to non-executive directors and end of service benefit charge for the founder President	59,255	61,303	-	-	-	-	-	17,110	16,060	42,145	45,243	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

		March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
36	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement			
	Paid-up capital (net of losses)	14,147,228	14,147,228
Capital Adequacy Ratio			
	Eligible Common Equity Tier 1 Capital	65,452,278	62,447,565
	Eligible Additional Tier 1 Capital	7,000,000	7,000,000
	Total Eligible Tier 1 Capital	72,452,278	69,447,565
	Eligible Tier 2 Capital	21,498,306	21,385,064
	Total Eligible Capital (Tier 1 + Tier 2)	93,950,584	90,832,629
Risk Weighted Assets			
	Credit Risk	387,732,188	387,852,984
	Market Risk	19,953,212	17,931,030
	Operational Risk	103,835,365	103,835,365
	Total	511,520,765	509,619,379
Common Equity Tier 1 Capital Adequacy ratio			
		12.80%	12.25%
	Tier 1 Capital Adequacy Ratio	14.16%	13.63%
	Total Capital Adequacy Ratio	18.37%	17.82%
Leverage Ratio			
	Tier-1 Capital	72,452,278	69,447,565
	Total Exposures	1,814,588,762	1,696,206,745
	Leverage Ratio	3.99%	4.09%
Liquidity Coverage Ratio			
	Total High Quality Liquid Assets	431,717,928	275,456,729
	Total Net Cash Outflow	188,485,328	104,609,841
	Liquidity Coverage Ratio	229%	263%
Net Stable Funding Ratio			
	Total Available Stable Funding	1,169,506,859	1,159,868,096
	Total Required Stable Funding	645,557,291	645,362,258
	Net Stable Funding Ratio	181%	180%

37 DATE OF AUTHORISATION AND NON-ADJUSTING EVENT

- 37.1** This condensed interim financial information was authorised for issue on April 20, 2021 by the Board of Directors of the Bank.
- 37.2** The Board of Directors in their meeting held on April 20, 2021 has announced an interim cash dividend @ 15%. This condensed interim unconsolidated financial information does not include the effect of this appropriation which will be accounted for subsequent to the quarter end.

Riyadh S. A. A. Edrees
Chairman

Irfan Siddiqui
President & Chief Executive

Faisal A. A. A. AlNassar
Director

Mubashar Maqbool
Director

Shabbir Hamza Khandwala
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION**

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021**

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000		
ASSETS		
Cash and balances with treasury banks	146,910,480	136,243,103
Balances with other banks	11,655,875	19,479,207
Due from financial institutions - net	315,233,196	342,068,799
Investments - net	468,707,653	438,795,625
Islamic financing and related assets - net	522,477,559	512,531,930
Fixed assets	23,855,023	23,881,875
Intangible assets	1,353,582	1,091,512
Deferred tax asset	-	173,943
Other assets - net	60,253,620	52,294,842
	1,550,446,988	1,526,560,836
LIABILITIES		
Bills payable	31,405,183	26,494,006
Due to financial institutions	107,946,993	94,500,640
Deposits and other accounts	1,248,583,463	1,254,412,242
Sub-ordinated Sukuk	18,000,000	18,000,000
Deferred tax liabilities	1,197,233	-
Other liabilities	66,786,296	59,922,930
	1,473,919,168	1,453,329,818
NET ASSETS	76,527,820	73,231,018
REPRESENTED BY		
Share capital	14,147,228	14,147,228
Reserves	21,058,661	20,448,541
Unappropriated profit	34,418,681	31,808,445
Surplus on revaluation of assets - net of tax	5,677,133	5,562,292
	75,301,703	71,966,506
NON-CONTROLLING INTEREST	1,226,117	1,264,512
	76,527,820	73,231,018

The annexed notes 1 to 3 form an integral part of this condensed interim consolidated financial information.

Riyadh S. A. A. Edrees
Chairman

Irfan Siddiqui
President & Chief Executive

Faisal A. A. A. AlNassar
Director

Mubashar Maqbool
Director

Shabbir Hamza Khandwala
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED
PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Quarter ended March 31, 2021	Quarter ended March 31, 2020
Rupees in '000		
Profit / return earned on Islamic financing and related assets, investments and placements	24,229,777	29,835,539
Profit on deposits and other dues expensed	9,180,800	15,122,738
Net spread earned	15,048,977	14,712,801
 OTHER INCOME		
Fee and commission income	2,443,004	1,622,601
Dividend income	68,812	59,577
Foreign exchange income	821,533	963,128
Gain on securities - net	309,116	722,838
Other income	250,376	134,454
 Total income	3,892,841	3,502,598
	18,941,818	18,215,399
 OTHER EXPENSES		
Operating expenses	7,989,753	6,864,312
Workers Welfare Fund	260,396	220,949
Other charges	1,382	83,179
Total other expenses	8,251,531	7,168,440
 Share of results of associates before taxation	10,690,287	11,046,959
Profit before provisions	(48,133)	(907,151)
	10,642,154	10,139,808
 Provisions and write offs - net	284,571	1,637,731
 Extraordinary / unusual items	-	-
 Profit before taxation	10,357,583	8,502,077
 Taxation	4,230,676	3,558,836
 Profit after taxation	6,126,907	4,943,241
 Attributable to:		
Shareholders of the Holding company	6,049,802	5,024,337
Non-controlling interest	77,105	(81,096)
	6,126,907	4,943,241
 Rupees		
 Restated		
 Basic and diluted earnings per share	4.28	3.55

The annexed notes 1 to 3 form an integral part of this condensed interim consolidated financial information.

Riyadh S. A. A. Edrees **Irfan Siddiqui** **Faisal A. A. A. AlNassar** **Mubashar Maqbool** **Shabbir Hamza Khandwala**
Chairman President & Chief Executive Director Director Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Quarter ended March 31, 2021	Quarter ended March 31, 2020
———— Rupees in '000 ——		
Profit after taxation for the quarter attributable to:		
Shareholders of the Holding company	6,049,802	5,024,337
Non-controlling interest	77,105	(81,096)
	6,126,907	4,943,241
Other Comprehensive income		
Item that may be reclassified to profit and loss account in subsequent periods:		
Surplus / (deficit) on revaluation of investments	176,679	(3,962,184)
Deferred tax on revaluation of investments	(61,838)	1,386,764
Other Comprehensive income / (loss) for the quarter	114,841	(2,575,420)
Total comprehensive Income for the quarter	6,241,748	2,367,821
Attributable to:		
Shareholders of the Holding company	6,164,643	2,448,917
Non-controlling interest	77,105	(81,096)
	6,241,748	2,367,821

The annexed notes 1 to 3 form an integral part of this condensed interim consolidated financial information.

Riyadh S. A. A. Edrees **Irfan Siddiqui** **Faisal A. A. A. AlNassar** **Mubashar Maqbool** **Shabbir Hamza Khandwala**
 Chairman President & Chief Executive Director Director Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Capital reserves				Revenue reserve General reserve	Unappro- priated profit	Surplus / (deficit) on revaluation of		Non controlling interest	Total
	Share capital	Share premium	Statutory reserve *	Non- Distributable Capital Reserve Gain on Bargain Purchase			Invest- ments	Non- banking assets		
Rupees in '000										
Balance as at January 1, 2020	12,861,116	2,406,571	12,616,780	3,117,547	91,082	21,117,202	9,387,715	13,120	1,169,813	62,780,946
Profit after taxation for the quarter ended March 31, 2020	-	-	-	-	-	5,024,337	-	-	(81,096)	4,943,241
Other Comprehensive loss for quarter ended March 31, 2020 - net of tax	-	-	-	-	-	-	(2,575,420)	-	-	(2,575,420)
	-	-	-	-	-	5,024,337	(2,575,420)	-	(81,096)	2,367,821
Other appropriations										
Transfer to statutory reserve	-	-	550,546	-	-	(550,546)	-	-	-	-
Transactions with owners recognised directly in equity										
Final cash dividend for the year 2019	-	-	-	-	-	(2,572,224)	-	-	-	(2,572,224)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	(35,000)	(35,000)
Balance as at March 31, 2020	12,861,116	2,406,571	13,167,326	3,117,547	91,082	23,018,769	6,812,295	13,120	1,053,717	62,541,543
Profit after taxation for the nine months period ended December 31, 2020	-	-	-	-	-	17,372,413	-	-	359,209	17,731,622
Other Comprehensive income / (loss) for the nine months period ended December 31, 2020 - net of tax	-	-	-	-	-	28,281	(1,269,944)	6,821	(8,414)	(1,243,256)
	-	-	-	-	-	17,400,694	(1,269,944)	6,821	350,795	16,488,366
Other appropriations										
Transfer to statutory reserve	-	-	1,666,015	-	-	(1,666,015)	-	-	-	-
Transactions with owners recognised directly in equity										
Issue of bonus shares	1,286,112	-	-	-	-	(1,286,112)	-	-	-	-
Interim cash dividend for the year 2020 @ Rs 4 per share	-	-	-	-	-	(5,658,891)	-	-	-	(5,658,891)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	(140,000)	(140,000)
Balance as at December 31, 2020	14,147,228	2,406,571	14,833,341	3,117,547	91,082	31,808,445	5,542,351	19,941	1,264,512	73,231,018
Profit after taxation for the quarter ended March 31, 2021	-	-	-	-	-	6,049,802	-	-	77,105	6,126,907
Other Comprehensive income for quarter ended March 31, 2021 - net of tax	-	-	-	-	-	6,049,802	114,841	-	77,105	6,241,748
Other appropriations										
Transfer to statutory reserve	-	-	610,120	-	-	(610,120)	-	-	-	-
Transactions with owners recognised directly in equity										
Final cash dividend for the year 2020	-	-	-	-	-	(2,829,446)	-	-	-	(2,829,446)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	(115,500)	(115,500)
Balance as at March 31, 2021	14,147,228	2,406,571	15,443,461	3,117,547	91,082	34,418,681	5,657,192	19,941	1,226,117	76,527,820

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

The annexed notes 1 to 3 form an integral part of this condensed interim consolidated financial information.

Riyadh S. A. A. Edrees
Chairman

Irfan Siddiqui
President & Chief Executive

Faisal A. A. A. AlNassar
Director

Mubashar Maqbool
Director

Shabbir Hamza Khandwala
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	Quarter ended March 31, 2021	Quarter ended March 31, 2020
———— Rupees in '000 ———		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	10,357,583	8,502,077
Less: Dividend income	(68,812)	(59,577)
	10,288,771	8,442,500
Adjustments for non-cash charges and other items:		
Depreciation	570,115	491,258
Amortization	76,345	59,885
Provisions and write offs - net	284,571	1,637,731
Non cash items related to right of use assets	818,188	847,974
Gain on sale of fixed assets	(49,299)	(23,567)
Share of results of associates	48,133	907,151
	1,748,053	3,920,432
	12,036,824	12,362,932
Decrease / (increase) in operating assets		
Due from financial institutions	26,835,603	(54,961,950)
Islamic financing and related assets	(10,247,397)	19,779,201
Other assets	(7,914,153)	(6,213,778)
	8,674,053	(41,396,527)
(Decrease) / increase in operating liabilities		
Bills payable	4,911,177	(32,591)
Due to financial institutions	13,446,353	8,270,087
Deposits and other accounts	(5,828,779)	(4,215,243)
Other liabilities	6,893,697	7,071,858
	19,422,448	11,094,111
	40,133,325	(17,939,484)
Income tax paid	(2,389,623)	(3,521,994)
Net cash flow from / (used in) operating activities	37,743,702	(21,461,478)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities	(29,765,033)	6,115,273
Dividends received	47,251	6,932
Investments in fixed assets	(1,001,641)	(1,210,916)
Investments in intangible assets	(338,415)	(187,883)
Proceeds from sale of fixed assets	85,486	30,700
Net cash (used in) / flow from investing activities	(30,972,352)	4,754,106
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of Sub-ordinated Sukuk - Tier II	-	4,000,000
Payment of lease liability against right-of-use assets	(981,080)	(662,968)
Dividend paid to equity shareholders of the Bank	(2,830,725)	(1,091)
Dividend paid to non controlling interest	(115,500)	(35,000)
Net cash (used in) / flow from financing activities	(3,927,305)	3,300,941
Increase / (decrease) in cash and cash equivalents	2,844,045	(13,406,431)
Cash and cash equivalents at the beginning of the quarter	155,722,310	107,608,710
Cash and cash equivalents at the end of the quarter	158,566,355	94,202,279

The annexed notes 1 to 3 form an integral part of this condensed interim consolidated financial information.

Riyadh S. A. A. Edrees **Irfan Siddiqui** **Faisal A. A. A. AlNassar** **Mubashar Maqbool** **Shabbir Hamza Khandwala**
Chairman President & Chief Executive Director Director Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER ENDED MARCH 31, 2021

1 BASIS OF PRESENTATION

- 1.1** This condensed interim consolidated financial information include the unaudited financial statements of Meezan Bank Limited (MBL) (the holding company) and Al-Meezan Investment Management Limited (AMIML) (the subsidiary) collectively referred as the 'Group' and associates namely, Al-Meezan Mutual Fund, Meezan Islamic Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, KSE Meezan Index Fund, Meezan Balanced Fund, Meezan Financial Planning Fund of Funds, Meezan Strategic Allocation Fund II, Meezan Gold Fund, Meezan Energy Fund, Meezan Strategic Allocation Fund III, Meezan Rozana Amdani Fund and Meezan Pakistan Exchange Traded Fund.
- 1.2** This condensed interim consolidated financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting'.
- 1.3** This condensed interim consolidated financial information comprise of the statement of financial position as at March 31, 2021 and the profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the quarter ended March 31, 2021.

2 ACCOUNTING POLICIES

- 2.1** The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the Group for the year ended December 31, 2020.

3 DATE OF AUTHORISATION

This condensed interim consolidated financial information was authorised for issue on April 20, 2021 by the Board of Directors of the Holding company.

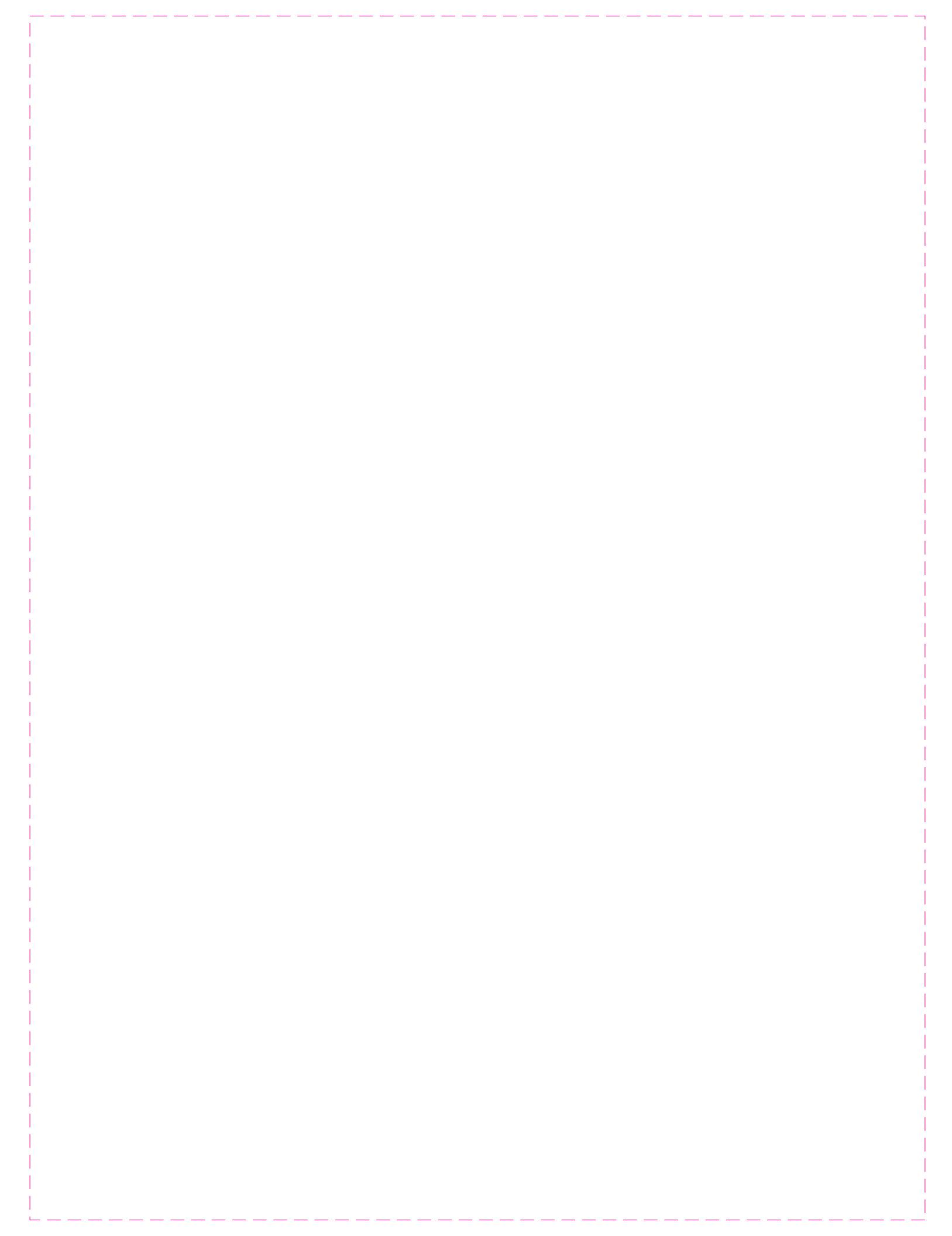
Riyadh S. A. A. Edrees
Chairman

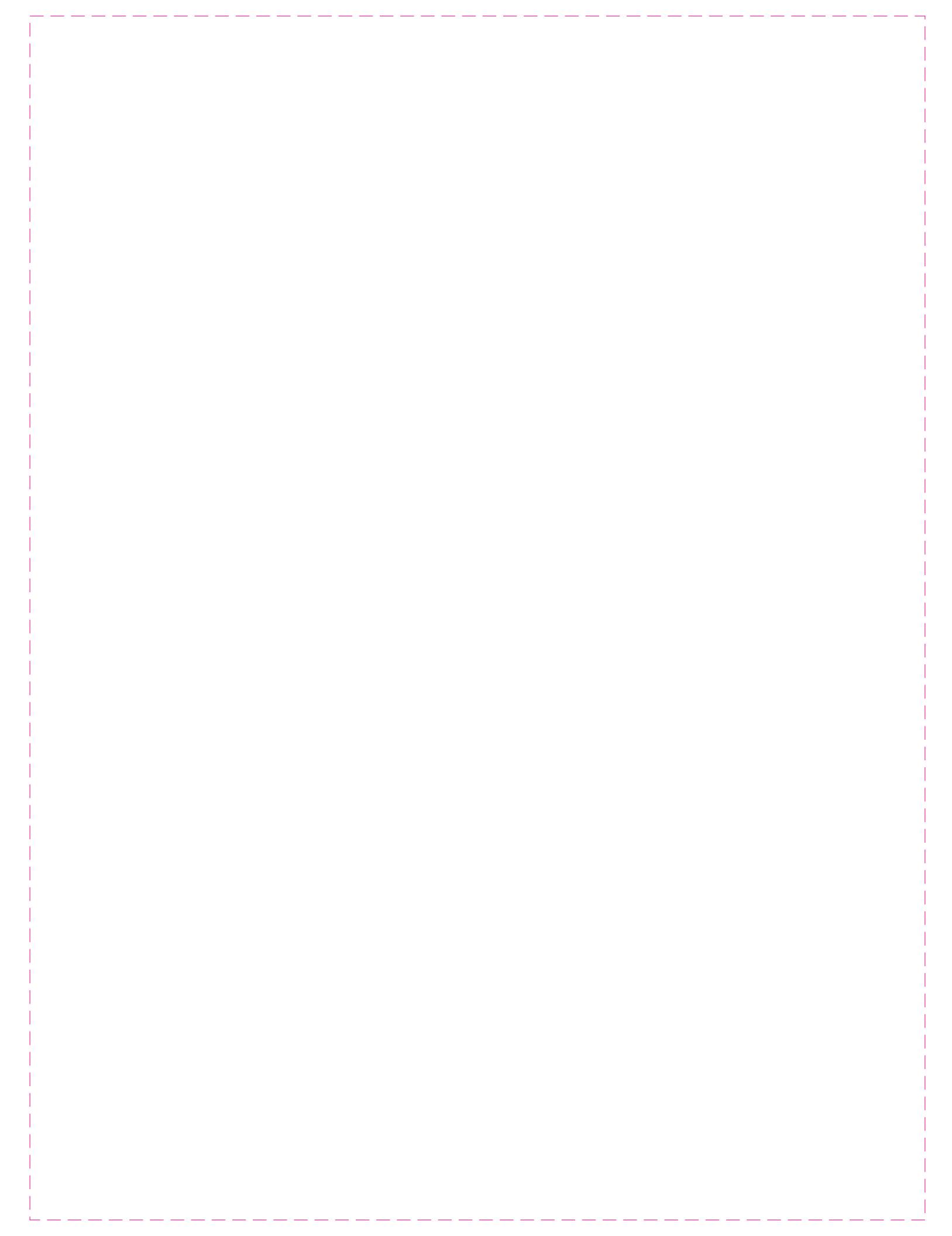
Irfan Siddiqui
President & Chief Executive

Faisal A. A. A. AlNassar
Director

Mubashar Maqbool
Director

Shabbir Hamza Khandwala
Chief Financial Officer







Meezan Bank
The Premier Islamic Bank

Head Office: Meezan House, C-25, Estate Avenue, SITE, Karachi - Pakistan.

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