



Meezan Bank
The Premier Islamic Bank



FORM-8

August 26, 2021

CS/PSX-16/159/2021

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 June 30, 2021

Dear Sir,

السلام عليكم

We have to inform you that the Quarterly Report of Meezan Bank for the period ended June 30, 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.

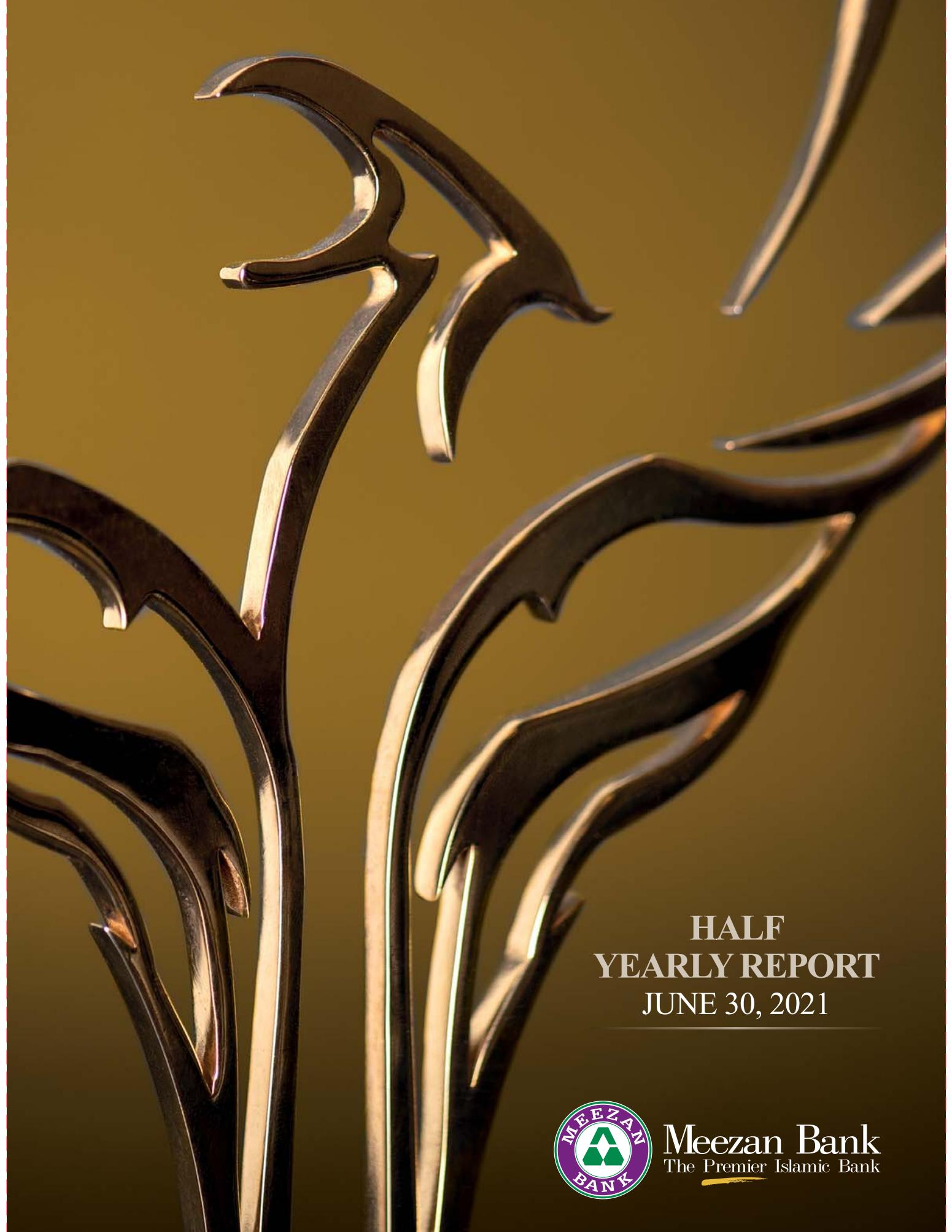
Yours Sincerely,

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



**HALF
YEARLY REPORT
JUNE 30, 2021**



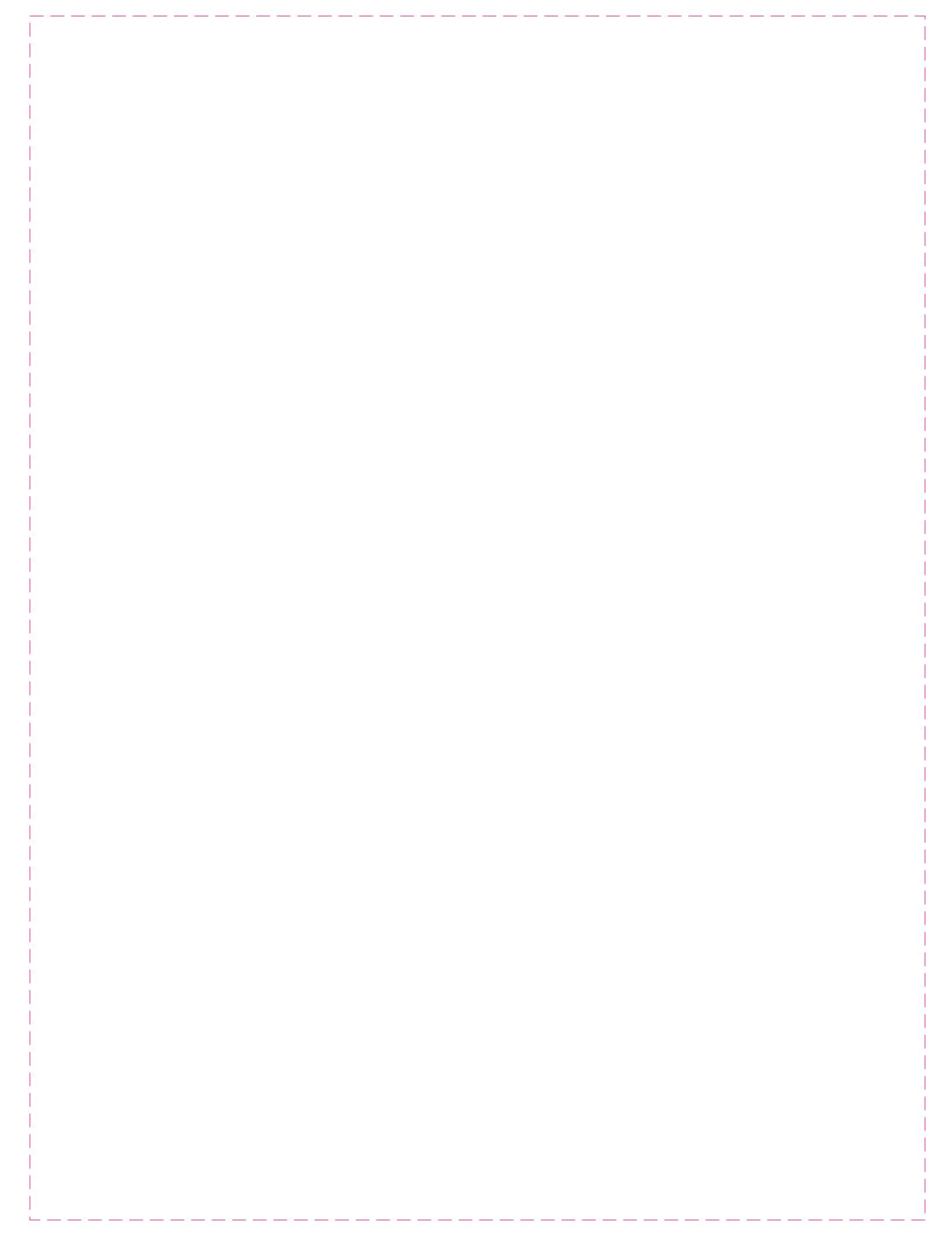
Meezan Bank
The Premier Islamic Bank



In the name of Allah The Beneficent The Merciful

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C O R P O R A T E I N F O R M A T I O N

AS OF JUNE 30, 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 Faisal Fahad Al-Muzaini* Mohamed Guermazi Noorur Rahman Abid Nausheen Ahmad Atif Azim Irfan Siddiqui	Chairman Vice Chairman
Shariah Board	Justice (Retd.) Muhammad Taqi Usmani Dr. Muhammad Imran Ashraf Usmani Sheikh Esam Mohamed Ishaq Mufti Muhammad Naveed Alam	President & CEO
Management	Irfan Siddiqui Ariful Islam	Chairman Vice Chairman
Board Audit Committee	Noorur Rahman Abid Faisal A. A. A. AlNassar Bader H. A. M. A. AlRabiah	President & CEO Deputy CEO
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, 37133500, Fax: (92-21) 36406056 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	

** Subject to completion of appointment formalities.*

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 half year ended June 30, 2021.

Credit Rating Upgraded to 'AAA/A1+'

We are pleased to inform you that, Alhamdullillah, Meezan Bank's entity rating has been upgraded to the highest possible level of 'AAA / A-1+' by VIS Credit Rating Company Limited (VIS). The assigned rating denotes highest possible credit quality, with negligible risk factors, being only slightly more than for risk-free debt of the Government of Pakistan. This rating is a credible acknowledgement of the Bank's strength and stability, and is undoubtedly a landmark achievement for which we are grateful to Allah (SWT) for granting the Bank this recognition in a short span of nineteen years. This recognition has further strengthened our resolve to uphold our core values of Shariah Compliance, Service Excellence and Integrity, Insha'Allah.

The VIS has also upgraded ratings of the Basel 3 Compliant Tier 1 and Tier 2 Sukuk of the Bank at 'AA' (Double A) and 'AA+' (Double A Plus) respectively.

Economy

The Pakistan's economy performed beyond expectations with all major macroeconomic indicators showing positive trend amid the COVID-19 pandemic, resulting in a 3.94 percent estimated economic growth rate in fiscal year 2020-21, compared to a negative 0.47 percent in 2019-20. This recovery was more than the projections made by the IMF and the World Bank and is reflective of the fact that Pakistan economy fared well despite a third wave of COVID-19 pandemic. The Economist magazine has also ranked Pakistan among the best performing countries for handling the coronavirus pandemic.

For financial year 2022, the Government of Pakistan (the Government) has envisaged a GDP growth target of 4.8% and has introduced in the Federal Budget for 2021-22 measures to boost economic activity. The industrial sector is expected to remain buoyant due to improvement in export volumes and built-up of industrial capacity under the SBP's Temporary Economic Refinance Facility (TERF). Similarly, construction sector is likely to be a key contributor to economic growth on the back of higher budgetary allocation for development spending and Government's on-going focus to support construction and housing finance. In view of the growth momentum, the SBP, in its latest monetary policy statement, maintained its expansionary policy stance, keeping the policy rate at 7.00% - unchanged since June 2020.

DIRECTORS' REVIEW

Pakistan's current account posted a surplus of \$ 0.15 billion for 11 months FY2021 versus current account deficit of \$ 4.3 billion, during 11 months FY2020 due to hefty growth in workers' remittances and impressive inflows from Roshan Digital Account (RDA) that have crossed the USD 1.8 billion mark. Alhamdulillah, we are the leading bank in RDA with more than 20% market share which is the highest in the industry. Meezan 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. The Bank has received two awards from His Excellency the Prime Minister of Pakistan for the highest amount of Deposits through Roshan Digital Account and Highest amount of investment in Islamic Naya Pakistan Certificates.

The Bank continues to operate at full strength and has maintained its service levels across both physical and alternate delivery channels. At Meezan Bank, we are committed to ensuring that all staff are vaccinated and we place great emphasis on health and safety of our staff, customers and their family members. Under the drive initiated by the National Command and Operations Committee (NCOC), to make Pakistan COVID-19 free, the Bank established COVID Vaccination Centre (CVC) at Meezan House, Karachi for more than a month for vaccination of Karachi based Head Office and branch staff and their families (including of our Subsidiary Al Meezan Investment Management). The Bank also established CVCs at its premises in Lahore, Islamabad and Peshawar with the support of NCOC and local health authorities.

Further, being a responsible Corporate Citizen and to make Pakistan COVID free, the Bank has joined hands with the Government of Sindh by establishing COVID Vaccination Centre for the general public through a drive-through facility in Karachi. In order to create awareness for vaccination, the Bank has also launched massive awareness drive through placement of banners.

Financial Highlights

By the grace of Allah, yet again Meezan Bank delivered strong performance and achieved excellent results for the first half year of 2021. The Profit after tax of the Bank grew to Rs 12.61 billion from Rs 11.68 billion in the corresponding period last year, a growth of 8% while Earnings per Share – on enhanced capital increased to Rs 8.91 per share from Rs 8.25 per share in June 2020. The Bank is a well-capitalized institution with Capital Adequacy Ratio (CAR) of 18.67%, well above the minimum regulatory requirement of 11.50%.

We are pleased to inform you that the Board has approved Rs 1.50 (15%) per share interim cash dividend for second quarter. Further, the Board has also approved to issue 15% bonus shares. This brings the total dividend payout for the half year to Rs 3.00 (30%) per share along with 15% bonus shares as Rs 1.50 per share i.e 15% interim cash dividend was paid for the first quarter. The financial highlights of Meezan Bank are given below:

DIRECTORS' REVIEW

Rupees in millions

Profit & Loss Account	Jan - June 2021	Jan - June 2020	Growth %
Return on financings, investments and placements	50,116	57,829	(13%)
Return on deposits and other dues expensed	(18,911)	(25,474)	(26%)
Net spread earned	31,205	32,355	(4%)
Fee and commission income	4,102	2,329	76%
Non - funded income	6,811	5,025	36%
Operating income	38,016	37,380	2%
Operating and other expenses	(16,748)	(14,892)	12%
Taxation	(8,227)	(7,714)	7%
Profit after tax	12,608	11,677	8%
Earnings per share - Rupees	8.91	8.25	8%
Number of branches	835	798	5%

Rupees in millions

Statement of Financial Position	June 30, 2021	December 31, 2020	Growth %
Investments	472,124	434,208	9%
Sovereign	450,056	413,855	9%
Others	22,068	20,353	8%
Islamic financing and related assets - net	570,222	512,532	11%
Total Assets	1,673,893	1,521,559	10%
Deposits	1,369,974	1,254,431	9%
Equity	77,245	69,155	12%

The Bank's return on financings, investments and placements decreased by 13% to Rs 50.1 billion from Rs 57.8 billion in corresponding period last year mainly due to decline in underlying Policy Rate which decreased to 7% from average around 11% in corresponding period last year. However, this decline in underlying Policy Rate has been substantially off-set by the higher volume of earning assets. The return on deposits and other dues also decreased from Rs 25.5 billion in June 2020 to Rs 18.9 billion in June 2021 due to lower average Policy Rate and substantial increase in current account balances from June 2020. On an overall basis, the net spread of the Bank dropped by only 4% to Rs 31.2 billion from Rs 32.3 billion in the corresponding period last year.

DIRECTORS' REVIEW

The Bank's fee and commission income grew by 76% to Rs 4.1 billion from Rs 2.3 billion in June 2020 mainly contributed by rise in trade, branch banking and debit card related fee income. The Bank's foreign exchange income rose by 24% from corresponding period last year mainly attributable to the growing trade business volume handled by the Bank. On an overall basis, the Bank's non-funded income recorded a 36% growth from June 2020 closing at Rs 6.8 billion. The Bank's operating and other expenses also increased to Rs 16.8 billion from Rs 14.9 billion, primarily due to increase in cost associated with opening of new branches – an investment in future.

The total assets of the Bank grew by Rs 152 billion or 10% to Rs 1.67 trillion in June 2021 from Rs 1.52 trillion in December 2020 out of which 38% is contributed by increase in the Bank's financings portfolio. The Bank's financings increased by Rs 58 billion or 11% to Rs 570 billion as compared to Rs 512 billion in December 2020. The financing portfolio remains well diversified among top notch Corporate, Commercial, mid-tier Small and Medium Enterprise (SME) and Consumer segments.

The Bank is also actively supporting SBP's measures for economic revival and has extended financing to its customers under a number of SBP refinance schemes. The Bank has exceeded the mandatory targets assigned by the SBP for Housing and Construction finance and for the Government's Kamyab Jawan scheme. The Bank has also been in forefront in supporting the Government of Pakistan and SBP's "Mera Pakistan Mera Ghar" (G-MSS) which will allow all individuals, who will be constructing or buying a house for the first time, to avail the Bank's financing at subsidized and affordable profit rates. The Bank has actively participated in other SBP led initiatives including Green Banking to reduce carbon footprint in the economy.

During the half year, the Bank made general provision of Rs 337 million (including Rs 37 million for consumer) against any potential non-performing financings and stresses on borrowers that may arise due to on-going COVID-19 situation. The Bank maintains a comfortable level of provisions against its non-performing financings with a coverage ratio of 136% - one of the highest in the Banking industry while its non-performing financing ratio stood lower at 2.4% - compared to an industry average of 9%.

The Bank's investment portfolio rose by 9% to Rs 472 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 since January 2021 despite the strong appetite of Islamic Banking Industry in Pakistan. The Bank is working actively with the Government and SBP to resolve this industry wide issue, and the Bank's Shariah Board has recently approved Shariah Structure for issuance of new Government of Pakistan Ijarah Sukuk. We are hopeful that with the focus of the Government and SBP to promote Islamic Finance, the Sukuk auctions will resume soon Insha'Allah.

DIRECTORS' REVIEW

During the half year, the Bank's deposit book grew by Rs 115 billion to Rs 1.37 trillion from Rs 1.25 trillion as at December 2020 year end – an increase of 9%. The current account deposits registered a 14% increase closing at Rs 576 billion, representing 42% of total deposits. Current and Savings account deposits now represent 80% of total deposits as compared to 76% in 2020 in alignment with the Bank's focus to low-cost deposits. The Bank added another 20 branches to its network, bringing the total network size to 835 branches in 258 cities (December 2020: 815 Branches in 248 cities). The Bank continues to invest in technology infrastructure 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.

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 and deposits to 30% of the total banking industry. We will continue to support the SBP in strengthening of Islamic Banking Industry in the country and play our leadership role in achievement of these targets. The Bank will continue with its branch expansion strategy and plans to add more branches to its network, Insha'Allah, which will expand its geographical presence across Pakistan and help provide Islamic Banking solutions to the unbanked population of the Country.

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:
August 12, 2021

Irfan Siddiqui
President & CEO

ڈاکٹر میکسٹرز کا تجزیہ

بوروڈ آف ڈاکٹر میکسٹرز سرت کے ساتھ 30 جون، 2021 کو ختم ہونے والے نصف سال کے لئے میران بینک لمبینڈ کے مختصر عبوری غیر جائز شدہ مالیاتی حسابات اور اقماری مالیاتی حسابات پیش کرتا ہے۔

کریڈٹ رینگ میں 'A1+'، AAA/A1+ درج تک اضافہ

الحمد للہ ہمیں یہ اطلاع دیتے ہوئے مسrt محسوس ہو رہی ہے کہ VIS کریڈٹ رینگ کمپنی لمبینڈ (VIS) کی جانب سے میران بینک کی رینگ کو اعلیٰ ترین ممکن درجے تک بڑھا کر AAA/A1+ کر دیا گیا ہے۔ تقاضہ کردہ یہ رینگ نہ ہونے کے باہر رک فیکٹریز کے ساتھ کریڈٹ کے ممکن حد تک اعلیٰ ترین معیار کی اشتماندہ کرتی ہیں، جو حکومت پاکستان کے سفری قرضہ جات سے ذرا ہی کم ہے۔ یہ درجہ بندی بینک کی استعداد اور استحکام کا قابل اعتماد ہوتا ہے اور بلاشبہ ایک انتہائی اہم کامیابی ہے، جس کے لئے ہم اللہ عزیز کے بے حد شکرگزار ہیں کہ اس کی رحمت کے باعث انہیں سال کے قابل عرصے میں بینک کو اتنی قدر افزائی حاصل ہوئی۔ یہ اعتراف کا کردگی اور قدر افزائی شریعہ سے مطابقت، اعلیٰ ترین معیار خدمت اور دین انتداری کی بنیادی اقدار پر قائم رہنے کے ہمارے عزم کو مزید تقویت کر دیتے ہیں، انشاء اللہ۔

VIS کریڈٹ رینگ کمپنی لمبینڈ نے بینک کے 3 Basel کمپلائٹ 1 Tier اور 2 Tier حکوم کی رینگ کو بھی بہتر کر کے 'AA' (ڈبل اے) اور 'AA+' (ڈبل اے پلس) کر دیا ہے۔

معیشت

پاکستانی معیشت نے تو قع سے زیادہ کارکردگی کا مظاہرہ کیا اور COVID-19 کی عالمی وبا کے دوران تمام میکرو اکنامک اشارے ثابت نظر آئے، جس کے نتیجے میں مالی سال 2020 کے لئے اقتصادی ترقی کی متوقع شرح 3.94 فیصد رہی جبکہ مالی سال 2019 میں پیش رفتی 0.47 فیصد تھی۔ یہ بھالی آئی ایم ایف اور عالمی بینک کے اندازوں سے زیادہ اور اس حقیقت کی عکاس ہے کہ COVID-19 کی عالمی وبا کی تیسری اہر کے باوجود پاکستانی معیشت نے بہتر کارکردگی کا مظاہرہ کیا ہے۔ وی اکنامسٹ (The Economist) جو یہے نے بھی پاکستان کو ورنا دا رس کی عالمی وبا سے منٹھن کے لئے بہترین کارکردگی کا مظاہرہ کرنے والے ممالک میں شامل کیا ہے۔

مالی سال 2022 کے لئے حکومت پاکستان (حکومت) نے مجموعی ترقیاتی پیداوار (GDP) کا بہت 4.8 فیصد مقرر کیا ہے اور 2021-2022 کے بچٹ میں ایسے اقدامات متعارف کروائے ہیں جن سے معاشری سرگرمیوں کو فروغ عمل ملتا ہے۔ برآمدات کے جم میں اضافے اور اسٹیٹ بینک آف پاکستان کی Economic Refinance Facility (TERF) کے تحت صنعتی استعداد میں اضافی کمی وجہ سے صنعتی شعبہ میں تیزی کا راجحان برقرار رہنے کی تو قع ہے۔ اسی طرح تعمیراتی شعبہ کے ترقیاتی اخراجات کے لئے بچٹ میں زیادہ رقم کی تخصیص اور تعمیرات اور ہاؤسنگ فائلز پر جاری حکومتی توجہ اور تعاون کے باعث معماشی ترقی میں کلیدی معاون ثابت ہو سکتا ہے۔ ترقی کی رفتار کو منظر رکھتے ہوئے اسٹیٹ بینک آف پاکستان نے حالیہ مالیاتی پالیسی بیان میں اپنے تو سیعی پالیسی کے مؤقف کو برقرار رکھتے ہوئی پالیسی شرح 7.00 فیصد مقرر کی ہے، جو کہ جون 2020 سے اسی سطح پر برقرار ہے۔

پاکستان کے کریٹ اکاؤنٹ نے مالی سال 2021 میں، مالی سال 2020 کے 11 ماہ کے 4.3 ارب امریکی ڈالر خارے کے مقابلے میں 0.15 ارب امریکی ڈالر کا اضافہ ظاہر کیا، جس کی وجہ غیر ملکی تسلیمات کے جم میں زبردست اضافہ اور روشن ڈیجیٹل اکاؤنٹ (RDA) سے بھیجنی جانے والی رقم تھیں جو 1.8 ارب امریکی ڈالر تک پہنچ گئیں۔ الحمد للہ روشن ڈیجیٹل اکاؤنٹ کے حوالے سے ہمارا بینک سب سے آگے ہے اور مارکیٹ میں اس کا حصہ 20 فیصد ہے، جو بینکاری کی صنعت میں سب سے زیادہ ہے۔ روشن ڈیجیٹل اکاؤنٹ میں، (جو حکومت اور اسٹیٹ بینک آف پاکستان کا ایک اہم اقدام ہے) سب سے زیادہ رقم وصول کرنے پر حکومت پاکستان نے بھی میران بینک کی کارکردگی کو سرو ہاہا ہے۔ بینک کو وزیر اعظم پاکستان کی جانب سے روشن ڈیجیٹل اکاؤنٹ کے ذریعے سب سے زیادہ رقم کی وصولی اور اسلامک نیا پاکستان شکریت میں سب سے زیادہ سرمایہ کاری کے اعتراض کے طور پر دوایوارڈز سے نوازا گیا ہے۔

بینک اپنی پوری استعداد کے ساتھ کام جاری رکھے ہے اور اپنے مادی ذرائع، دونوں میں خدمات کا معیار برقرار رکھا ہے۔ میران بینک میں ہم اس بات کو یقینی بنانے کے لئے پر عزم ہیں کہ ہمارا تمام عملہ ویکیمین لگواچکا ہو اور ہم اپنے عملے، صارفین اور ان کے اہل خانہ کی صحت اور تحفظ پر بھر پور زور دیتے ہیں۔ نیشنل کمائنڈ آپریشن سینٹر (NCOC) کی جانب سے پاکستان کو COVID-19 سے پاک بنانے کی ہم کے تحت بینک نے میران ہاؤس کراچی میں ایک ماہ سے زائد عرصے تک کوڈ ڈیسٹینیشن سینٹر (CVC) قائم کیا جہاں کراچی میں واقع ہیڈ آفس اور برائچوں (بشوی ہماری ذیلی کمپنی المیر ان انویسٹمنٹ میجنٹ لمبینڈ) کے عملے اور ان کے اہل خانہ کو ویکیمین لگائی گئی۔ اس کے علاوہ بینک نے لاہور، اسلام آباد اور پشاور میں اپنی پریس میں بھی NCOC اور مقامی شعبہ صحت کے کام کے تعاون سے کوڈ ڈیسٹینیشن سینٹر (CVCs) قائم کئے۔

مزید برآں، ایک ذمہ دار کارپوریٹ شہری کی حیثیت سے پاکستان کو وونا سے پاک کرنے کے لئے بینک نے حکومت سندھ کے ساتھ اشٹراک کیا ہے اور کراچی میں عوامیں کے لئے ڈرایو ٹھرو (Drive Through) کی سہولت کے ساتھ ایک پیسینشن سینٹر قائم کیا ہے۔ پیسینشن کے حوالے سے آگاہی کے فروغ کے لئے بینک نے بیز راؤنڈ آر کر کے ایک بڑی آگاہی مہم کا بھی آغاز کیا ہے۔

اہم مالیاتی نکات

اللہ ہبھی کی رحمت سے بینک نے ایک بار بھر مستحکم کارکردگی کا مظاہرہ کیا ہے اور سال 2021 کے پہلے نصف حصہ میں زبردست نتائج حاصل کئے ہیں۔ بینک کا بعد از جنگ منافع گزشتہ سال کی اسی مدت کے 11.68 ارب روپے کے مقابلے میں 8 فیصد اضافہ کے بعد 12.61 ارب روپے ہو گیا، جبکہ اضافہ شدہ سرانے پر فی حصہ آمدی جون 2020 کے 8.25 روپے فی حصہ کے مقابلے میں بڑھ کر 8.91 روپے فی حصہ ہو گئی۔ بینک ایک Well-capitalized ادارہ ہے اور اس کا کلیپل ایڈ بکویسی ریشو (CAR) اس وقت 18.67 فیصد ہے، جو کم از کم در کارقاٹی تقاضے یعنی 11.50 فیصد سے کافی زیادہ ہے۔

ہمیں آپ کو بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ بورڈ نے دوسری سماں کے لئے 1.50 روپے فی حصہ (15 فیصد) عبوری نقد ڈی ٹیڈ کی منظوری دی ہے۔ اس کے علاوہ بورڈ نے 15 فیصد (15%) بوس حصہ کی منظوری بھی دی ہے۔ جس سے کل اداگی 3 روپے فی حصہ (30 فیصد) ہو گئی ہے جو کہ 15 فیصد بوس حصہ کے علاوہ ہے کیونکہ پہلی سماں میں بھی 1.50 روپے فی حصہ یعنی 15 فیصد عبوری نقد ڈی ٹیڈ ادا کیا گیا تھا۔

میزان بینک کے اہم مالیاتی نتائج درج ذیل ہیں:

روپے (ملین میں)

اندازہ کی شرح %	جنوری تا جون 2020	جنوری تا جون 2021	تفصیل و نقصان کی حالت
(13%)	57,829	50,116	فناںگر، سرمایکاری اور تعیناتی پر منافع
(26%)	(25,474)	(18,911)	جمع شدہ رقوم اور دیگر واجبات
(4%)	32,355	31,205	خالص آمدی
76%	2,329	4,102	فیس اور کمیشن کی آمدی
36%	5,025	6,811	نام۔ فنڈ ڈ آمدی
2%	37,380	38,016	انتظامی آمدی
12%	(14,892)	(16,748)	انتظامی اور دیگر اخراجات
7%	(7,714)	(8,227)	کمیشن
8%	11,677	12,608	بعد ازاں منافع
8%	8.25	8.91	منافع فی حصہ (روپے میں)
5%	798	835	برانچوں کی تعداد

مالیاتی حیثیت کا جائزہ	30 جون، 2021	31 دسمبر، 2020	اندازہ کی شرح %
سرمایکاریاں	472,124	434,208	9%
- خود مختار	450,056	413,855	9%
- دیگر	22,068	20,353	8%
اسلامی فناںگ اور متعلقہ اٹاٹے - خالص	570,222	512,532	11%
کل اٹاٹے	1,673,893	1,521,559	10%
جمع شدہ رقوم	1,369,974	1,254,431	9%
ایکویٹر	77,245	69,155	12%

فناںگر، سرمایہ کاریوں اور تیناتی پر بینک کی آمدی گزشتہ سال کی اسی مدت کے مقابلے میں 13 فیصد کی کمی بعد 50.1 ارب روپے ہو گئی، اس کی اہم وجہ بنیادی پالیسی شرح میں کمی تھی جو گزشتہ سال کی اسی مدت کی تقریباً اوسط 11 فیصد کے مقابلے میں کم ہو کر 7 فیصد پر آگئی۔ تاہم بنیادی پالیسی شرح میں کمی کے اثرات کو آمدی پیدا کرنے والے اٹاؤں کے زیادہ جنم نے کافی حد تک زائل کر دیا۔ جون 2021 میں جمع شدہ رقم اور دیگر واجبات کی ادائیگی بھی جون 2020 کے 25.5 ارب روپے کے مقابلے میں کم ہو کر 18.9 ارب روپے ہو گئی۔ کم اوسط پالیسی شرح اور جون 2020 کے بعد سے کرنٹ اکاؤنٹ بینسر میں خاصاً اضافہ اس کی وجہ بنا۔ مجموعی طور پر بینک کی خاص آمدی گزشتہ سال کی اسی مدت کے 32.3 ارب روپے کے مقابلے میں صرف 4 فیصد کی کمی بعد 31.2 ارب روپے رہی۔

بینک کی فیس اور کمیشن کی آمدی جون 2020 کے 2.3 ارب روپے کے مقابلے میں 76 فیصد اضافہ کے بعد 4.1 ارب روپے ہو گئی، جس میں ٹریڈ، برائیج بینگ اور ڈیپٹ کارڈ سے متعلق فیس کی آمدی میں اضافے نے پانچھڑا لے لیا۔ بینک کی فارن پیچھے اکتم کی آمدی میں گزشتہ سال کی اسی مدت کے مقابلے میں 24 فیصد اضافہ ہوا جس کی اہم وجہ بینک کی جانب سے کئے جانے والے تجارتی کاروبار کے حجم میں اضافہ تھی۔ مجموعی طور پر بینک کی نان فنڈ آمدی میں جون 2020 سے 36 فیصد کا اضافہ دیکارڈ کیا گیا جو 6.8 ارب روپے پر بند ہو گئی۔ بینک کے انتظامی اور دیگر اخراجات بھی 14.9 ارب روپے سے ہڑھ کر 16.8 ارب روپے ہو گئے۔ اس اضافہ کی بنیادی وجہ وہ اخراجات تھے جو نئی برائیچیں کھولنے پر ہوئے، تاہم یہ مستقبل کے لئے ایک سرمایہ کاری ہے۔

بینک کے کل اٹاؤں ڈسمبر 2020 میں 1.52 ٹریلیون روپے تھے جو کہ جون 2021 تک 152 ارب روپے یا 10 فیصد اضافہ کے بعد 1.67 ٹریلیون روپے ہو گئے، جس میں 38 فیصد حصہ بینک کے فناںگ پورٹ فولیو میں اضافہ کارہا۔ بینک کی فناںگ ڈسمبر 2020 میں 512 ارب روپے کے مقابلے میں 58 ارب روپے یا 11 فیصد اضافہ کے بعد 570 ارب روپے ہو گئی۔ بینک کا فناںگ پورٹ فولیو بدستور متعدد ہے اور اعلیٰ سطح کے کارپوریٹ، کمرشل، اوسٹ ورج کے چھوٹے اور درمیانی کاروبار (SME) اور کنزیپر شعبہ جات پر مشتمل ہے۔

بینک معاشی بحالی کے لئے اسٹیٹ بینک آف پاکستان کے اقدامات میں بھرپور تعاون کر رہا ہے اور اسٹیٹ بینک کی متعدد ری فناں اسکیز کے تحت اپنے صارفین کو فناںگ فراہم کر رہا ہے۔ بینک نے ہاؤسنگ اور تعمیراتی فناں، اور حکومت کی کامیاب جوان اسکیم کے لئے اسٹیٹ بینک آف پاکستان کی جانب سے مقروہ کردہ لازمی اہداف عبور کرنے لئے ہیں۔ بینک حکومت پاکستان اور اسٹیٹ بینک آف پاکستان کی "میرا پاکستان میرا گھر" (G-MSS) اسکیم میں تعاون کے لئے بھی پیش پیش رہا ہے، جس کے ذریعے چہلی باخوبی گھر کے لئے تام افراد بینک سے رعایتی اور کم شرح منافع پر فناںگ حاصل کر سکیں گے۔ میرا بینک، اسٹیٹ بینک آف پاکستان کی زیر سرپرستی دیگر اقدامات میں بھی بھرپور شریک ہو رہا ہے، جس میں گرین بینگ بھی شامل ہے جس کا مقصد معیشت سے کاربن فٹ پرنٹ (Carbon Footprint) کو کم کرنا ہے۔

نصف سال کے دوران بینک نے مکمل غیرفعال فناںگر اور قرض خواہان پر دباؤ (جس میں موجودہ 19-COVID کی صورتحال کے باعث اضافہ ہو سکتا ہے) کے پیش نظر 337 ملین روپے عمومی پر دیوبنڈ کے لئے نیشنل کے لئے ہیں، جس میں 37 ملین روپے کنزیپر فناںگ کے لئے ہیں۔ بینک نے اپنی غیرفعال فناںگ کی مد میں 136 فیصد کو تیج ریشو کے ساتھ پر دیوبنڈ کی تسلی بخش شرح برقرار کر گئی ہے، جو بینکاری صنعت کی سب سے زیادہ شرح ہے، جبکہ اس کی غیرفعال فناںگ کی شرح بینکاری صنعت کی اوسط شرح یعنی 9 فیصد کے مقابلے میں کافی کم یعنی 2.4 فیصد پر برقرار ہے۔

بینک کا سرمایہ کاری پورٹ فولیو گزشتہ سال کے 434 ارب روپے کے مقابلے میں 9 فیصد اضافہ کے ساتھ 472 ارب روپے ہو گیا، جس میں سے 95 فیصد حصہ وفاقی حکومت / حکومت کی ضمانت شدہ سیکوریٹیز پر مشتمل ہے۔ پاکستان میں اسلامی بینکاری کی صنعت کی اشد ضرورت کے باوجود جنوری 2021 کے بعد سے کوئی نئے صکوک جاری نہیں کئے گئے۔ بینک حکومت اور اسٹیٹ بینک آف پاکستان کے ساتھ مل کر پوری بینکاری صنعت کے اس منہک کو حل کرنے کے لئے سرگرم ہے، اور بینک کے شریعہ بورڈ نے حال ہی میں حکومت پاکستان کے اجرا کے لئے شریعہ ستور اعمال (Structure) کی منظوری دی ہے۔ ہمیں امید ہے کہ اسلامی فناں کے فروع کے لئے حکومت اور اسٹیٹ بینک آف پاکستان کی توجہ کے باعث انشا اللہ صکوک کی فروخت جلد شروع ہو جائے گی۔

نصف سال کے دوران بینک کے ڈپاٹس ڈسمبر 2020 کے 1.25 ٹریلیون روپے کے مقابلے میں 115 ارب روپے کے اضافہ کے ساتھ 1.37 ٹریلیون روپے ہو گئے، جو 9 فیصد اضافہ ہے۔ کرنٹ اکاؤنٹ ڈپاٹس 14 فیصد اضافہ کے بعد 576 ارب روپے پر دیکارڈ کئے گئے، جو کل ڈپاٹس کا 42 فیصد ہے۔ کرنٹ اکاؤنٹ اور سیوگر اکاؤنٹ (CASA) کے ڈپاٹس بلکل ڈپاٹس کا 80 فیصد ہیں جبکہ 2020 میں کل ڈپاٹس کا 76 فیصد تھے، جو کم قیمت ڈپاٹس پر بینک کی توجی کی پالیسی کے مطابق ہیں۔ بینک نے اپنے نیت و رک میں مرید 20 برائیچیں کا اضافہ کیا جس سے برائیج نیت و رک 258 شہروں میں 835 برائیچوں تک وسیع ہو گیا (ڈسمبر 2020: 248 شہروں میں 815 برائیچیں)۔ بینک بالخصوص اپنے ڈیجیٹل ذرائع میں اپنی انتظامی استعداد اور خدمات کے معیار کو بینیت بنا کے لئے بینکا لوگی انفارا اسٹرکچر میں سرمایہ لگانے کا سلسلہ جاری رکھے ہوئے ہیں۔ بینک کی موبائل بینگ بینک کا اپل اسٹور اور گوگل پلے اسٹور پر صارفین کی جانب سے تسلیم کے ساتھ پاکستان کی نمبر 1 موبائل بینگ اپپ کارڈ ایجاد کر رہا ہے۔

مستقبل کے آثار

ملک میں اسلامی بینکاری کے فروع کے امکانات روشن ہیں اور اسٹیٹ بینک آف پاکستان نے اسلامی بینکاری صنعت 2025-2021 کے لئے اپنے تیرے اسٹریچ مخصوصے میں اسلامی بینکاری کے اثاثوں اور ترجیح شدہ روم 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 اسٹیٹ بینک آف پاکستان کی اعانت اور ان اہداف کے حصول میں اپنا قائدانہ کردار ادا کرنے کا سلسلہ جاری رکھیں گے۔ بینک اپنی برآنچوں میں توسعی کی حکمت عملی پر عمل بیڑا ہے اور انشاء اللہ اپنے نیٹ ورک میں ہر زید برآنچوں کے اضافہ کی مخصوصہ بندی کر رہا ہے، جس سے ملک بھر میں اس کی چغرا فیکی رسمائی میں اضافہ ہو گا اور بینکوں کی سہولت سے فائدہ ناخانے والی آبادی کو اسلامی بینکاری کے حل فراہم کرنے میں مدد ملے گی۔

بورڈ، اسٹیٹ بینک آف پاکستان (SBP)، وزارت خزانہ اور سکیو ریز ایڈ ایچج کمیشن آف پاکستان کو ملک میں ایک قابل عمل اسلامی مالیاتی نظام کے لئے کی گئی ان کی مسلسل کوششوں اور وابستگی کے لئے خراج تحسین پیش کرتا ہے۔ ہم اپنے بورڈ ممبر ان، شریعہ پروفارسری بورڈ کے ممبر ان، حصہ یافتگان، اضافی Tier 1 صکوک اور ثانوی صکوک (Tier II) یافتگان کا ان کی معاونت اور انتخک کوششوں کے لئے مشکریہ ادا کرنا چاہتے ہیں جنہوں نے میزان بینک کو اؤلين اسلامی بینک بنانے کے لئے مسلسل محنت کی ہے۔ سب سے بڑھ کر ہم اللہ ﷺ 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 ﷺ 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 صدقی
صدر اور CEO

ریاض ایس. اے. اے. اوریں
چیئرمین

کرامی:
2021ء، 12 اگست

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF MEEZAN BANK LIMITED

Report on Review of Unconsolidated Condensed Interim Financial Information

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Meezan Bank Limited** (the Bank) as at **30 June 2021**, the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity, and notes to the financial information for the six-months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 30 June 2021 and 30 June 2020 have not been subject to limited scope review by us as we are only required to review the cumulative figures for the six-months period ended 30 June 2021.

Scope of review

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

Conclusion

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

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

EY FORD RHODES
Chartered Accountants
Date: 25 August 2021
Karachi

**CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021**

	Note	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	6	142,210,133	136,242,495
Balances with other banks	7	18,944,508	19,445,879
Due from financial institutions - net	8	380,250,856	342,068,799
Investments - net	9	472,124,083	434,208,340
Islamic financing and related assets - net	10	570,221,650	512,531,930
Fixed assets	11	24,116,162	23,568,351
Intangible assets	12	1,436,101	1,079,961
Deferred tax assets	18	-	389,653
Other assets - net	13	64,589,916	52,024,055
		1,673,893,409	1,521,559,463
LIABILITIES			
Bills payable	14	39,350,912	26,494,006
Due to financial institutions	15	101,821,368	94,500,640
Deposits and other accounts	16	1,369,973,891	1,254,430,534
Sub-ordinated Sukuk	17	18,000,000	18,000,000
Deferred tax liabilities	18	1,127,836	-
Other liabilities	19	66,373,925	58,979,017
		1,596,647,932	1,452,404,197
NET ASSETS		77,245,477	69,155,266
REPRESENTED BY			
Share capital		14,147,228	14,147,228
Reserves		21,685,018	20,424,225
Unappropriated profit		35,417,129	29,021,521
Surplus on revaluation of assets - net of tax	20	5,996,102	5,562,292
		77,245,477	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 HALF YEAR ENDED JUNE 30, 2021**

	Note	Quarter ended June 30, 2021	Half year ended June 30, 2021	Quarter ended June 30, 2020	Half year ended June 30, 2020
Rupees in '000					
Profit / return earned on Islamic financing and related assets, investments and placements	22	25,887,172	50,116,438	27,995,495	57,829,237
Profit on deposits and other dues expensed	23	9,736,472	18,911,116	10,358,893	25,474,195
Net spread earned		16,150,700	31,205,322	17,636,602	32,355,042
OTHER INCOME					
Fee and commission income	24	2,035,122	4,101,832	1,041,034	2,329,351
Dividend income		129,430	412,742	88,695	213,272
Foreign exchange income		783,506	1,605,039	334,985	1,298,113
Gain on securities - net	25	117,328	258,071	258,758	939,219
Other income	26	182,910	433,193	111,265	245,719
Total income		3,248,296	6,810,877	1,834,737	5,025,674
		19,398,996	38,016,199	19,471,339	37,380,716
OTHER EXPENSES					
Operating expenses	27	8,423,828	16,259,427	7,542,572	14,349,170
Workers Welfare Fund		229,998	484,113	238,549	459,498
Other charges	28	3,534	4,916	507	83,686
Total other expenses		8,657,360	16,748,456	7,781,628	14,892,354
Profit before provisions		10,741,636	21,267,743	11,689,711	22,488,362
Provisions and write offs - net	29	148,320	432,891	1,459,365	3,097,096
Extra ordinary / unusual items		-	-	-	-
Profit before taxation		10,593,316	20,834,852	10,230,346	19,391,266
Taxation	30	4,086,587	8,226,920	4,058,854	7,714,318
Profit after taxation		6,506,729	12,607,932	6,171,492	11,676,948
Rupees					
Restated					
Basic and diluted earnings per share	31	4.60	8.91	4.36	8.25

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
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

	Note	Quarter ended June 30, 2021	Half year ended June 30, 2021	Quarter ended June 30, 2020	Half year ended June 30, 2020
Rupees in '000					
Profit after taxation for the period		6,506,729	12,607,932	6,171,492	11,676,948
Other comprehensive income					
Items that may be reclassified to profit and loss account in subsequent periods:					
Surplus / (deficit) on revaluation of investments	20	1,142,299	1,318,978	(3,132,614)	(7,094,798)
Deferred tax on revaluation of investments	20	(822,103)	(883,941)	1,096,415	2,483,179
		320,196	435,037	(2,036,199)	(4,611,619)
Items that will not be reclassified to profit and loss account in subsequent periods:					
Surplus on revaluation of non - banking assets	20	-	-	-	-
Deferred tax on revaluation of non - banking assets	20	(1,227)	(1,227)	-	-
		(1,227)	(1,227)	-	-
Other Comprehensive Income / (loss) for the period		318,969	433,810	(2,036,199)	(4,611,619)
Total Comprehensive Income for the period		6,825,698	13,041,742	4,135,293	7,065,329

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
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021**

	Capital reserves				Revenue reserve General reserve	Unappropriated 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 half year ended June 30, 2020	-	-	-	-	-	11,676,948	-	-	11,676,948
Other Comprehensive loss for the half year ended June 30, 2020 - net of tax	-	-	-	-	-	11,676,948	(4,611,619)	(4,611,619)	7,065,329
Other appropriations									
Transfer to statutory reserve	-	-	1,167,695	-	-	(1,167,695)	-	-	-
Final cash dividend for the year 2019 @ Rs 2 per share	-	-	-	-	-	(2,572,224)	-	-	(2,572,224)
Balance as at June 30, 2020	12,861,116	2,406,571	13,784,475	3,117,547	66,766	26,482,826	4,776,096	13,120	63,508,517
Profit after taxation for the half year ended December 31, 2020	-	-	-	-	-	10,488,658	-	-	10,488,658
Other Comprehensive income for the half year ended December 31, 2020 - net of tax	-	-	-	-	-	43,906	766,255	6,821	816,982
10,532,564							766,255	6,821	11,305,640
Other appropriations									
Transfer to statutory reserve	-	-	1,048,866	-	-	(1,048,866)	-	-	-
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 half year ended June 30, 2021	-	-	-	-	-	12,607,932	-	-	12,607,932
Other Comprehensive income / (loss) for the half year ended June 30, 2021 - net of tax	-	-	-	-	-	12,607,932	435,037	(1,227)	433,810
							435,037	(1,227)	13,041,742
Other appropriations									
Transfer to statutory reserve	-	-	1,260,793	-	-	(1,260,793)	-	-	-
Final cash dividend for the year 2020 @ Rs 2 per share	-	-	-	-	-	(2,829,446)	-	-	(2,829,446)
Interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	(2,122,085)	-	-	(2,122,085)
Balance as at June 30, 2021	14,147,228	2,406,571	16,094,134	3,117,547	66,766	35,417,129	5,977,388	18,714	77,245,477

*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 HALF YEAR ENDED JUNE 30, 2021**

	Note	Half year ended June 30, 2021	Half year ended June 30, 2020	Rupees in '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxation		20,834,852	19,391,266	
Less: Dividend income		(412,742)	(213,272)	
		20,422,110	19,177,994	
Adjustments for non-cash charges and other items:				
Depreciation		1,187,393	1,024,238	
Amortization		164,618	108,254	
Non cash items related to right of use assets		1,577,240	1,685,832	
Provisions and write offs - net		432,891	3,097,096	
Gain on sale of fixed assets		(61,762)	(58,503)	
		3,300,380	5,856,917	
		23,722,490	25,034,911	
Decrease / (increase) in operating assets				
Due from financial institutions		(38,182,057)	(50,667,566)	
Islamic financings and related assets		(58,082,422)	12,817,752	
Other assets		(12,570,185)	(7,899,860)	
		(108,834,664)	(45,749,674)	
Increase / (decrease) in operating liabilities				
Bills payable		12,856,906	6,218,968	
Due to financial institutions		7,320,728	12,099,053	
Deposits and other accounts		115,543,357	112,840,439	
Other liabilities		6,588,363	(281,837)	
		142,309,354	130,876,623	
		57,197,180	110,161,860	
		(6,037,384)	(5,711,774)	
		51,159,796	104,450,086	
CASH FLOW FROM INVESTING ACTIVITIES				
Net investments in securities		(36,597,293)	(88,551,245)	
Dividends received		397,904	166,180	
Investments in fixed assets		(2,643,806)	(1,903,033)	
Investments in intangible assets		(520,758)	(272,029)	
Proceeds from sale of fixed assets		105,772	84,200	
Net cash used in investing activities		(39,258,181)	(90,475,927)	
CASH FLOW FROM FINANCING ACTIVITIES				
Issuance of Sub-ordinated Sukuk - Tier II		-	4,000,000	
Payment of lease liability against right-of-use assets		(1,484,117)	(1,285,393)	
Dividend paid		(4,951,231)	(2,572,101)	
Net cash (used in) / flow from financing activities		(6,435,348)	142,506	
Increase in cash and cash equivalents		5,466,267	14,116,665	
Cash and cash equivalents at the beginning of the period	32	155,688,374	107,565,594	
Cash and cash equivalents at the end of the period	32	161,154,641	121,682,259	

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 HALF YEAR ENDED JUNE 30, 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 thirty five branches as at June 30, 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, 2020, the VIS Credit Rating Company Limited has upgraded the Bank's medium to long-term as 'AAA' and reaffirmed the short-term rating as "A1+". The 'AAA' rating denotes the highest possible credit quality, with negligible risk factors, being only slightly more than for risk-free debt of the Government of Pakistan.
- 1.5** An Employee Share Option Scheme (the Scheme) has been approved by the Board of Directors and shareholder of the Bank and sanctioned by the Securities and Exchange Commission of Pakistan (SECP). The financial effects of the Scheme will be reflected in the financial statements of the Bank after the grant of share options under the Scheme has been finalized.

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:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021**

- 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 Accountant 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.

3.2.2 COVID - 19 has impacted banks in Pakistan through increase in overall credit risk, overall slowdown in the economic activity, challenges to continuity of business operations and managing cybersecurity threat. The Bank's management and Board is fully cognisant of the business challenges posed by the COVID - 19 outbreak. The Bank continues its operations to serve customers through its branch network across Pakistan and the digital channels by observing the Government instructions and adopting all possible precautionary measures.

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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021**

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

- 3.4.1 As referred to in note 3.5 to the annual financial statements of the Bank for the year 2020, 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.
- 3.4.2 "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 Letter No. 24 of 2021 dated July 05, 2021 has extended the implementation date of IFRS 9 to January 01, 2022 from an earlier implementation date of January 01, 2021. However, SBP has directed the banks in Pakistan to submit IFRS 9 parallel run and proforma financial statements on periodic basis and the Bank has been complying with these requirements.

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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021**

	Note	June 30,	December 31,
		2021 (Unaudited)	2020 (Audited)
6 CASH AND BALANCES WITH TREASURY BANKS			Rupees in '000
In hand			
- local currency		27,646,973	27,356,626
- foreign currencies		2,407,936	3,477,535
With the State Bank of Pakistan in			
- local currency current accounts	6.1	58,606,155	51,975,020
- foreign currency current accounts	6.1	8,809,857	8,542,148
With the National Bank of Pakistan in			
- local currency current accounts		41,774,644	42,518,016
National Prize Bonds	6.2	2,964,568	2,373,150
		142,210,133	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	June 30,	December 31,
		2021 (Unaudited)	2020 (Audited)
7 BALANCES WITH OTHER BANKS			Rupees in '000
In Pakistan			
- in current accounts		12,503,312	7,055,015
- in deposit accounts	7.1	3,000,014	6,000,000
Outside Pakistan			
- in current accounts		2,545,034	2,234,338
- in deposit accounts	7.2	896,148	4,156,526
		18,944,508	19,445,879

- 7.1** The return on these balances is around 6.85% (December 31, 2020: 7.25%) per annum.
- 7.2** The return on these balances is 0.06% (December 31, 2020: 0.08%) per annum.

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	Note	June 30, 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	379,250,856	327,277,079
With other financial institution		15,500	15,500
		379,266,356	327,292,579
Musharakah	8.2	1,000,000	6,800,000
Wakalah		-	7,991,720
Commodity Murabaha		26,066	26,066
		380,292,422	342,110,365
Provision against non-performing amounts due from financial institutions	8.3	(41,566)	(41,566)
		380,250,856	342,068,799

8.1 The average return on this product is 7.86% (December 31, 2020: 7.86%) per annum. These balances have maturities ranging between July 2021 to July 2025 (December 31, 2020: January 2021 to July 2025).

8.2 The average return on this product is 7.15% (December 31, 2020: 7.15%) per annum. These balances are maturing latest by July 2021 (December 31, 2020: March 2021).

	June 30, 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				
8.3 Category of classification				
Loss	41,566	41,566	41,566	41,566

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9 INVESTMENTS - NET

	June 30, 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	197,717,818	-	1,138,821	198,856,639	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	2,062,968	-	-	2,062,968	466,435	-	-	466,435
Non Government Sukuk								
- Pakistan Energy Sukuk guaranteed by the Government of Pakistan	113,804,731	-	5,358,907	119,163,638	111,737,601	-	5,504,818	117,242,419
- Other Sukuk guaranteed by the Government of Pakistan	9,909,720	-	-	9,909,720	10,503,470	-	-	10,503,470
- Other Non Government Sukuk	4,146,510	75,892	-	4,070,618	3,865,919	79,348	-	3,786,571
Foreign Securities								
	7,344,948	-	458,253	7,803,201	7,216,711	-	552,073	7,768,784
Shares								
- Ijarah Sukuk	8,504,838	2,108,029	2,889,693	9,286,502	7,144,667	2,104,045	2,849,881	7,890,503
	450,368,437	2,183,921	9,845,674	458,030,190	416,386,218	2,183,393	8,526,696	422,729,521
Held to maturity securities								
- Ijarah Sukuk	13,186,077	-	-	13,186,077	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	464,462,330	2,183,921	9,845,674	472,124,083	427,865,037	2,183,393	8,526,696	434,208,340

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	June 30, 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 period / year		
On available for sale securities		
- charge for the period / year on equity instruments	53,164	290,244
- reversals for the period / year on recovery of debt instruments	(3,456)	(16,548)
- reversals for the period / year on disposals of equity instruments	(49,180)	(387,700)
	528	(114,004)
Amount written off	-	(66,987)
Closing balance	2,183,921	2,183,393

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)		
	Non-performing investment	Provision held	Non-performing investment	Provision held
Rupees in '000				
9.3 Particulars of provision against Sukuk				
Category of classification				
Loss	75,892	75,892	79,348	79,348

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	Note	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
10 ISLAMIC FINANCING AND RELATED ASSETS			
In Pakistan			
Murabaha financing and related assets			
- Murabaha financing	10.1	6,878,154	7,292,120
- Advances against Murabaha		2,515,400	2,986,634
- Murabaha inventory		41,444,178	1,407,894
- Financing under Islamic Export Refinance - Murabaha	10.2	792,076	873,321
- Inventory under Islamic Export Refinance - Murabaha		15,935	17,779
- Advance against Islamic Export Refinance - Murabaha		664,642	1,008,181
		52,310,385	13,585,929
Running Musharakah financing			
- Running Musharakah financing		87,243,898	102,571,519
- Financing under Islamic Export Refinance - Running Musharakah		36,358,867	35,775,663
		123,602,765	138,347,182
Istisna financing and related assets			
- Istisna financing		3,665,144	3,925,839
- Advances against Istisna		36,069,810	46,300,271
- Istisna inventory		7,918,656	6,437,594
- Financing under Islamic Export Refinance - Istisna		229,930	218,304
- Advances under Islamic Export Refinance - Istisna		6,212,144	8,422,231
- Inventory under Islamic Export Refinance - Istisna		1,343,682	2,723,453
		55,439,366	68,027,692
Tijarah financing and related assets			
- Tijarah financing		630,576	596,504
- Tijarah inventory		8,233,372	7,507,389
- Financing under Islamic Export Refinance - Tijarah		866,139	1,366,016
- Inventory under Islamic Export Refinance - Tijarah		1,089,707	897,624
		10,819,794	10,367,533
Musawammah financing and related assets			
- Musawammah financing	10.3	11,711,688	13,798,171
- Musawammah Inventory		20,552,869	7,613,522
- Advances against Musawammah		7,322,591	14,209,318
- Financing under Islamic Export Refinance - Musawammah	10.4	1,006,787	1,090,893
- Financing under SBP's IFRE - Musawammah		1,316	-
- Inventory under Islamic Export Refinance - Musawammah	10.5	364,000	45,000
- Advances under Islamic Export Refinance - Musawammah		159,818	994,771
		41,119,069	37,751,675
Salam Financing and related assets			
- Salam Financing		1,650,873	1,238,311
- Salam Inventory		1,379,922	6,378,860
- Advances against Salam		6,290,094	1,560,370
- Financing under Islamic Export Refinance - Salam		421,820	-
- Advances under Islamic Export Refinance - Salam		-	496,820
		9,742,709	9,674,361
Financing against bills			
- Financing against bills - Salam		6,273,461	4,151,254
- Advances against bills - Salam		1,759	1,738
		6,275,220	4,152,992
Bai Muajjal financing	10.6	18,899,204	1,633,373
Ijarah financing and related assets			
- Net investment in Ijarah		80,966	81,965
- Net book value of assets / investment in Ijarah under IFAS 2		48,514,101	43,569,281
- Net book value of assets / investment in Ijarah under IFAS 2 under SBP's ILTFF	10.7	60,190	48,778
- Advances against Ijarah		48,655,257	43,700,024
		6,388,333	6,210,281
		55,043,590	49,910,305

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	Note	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
Diminishing Musharakah financing and related assets			
- Diminishing Musharakah financing - housing		13,645,429	12,556,621
- Diminishing Musharakah financing - others		102,017,295	102,400,030
- Diminishing Musharakah financing - SBP's IRSPWS		4,462,564	4,481,268
- Diminishing Musharakah financing - SBP's IFRE		597,165	182,955
- Diminishing Musharakah financing - SBP's ITERF		444,144	-
- Diminishing Musharakah financing - SBP's ILTFF		9,961,983	7,595,493
- Advances against Diminishing Musharakah		9,613,701	7,667,897
- Advances against Diminishing Musharakah under SBP's IRFCC		749,050	172,913
- Advances against Diminishing Musharakah under SBP's IFRE		10,483,234	5,204,775
- Advances against Diminishing Musharakah under SBP's ITERF		6,953,094	676,621
- Advances against Diminishing Musharakah under SBP's ILTFF		5,216,109	5,559,059
		164,143,768	146,497,632
- Musharakah financing		-	82,960
- Wakalah Tul Istithmar financing		21,250,000	21,156,433
- Advance against Wakalah Tul Istithmar financing		16,383,467	18,500,000
- Wakalah financing		25,000	45,000
- Advance against Service Ijarah		6,500,003	4,258,103
- Qard financing under SBP's IRSPWS		46,263	46,263
- Qard financing under SBP's IRFCC		561,314	440,310
- Labbaik (Qard for Hajj and Umrah)		274	856
- Staff financing		5,501,394	4,951,794
- Other financing		1,623,961	2,157,222
Gross Islamic financing and related assets		589,287,546	531,587,615
Less: Provision against non-performing Islamic financing and related assets - Specific	10.9	(13,275,818)	(13,602,974)
Less: Provision against non-performing Islamic financing and related assets - General	10.9	(5,790,078)	(5,452,711)
Islamic financing and related assets - net of provision		570,221,650	512,531,930

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	Note	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
10.1	Murabaha receivable - gross	10.1.1	7,192,181
	Less: Deferred murabaha income	10.1.3	(116,359)
	Profit receivable shown in other assets		(197,668)
	Murabaha financing		<u>6,878,154</u>
10.1.1	Murabaha Sale Price		7,610,201
	Murabaha Purchase Price		<u>(6,878,154)</u>
10.1.2	The movement in Murabaha financing during the period / year is as follows:		
	Opening balance		7,292,120
	Sales during the period / year		56,678,701
	Adjusted during the period / year		(57,092,667)
	Closing balance		<u>6,878,154</u>
10.1.3	Deferred Murabaha Income:		
	Opening balance		112,171
	Deferred during the period / year		480,690
	Recognised during the period / year		(476,502)
	Closing balance		<u>116,359</u>
10.2	Financing under Islamic Export Refinance - Murabaha - gross		893,589
	Less: Deferred income		(4,381)
	Profit receivable shown in other assets		(15,133)
	Financing under Islamic Export Refinance - Murabaha		<u>792,076</u>
10.2.1	The movement in Islamic Export Refinance		
	Murabaha financing during the period / year is as follows:		
	Opening balance		873,321
	Sales during the period / year		1,571,702
	Adjusted during the period / year		(1,652,947)
	Closing balance		<u>792,076</u>
10.2.2	Deferred Islamic Export Refinance Murabaha Income:		
	Opening balance		5,106
	Deferred during the period / year		26,976
	Recognised during the period / year		(27,701)
	Closing balance		<u>4,381</u>
10.3	Musawammah financing - gross		14,258,642
	Less: Deferred income		(200,292)
	Profit receivable shown in other assets		(240,061)
	Musawammah financing		<u>11,711,688</u>

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	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
	Rupees in '000	
10.4 Financing under Islamic Export Refinance - Musawammah - gross	1,019,570	1,104,908
Less: Deferred income	(7,380)	(8,473)
Profit receivable shown in other assets	(5,403)	(5,542)
Financing under Islamic Export Refinance - Musawammah	1,006,787	1,090,893
10.5 Financing under SBP's IFRE - Musawammah - gross	1,485	-
Less: Deferred income	(169)	-
Profit receivable shown in other assets	-	-
Financing under SBP's IFRE - Musawammah	1,316	-
10.6 Bai Muajjal financing - gross	19,604,167	2,477,558
Less: Deferred income	(372,775)	(107,351)
Profit receivable shown in other assets	(332,188)	(736,834)
Bai Muajjal financing	18,899,204	1,633,373
10.7 Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs 40,513 million (December 31, 2020: Rs 40,217 million).		
10.8 Islamic financing and related assets include Rs. 13,980 million (December 31, 2020: Rs. 14,933 million) which have been placed under non-performing status as detailed below:		

Category of classification	June 30, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Non-performing amount	Provision held	Non-performing amount	Provision held
	Rupees in '000			
Domestic				
Other Assets Especially Mentioned	67,192	1,143	80,289	1,109
Substandard	354,492	66,900	790,278	165,158
Doubtful	365,526	74,986	966,160	425,586
Loss	13,192,854	13,132,789	13,096,746	13,011,121
	13,980,064	13,275,818	14,933,473	13,602,974

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

	June 30, 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 period / year	1,234,212	337,367	1,571,579	7,655,410	1,000,000	8,655,410
Less: Reversals	(1,173,898)	-	(1,173,898)	(314,555)	-	(314,555)
	60,314	337,367	397,681	7,340,855	1,000,000	8,340,855
Amount written off	(387,470)	-	(387,470)	(2,022,400)	-	(2,022,400)
Closing balance	13,275,818	5,790,078	19,065,896	13,602,974	5,452,711	19,055,685

10.9.1 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.

10.9.2 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 June 30, 2021 amounts to Rs 146.1 million (December 31, 2020: Rs 76.6 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs 89.1 million as at June 30, 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	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
11 FIXED ASSETS			
Capital work-in-progress	11.1	4,123,552	3,230,914
Property and equipment		15,049,930	14,530,165
Right-of-use assets		4,942,680	5,807,272
		24,116,162	23,568,351

11.1 Capital work-in-progress

Advances to suppliers and contractors for:

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
	Rupees in '000	
- civil works		
- civil works	2,888,759	2,171,132
- computer hardware	148,818	379,323
- purchase of vehicles	357,462	269,437
- office machines	643,015	272,364
- furniture and fixtures	85,498	138,658
	4,123,552	3,230,914

11.2 Additions to fixed assets

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

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
	Rupees in '000	
Capital work-in-progress - net		
Capital work-in-progress - net	892,638	560,722
Property and equipment		
Leasehold land	283,163	79,787
Buidling on leasehold land	119,803	501
Leasehold improvements	325,974	467,489
Furniture and fixture	90,474	70,439
Electrical, office and computer equipment	497,318	497,963
Vehicles	434,436	226,132
	1,751,168	1,342,311
Right-of-use assets	301,481	814,218
Total	2,945,287	2,717,251

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	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)		
	Rupees in '000			
11.3 Disposal of fixed assets				
The net book value of fixed assets disposed off during the period is as follows:				
Leasehold improvements	-	178		
Furniture and fixture	-	22		
Electrical, office and computer equipment	5	34		
Vehicles	44,005	25,463		
	44,010	25,697		

Note	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)		
	Rupees in '000			
12 INTANGIBLE ASSETS				
Computer Software	1,171,049	745,513		
Advance against computer software	265,052	334,448		
12.1	1,436,101	1,079,961		

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)		
	Rupees in '000			
12.1 Additions to intangible assets				
	520,758	272,029		

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	Note	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
13 OTHER ASSETS			
Profit / return accrued in local currency - net of provisions		51,519,117	40,953,826
Profit / return accrued in foreign currencies - net of provisions		82,872	79,029
Acceptances		10,122,750	8,488,266
Advances, deposits, advance rent and other prepayments		1,887,236	1,772,230
Non-banking assets acquired in satisfaction of claims		115,422	115,422
Unrealised gain on forward foreign exchange contracts - net		253,934	-
Receivables on account of sale of securities		42,068	16,956
Dividends receivable		23,015	8,177
Stamps		19,013	15,857
Security deposits		195,710	206,058
Advance for Investments		52,801	67,530
Other		316,886	323,949
		64,630,824	52,047,300
Provision against other assets	13.1	(71,586)	(53,923)
Other Assets (Net of Provision)		64,559,238	51,993,377
Surplus on revaluation of non-banking assets			
acquired in satisfaction of claims	20	30,678	30,678
Other Assets - total		64,589,916	52,024,055

13.1 Provision held against other assets

Acceptances	-	33,980
Others	71,586	19,943
	71,586	53,923

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	Note	June 30, 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 period / year		53,142	5,521
Reversals during the period / year		(33,980)	(20,763)
Amount adjusted / written off during the period / year		(1,499)	(5,521)
Closing balance		71,586	53,923
14 BILLS PAYABLE			
In Pakistan		39,350,912	26,494,006
Outside Pakistan		-	-
		39,350,912	26,494,006
15 DUE TO FINANCIAL INSTITUTIONS			
In Pakistan		101,821,368	94,500,640
Outside Pakistan		-	-
		101,821,368	94,500,640
15.1 Details of due to financial institutions secured / unsecured			
Secured			
With State Bank of Pakistan			
Musharakah under Islamic Export Refinance Scheme		46,277,207	51,995,700
Investment under Islamic Long Term Financing Facility		15,157,239	12,567,944
Investment under Islamic Refinance Facility for Combating COVID-19		1,310,363	610,809
Investment under Islamic Financing for Renewal Energy		10,630,264	5,315,473
Investment under Islamic Temporary Economic Refinance Facility for Plant and Machinery		7,005,063	514,115
Investment under Islamic Refinance Scheme for Payment of Wages & Salaries		3,351,473	4,527,531
		83,731,609	75,531,572
Other financial institutions		694,253	721,131
Unsecured			
Overdrawn nostro accounts		95,506	747,937
Other Musharakah	15.1.1	17,300,000	17,500,000
		101,821,368	94,500,640

15.1.1 These Musharakah are on profit and loss sharing basis with banks. The expected average return on these Musharakah is around 5.69% (December 2020: 7.44%) per annum. These balances are maturing in July 2021 (December 2020: January 2021).

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16 DEPOSITS AND OTHER ACCOUNTS

	June 30, 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	536,034,650	26,105,244	562,139,894	465,573,842	24,180,026	489,753,868
- Savings deposits	472,180,728	37,776,246	509,956,974	415,280,740	33,825,435	449,106,175
- Fixed deposits	263,739,329	13,715,952	277,455,281	279,506,740	15,039,627	294,546,367
- Margin	12,534,015	5,874	12,539,889	10,603,578	5,957	10,609,535
	1,284,488,722	77,603,316	1,362,092,038	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
	1,292,370,575	77,603,316	1,369,973,891	1,181,379,489	73,051,045	1,254,430,534

17 SUB-ORDINATED SUKUK

	Note	June 30, 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) 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 9.62% 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 Plus) 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 8.44% and 8.62% 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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	June 30, 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	202,870	321,162
Surplus on revaluation of available for sale investments	3,868,286	2,984,345
Surplus on revaluation of Non-banking assets acquired in satisfaction of claims	11,964	10,737
	4,083,120	3,316,244
Deductible temporary differences due to:		
Provision for diminution / impairment in value of investments	(1,146,086)	(1,009,932)
Provision against non-performing Islamic financing and related assets	(101,049)	(1,474,152)
Income not accrued due to non-culmination of financing	(1,499,605)	(1,048,537)
Provision against non-banking assets acquired in satisfaction of claims and others	(208,544)	(173,276)
	(2,955,284)	(3,705,897)
	<hr/> 1,127,836 <hr/>	(389,653)

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	Note	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
19 OTHER LIABILITIES			
Return on deposits and other dues			
- payable in local currency		3,895,392	3,942,766
- payable in foreign currencies		51,715	76,037
Unearned income		1,093,999	862,453
Accrued expenses		10,346,114	9,568,182
Current taxation (provision less payments)		11,232,519	9,675,304
Acceptances		10,122,750	8,488,266
Dividends payable		21,519	21,219
Payable to defined benefit plan		559,779	663,141
Charity payable		11,120	989
Provision against off-balance sheet obligations	19.1	56,988	36,489
Security deposits against Ijarah		17,479,536	14,804,093
Payable on account of credit murabaha / ijarah		-	8,419
Security deposits against lockers		148,796	136,804
Unrealised loss on forward foreign exchange contracts - net		-	162,055
Advance against future Diminishing Musharakah		285,266	119,358
Withholding taxes payable		102,655	233,744
Lease liability against right-of-use assets		5,702,766	6,474,235
Workers Welfare Fund payable		3,254,498	2,770,385
Others		2,008,513	935,078
		66,373,925	58,979,017
19.1 Provision against off-balance sheet obligations			
Opening balance		36,489	29,339
Charge for the period / year		20,499	7,150
Closing balance		56,988	36,489
20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Available for sale securities			
- Listed shares / units of mutual fund		2,889,693	2,849,881
- Sukuk		6,955,981	5,676,815
		9,845,674	8,526,696
Non-banking assets acquired in satisfaction of claims		30,678	30,678
		9,876,352	8,557,374
Less: Deferred tax liability on			
- Available for sale securities		(3,868,286)	(2,984,345)
- Non-banking assets acquired in satisfaction of claims		(11,964)	(10,737)
		(3,880,250)	(2,995,082)
		5,996,102	5,562,292

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	Note	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
		Rupees in '000	
21 CONTINGENCIES AND COMMITMENTS			
- Guarantees	21.1	43,239,030	37,768,446
- Commitments	21.2	785,421,653	736,693,486
- Other contingent liabilities	21.3	1,802,000	1,802,000
		830,462,683	776,263,932
21.1 Guarantees:			
Financial guarantees		1,664,105	1,629,063
Performance guarantees		21,635,795	20,050,469
Other guarantees		19,939,130	16,088,914
		43,239,030	37,768,446
21.2 Commitments:			
Documentary letters of credit		170,685,333	151,668,892
Commitments in respect of:			
- forward foreign exchange contracts	21.2.1	202,875,046	187,071,597
Commitments for acquisition of:			
- fixed assets		370,822	305,288
- intangible assets		219,854	387,064
Other commitments	21.2.2	411,270,598	397,260,645
		785,421,653	736,693,486
21.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		121,759,047	108,885,191
Sale		81,115,999	78,186,406
		202,875,046	187,071,597
21.2.2 Other Commitments			
Commitments in respect of financing		411,270,598	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 2020. 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	June 30,	June 30,
		2021 (Unaudited)	2020 (Unaudited)
22 PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS		Rupees in '000	
On financing	22.1	19,138,405	27,807,537
On investments in - Available for sale securities - Held to maturity securities		18,802,730 549,025	13,035,054 -
On deposits / placements with financial institutions		11,626,278 50,116,438	16,986,646 57,829,237
22.1	The income on Ijarah under IFAS 2 is net off takaful of Rs 787 million (June 30, 2021: Rs 860 million) recovered from customers.		
23 PROFIT ON DEPOSITS AND OTHER DUES EXPENDED	Note	June 30,	June 30,
		2021 (Unaudited)	2020 (Unaudited)
23 PROFIT ON DEPOSITS AND OTHER DUES EXPENDED		Rupees in '000	
Deposits and other accounts	23.1	16,344,178	22,991,376
Sub-ordinated Sukuk		766,121	1,254,856
Other Musharakahs / Modarabas		1,389,650	709,712
Amortisation of lease liability against right-of-use assets		411,167	518,251
		18,911,116	25,474,195
23.1	This includes conversion cost of Rs 1,312 million (June 30, 2020: Rs 1,224 million) against foreign currency deposits.		
24 FEE AND COMMISSION INCOME	Note	June 30,	June 30,
		2021 (Unaudited)	2020 (Unaudited)
24 FEE AND COMMISSION INCOME		Rupees in '000	
Trade related fees and commissions		1,582,465	1,132,784
Commission on guarantees		88,300	65,420
Branch banking customer fees		763,999	349,757
Credit processing related fees		64,991	37,361
Debit card related fees		1,156,177	423,564
Investment banking related fees		151,064	84,486
Cash management fees		74,421	44,064
Home remittance related fees		127,925	103,097
Others		92,490	88,818
		4,101,832	2,329,351
25 GAIN ON SECURITIES - NET			
Realised	25.1	258,071	939,219
25.1 Realised gain / (loss) on:			
Listed Shares		219,183	(77,786)
Federal Government Securities		5,024	(31,064)
Non Government Securities		-	(16,518)
Pakistan Energy Sukuk		33,864	1,064,587
		258,071	939,219

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	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
	Rupees in '000	
26 OTHER INCOME		
Gain on termination of islamic financing	370,331	191,783
Gain on sale of fixed assets	61,762	58,503
Loss on disposal of Non-banking asset acquired in satisfaction of claim	-	(10,000)
Rental income	-	4,334
Others	1,100	1,099
	433,193	245,719
27 OPERATING EXPENSES		
Total compensation expense	9,142,504	8,045,776
Property expense		
Depreciation on right-of-use assets	1,166,073	1,167,581
Rent and taxes	31,501	58,755
Utilities cost (including electricity and diesel)	511,121	391,236
Security (including guards)	402,694	398,218
Repair and maintenance (including janitorial charges)	270,092	179,641
Depreciation	423,123	388,925
Others	24,399	33,675
	2,829,003	2,618,031
Information technology expenses		
Software maintenance	287,132	301,079
Hardware maintenance	138,371	136,443
Depreciation	247,224	188,339
Amortisation	164,618	108,254
Network charges	114,062	118,314
	951,407	852,429
Other operating expenses		
Stationery and printing (including debit card related costs)	499,455	405,449
Repairs and maintenance	140,709	148,725
Local transportation and car running	287,825	254,119
Depreciation on vehicles, equipment etc.	517,046	446,974
Marketing, advertisement and publicity	522,174	195,338
Security charges - cash transportation	303,770	207,882
Communication (including courier)	251,353	295,991
Legal and professional charges	71,333	47,644
NIFT and other clearing charges	106,783	82,299
Travelling and conveyance	16,664	45,660
Training and Development	8,460	10,606
Donation	512	221,722
Fees, subscription and other charges	146,094	105,244
Brokerage and bank charges	171,806	94,597
Office supplies	137,803	139,896
Entertainment	33,773	24,519
Takafil expense	47,522	41,157
Outsourced services costs	11,220	7,149
Auditors' Remuneration	7,004	5,504
Shariah Board fees	9,910	9,102
Non-executive Directors' fee	33,570	33,970
Others	11,727	9,387
	3,336,513	2,832,934
	16,259,427	14,349,170

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	Note	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
		Rupees in '000	
28 OTHER CHARGES		4,916	83,686
Penalties imposed by the State Bank of Pakistan			
29 PROVISIONS AND WRITE OFFS - NET			
Provision against non-performing islamic financing related assets - net	10.9	397,681	2,520,290
Provision against diminution in the value of investments	9.2	528	592,247
Provision / (reversal) against off-balance sheet obligations		20,499	(188)
Other Provision / (reversals)		19,162	(10,933)
Recovery against written off financing		(4,979)	(4,320)
		432,891	3,097,096

	Note	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
		Rupees in '000	
30 TAXATION			
Current - for the year	30.1	7,594,599	8,465,116
Deferred - for the year		632,321	(750,798)
		8,226,920	7,714,318

30.1 The Bank has recognized super tax charge of Rs 733 million (June 30, 2020: Rs 863 million) in the current period which is determined at the applicable tax rate of 4 percent on taxable income for the period.

	Note	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
		Rupees in '000	
31 BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the period		12,607,932	11,676,948
		(Number)	
Weighted average number of ordinary shares		1,414,722,784	1,414,722,784
		(Rupees)	
Basic and diluted earnings per share	31.1	8.91	8.25
		Restated	

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

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	Note	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
		Rupees in '000	
32 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	142,210,133	102,494,479
Balances with other banks	7	18,944,508	19,187,780
		161,154,641	121,682,259

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 period.

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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	June 30, 2021 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
INVESTMENTS - NET				
Financial Assets				
Available for sale securities				
Ordinary shares - listed	8,766,338	-	-	8,766,338
Pakistan Energy Sukuk - listed	119,163,638	-	-	119,163,638
GOP Sukus		198,856,639	-	198,856,639
Foreign Sukuk	7,792,812	-	-	7,792,812
Forward purchase of foreign exchange contracts	-	123,551,101	-	123,551,101
Forward sale of foreign exchange contracts	-	82,041,523	-	82,041,523

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 Sukus	-	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 1,738 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	
	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
	Rupees in '000	
Cash and balances with treasury banks	142,210,133	136,242,495
Balances with other banks	18,944,508	19,445,879
Due from financial institutions - net	380,250,856	342,068,799
Investments - net	137,544,656	123,071,743
Islamic financings and related assets - net	570,221,650	512,531,930
Other assets - net	62,609,153	50,143,791

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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
June 30, 2021 (Unaudited)	Rupees in '000					
Profit and Loss Account						
External Revenue	17,693,248	4,669,124	32,790,532	1,774,411	-	56,927,315
Inter segment revenue - net	-	40,501,651	-	140,105	(40,641,756)	-
Total Income	17,693,248	45,170,775	32,790,532	1,914,516	(40,641,756)	56,927,315
Segment direct expenses	2,003,131	31,930,849	974,987	750,605	-	35,659,572
Inter segment expense allocation	12,818,524	-	27,823,232	-	(40,641,756)	-
Total expenses	14,821,655	31,930,849	28,798,219	750,605	(40,641,756)	35,659,572
Provision / (reversals) and write offs - net	414,947	13,960	3,984	-	-	432,891
Profit before tax	2,456,646	13,225,966	3,988,329	1,163,911	-	20,834,852
Statement of Financial Position						
Cash & Bank balances	-	154,713,459	6,441,182	-	-	161,154,641
Due from financial institutions - net	-	380,250,856	-	-	380,250,856	-
Investments - net	13,980,338	458,143,745	-	-	472,124,083	-
Net inter segment lending	-	1,207,986,111	-	-	-	-
Islamic financings and related assets - net	486,103,204	84,118,446	-	1,530,985	(1,209,517,096)	570,221,650
Others	16,266,767	28,489,441	45,385,971	-	-	90,142,179
Total Assets	516,350,309	1,475,307,457	890,221,754	1,530,985	(1,209,517,096)	1,673,893,409
Due to financial institutions	83,731,609	694,251	17,395,508	-	-	101,821,368
Deposits & other accounts	-	1,369,973,891	-	-	1,369,973,891	-
Subordinated Sukuk	18,000,000	-	-	-	18,000,000	-
Net inter segment borrowing	377,863,709	-	831,653,387	-	(1,209,517,096)	106,852,673
Others	12,926,875	92,303,186	91,627	1,530,985	(1,209,517,096)	1,596,647,932
Total liabilities	492,522,193	1,462,971,328	849,140,522	1,530,985	(1,209,517,096)	77,245,477
Equity	23,828,116	12,336,129	41,081,232	-	-	-
Total Equity & liabilities	516,350,309	1,475,307,457	890,221,754	1,530,985	(1,209,517,096)	1,673,893,409
Contingencies & Commitments						
June 30, 2020 (Unaudited)						
Profit and Loss Account						
External Revenue	26,061,479	4,633,525	31,465,475	694,432	-	62,854,911
Inter segment revenue - net	-	40,811,368	-	63,954	(40,875,322)	-
Total Income	26,061,479	45,444,893	31,465,475	758,386	(40,875,322)	62,854,911
Segment direct expenses	2,275,378	37,073,249	485,219	532,703	-	40,366,549
Inter segment expense allocation	16,618,033	-	24,257,289	-	(40,875,322)	-
Total expenses	18,893,411	37,073,249	24,742,508	532,703	(40,875,322)	40,366,549
Provision / (reversals) & write offs - net	2,238,370	260,083	598,643	-	-	3,097,096
Profit before tax	4,929,698	8,111,561	6,124,324	225,683	-	19,391,266
Statement of Financial Position						
Cash & Bank balances	-	114,244,754	7,437,505	-	-	121,682,259
Due from financial institutions - net	-	-	274,356,891	-	-	274,356,891
Investments - net	15,517,103	906,132,952	290,993,259	-	(906,329,040)	306,510,362
Net inter segment lending	-	74,651,952	-	196,088	-	478,441,624
Islamic financings and related assets - net	403,789,672	30,357,440	31,905,318	-	-	79,607,341
Others	17,344,583	436,651,358	604,692,973	196,088	(906,329,040)	1,260,598,477
Total Assets	436,651,358	1,125,387,098	604,692,973	196,088	(906,329,040)	1,260,598,477
Due to financial institutions	53,285,454	845,177	15,812	-	-	54,146,443
Deposits & other accounts	-	1,045,419,553	-	-	-	1,045,419,553
Subordinated Sukuk	18,000,000	-	-	-	-	18,000,000
Net inter segment borrowing	332,185,222	-	574,143,818	-	(906,329,040)	79,523,964
Others	11,182,337	68,076,420	69,119	196,088	-	1,197,089,960
Total liabilities	414,653,013	1,114,341,150	574,228,749	196,088	(906,329,040)	63,508,517
Equity	21,998,345	11,045,948	30,464,224	-	-	1,260,598,477
Total Equity & liabilities	436,651,358	1,125,387,098	604,692,973	196,088	(906,329,040)	1,260,598,477
Contingencies & Commitments						
	547,393,553	94,362,286	231,621,782	-	-	873,377,621

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 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 transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the 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 Boards.
- 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 period-end as are follows:

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	June 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)										
Rupees in '000												
Islamic financing and related assets												
At January 1,	-	569,248	-	-	-	569,248	-	-	-	-	-	-
Addition during the period / year	825,054	9,859,061	-	-	825,054	9,859,061	-	-	-	-	-	-
Deletion during the period / year	(825,054)	(10,428,309)	-	-	(825,054)	(10,428,309)	-	-	-	-	-	-
At June 30 / December 31	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
At January 1,	908,669	897,811	63,050	63,050	845,619	834,761	-	-	-	-	-	-
Addition during the period / year	-	1,468,680	-	-	-	1,468,680	-	-	-	-	-	-
Deletion during the period / year	(853)	(1,457,822)	-	-	(853)	(1,457,822)	-	-	-	-	-	-
At June 30 / December 31	907,816	908,669	63,050	63,050	844,766	845,619	-	-	-	-	-	-
Due from financial institutions												
At January 1,	36,671,288	24,985,377	-	-	36,671,288	24,985,377	-	-	-	-	-	-
Addition during the period / year	47,833,821	70,174,844	-	-	47,833,821	70,174,844	-	-	-	-	-	-
Deletion during the period / year	(41,923,018)	(58,488,933)	-	-	(41,923,018)	(58,488,933)	-	-	-	-	-	-
At June 30 / December 31	42,582,091	36,671,288	-	-	42,582,091	36,671,288	-	-	-	-	-	-

Balances pertaining to parties that were related at the beginning of the period but ceased to be related during any part of the current period are not reflected as part of the closing balance. However, new related parties have been added during the period. 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 HALF YEAR ENDED JUNE 30, 2021**

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	June 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)										
	Rupees in '000											
Deposits	17,240,086	9,921,195	70,980	18,292	11,497,592	5,078,362	118,769	28,185	152,740	428,646	5,400,005	4,367,710
Provision held against investments	-	527	-	-	-	527	-	-	-	-	-	-
Other Assets												
Profit receivable on financing / investments / placements	592,875	982,419	-	-	592,875	982,419	-	-	-	-	-	-
Fee and Other Receivable	36,130	33,151	30,500	27,319	4,140	1,314	-	-	-	-	1,490	4,518
Sub-ordinated Sukuk	588,000	578,000	-	-	588,000	578,000	-	-	-	-	-	-
Other Liabilities												
Payable to defined benefit plan	559,779	663,141	-	-	-	-	-	-	375,560	358,978	184,219	304,163
Accrued Expenses	351,800	477,762	1,800	77,762	-	-	-	-	-	-	350,000	400,000
Unearned Income	10,780	5,012	-	-	10,780	5,012	-	-	-	-	-	-
Contingencies and Commitments												
Letters of Guarantee (unfunded)	2,251,377	1,066,377	100	100	2,251,277	1,066,277	-	-	-	-	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021**

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)										
Rupees in '000												
Profit earned on financing / investments / placements	1,389,282	2,281,988	-	-	1,389,282	2,281,988	-	-	-	-	-	-
Fees and other income earned	85,506	69,429	52,908	53,692	32,540	15,737	6	-	13	-	39	-
Dividend income earned	214,500	122,145	214,500	65,000	-	57,145	-	-	-	-	-	-
Gain on securities	280	-	-	-	280	-	-	-	-	-	-	-
Return on deposits / borrowing expensed	275,636	372,432	704	1,665	116,870	151,193	384	787	5,178	4,508	152,500	214,279
Charge for defined benefit plan	184,219	160,970	-	-	-	-	-	-	-	-	184,219	160,970
Contribution to defined contribution plan	232,212	186,687	-	-	-	-	-	-	-	-	232,212	186,687
Contribution to staff benevolent fund	37,887	28,513	-	-	-	-	-	-	-	-	37,887	28,513
Fees expensed	13,437	104,814	11,220	7,149	2,217	97,665	-	-	-	-	-	-
(Reversals) / Provision against investments	(527)	24,019	-	-	(527)	24,019	-	-	-	-	-	-
Donation	-	220,000	-	-	-	-	-	-	-	-	-	220,000
Charity Paid	38,000	-	-	-	-	-	-	-	-	-	38,000	-
Purchase of fixed assets	183,410	99,717	-	-	183,410	99,717	-	-	-	-	-	-
Remuneration to the directors and key management personnel including fee to non-executive directors and end of service benefit charge for the founder President	123,525	124,191	-	-	-	-	33,570	33,970	89,955	90,221	-	-
Proceeds from sale of fixed assets	-	3,616	-	-	-	-	-	-	-	-	3,616	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021**

	June 30, 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	69,741,707	62,447,565
Eligible Additional Tier 1 Capital	7,000,000	7,000,000
Total Eligible Tier 1 Capital	76,741,707	69,447,565
Eligible Tier 2 Capital	22,008,055	21,385,064
Total Eligible Capital (Tier 1 + Tier 2)	98,749,762	90,832,629
Risk Weighted Assets		
Credit Risk	402,883,623	387,852,984
Market Risk	22,231,866	17,931,030
Operational Risk	103,835,365	103,835,365
Total	528,950,854	509,619,379
Common Equity Tier 1 Capital Adequacy ratio	13.18%	12.25%
Tier 1 Capital Adequacy Ratio	14.51%	13.63%
Total Capital Adequacy Ratio	18.67%	17.82%
Leverage Ratio		
Tier-1 Capital	76,741,707	69,447,565
Total Exposures	1,969,832,393	1,696,206,745
Leverage Ratio	3.90%	4.09%
Liquidity Coverage Ratio		
Total High Quality Liquid Assets	441,842,930	275,456,729
Total Net Cash Outflow	192,915,722	104,609,841
Liquidity Coverage Ratio	229%	263%
Net Stable Funding Ratio		
Total Available Stable Funding	1,255,196,328	1,159,868,096
Total Required Stable Funding	733,491,182	645,362,258
Net Stable Funding Ratio	171%	180%

37 DATE OF AUTHORISATION AND NON-ADJUSTING EVENT

- 37.1** This condensed interim financial information was authorised for issue on August 12, 2021 by the Board of Directors of the Bank.
- 37.2** The Board of Directors in their meeting held on August 12, 2021 has announced an interim cash dividend @ 15% along with 15% bonus issue. This condensed interim unconsolidated financial information does not include the effect of this appropriation which will be accounted for subsequent to the period 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 JUNE 30, 2021**

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000		
ASSETS		
Cash and balances with treasury banks	142,210,133	136,243,103
Balances with other banks	18,963,800	19,479,207
Due from financial institutions - net	380,250,856	342,068,799
Investments - net	476,934,895	438,795,625
Islamic financing and related assets - net	570,221,650	512,531,930
Fixed assets	24,398,233	23,881,875
Intangible assets	1,451,141	1,091,512
Deferred tax asset	-	173,943
Other assets - net	64,872,884	52,294,842
	1,679,303,592	1,526,560,836
LIABILITIES		
Bills payable	39,350,912	26,494,006
Due to financial institutions	101,821,368	94,500,640
Deposits and other accounts	1,369,902,911	1,254,412,242
Sub-ordinated Sukuk	18,000,000	18,000,000
Deferred tax liabilities	1,410,266	-
Other liabilities	67,312,804	59,922,930
	1,597,798,261	1,453,329,818
NET ASSETS	81,505,331	73,231,018
REPRESENTED BY		
Share capital	14,147,228	14,147,228
Reserves	21,709,334	20,448,541
Unappropriated profit	38,332,297	31,808,445
Surplus on revaluation of assets - net of tax	5,996,102	5,562,292
	80,184,961	71,966,506
NON-CONTROLLING INTEREST	1,320,370	1,264,512
	81,505,331	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 HALF YEAR ENDED JUNE 30, 2021**

	Quarter ended June 30, 2021	Half year ended June 30, 2021	Quarter ended June 30, 2020	Half year ended June 30, 2020
Rupees in '000				
Profit / return earned on Islamic financing and related assets, investments and placements	25,887,606	50,117,383	27,997,132	57,832,671
Profit on deposits and other dues expensed	9,742,480	18,923,280	10,363,981	25,486,719
Net spread earned	16,145,126	31,194,103	17,633,151	32,345,952
 OTHER INCOME				
Fee and commission income	2,417,009	4,860,013	1,340,533	2,963,134
Dividend income	129,430	198,242	31,550	91,127
Foreign exchange income	783,506	1,605,039	334,985	1,298,113
Gain on securities - net	136,797	445,913	242,791	965,629
Other income	183,371	433,747	111,280	245,734
Total income	3,650,113	7,542,954	2,061,139	5,563,737
	19,795,239	38,737,057	19,694,290	37,909,689
 OTHER EXPENSES				
Operating expenses	8,589,262	16,579,015	7,719,985	14,584,297
Workers Welfare Fund	236,300	496,696	243,429	464,378
Other charges	3,534	4,916	507	83,686
Total other expenses	8,829,096	17,080,627	7,963,921	15,132,361
Share of results of associates before taxation	10,966,143	21,656,430	11,730,369	22,777,328
Profit before provisions	153,004	104,871	551,209	(355,942)
	11,119,147	21,761,301	12,281,578	22,421,386
Provisions and write offs - net	148,320	432,891	1,459,365	3,097,096
Extraordinary / unusual items	-	-	-	-
Profit before taxation	10,970,827	21,328,410	10,822,213	19,324,290
Taxation	4,195,854	8,426,530	4,182,364	7,741,200
Profit after taxation	6,774,973	12,901,880	6,639,849	11,583,090
 Attributable to:				
Shareholders of the Holding company	6,682,699	12,732,501	6,514,233	11,538,570
Non-controlling interest	92,274	169,379	125,616	44,520
	6,774,973	12,901,880	6,639,849	11,583,090
Rupees				
Restated				
Basic and diluted earnings per share	4.72	9.00	4.60	8.16

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 HALF YEAR ENDED JUNE 30, 2021

	Quarter ended June 30, 2021	Half year ended June 30, 2021	Quarter ended June 30, 2020	Half year ended June 30, 2020
————— Rupees in '000 —————				
Profit after taxation for the period attributable to:				
Shareholders of the Holding company	6,682,699	12,732,501	6,514,233	11,538,570
Non-controlling interest	92,274	169,379	125,616	44,520
	6,774,973	12,901,880	6,639,849	11,583,090
Other Comprehensive income				
Item that may be reclassified to profit and loss account in subsequent periods:				
Surplus / (deficit) on revaluation of investments	1,142,299	1,318,978	(3,132,614)	(7,094,798)
Deferred tax on revaluation of investments	(822,103)	(883,941)	1,096,415	2,483,179
	320,196	435,037	(2,036,199)	(4,611,619)
Item that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurements of defined benefit plan - net of tax	5,654	5,654	(24,040)	(24,040)
Surplus / (deficit) on revaluation of non - banking assets	-	-	-	-
Deferred tax on revaluation of non - banking assets	(1,227)	(1,227)	-	-
	4,427	4,427	(24,040)	(24,040)
Other comprehensive income / (loss) for the period	324,623	439,464	(2,060,239)	(4,635,659)
Total comprehensive Income for the period	7,099,596	13,341,344	4,579,610	6,947,431
Attributable to:				
Shareholders of the Holding company	7,005,343	13,169,986	4,462,408	6,911,325
Non-controlling interest	94,253	171,358	117,202	36,106
	7,099,596	13,341,344	4,579,610	6,947,431

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
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 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 half year ended June 30, 2020	-	-	-	-	-	11,538,570	-	-	44,520	11,583,090
Other Comprehensive Loss for the half year ended June 30, 2020 - net of tax	-	-	-	-	-	(15,626)	(4,611,619)	-	(8,414)	(4,635,659)
	-	-	-	-	-	11,522,944	(4,611,619)	-	36,106	6,947,431
Other appropriations										
Transfer to statutory reserve	-	-	1,167,695	-	-	(1,167,695)	-	-	-	-
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 June 30, 2020	12,861,116	2,406,571	13,784,475	3,117,547	91,082	28,900,227	4,776,096	13,120	1,170,919	67,121,153
Profit after taxation for the half year ended December 31, 2020	-	-	-	-	-	10,858,180	-	-	233,593	11,091,773
Other Comprehensive income for the half year ended December 31, 2020 - net of tax	-	-	-	-	-	43,907	766,255	6,821	233,593	816,983
	-	-	-	-	-	10,902,087	766,255	6,821	11,908,756	
Other appropriations										
Transfer to statutory reserve	-	-	1,048,866	-	-	(1,048,866)	-	-	-	-
Transactions with owners recognised directly in equity										
Issue of bonus shares	1,286,112	-	-	-	-	(1,286,112)	-	-	-	-
Interim cash dividend for the year 2020	-	-	-	-	-	(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 half year ended June 30, 2021	-	-	-	-	-	(2,829,446)	-	-	-	(2,829,446)
Other Comprehensive income for half year ended June 30, 2021 - net of tax	-	-	-	-	-	(2,122,085)	-	-	-	(2,122,085)
	-	-	-	-	-	3,675	435,037	(1,227)	1,979	439,464
	-	-	-	-	-	12,736,176	435,037	(1,227)	171,358	13,341,344
Other appropriations										
Transfer to statutory reserve	-	-	1,260,793	-	-	(1,260,793)	-	-	-	-
Transactions with owners recognised directly in equity										
Final cash dividend for the year 2020	-	-	-	-	-	(2,829,446)	-	-	-	(2,829,446)
Interim cash dividend for the year 2021	-	-	-	-	-	(2,122,085)	-	-	-	(2,122,085)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	(115,500)	(115,500)
Balance as at June 30, 2021	14,147,228	2,406,571	16,094,134	3,117,547	91,082	38,332,297	5,977,388	18,714	1,320,370	81,505,331

* 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 HALF YEAR ENDED JUNE 30, 2021**

	Half year ended June 30, 2021	Half year ended June 30, 2020
	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	21,328,410	19,324,290
Less: Dividend income	(198,242)	(91,127)
	21,130,168	19,233,163
Adjustments for non-cash charges and other items:		
Depreciation	1,215,257	1,050,794
Amortization	170,947	114,879
Provisions and write offs - net	432,891	3,097,096
Non cash items related to right of use assets	1,622,834	1,733,264
Gain on sale of fixed assets	(62,369)	(58,518)
Share of results of associates	(104,871)	355,942
	3,274,689	6,293,457
	24,404,857	25,526,620
Decrease / (increase) in operating assets		
Due from financial institutions	(38,182,057)	(50,667,566)
Islamic financing and related assets	(58,082,422)	12,817,752
Other assets	(12,582,366)	(7,776,925)
	(108,846,845)	(45,626,739)
(Decrease) / increase in operating liabilities		
Bills payable	12,856,906	6,218,968
Due to financial institutions	7,320,728	12,099,053
Deposits and other accounts	115,490,669	112,711,055
Other liabilities	6,690,403	(279,962)
	142,358,706	130,749,114
	57,916,718	110,648,995
	(6,230,260)	(5,845,452)
	51,686,458	104,803,543
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities	(36,715,949)	(88,783,880)
Dividends received	183,404	44,035
Investments in fixed assets	(2,674,272)	(1,946,067)
Investments in intangible assets	(530,576)	(275,030)
Proceeds from sale of fixed assets	106,655	84,220
	(39,630,738)	(90,876,722)
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of Sub-ordinated Sukuk - Tier II	-	4,000,000
Payment of lease liability against right-of-use assets	(1,537,366)	(1,320,467)
Dividend paid to equity shareholders of the Bank	(4,951,231)	(2,572,101)
Dividend paid to non controlling interest	(115,500)	(35,000)
	(6,604,097)	72,432
Increase in cash and cash equivalents	5,451,623	13,999,253
	155,722,310	107,608,710
Cash and cash equivalents at the beginning of the period	161,173,933	121,607,963

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 HALF YEAR ENDED JUNE 30, 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 June 30, 2021 and the profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the half year ended June 30, 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 August 12, 2021 by the Board of Directors of the Holding company.

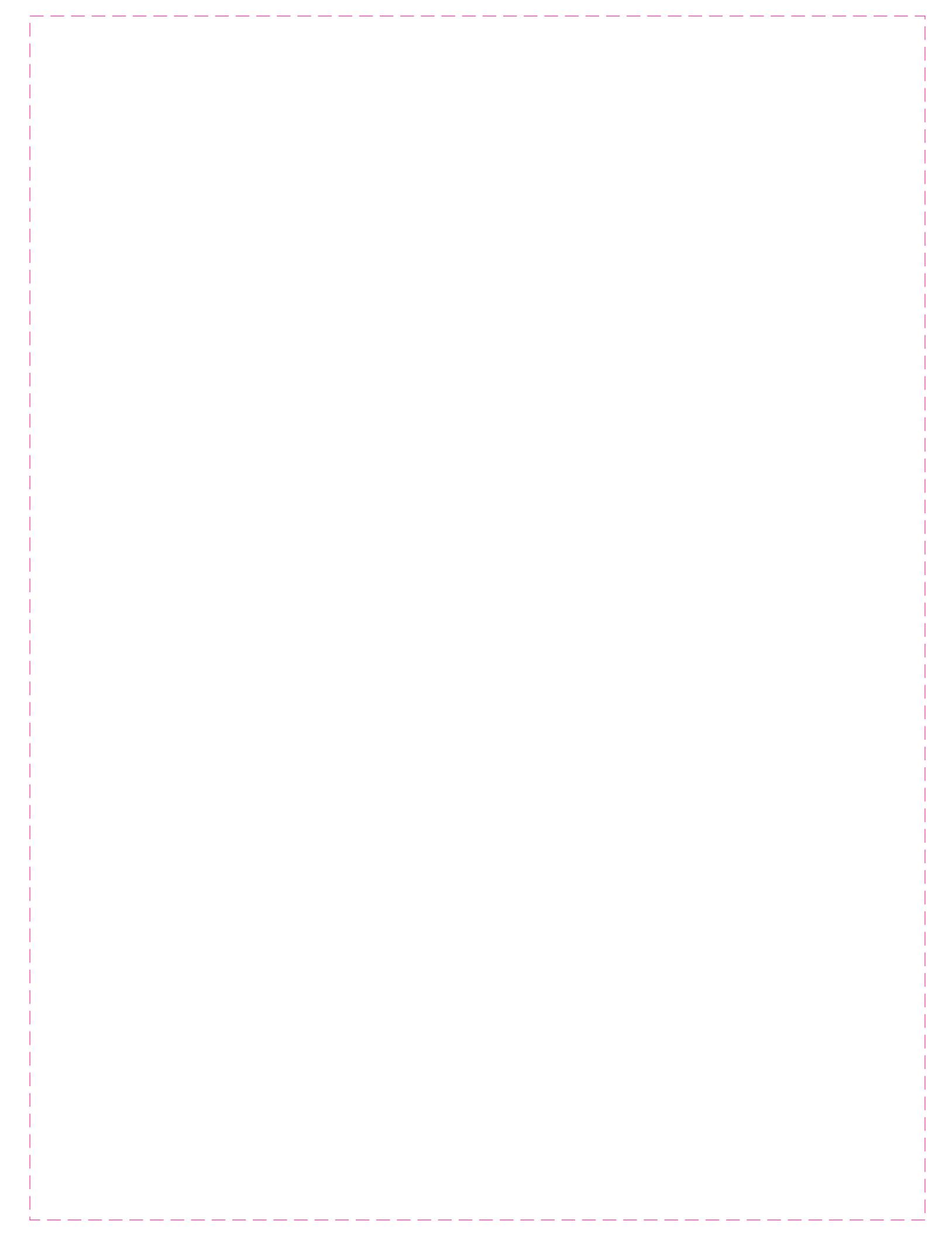
Riyadh S. A. A. Edrees
Chairman

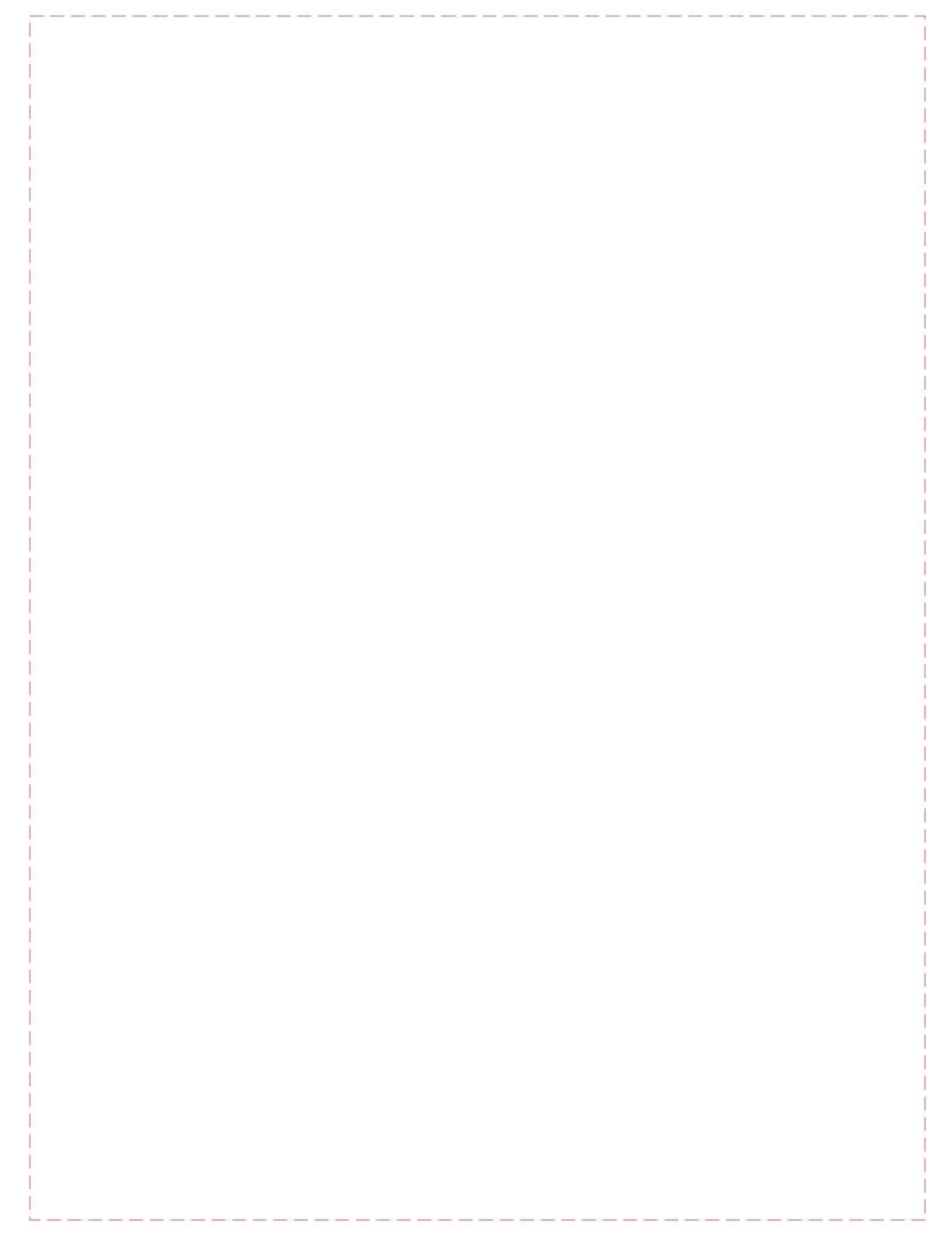
Irfan Siddiqui
President & Chief Executive

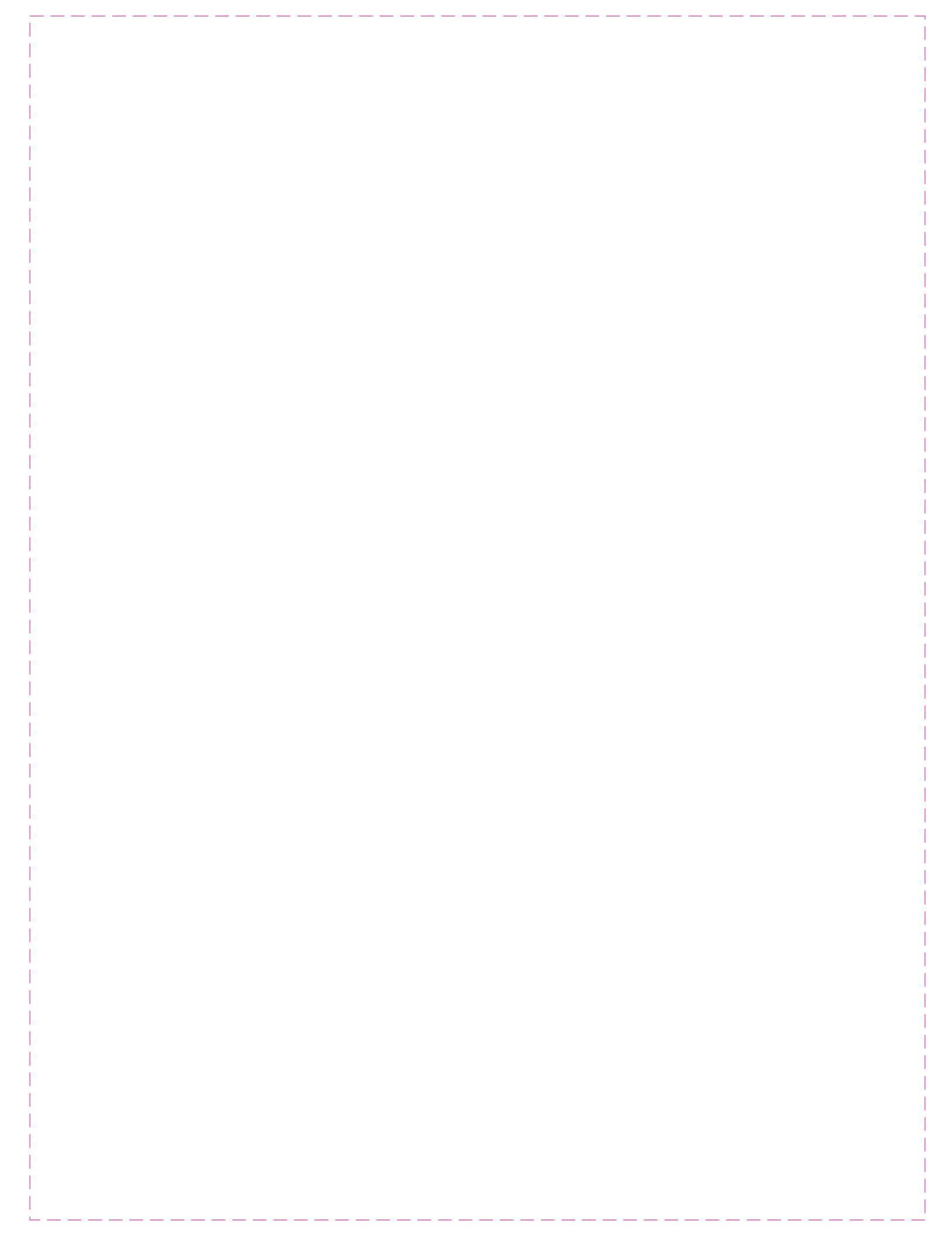
Faisal A. A. A. AlNassar
Director

Mubashar Maqbool
Director

Shabbir Hamza Khandwala
Chief Financial Officer









Meezan Bank
The Premier Islamic Bank

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