



**Meezan Bank**  
The Premier Islamic Bank



## FORM-8

April 29, 2022

MEBL/CS/PSX-17/073/2022

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

### **TRANSMISSION OF QUARTERLY REPORT OF MEEZAN BANK LIMITED FOR THE PERIOD ENDED MARCH 31, 2022**

Dear Sir,

السلام عليكم

We have to inform you that the Quarterly Report of Meezan Bank for the period ended March 31, 2022 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 Sohaif 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](http://www.meezanbank.com)



**FIRST  
QUARTERLY REPORT  
MARCH 31, 2022**



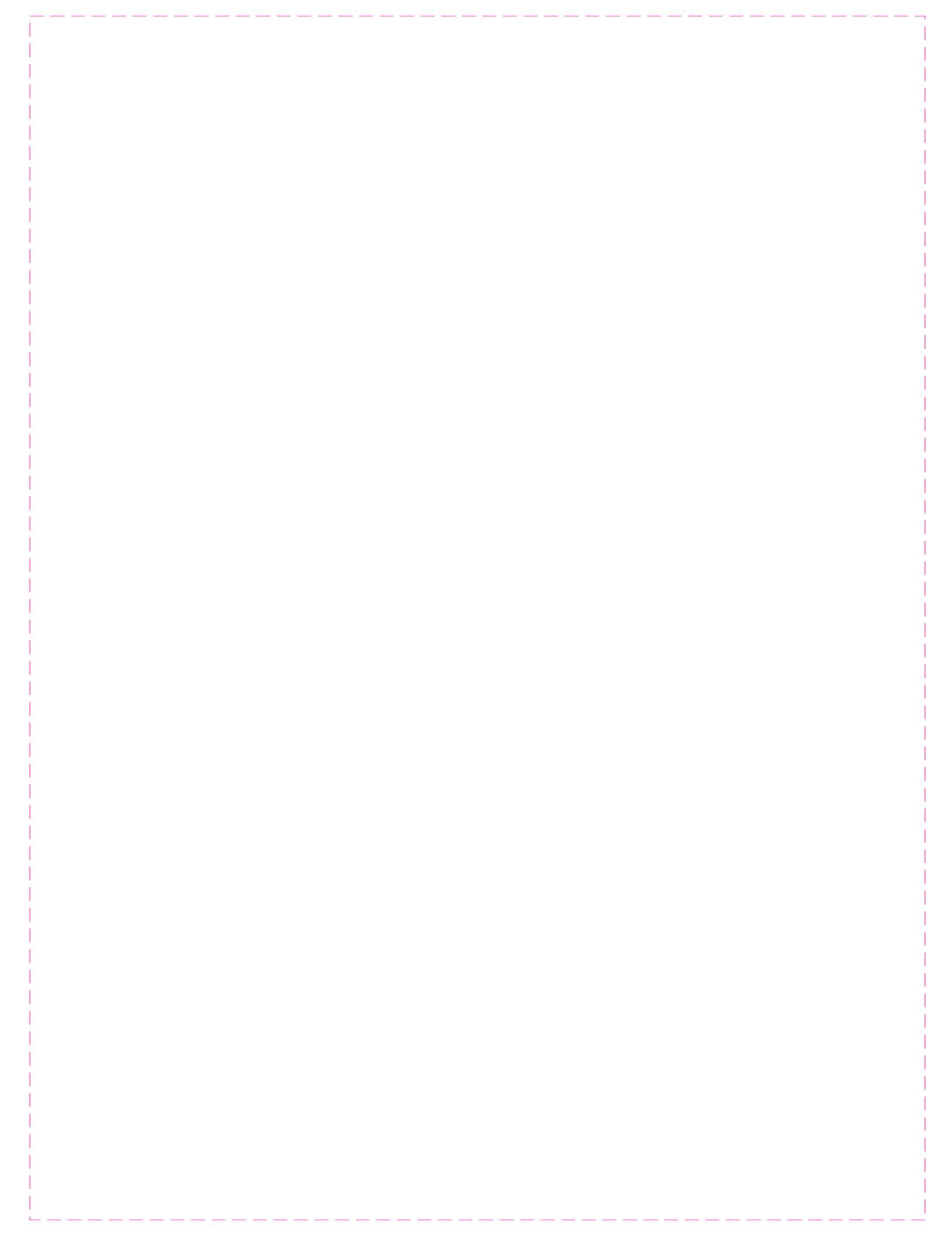
**Meezan Bank**  
The Premier Islamic Bank

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah The Beneficent The Merciful

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# **CORPORATE INFORMATION**

## **FOR THE QUARTER ENDED MARCH 31, 2022**

<b>Board of Directors</b>	Riyadh S. A. A. Edrees Faisal A. A. A. Al-Nassar Bader H. A. M. A. Al-Rabiah Mubashar Maqbool Faisal Fahad Al-Muzaini Naveed Iftikhar Sherwani Mohamed Guermazi Mohammad Abdul Aleem Nausheen Ahmad Yousef S.M.A Al-Saad Irfan Siddiqui	Chairman Vice Chairman
<b>Shariah Board</b>	Justice (Retd.) Muhammad Taqi Usmani Dr. Muhammad Imran Ashraf Usmani Sheikh Esam Mohamed Ishaq Mufti Muhammad Naveed Alam	President & CEO Chairman Vice Chairman
<b>Management</b>	Irfan Siddiqui Ariful Islam	President & CEO Deputy CEO
<b>Board Audit Committee</b>	Mohammad Abdul Aleem Faisal A.A.A. Al-Nassar Mohamed Guermazi Mubashar Maqbool	
<b>Board Risk Management Committee</b>	Faisal A. A. A. Al-Nassar Mubashar Maqbool Bader H. A. M. A. Al-Rabiah Yousef S.M.A Al-Saad	
<b>Board Human Resources, Remuneration &amp; Compensation Committee</b>	Riyadh S. A. A. Edrees Mohammad Abdul Aleem Nausheen Ahmad	
<b>Board Information Technology Committee</b>	Mubashar Maqbool Riyadh S. A. A. Edrees Faisal A. A. A. Al-Nassar Irfan Siddiqui	
<b>Board IFRS 9 Implementation Oversight Committee</b>	Riyadh S. A. A. Edrees Faisal Fahad Al-Muzaini Irfan Siddiqui	
<b>Resident Shariah Board Member</b>	Mufti Muhammad Naveed Alam	
<b>Chief Financial Officer</b>	Shabbir Hamza Khandwala	
<b>Company Secretary</b>	Muhammad Sohail Khan	
<b>Auditors</b>	A. F. Ferguson & Co., Chartered Accountants	
<b>Legal Adviser</b>	Haidermota & Co. Advocates	
<b>Registered Office and Head Office</b>	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	
<b>E-mail</b>	info@meezanbank.com	
<b>Website</b>	www.meezanbank.com www.meezanbank.pk	
<b>Shares Registrar</b>	THK Associates (Pvt.) Ltd Plot No. 32-C, Jami Commercial, Street 2, DHA, Phase VII, Karachi - 75500, Pakistan Phone: (92-21) 111-000-322, 35310191-6 Fax: (92-21) 35310191 Email: secretariat@thk.com.pk, sfc@thk.com.pk Website: www.thk.com.pk	

## **DIRECTORS' REVIEW**

الْحَمْدُ لِلّٰهِ رَبِّ الْعَالَمِينَ

The Board of Directors is pleased to present the condensed interim unaudited financial statements of Meezan Bank Limited and consolidated financial statements for the quarter ended March 31, 2022.

### **Economy**

The State Bank of Pakistan (SBP) in its last monetary policy statement indicated that the global commodity prices, including oil, are likely to remain at elevated levels. While timely demand-modulating measures and strong exports and remittances saw the February'2022 current account deficit shrink to \$0.5 billion, its lowest level this fiscal year, political uncertainty contributed to a depreciation in the rupee which was subsequently recovered to some extent. Average inflation is forecasted at slightly above 11 percent in FY22 as a result of persistent rise in international prices. Exports and remittances are expected to continue their upward trend, backed by the export-friendly policies that have been implemented by the Government. While the non-oil current account balance has continued to improve, the overall current account remains dependent on global commodity prices.

The SBP in view of the recent economic development, after maintaining the Policy Rate at 9.75% since December 2021, revised the Policy Rate upwards by 250 basis points to 12.25% in April 2022.

### **Financial Highlights**

By the grace of Allah, Meezan Bank delivered exceptional results during the first quarter of 2022. Profit after tax of the Bank grew to Rs 9.2 billion from Rs 6.1 billion in corresponding period last year, a growth of 51% while Earnings per Share - on enhanced capital increased to Rs 5.66 per share from Rs 3.75 per share in March 2021. The Bank is a well-capitalized institution with Capital Adequacy Ratio (CAR) of 17.99%, well above the minimum regulatory requirement of 11.50%.

We are pleased to inform you that the Board has approved Rs 1.75 (17.5%) interim cash dividend for the first quarter of 2022. The financial highlights of Meezan Bank are given below:

## **DIRECTORS' REVIEW**

Financial Highlights of Meezan Bank are given below:

**Rupees in millions**

<b>Statement of Financial Position</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>Growth %</b>
Total Assets	2,118,499	1,902,971	11%
Investments	927,492	620,132	50%
Sovereign	901,256	594,101	52%
Others	26,236	26,031	1%
Islamic financing and related assets - Gross	758,582	777,295	(2%)
Deposits	1,455,435	1,455,886	(0%)
ADR (Gross Advances to Deposits) - %	52%	53%	(2%)
Equity	90,014	86,558	4%

**Rupees in millions**

<b>Profit &amp; Loss Account</b>	<b>Jan - Mar 2022</b>	<b>Jan - Mar 2021</b>	<b>Growth %</b>
Profit / return earned on financings, investments and placements	38,111	24,230	57%
Profit on deposits and other dues expensed	(16,674)	(9,175)	82%
<b>Net spread earned</b>	<b>21,437</b>	<b>15,055</b>	<b>42%</b>
Fee, commission and other non - funded income	4,300	3,562	21%
<b>Operating income</b>	<b>25,737</b>	<b>18,617</b>	<b>38%</b>
Operating and other expenses	(10,369)	(8,091)	28%
Provision against NPLs and others - net	(228)	(285)	(20%)
<b>Profit before tax</b>	<b>15,140</b>	<b>10,241</b>	<b>48%</b>
Taxation	(5,935)	(4,140)	43%
<b>Profit after tax</b>	<b>9,205</b>	<b>6,101</b>	<b>51%</b>
Earnings per share - Rupees	5.66	3.75	51%
Number of branches	908	825	10%

## **DIRECTORS' REVIEW**

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The total assets of the Bank crossed Rs 2.1 trillion mark, after registering a growth of 11% (Rs 215 billion), from Rs 1.90 trillion in December 2021. The Bank's investment portfolio rose by 50% to Rs 927 billion, from Rs 620 billion last year, after investment of Rs 351 billion in GoP Ijarah Sukuk during the quarter. The resumption of regular Sukuk auction by the Government of Pakistan has enabled the Islamic Banking Industry (IBI) to reduce its dependency on interbank secured placements under Bai Muajjal and has addressed the chronic liquidity management challenges historically faced by the IBI. This, together with the introduction of the SBP's Shariah-compliant Open Market Operations (OMO-Injections) and Shariah-compliant Standing Ceiling Facility has immensely helped the Islamic Banking Industry in managing their liquidity more efficiently for which we remain grateful to the Government of Pakistan and the SBP.

The Bank's financings portfolio stood at Rs 759 billion, as compared to Rs 777 billion in December 2021 mainly due to repayment of seasonal financing. The gross advances to deposits ratio (ADR) of the Bank remained at 52% in line with Bank's strategy to maintain a high quality well-diversified asset mix spread across all segments including Corporate, Commercial & SME and the Consumer segments. The Bank maintains a comfortable level of provisions against its non-performing financings with a coverage ratio of 137% - one of the highest in the Banking industry while its non-performing financing ratio remained at less than 2% level. The Bank is fully geared up for adoption of IFRS - 9 and does not foresee any major financial impact as a result of its implementation.

Deposits of the Bank closed at Rs 1.46 trillion as of March 31, 2022 and it continued to maintain an optimal deposit mix. Current account deposits contributed to 46% of its total deposits, amounting to Rs 672 billion. The current and savings account (CASA) deposits represent 82% of total deposits, amounting to Rs 1.2 trillion. Alhamdulillah, the Bank continued to maintain its leadership in Roshan Digital Account (RDA) with market share of 24% in terms of total RDA deposits of the Pakistan Banking Industry.

The Bank's branch network is well distributed across the country with 908 branches in 293 cities, as compared to 825 branches in 255 cities in corresponding period last year, to cater the banking needs of diversified and geographically dispersed population of the country. The Bank also has a network of 986 ATMs across the country. 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.

Return on financings, investments and placements increased to Rs 38.1 billion from Rs 24.2 billion in corresponding period last year largely due to 31% growth in Bank's average earning

## **DIRECTORS' REVIEW**

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assets and higher underlying Policy Rate which increased from 7.00% in corresponding period last year to 9.75%. The return on deposits and other dues, on the other hand, increased from Rs 9.2 billion in March 2021 to Rs 16.7 billion in March 2022 - an increase of 82% due to higher average deposit volume and increase in depositors' profit rates.

Fee and commission income demonstrated a robust growth of 45% to Rs 3 billion from Rs 2 billion in March 2021 mainly contributed by rise in trade, branch banking and debit card related fee income. On an overall basis, the Bank's non-funded income recorded a 21% growth from March 2021 closing at Rs 4.3 billion. The Bank's operating and other expenses also increased to Rs 10.4 billion from Rs 8.1 billion, primarily due to increase in cost associated with opening of 83 new branches since March 2021, higher inflationary impact, rupee devaluation and IT related cost. However, this rise in expenses was sufficiently absorbed by the growth in total income, resulting in further improving the income efficiency ratio of the Bank to 40% from 43% in corresponding period last year.

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

### **Outlook**

Pakistan has staged a strong recovery post the Covid19 pandemic. The demand for private-sector credit has been strong as almost all segments of the corporate sectors have posted strong results. Although, the Bank's deposit growth for this quarter of Jan-March 2022 has been flat, we remain confident that the Bank will be able to achieve deposit growth in the mid-teens for the financial year. The Bank will InshaAllah continue playing its leadership role in evolving the Islamic Banking Industry of Pakistan and assisting the Government to shift towards Shariah-compliant finance, with the stated objective of the State Bank of Pakistan to increase the market share of the Islamic Banking industry from its current level of 19% to 30% by the end of 2025.

The Bank will, Insha'Allah, continue with its branch expansion strategy and plans to add more branches to its network during the year, which will expand its geographical presence across Pakistan and help provide Shariah Compliant Banking solutions to the unbanked population of the country. At the same time, the Bank aims to continue its digital acceleration to ensure seamless unparalleled digital experience to customers. The Bank aims to further accelerate its recently launched initiative of Merchant Acquiring Business with a state-of-the art POS and e-Commerce Payment Gateway solution for its retail and corporate customers in 2022.

## **DIRECTORS' REVIEW**

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

On behalf of the Board

**Riyadh S.A.A. Edrees**

Chairman

**Irfan Siddiqui**

President & CEO

Karachi:

April 25, 2022

## ڈائریکٹر کا تجزیہ

**الحمد لله رب العالمين**

بورڈ آف ڈائریکٹر مسروت کے ساتھ 31 مارچ، 2022 کو ختم ہونے والی سماں کے لئے میزان بینک لمبینڈ کے مختصر عوری غیر جانچ شدہ مالیاتی حسابات اور انضمامی مالیاتی حسابات پیش کرتا ہے۔

### معیشت

اسٹیٹ بینک آف پاکستان (SBP) نے اپنے ساتھ مالیاتی پالیسی بیان میں اس بات کی نشاندہی کی تھی کہ عالمی سطح پر اشیائے ضروریہ بیشول تیل کی قیمتیں بدستور زیادہ رہنے کی توقع ہے۔ اگرچہ طلب کو متوازن رکھنے کے بروقت اقدامات، اور محکم برآمدات اور ترسیلات زر کے باعث فروری میں کرنٹ اکاؤنٹ خسارہ کم ہو کر 0.5 بلین روپے ہو گیا، جو کہ رواں مالی سال میں کم ترین خسارہ تھا، تاہم سیاسی غیر یقینی صورتحال روپے کی تدریمیں گراوٹ کا باعث تھی، جو بعد میں کسی حد تک بحال بھی ہو گئی۔ عالمی سطح پر قیمتوں میں مسلسل اضافہ کی وجہ سے افراط از رکی شرح مالی سال 2022 میں 11 فیصد سے کچھ زیادہ رہنے کی توقع ہے۔ برآمدات اور ترسیلات زر میں اضافہ کا رجحان جاری رہنے کی توقع ہے، جس کی وجہ برآمدات کے لئے معافون وہ پالیسیاں ہیں جو حکومت کی جانب سے نافذ کی گئی تھیں۔ اگرچہ Non-oil کرنٹ اکاؤنٹ کا توازن مسلسل بہتر ہو رہا ہے، تاہم مجموعی طور پر کرنٹ اکاؤنٹ کا انحراف عالمی سطح پر اشیائے ضروریہ کی قیمتوں پر ہے۔

دسمبر 2021 سے پالیسی شرح 9.75 فیصد پر برقرار رکھنے کے بعد اسٹیٹ بینک آف پاکستان نے حالیہ معافی پیش رفت کو دیکھتے ہوئے اپریل 2022 میں پالیسی شرح پر نظر ثانی کی ہے اور اسے 250 بیس پاؤنڈز بڑھا کر 12.25 فیصد کر دیا ہے۔

### مالیاتی نکات

اللہ تعالیٰ کی رحمت سے میزان بینک نے 2022 کی پہلی سماں میں غیر معمولی نتائج پیش کئے ہیں۔ بینک کا بعد ازاں گلمنڈ منافع گزشتہ سال کی اسی مدت کے 6.1 بلین روپے کے مقابلہ میں 51 فیصد اضافہ کے بعد 9.2 بلین روپے ہو گیا جبکہ اضافہ شدہ حصص کے سامنے پر فی حصص آدمی مارچ 2021 کے 3.75 روپے فی حصص کے مقابلہ میں بڑھ کر 5.66 فی حصص ہو گئی۔ بینک آیک Well-capitalized ادارہ ہے اور اس کا کپیٹل ایڈ کیوی ریشن (CAR) اس وقت 17.99 فیصد ہے، جو کم درکارا نوٹی فناٹے یعنی 11.50 فیصد سے کافی زیادہ ہے۔

ہمیں آپ کو یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ بورڈ نے 2022 کی پہلی سماں کے لئے 1.75 روپے فی حصص (17.5 فیصد) عوری اندٹریویڈنڈ کی منظوری دی ہے۔

میزان بینک کے اہم مالیاتی نتائج درج ذیل ہیں:

روپے (میلین میں)

مالیاتی حیثیت کا جائزہ	2022 مارچ 31	2021 دسمبر 31	اشانڈا کی کی شرح %
کل اٹاٹے	2,118,499	1,902,971	11%
سرمایکاریاں	927,492	620,132	50%
Sovereign - حکومی ملانت شدہ	901,256	594,101	52%
- دیگر سیکورٹیز	26,236	26,031	1%
اسلامی فناٹنگ اور متعلقہ اٹاٹے - مجموعی	758,582	777,295	(2%)
جمع شدہ رقم	1,455,435	1,455,886	(0%)
(Gross advances to deposits) ایڈوانس ٹو ڈپاٹس ریشن	52%	53%	(2%)
ایکویٹ	90,014	86,558	4%

نفع و نقصان کا حادثہ	جنوری تا مارچ 2022	جنوری تا مارچ 2021	اضافہ / کمی کی شرح %
فناںگر، سرمایہ کاری اور تعیناتی پر منافع	38,111	24,230	57%
جمع شدہ روم اور دیگر واجبات پر ادائیگی	(16,674)	(9,175)	82%
خالص آمدنی	<b>21,437</b>	<b>15,055</b>	<b>42%</b>
فیزیکیں اور دیگر تنان۔ فنڈڈ آمدنی	4,300	3,562	21%
انتظامی آمدنی	<b>25,737</b>	<b>18,617</b>	<b>38%</b>
انتظامی اور دیگر اخراجات	(10,369)	(8,091)	28%
NPLs اور دیگر کمی میں پر دو یونٹز	(228)	(285)	(20%)
قبل ارجمند منافع	<b>15,140</b>	10,241	48%
تکمیل	(5,935)	(4,140)	43%
بعد ارجمند منافع	<b>9,205</b>	<b>6,101</b>	<b>51%</b>
نی حصہ آمدنی۔ روپے میں	5.66	3.75	51%
برآنچوں کی تعداد	908	825	10%

بینک کے انتاؤں نے دسمبر 2021 کے 1.90 ٹریلیون روپے کے مقابلہ میں 11 فیصد اضافہ (215 ارب روپے اضافہ) کے بعد 2.1 ٹریلیون روپے کا بوف عبور کر لیا۔ اسی سماں ہی کے دوران بینک نے حکومت پاکستان کے اجراہہ مکوک میں 351 ٹیکن روپے کی سرمایہ کاری کی جس کے بعد بینک سرمایہ کاری پر فویو 50 فیصد اضافہ کے بعد 927 ٹیکن روپے ہو گیا، جو کہ گزشتہ سال 620 ٹیکن روپے تھا۔ حکومت پاکستان کی جانب سے مکوک کی باقاعدہ نیلائی کے دوبارہ آغاز سے اسلامی بینکاری کی صنعت (IBI) کو پنج محل کے تحت انتہی بینک سیکپورڈ پلیسٹیکس پر انعام کرنے میں مددگاری اور یہ عمل اسلامی بینکاری کی صنعت کو درپیش کوئی بھی میثاق کے دیرینہ مسئلہ کے حل میں بھی معاف نہ تھا ہوا۔ یہ اقدام اور اس کے ساتھ ساتھ اسٹیٹ بینک آف پاکستان کے شریعہ کمپلائنسٹ اور پن مارکیٹ آپریشنز (OMO-Injections) اور شریعہ کمپلائنسٹ اسٹینڈنگ سینگ فیصلی کے اجراء جیسے اقدامات سے اسلامی بینکاری کی صنعت کو اپنے کوئی بھی میثاق کے مؤڑا تنظیم میں زبردست مددگاری جس کے لئے ہم حکومت پاکستان اور اسٹیٹ بینک آف پاکستان کے مشکور ہیں گے۔

بینک کا فناںگ پورٹ فویو ڈسمبر 2021 کے 777 ٹیکن روپے کے مقابلہ میں 759 ٹیکن روپے پر جا رہا ہے، جس کی بنیادی وجہ Seasonal فناںگز کی واپس ادا ہے۔ بینک کا مجموعی ایڈوانس رٹنڈ پاٹریو ریشو 52 فیصد پر برقرار ہے جو تمام شعبوں پر شمول کارپوریٹ، کرشل اور اسمال میڈیم اسٹر پر ائزر اور کنزیو مر شعبوں پر مشتمل اعلیٰ معیار کا فناںگ پورٹ فویو قائم رکھنے کی بینک کی محکمت عملی کے مطابق ہے۔ بینک نے اپنی غیر فعال فناںگز کی مدیں 137 فیصد کو تج ریشو کے ساتھ پر دو یونٹز کی تسلی بخش شرح برقرار کی ہے، جو بینکاری صنعت میں سب سے زیادہ میں سے ایک شرح ہے، جبکہ اس کی غیر فعال فناںگز کی شرح بدستور 2 فیصد سے کم سطح پر برقرار ہے۔ بینک IFRS-9 کو اختیار کرنے کے لئے پوری طرح تیار ہے اور اس کے نفاذ کی وجہ سے بڑے معاشر اشوات مرتب ہونے کا امکان نہیں ہے۔

بینک کے ڈپاٹس 31 مارچ 2022 تک 1.46 ٹریلیون روپے تھے، اور بینک نے موزوں ترین ڈپاٹ مکس برقرار رکھنے کا سلسہ لاری رکھا ہے۔ کرنٹ اکاؤنٹ ڈپاٹس، جو 672 ٹیکن روپے ہیں، بینک کے کل ڈپاٹس کا 46 فیصد حصہ ہے۔ کرنٹ اور سیونگز کا ڈپاٹس (CASA) 1.2 ٹریلیون روپے ہیں جو بینک کے کل ڈپاٹس کا 82 فیصد حصہ ہے۔ الحمد للہ بینک نے روشن ڈیجیٹل اکاؤنٹ (RDA) میں اپنی برتری برقرار کی ہے اور پاکستان کی بینکاری صنعت میں روشن ڈیجیٹل اکاؤنٹ کے کل ڈپاٹس میں بینک کا مارکیٹ شیئر 24 فیصد ہے۔

ملک کی متنوع اور جغرافیائی اعتبار سے بکھری ہوئی آبادی کی بینکاری ضروریات کی تکمیل کے لئے بینک کا برائی نیٹ ورک ملک بھر میں پھیلا ہوا ہے اور اس کی 293 شہروں میں 908 برائیں ہیں، جبکہ گزشتہ سال 255 شہروں میں 825 برائیں تھیں۔ اس کے علاوہ بینک ملک بھر میں 1986ء کی ایکز کے وضع نیٹ ورک کا حامل ہے۔ بینک کی موبائل بینکنگ اپلی کیشن کو Google Play Store اور Apple Store پر صارفین کی جانب سے تسلی کے ساتھ پاکستان کی نمبر 1 موبائل بینکنگ ایپ قرار دیا جا رہا ہے۔

فناںگر، سرمایہ کاریوں اور Placements پر بینک کی آمدی گزشتہ سال کے 24.2 ملین روپے کے مقابلہ میں بڑھ کر 38.1 ملین روپے ہو گئی جس کی بڑی وجہ آمدی پیدا کرنے والے اشاؤں کے اوسط میں 31 فیصد اضافہ اور زیادہ بنیادی پالیسی شرح تھی جو گزشتہ سال کے 7.00 فیصد کے مقابلہ میں بڑھ کر 9.75 فیصد ہو گئی۔ دوسری جانب ڈپاٹس اور دیگر واجب الادار قوم پر منافع مارچ 2021 کے 9.2 ملین روپے کے مقابلہ میں بڑھ کر 16.7 ملین روپے ہو گیا، 82 فیصد کا یہ اضافہ ڈپاٹس کے زیادہ اوسط حجم اور ڈپاٹس پر منافع کی شرح بڑھنے کی وجہ سے ہوا۔

بینک کی فیصلہ اور کمیشن کی آمدی میں زبردست اضافہ دیکھنے میں آیا جو مارچ 2021 کے 2 ملین روپے کے مقابلہ میں 45 فیصد اضافہ کے بعد 3 ملین روپے ہو گئی، جس میں ٹریڈ، برائیج بینکنگ اور ڈیپیٹ کارڈ سے متعلقہ آمدی، بینک کی آمدی کا حصہ سب سے زیادہ رہا۔ مجموعی طور پر بینک کی نان-فنڈ آمدی مارچ 2021 کے مقابلہ میں 21 فیصد اضافہ کے بعد 4.3 ملین روپے رکارڈ کی گئی۔ بینک کے انتظامی اور دیگر اخراجات بھی 8.1 ملین روپے سے بڑھ کر 10.4 ملین روپے ہو گئے، جس کی بنیادی وجوہات میں مارچ 2021 کے بعد سے 83 نئی برائیجیں کھولنے پر آنے والے اخراجات، اضافہ شدہ افراط رکی شرح کے اثرات، روپے کی تدریمیں کی اور انفارمیشن جیکنالوگی سے متعلقہ اخراجات شامل تھے۔ تاہم اخراجات میں اس اضافہ کو مجموعی آمدی میں ہونے والے ضافے نے کافی حد تک جذب کر لیا، جس کے نتیجے میں بینک کی آمدی کی شرح استعداد (Income Efficiency Ratio) گزشتہ سال کی اسی مدت کے 43 فیصد کے مقابلہ میں مزید بہتر، ہو کر 40 فیصد ہو گئی۔

VIS کریڈٹ رینٹنگ کمپنی لمبینڈ کی جانب سے بینک کو مختتم آثار کے ساتھ 'AAA' (ٹریپل اے) طویل المیعاد رینٹنگ اور 'A1+' (A1+ اے) قلیل المیعاد رینٹنگ دی ہے۔

#### مستقبل کے امکانات

پاکستان نے COVID-19 کی عالمی دباکے بعد مختتم بحالی خاہر کی ہے۔ غیر شبکہ میں قرضہ جات کی طلب بہت زیادہ رہی کیونکہ کارپوریٹ شعبے کے تقریباً تمام حصوں نے مختتم تابع پیش کئے۔ اگرچہ جنوری تاریخ 2022 کی سماں میں بینک کے ڈپاٹس میں اضافہ دیکھنے میں نہیں آیا، تاہم ہمیں تھیں ہے کہ مالی سال کے وسط تک بینک اپنے ڈپاٹس میں 15 سے 17 فیصد اضافہ حاصل کرنے میں کامیاب ہو جائے گا۔ انشاء اللہ بینک پاکستان میں اسلامی بینکاری کے ارتقاء میں اپنا قائدانہ کردار ادا کرنے اور شریعہ کمپلائنس پر متعلقی میں حکومت سے تعاون کا سلسلہ جاری رکھے گا، جو پاکستان میں اسلامی بینکاری صنعت کے مارکیٹ شیئر کو موجودہ 19 فیصد سے بڑھا کر 2025 کے آخر تک 30 فیصد پر لانے کے اسیٹ بینک آف پاکستان کے مقررہ ہدف کے مطابق ہے۔

بینک انشاء اللہ برائیوں میں توسعہ کی اپنی حکمت عملی جاری رکھنے کا اعلیٰ درجہ دار اس نے دوران سال اپنے نیٹ ورک میں مزید برائیجیں شامل کرنے کا فیصلہ کیا ہے، جس سے پاکستان بھر میں اس کی جغرافیائی موجودگی میں اضافہ ہو گا اور پاکستان کی بینکوں کی سہولت سے فائدہ نہ اٹھانے والی بادی کو شریعہ کمپلائنس بینکاری سولیوشن فراہم کرنے میں مدد ملے گی۔ اس کے ساتھ ساتھ بینک اپنے ڈیجیٹل ارتقاء کو جاری رکھنے کا بھی ارادہ رکھتا ہے تاکہ صارفین کو ڈیجیٹل ذرائع سے خدمات کے بلا کاوش بے مثال تجربہ سے روشناس کروایا جاسکے۔ بینک اپنے ریٹیل اور کارپوریٹ صارفین کے لئے جدید ترین POS اور ای کامرس پیمنٹ گیٹ وے کے حامل مرچنٹ ایکوارنگ بنس کو، جس کا اجر حال ہی میں کیا گیا ہے، 2022 میں مزید وسعت دینے کا رادہ رکھتا ہے۔

بورڈ، اسیٹ بینک آف پاکستان (SBP)، وزارت خزانہ اور سکوئر ٹیز اینڈ پیچنچ کمیشن آف پاکستان کو ملک میں ایک قابل عمل اسلامی مالیاتی نظام کے لئے کی گئی ان کی سلسلہ کوشاں اور وابستگی کے لئے خراج تھیں پیش کرتا ہے۔ ہم اپنے بورڈ ممبران، شریعہ پروفسر اور سری بورڈ کے ممبران، حصہ یافتگان، اضافی I Tier صکوک اور ثانوی صکوک (Tier II) یافتگان کا ان کی معاونت اور انتخک کوشاں کے لئے مشکریہ ادا کرنا چاہتے ہیں جنہوں نے میران بینک کو اولین اسلامی بینک بنانے کے لئے مسلسل مختکت کی ہے۔ سب سے بڑھ کر ہم اللہ ﷺ کے شکرگزار ہیں کہ اس کی سلسلہ رحمت کے باعث ہم اس قلیل مدت میں اتنی شاندار کارکردگی کے حصوں کے مقابلہ 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 تجیئی کی بلندیوں تک لے جاسکیں۔ آمین۔

(من جانب بورڈ)

عرفان صدیقی  
CEO اور

ریاض ایس. اے. اے. اوریں  
چیئر مین

کراچی:  
2022ء اپریل،

**CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2022**

	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
<b>Rupees in '000</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks	6	145,460,335	170,500,698
Balances with other banks	7	10,268,861	16,420,036
Due from financial institutions - net	8	192,084,797	238,401,637
Investments - net	9	927,492,287	620,132,043
Islamic financing and related assets - net	10	739,345,161	758,086,120
Fixed assets	11	35,187,205	33,957,947
Intangible assets	12	1,453,253	1,495,810
Deferred tax assets	13	2,455,052	175,555
Other assets - net	14	64,752,093	63,801,554
		<b>2,118,499,044</b>	1,902,971,400
<b>LIABILITIES</b>			
Bills payable	15	42,440,524	36,141,378
Due to financial institutions	16	419,531,122	220,414,234
Deposits and other accounts	17	1,455,434,789	1,455,886,468
Sub-ordinated Sukuk	18	20,990,000	20,990,000
Deferred tax liabilities	13	-	-
Other liabilities	19	90,088,511	82,981,545
		<b>2,028,484,946</b>	1,816,413,625
<b>NET ASSETS</b>		<b>90,014,098</b>	<b>86,557,775</b>
<b>REPRESENTED BY</b>			
Share capital		16,269,312	16,269,312
Reserves		24,363,422	23,393,198
Unappropriated profit		48,676,243	42,831,655
Surplus on revaluation of assets - net of tax	20	705,121	4,063,610
		<b>90,014,098</b>	<b>86,557,775</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	21		

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

**Riyadh S. A. A. Edrees**  
Chairman

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer

**CONDENSED INTERIM UNCONSOLIDATED  
PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

	Note	Quarter ended March 31, 2022	Quarter ended March 31, 2021
———— Rupees in '000 ——			
Profit / return earned on Islamic financing and related assets, investments and placements	22	<b>38,111,259</b>	24,229,266
Profit on deposits and other dues expensed	23	<b>16,674,300</b>	9,174,644
Net spread earned		<b>21,436,959</b>	15,054,622
<b>OTHER INCOME</b>			
Fee and commission income	24	<b>2,989,567</b>	2,066,710
Dividend income		<b>304,388</b>	283,312
Foreign exchange income		<b>813,439</b>	821,533
Gain on securities - net	25	<b>15,360</b>	140,743
Other income	26	<b>177,603</b>	250,283
Total income		<b>4,300,357</b>	3,562,581
		<b>25,737,316</b>	18,617,203
<b>OTHER EXPENSES</b>			
Operating expenses	27	<b>10,033,107</b>	7,835,599
Workers Welfare Fund		<b>334,500</b>	254,115
Other charges	28	<b>1,132</b>	1,382
Total other expenses		<b>10,368,739</b>	8,091,096
<b>Profit before provisions</b>		<b>15,368,577</b>	10,526,107
Provisions and write offs - net	29	<b>227,890</b>	284,571
Extra ordinary / unusual items		-	-
<b>Profit before taxation</b>		<b>15,140,687</b>	10,241,536
Taxation	30	<b>5,935,148</b>	4,140,333
<b>Profit after taxation</b>		<b>9,205,539</b>	6,101,203

		Rupees	
		Restated	
<b>Basic earnings per share</b>	31	<b>5.66</b>	3.75
<b>Diluted earnings per share</b>	31	<b>5.66</b>	3.75

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

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

**CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

	Note	Quarter ended March 31, 2022	Quarter ended March 31, 2021
	Rupees in '000		
<b>Profit after taxation for the quarter</b>		<b>9,205,539</b>	6,101,203
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to</b>			
<b>profit and loss account in subsequent periods:</b>			
(Deficit) / surplus on revaluation of investments	20	(5,505,719)	176,679
Deferred tax on revaluation of investments	20	2,147,230	(61,838)
		(3,358,489)	114,841
<b>Other Comprehensive (Loss) / Income for the quarter</b>		<b>(3,358,489)</b>	114,841
<b>Total Comprehensive Income for the quarter</b>		<b>5,847,050</b>	<b>6,216,044</b>

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 QUARTER ENDED MARCH 31, 2022**

	Capital reserves					Revenue reserve General reserve	Unappropriated profit	Surplus / (deficit) on revaluation of		Total
	Share capital	Share premium	Statutory reserve *	Non-Distributable Capital Reserve	Employee share option compensation -Gain on Bargain Purchase			Investments	Non-banking Assets	
Rupees in '000										
<b>Balance as at January 01, 2021</b>	<b>14,147,228</b>	<b>2,406,571</b>	<b>14,833,341</b>	<b>3,117,547</b>	-	<b>66,766</b>	<b>29,021,521</b>	<b>5,542,351</b>	<b>19,941</b>	<b>69,155,266</b>
Profit after taxation for the quarter ended March 31, 2021	-	-	-	-	-	6,101,203	-	-	-	6,101,203
Other Comprehensive income for the quarter ended March 31, 2021 - net of tax	-	-	-	-	-	-	114,841	-	-	114,841
<b>Other appropriations</b>	-	-	-	-	-	-	6,101,203	114,841	-	6,216,044
Transfer to statutory reserve	-	-	610,120	-	-	-	(610,120)	-	-	-
Final cash dividend for the year 2020 @ Rs 2 per share	-	-	-	-	-	-	(2,829,446)	-	-	(2,829,446)
<b>Balance as at March 31, 2021</b>	<b>14,147,228</b>	<b>2,406,571</b>	<b>15,443,461</b>	<b>3,117,547</b>	-	<b>66,766</b>	<b>31,683,158</b>	<b>5,657,192</b>	<b>19,941</b>	<b>72,541,864</b>
Profit after taxation for the nine months period ended December 31, 2021	-	-	-	-	-	22,253,954	-	-	-	22,253,954
Other Comprehensive loss for the nine months period ended December 31, 2021 - net of tax	-	-	-	-	-	(73,503)	(1,617,115)	3,685	3,685	(1,686,933)
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	22,180,451	(1,617,115)	3,685	20,567,021
<b>Other appropriations</b>	-	-	2,225,396	-	-	-	(2,225,396)	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Recognition of share based compensation	-	-	-	-	133,457	-	-	-	-	133,457
<b>Transactions with owners recognised directly in equity</b>										
Issue of bonus shares @ 15%	2,122,084	-	-	-	-	-	(2,122,084)	-	-	-
Interim cash dividend for the year 2021 @ Rs 4.5 per share	-	-	-	-	-	-	(6,684,567)	-	-	(6,684,567)
<b>Balance as at December 31, 2021</b>	<b>16,269,312</b>	<b>2,406,571</b>	<b>17,668,857</b>	<b>3,117,547</b>	<b>133,457</b>	<b>66,766</b>	<b>42,831,655</b>	<b>4,040,077</b>	<b>23,533</b>	<b>86,557,775</b>
Profit after taxation for the quarter ended March 31, 2022	-	-	-	-	-	9,205,539	-	-	-	9,205,539
Other Comprehensive loss for the quarter ended March 31, 2022 - net of tax	-	-	-	-	-	-	(3,358,489)	-	-	(3,358,489)
<b>Other appropriations</b>	-	-	-	-	-	-	9,205,539	(3,358,489)	-	5,847,050
Transfer to statutory reserve	-	-	920,554	-	-	-	(920,554)	-	-	-
Recognition of share based compensation	-	-	-	-	49,670	-	-	-	-	49,670
Final cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	-	(2,440,397)	-	-	(2,440,397)
<b>Balance as at March 31, 2022</b>	<b>16,269,312</b>	<b>2,406,571</b>	<b>18,589,411</b>	<b>3,117,547</b>	<b>183,127</b>	<b>66,766</b>	<b>48,676,243</b>	<b>681,588</b>	<b>23,533</b>	<b>90,014,098</b>

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

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

**Riyadh S. A. A. Edrees**  
Chairman

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer

**CONDENSED INTERIM UNCONSOLIDATED  
CASH FLOW STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

	Note	Quarter ended March 31, 2022	Quarter ended March 31, 2021
		Rupees in '000	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		15,140,687	10,241,536
Less: Dividend income		(304,388)	(283,312)
		<b>14,836,299</b>	<b>9,958,224</b>
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation		688,341	556,452
Amortization		102,052	73,181
Non cash items related to right of use assets		1,119,111	795,336
Provisions and write offs - net		227,890	284,571
Recognition of share based compensation		49,670	-
Gain on sale of fixed assets		(51,177)	(49,206)
		<b>2,135,887</b>	<b>1,660,334</b>
		<b>16,972,186</b>	<b>11,618,558</b>
<b>Decrease / (increase) in operating assets</b>			
Due from financial institutions		46,316,840	26,835,603
Islamic financings and related assets		18,714,984	(10,247,397)
Other assets		(984,376)	(7,781,989)
		<b>64,047,448</b>	<b>8,806,217</b>
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		6,299,146	4,911,177
Due to financial institutions		199,116,888	13,446,353
Deposits and other accounts		(451,679)	(5,822,156)
Other liabilities		3,591,833	6,675,820
		<b>208,556,188</b>	<b>19,211,194</b>
		<b>289,575,822</b>	<b>39,635,969</b>
		<b>(5,066,783)</b>	<b>(2,385,396)</b>
		<b>284,509,039</b>	<b>37,250,573</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in securities		(313,058,894)	(29,860,525)
Dividends received		301,367	261,751
Investments in fixed assets		(2,168,481)	(982,841)
Investments in intangible assets		(59,495)	(328,598)
Proceeds from sale of fixed assets		80,760	85,320
<b>Net cash used in investing activities</b>		<b>(314,904,743)</b>	<b>(30,824,893)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payment of lease liability against right-of-use assets		(795,553)	(763,608)
Dividend paid		(281)	(2,830,725)
<b>Net cash used in financing activities</b>		<b>(795,834)</b>	<b>(3,594,333)</b>
(Decrease) / increase in cash and cash equivalents		<b>(31,191,538)</b>	<b>2,831,347</b>
Cash and cash equivalents at the beginning of the quarter	32	<b>186,920,734</b>	<b>155,688,374</b>
Cash and cash equivalents at the end of the quarter	32	<b>155,729,196</b>	<b>158,519,721</b>

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

**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 nine hundred and eight branches as at March 31, 2022 (December 31, 2021: nine hundred and two 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.

**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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

**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:

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

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

**3.2 Significant accounting policies and financial risk management**

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

**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, 2021.

**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 QUARTER ENDED MARCH 31, 2022**

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 and a new expected credit loss model for calculating impairment on financial assets. SBP vide its BPRD Circular Letter No. 24 of 2021 dated July 05, 2021 extended the implementation date of IFRS 9 to January 01, 2022 from an earlier implementation date of January 01, 2021. Moreover, SBP has also issued guidelines for the application of IFRS 9 for banks in Pakistan and as part of the consultative process, the banking industry has provided comments and sought clarifications on such guidelines which are critical in finalising the adoption of the standard on the Bank and its impact. The final guidelines are yet to be issued by the SBP and the banks in Pakistan are collectively of the opinion that IFRS 9 can only be adopted once the final guidelines are issued. Accordingly, the Bank has not adopted IFRS 9 in these condensed interim financial statements.

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

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

## **4 BASIS OF MEASUREMENT**

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

### **4.2 Functional and presentation currency**

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

### **4.3 Rounding off**

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

## **5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The basis and the methods used for critical accounting estimates and judgments adopted in this condensed interim financial information are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2021.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

	Note	March 31,	December 31,
		2022 (Unaudited)	2021 (Audited)
<b>6 CASH AND BALANCES WITH TREASURY BANKS</b>			
		<b>Rupees in '000</b>	
In hand			
- local currency		<b>31,809,017</b>	36,028,760
- foreign currencies		<b>2,878,700</b>	2,821,769
		<b>34,687,717</b>	38,850,529
With the State Bank of Pakistan in			
- local currency current accounts	6.1	<b>68,747,068</b>	70,308,704
- foreign currency current accounts	6.1	<b>10,754,652</b>	10,259,746
		<b>79,501,720</b>	80,568,450
With the National Bank of Pakistan in			
- local currency current accounts		<b>31,041,855</b>	50,668,296
National Prize Bonds	6.2	<b>229,043</b>	413,423
		<b>145,460,335</b>	170,500,698

- 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** These represent the national prize bonds received from customers for onward surrendering to SBP. The Bank, as a matter of Shariah principle, does not deal in prize bonds.

	Note	March 31,	December 31,
		2022 (Unaudited)	2021 (Audited)
<b>7 BALANCES WITH OTHER BANKS</b>			
		<b>Rupees in '000</b>	
In Pakistan			
- in current accounts		<b>9,180,722</b>	14,901,943
Outside Pakistan			
- in current accounts		<b>1,034,478</b>	1,275,566
- in deposit accounts	7.1	<b>53,661</b>	242,527
		<b>1,088,139</b>	1,518,093
		<b>10,268,861</b>	16,420,036

- 7.1** It represents the balance in the remunerative account maintained with financial institutions outside Pakistan. The return on these balances is 0.33% (December 31, 2021: 0.0001%) per annum.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

	Note	March 31,	December 31,
		2022 (Unaudited)	2021 (Audited)
<b>8 DUE FROM FINANCIAL INSTITUTIONS - NET</b>			<b>Rupees in '000</b>
Bai Muajjal:			
With scheduled banks / financial institution - Secured	8.1	<b>192,084,797</b>	238,401,637
With other financial institution		<b>15,500</b>	15,500
		<b>192,100,297</b>	238,417,137
Commodity Murabaha		<b>26,066</b>	26,066
		<b>192,126,363</b>	238,443,203
Provision against non-performing amounts due from financial institutions	8.2	<b>(41,566)</b>	(41,566)
		<b>192,084,797</b>	238,401,637

**8.1** The average return on this product is 8.30% (December 31, 2021: 8.10%) per annum. These balances have maturities ranging between April 2022 to July 2025 (December 31, 2021: January 2022 to July 2025).

	March 31, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Non- performing due from financial institutions	Provision held	Non- performing due from financial institutions	Provision held
<b>8.2 Category of classification</b>	<b>Rupees in '000</b>			
Loss	<b>41,566</b>	<b>41,566</b>	<b>41,566</b>	<b>41,566</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

**9 INVESTMENTS - NET**

	March 31, 2022 (Unaudited)				December 31, 2021 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>Rupees in '000</b>								
<b>9.1 Investments by types</b>								
<b>Available for sale securities</b>								
<b>Federal Government Securities</b>								
- Ijarah Sukuk	537,238,376	-	(6,117,541)	531,120,835	322,169,774	-	(1,300,655)	320,869,119
- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	23,224,694	-	-	23,224,694	64,443,192	-	-	64,443,192
- Islamic Naya Pakistan Certificate	1,159,406	-	-	1,159,406	1,285,426	-	-	1,285,426
<b>Non Government Sukuk</b>								
- Pakistan Energy Sukuk guaranteed by the Government of Pakistan	114,399,893	-	5,253,910	119,653,803	114,404,511	-	5,624,000	120,028,511
- Other Sukuk guaranteed by the Government of Pakistan	8,036,560	-	-	8,036,560	10,786,560	-	-	10,786,560
- Other Non Government Sukuk	5,050,605	75,892	-	4,974,713	5,216,319	75,892	-	5,140,427
<b>Foreign Securities</b>								
	10,748,380	-	24,511	10,772,891	10,343,243	-	370,768	10,714,011
<b>Shares</b>								
	10,139,450	2,515,055	1,956,479	9,580,874	9,662,370	2,322,124	1,928,965	9,269,211
	709,997,364	2,590,947	1,117,359	708,523,776	538,311,395	2,398,016	6,623,078	542,536,457
<b>Held to maturity securities</b>								
- Ijarah Sukuk	218,060,223	-	-	218,060,223	76,687,798	-	-	76,687,798
<b>In related parties</b>								
<b>Subsidiary (unlisted)</b>								
- Shares	63,050	-	-	63,050	63,050	-	-	63,050
<b>Associates (listed)</b>								
- Units of funds	845,238	-	-	845,238	844,738	-	-	844,738
<b>Total Investments</b>	<b>928,965,875</b>	<b>2,590,947</b>	<b>1,117,359</b>	<b>927,492,287</b>	<b>615,906,981</b>	<b>2,398,016</b>	<b>6,623,078</b>	<b>620,132,043</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

9.2 Investments given as collateral	<b>March 31, 2022 (Unaudited)</b>		<b>December 31, 2021 (Audited)</b>	
	<b>Face Value</b>	<b>Market / Carrying Value</b>	<b>Face Value</b>	<b>Market / Carrying Value</b>
	<b>Rupees in '000</b>			
<b>Federal Government Securities</b>				
- Sukuk	<b>259,000,000</b>	<b>258,942,000</b>	30,000,000	30,054,000
- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	<b>22,650,000</b>	<b>22,650,000</b>	28,150,000	28,150,000
	<b>281,650,000</b>	<b>281,592,000</b>	<b>58,150,000</b>	<b>58,204,000</b>
			<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
<b>9.3 Provision against diminution in value of investments</b>				
Opening balance			<b>2,398,016</b>	2,183,393
<b>Charge / (reversals) for the quarter / year</b>				
<b>On available for sale securities</b>				
- charge for the quarter / year on equity instruments			<b>192,931</b>	305,016
- reversals for the quarter / year on recovery of debt instruments			-	(3,456)
- reversals for the quarter / year on disposals of equity instruments			-	(86,937)
			<b>192,931</b>	214,623
Closing balance			<b>2,590,947</b>	<b>2,398,016</b>
	<b>March 31, 2022 (Unaudited)</b>		<b>December 31, 2021 (Audited)</b>	
	<b>Non- performing investment</b>	<b>Provision held</b>	<b>Non- performing investment</b>	<b>Provision held</b>
<b>9.4 Particulars of provision against Sukuk</b>	<b>Rupees in '000</b>			
<b>Category of classification</b>				
Loss	<b>75,892</b>	<b>75,892</b>	<b>75,892</b>	<b>75,892</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
<b>10 ISLAMIC FINANCING AND RELATED ASSETS</b>			
<b>In Pakistan:</b>			
<b>Murabaha financing and related assets</b>			
- Murabaha financing	10.1	<b>6,308,204</b>	6,195,161
- Advances against Murabaha		<b>2,892,676</b>	2,224,908
- Murabaha inventory		<b>1,652,676</b>	2,085,908
- Financing under Islamic Export Refinance - Murabaha	10.2	<b>986,238</b>	1,048,988
- Financing against Islamic SME Asaan Finance	10.3	<b>59,234</b>	10,000
- Inventory under Islamic Export Refinance - Murabaha		<b>36,021</b>	35,000
- Advance against Islamic SME Asaan Finance		<b>44,616</b>	40,000
- Advance against Islamic Export Refinance - Murabaha		<b>656,363</b>	460,014
		<b>12,636,028</b>	12,099,979
<b>Running Musharakah financing</b>			
- Running Musharakah financing		<b>153,613,749</b>	193,218,603
- Financing under Islamic Export Refinance - Running Musharakah		<b>49,085,426</b>	37,235,077
		<b>202,699,175</b>	230,453,680
<b>Istisna financing and related assets</b>			
- Istisna financing		<b>24,430,861</b>	6,534,664
- Advances against Istisna		<b>48,566,752</b>	68,370,720
- Istisna inventory		<b>15,915,328</b>	5,574,727
- Financing under Islamic Export Refinance - Istisna		<b>128,057</b>	266,800
- Advances under Islamic Export Refinance - Istisna		<b>9,375,474</b>	7,985,372
- Inventory under Islamic Export Refinance - Istisna		<b>3,398,485</b>	2,866,783
		<b>101,814,957</b>	91,599,066
<b>Tijarah financing and related assets</b>			
- Tijarah financing		<b>1,906,107</b>	1,715,312
- Tijarah inventory		<b>12,213,633</b>	10,959,567
- Financing under Islamic Export Refinance - Tijarah		<b>1,017,752</b>	1,549,127
- Financing under Islamic SME Asaan Finance - Tijarah		<b>15,364</b>	2,738
- Inventory under Islamic Export Refinance - Tijarah		<b>561,525</b>	413,901
		<b>15,714,381</b>	14,640,645
<b>Musawammah financing and related assets</b>			
- Musawammah financing	10.4	<b>17,485,477</b>	33,362,530
- Musawammah Inventory		<b>10,086,612</b>	8,621,219
- Advances against Musawammah		<b>8,279,384</b>	15,944,490
- Financing under Islamic Export Refinance - Musawammah	10.5	<b>1,630,776</b>	2,313,610
- Financing under SBP's IFRE - Musawammah	10.6	<b>181,024</b>	90,260
- Inventory under Islamic Export Refinance - Musawammah		<b>255,000</b>	647,638
- Advances under Islamic Export Refinance - Musawammah		<b>604,000</b>	1,215,492
		<b>38,522,273</b>	62,195,239
<b>Salam Financing and related assets</b>			
- Salam Financing		<b>1,420,145</b>	990,223
- Salam Inventory		<b>2,124,077</b>	11,204,294
- Advances against Salam		<b>12,135,730</b>	1,230,270
- Advances under Islamic Export Refinance - Salam		<b>449,206</b>	449,206
		<b>16,129,158</b>	13,873,993
<b>Financing against bills</b>			
- Financing against bills - Salam		<b>7,028,005</b>	9,827,325
- Advances against bills - Salam		<b>2,771</b>	1,947
		<b>7,030,776</b>	9,829,272
<b>- Bai Muajjal financing</b>	10.7	<b>37,481,339</b>	39,429,724

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	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
<b>Ijarah financing and related assets</b>			
- Net investment in Ijarah		<b>75,042</b>	75,042
- Net book value of assets/investment in Ijarah under IFAS 2		<b>56,592,109</b>	54,013,622
- Net book value of assets/investment in Ijarah under SBP's ILTFF	10.8	<b>6,355</b>	11,030
		<b>56,673,506</b>	54,099,694
- Advances against Ijarah		<b>9,956,054</b>	8,865,508
		<b>66,629,560</b>	62,965,202
<b>Diminishing Musharakah financing and related assets</b>			
- Diminishing Musharakah financing - others		<b>116,420,794</b>	110,857,954
- Diminishing Musharakah financing - housing		<b>18,038,985</b>	16,670,211
- Diminishing Musharakah financing - SBP's ILTFF		<b>12,775,474</b>	12,881,740
- Diminishing Musharakah financing - SBP's IRSPWS		<b>1,718,181</b>	2,321,293
- Diminishing Musharakah financing - SBP's IFRE		<b>1,175,137</b>	952,704
- Diminishing Musharakah financing - SBP's ITERF		<b>3,245,693</b>	1,507,883
- Diminishing Musharakah financing - SBP's IRFCC		<b>402,751</b>	402,751
- Diminishing Musharakah financing - SBP's IFFSAP		<b>72,865</b>	62,913
- Diminishing Musharakah financing - SBP's ISAAF		<b>9,075</b>	9,900
- Advances against Diminishing Musharakah		<b>15,584,835</b>	11,302,256
- Advances against Diminishing Musharakah under SBP's IFFSAP		<b>175,751</b>	83,939
- Advances against Diminishing Musharakah under SBP's IFRE		<b>15,436,513</b>	15,188,412
- Advances against Diminishing Musharakah under SBP's IRFCC		<b>315,124</b>	327,087
- Advances against Diminishing Musharakah under SBP's ISAAF		<b>800</b>	-
- Advances against Diminishing Musharakah under SBP's ITERF		<b>13,515,499</b>	12,148,592
- Advances against Diminishing Musharakah under SBP's ILTFF		<b>9,610,836</b>	4,963,408
		<b>208,498,313</b>	189,681,043
<b>- Wakalah Tul Istithmar financing</b>		<b>22,489,667</b>	10,625,000
<b>- Advance against Wakalah Tul Istithmar financing</b>		<b>8,500,000</b>	23,714,700
<b>- Advance against Service Ijarah</b>		<b>11,749,103</b>	7,749,103
<b>- Qard financing under SBP's IRSPWS</b>		<b>23,132</b>	28,914
<b>- Qard financing under SBP's IRFCC</b>		<b>494,252</b>	528,791
<b>- Labbaik (Qard for Hajj and Umrah)</b>		<b>1,172</b>	274
<b>- Staff financing</b>		<b>6,596,974</b>	6,237,617
<b>- Other financing</b>		<b>1,572,013</b>	1,642,884
<b>Gross Islamic financing and related assets</b>		<b>758,582,273</b>	777,295,126
Less: Provision against non-performing Islamic financing and related assets - Specific	10.10	<b>(13,327,571)</b>	(13,338,988)
Less: Provision against non-performing Islamic financing and related assets - General	10.10	<b>(5,909,541)</b>	(5,870,018)
<b>Islamic financing and related assets - net of provision</b>		<b>739,345,161</b>	758,086,120

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	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
<b>10.1</b>	Murabaha receivable - gross Less: Deferred murabaha income Profit receivable shown in other assets Murabaha financing	10.1.1 10.1.3	<b>6,644,243</b> <b>(118,188)</b> <b>(217,851)</b> <b>6,308,204</b>
<b>10.1.1</b>	Murabaha Sale Price Murabaha Purchase Price		<b>6,644,243</b> <b>(6,308,204)</b> <b>336,039</b>
<b>10.1.2</b>	The movement in Murabaha financing during the quarter / year is as follows: Opening balance Sales during the quarter / year Adjusted during the quarter / year Closing balance		<b>6,195,161</b> <b>7,411,738</b> <b>(7,298,695)</b> <b>6,308,204</b>
<b>10.1.3</b>	Deferred Murabaha Income Opening balance Deferred during the quarter / year Recognised during the quarter / year Closing balance		<b>117,597</b> <b>231,739</b> <b>(231,148)</b> <b>118,188</b>
<b>10.2</b>	Financing under Islamic Export Refinance - Murabaha - gross Less: Deferred income Profit receivable shown in other assets Financing under Islamic Export Refinance - Murabaha		<b>1,004,685</b> <b>(2,978)</b> <b>(15,469)</b> <b>986,238</b>
<b>10.2.1</b>	The movement in Islamic Export Refinance Murabaha financing during the quarter / year is as follows: Opening balance Sales during the quarter / year Adjusted during the quarter / year Closing balance		<b>1,048,988</b> <b>694,234</b> <b>(756,984)</b> <b>986,238</b>
<b>10.2.2</b>	Deferred Islamic Export Refinance Murabaha Income Opening balance Deferred during the quarter / year Recognised during the quarter / year Closing balance		<b>5,937</b> <b>7,269</b> <b>(10,228)</b> <b>2,978</b>
<b>10.3</b>	Financing against Islamic SME Asaan Finance - Murabaha - gross Less: Deferred income Profit receivable shown in other assets Financing against Islamic SME Asaan Finance - Murabaha		<b>67,115</b> <b>(7,465)</b> <b>(416)</b> <b>59,234</b>
<b>10.3.1</b>	The movement in Islamic SME Asaan Finance (Murabaha financing) during the year is as follows: Opening balance Sales during the year Adjusted during the year Closing balance		<b>10,000</b> <b>54,116</b> <b>(4,882)</b> <b>59,234</b>
<b>10.3.2</b>	Deferred Islamic SME Asaan Finance Murabaha income Opening balance Arising during the year Recognised during the year Closing balance		<b>1,506</b> <b>6,835</b> <b>(876)</b> <b>7,465</b>

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		<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
		Rupees in '000	
<b>10.4</b>	Musawammah financing - gross	<b>18,367,524</b>	34,477,153
	Less: Deferred income	(359,469)	(468,449)
	Profit receivable shown in other assets	(522,578)	(646,174)
	Musawammah financing	<b>17,485,477</b>	<b>33,362,530</b>
<b>10.5</b>	Financing under Islamic Export Refinance - Musawammah - gross	<b>1,653,167</b>	2,346,068
	Less: Deferred income	(8,461)	(13,048)
	Profit receivable shown in other assets	(13,930)	(19,410)
	Financing under Islamic Export Refinance - Musawammah	<b>1,630,776</b>	<b>2,313,610</b>
<b>10.6</b>	Financing under SBP's IFRE - Musawammah - gross	<b>203,139</b>	101,406
	Less: Deferred income	(21,430)	(10,925)
	Profit receivable shown in other assets	(685)	(221)
	Financing under SBP's IFRE - Musawammah	<b>181,024</b>	<b>90,260</b>
<b>10.7</b>	Bai Muajjal financing - gross	<b>38,942,799</b>	40,373,453
	Less: Deferred income	(422,141)	(300,831)
	Profit receivable shown in other assets	(1,039,319)	(642,898)
	Bai Muajjal financing	<b>37,481,339</b>	<b>39,429,724</b>
<b>10.8</b>	Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs 42,267 million (December 31, 2021: Rs 41,547 million).		
<b>10.9</b>	Islamic financing and related assets include Rs. 14,042 million (December 31, 2021: Rs. 14,450 million) which have been placed under non-performing status as detailed below:		

<b>Category of classification</b>	<b>March 31, 2022 (Unaudited)</b>		<b>December 31, 2021 (Audited)</b>	
	<b>Non- performing amount</b>	<b>Provision held</b>	<b>Non- performing amount</b>	<b>Provision held</b>
	Rupees in '000			
<b>Domestic</b>				
Other Assets Especially Mentioned	17,647	1,333	41,771	358
Substandard	289,407	60,111	409,772	82,151
Doubtful	390,708	74,977	1,000,601	356,314
Loss	<b>13,344,022</b>	<b>13,191,150</b>	<b>12,997,394</b>	<b>12,900,165</b>
	<b>14,041,784</b>	<b>13,327,571</b>	<b>14,449,538</b>	<b>13,338,988</b>

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

	March 31, 2022 (Unaudited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	13,338,988	5,870,018	19,209,006	13,602,974	5,452,711	19,055,685
Charge for the quarter / year	310,636	39,523	350,159	2,186,594	417,307	2,603,901
Less: Reversals	(322,053)	-	(322,053)	(1,859,091)	-	(1,859,091)
	(11,417)	39,523	28,106	327,503	417,307	744,810
Amount written off	-	-	-	(591,489)	-	(591,489)
Closing balance	<u>13,327,571</u>	<u>5,909,541</u>	<u>19,237,112</u>	<u>13,338,988</u>	<u>5,870,018</u>	<u>19,209,006</u>

10.10.1 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, 2021: Rs 5,350 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.

10.10.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sales Value (FSV) of collaterals against the non-performing financing. The accumulated benefit availed as at March 31, 2022 amounts to Rs 189.7 million (December 31, 2021: Rs 176.6 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs 115.7 million as at March 31, 2022 (December 31, 2021: Rs 107.7 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

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	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
<b>11 FIXED ASSETS</b>			
Capital work-in-progress	11.1	<b>6,013,849</b>	5,117,821
Property and equipment		<b>16,859,172</b>	16,304,643
Right-of-use assets		<b>12,314,184</b>	12,535,483
		<b>35,187,205</b>	<b>33,957,947</b>

**11.1 Capital work-in-progress**

Advances to suppliers and contractors for:

	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
	Rupees in '000	
- civil works	<b>4,019,149</b>	3,600,313
- computer hardware	<b>1,104,469</b>	583,704
- purchase of vehicles	<b>375,405</b>	346,210
- office machines	<b>389,474</b>	472,467
- furniture and fixtures	<b>125,352</b>	115,127
	<b>6,013,849</b>	<b>5,117,821</b>

**11.2 Additions to fixed assets**

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

	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
	Rupees in '000	
Capital work-in-progress	<b>896,028</b>	342,312
<b>Property and equipment</b>		
Leasehold land	<b>14,177</b>	141,606
Buidling on leasehold land	-	25,000
Leasehold improvements	<b>228,054</b>	83,977
Furniture and fixture	<b>97,821</b>	13,898
Electrical, office and computer equipment	<b>770,602</b>	106,668
Vehicles	<b>161,799</b>	269,380
	<b>1,272,453</b>	640,529
<b>Total</b>	<b>2,168,481</b>	<b>982,841</b>

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	<b>March 31, 2022 (Unaudited)</b>	<b>March 31, 2021 (Unaudited)</b>
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———— Rupees in '000 ——

**11.3 Disposal of fixed assets**

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

Leasehold improvements	<b>4,058</b>	-
Furniture and fixture	447	-
Electrical, office and computer equipment	1,809	-
Vehicles	<b>23,269</b>	36,114
	<b>29,583</b>	<b>36,114</b>

	<b>Note</b>	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
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———— Rupees in '000 ——

**12 INTANGIBLE ASSETS**

Computer Software	<b>1,199,224</b>	1,235,876
Advance against computer software	<b>254,029</b>	259,934
	<b>1,453,253</b>	<b>1,495,810</b>

	<b>March 31, 2022 (Unaudited)</b>	<b>March 31, 2021 (Unaudited)</b>
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———— Rupees in '000 ——

**12.1 Additions to intangible assets**

<b>59,495</b>	328,598
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**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
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	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)		
13	DEFERRED TAX ASSETS / (LIABILITIES)	Rupees in '000			
<b>Taxable temporary differences due to:</b>					
Excess of accounting book values over tax written down values of owned assets					
		(105,920)	(136,865)		
Surplus on revaluation of available for sale investments		(435,771)	(2,583,001)		
Surplus on revaluation of Non-banking assets acquired in satisfaction of claims		(15,045)	(15,045)		
		(556,736)	(2,734,911)		
<b>Deductible temporary differences due to:</b>					
Provision for diminution / impairment in value of investments		1,296,241	1,209,055		
Provision against non-performing Islamic financing and related assets		2,004	125,678		
Income not accrued due to non-culmination of financing		1,500,059	1,365,823		
Provision against non-banking assets acquired in satisfaction of claims and others		213,484	209,910		
		3,011,788	2,910,466		
		<u>2,455,052</u>	<u>175,555</u>		

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	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
<b>14 OTHER ASSETS</b>			
Profit / return accrued in local currency - net of provisions		<b>51,088,304</b>	48,899,926
Profit / return accrued in foreign currencies - net of provisions		<b>189,117</b>	109,199
Acceptances		<b>9,003,880</b>	10,925,144
Advances, deposits, advance rent and other prepayments		<b>2,765,030</b>	2,075,376
Non-banking assets acquired in satisfaction of claims		<b>115,269</b>	115,269
Unrealised gain on forward foreign exchange contracts - net		<b>815,142</b>	976,644
Dividends receivable		<b>7,114</b>	4,093
Stamps		<b>26,370</b>	25,020
Security deposits		<b>262,849</b>	234,949
Advance for Investments		-	882
Other		<b>511,626</b>	436,175
		<b>64,784,701</b>	63,802,677
Provision against other assets	14.1	<b>(71,339)</b>	(39,854)
Other Assets (Net of Provision)		<b>64,713,362</b>	63,762,823
Surplus on revaluation of non-banking assets			
acquired in satisfaction of claims	20	<b>38,731</b>	38,731
Other Assets - total		<b>64,752,093</b>	63,801,554
<b>14.1 Provision held against other assets</b>			
Acceptances		<b>27,874</b>	-
Others		<b>43,465</b>	39,854
		<b>71,339</b>	39,854
<b>14.1.1 Movement in provision held against other assets</b>			
Opening balance		<b>39,854</b>	53,923
Charge for the quarter / year		<b>37,040</b>	61,004
Reversals during the quarter / year		<b>(182)</b>	(36,518)
Amount adjusted / written off during the quarter / year		<b>(5,373)</b>	(38,555)
Closing balance		<b>71,339</b>	39,854

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	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
<b>15 BILLS PAYABLE</b>			
In Pakistan		<b>42,440,524</b>	36,141,378
Outside Pakistan		<b>-</b>	-
		<b>42,440,524</b>	<b>36,141,378</b>
<b>16 DUE TO FINANCIAL INSTITUTIONS</b>			
In Pakistan		<b>419,531,122</b>	220,414,234
Outside Pakistan		<b>-</b>	-
		<b>419,531,122</b>	<b>220,414,234</b>
<b>16.1 Details of due to financial institutions secured / unsecured</b>			
<b>Secured</b>			
<b>With State Bank of Pakistan</b>			
Musharakah under Islamic Export Refinance Scheme		<b>64,259,319</b>	55,181,621
Investment under Islamic Long Term Financing Facility		<b>21,715,022</b>	17,490,047
Investment under Islamic			
Refinance Facility for Combating COVID-19		<b>1,184,454</b>	1,244,792
Investment under Islamic Financing for Renewal Energy		<b>16,616,343</b>	12,967,880
Investment under Islamic Temporary Economic			
Refinance Facility for Plant and Machinery		<b>16,076,460</b>	13,230,968
Investment under Islamic			
Refinance Scheme for storage of agriculture produce		<b>110,965</b>	40,677
Investment under Islamic			
Refinance Scheme for payment of wages and salaries		<b>1,633,038</b>	2,177,385
Investment under Islamic Refinance Scheme for SME Asaan Finance		<b>128,816</b>	-
Investment under Shariah Compliant Standing Ceiling Facility	16.1.1	<b>219,620,915</b>	39,993,944
		<b>341,345,332</b>	142,327,314
<b>With Scheduled Bank</b>	16.1.2	<b>65,000,000</b>	30,000,000
<b>Other financial institutions</b>		<b>832,011</b>	693,096
<b>Unsecured</b>			
Overdrawn nostro accounts		<b>1,353,779</b>	443,824
Other Musharakah	16.1.3	<b>11,000,000</b>	46,950,000
		<b>419,531,122</b>	<b>220,414,234</b>

- 16.1.1** This represents acceptance of funds by the Bank on Mudarabah basis which has been invested in special pool of the Bank and are secured against lien of the Bank's investment in Federal Government securities.
- 16.1.2** These represents acceptance of funds by the Bank on Musharakah basis which are secured against pledge of the Bank's investment in Government Ijarah Sukuk. The expected average return on these Musharakah is around 10.50% (December 31, 2021: 10.65%) per annum. These balances have matured in April 2022 (December 31, 2021: January 2022).
- 16.1.3** These Musharakah are on profit and loss sharing basis with banks. The expected average return on these Musharakah is around 10.50% (December 2021: 10.37%) per annum. These balances have matured in April 2022 (December 2021: January 2022).

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**17 DEPOSITS AND OTHER ACCOUNTS**

	March 31, 2022 (Unaudited)			December 31, 2021 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
<b>Customers</b>						
- Current accounts - non-remunerative	628,539,919	32,817,880	661,357,799	622,823,894	30,848,040	653,671,934
- Savings deposits	473,523,472	44,604,649	518,128,121	492,095,194	43,166,844	535,262,038
- Fixed deposits	243,563,414	15,067,322	258,630,736	231,366,955	14,454,313	245,821,268
- Margin	8,325,105	6,820	8,331,925	12,003,635	6,566	12,010,201
	1,353,951,910	92,496,671	1,446,448,581	1,358,289,678	88,475,763	1,446,765,441
<b>Financial institutions</b>						
- Current accounts - non-remunerative	1,763,013	487,420	2,250,433	1,829,027	308,877	2,137,904
- Savings deposits	5,598,445	730	5,599,175	6,096,621	702	6,097,323
- Fixed deposits	1,136,600	-	1,136,600	885,800	-	885,800
	8,498,058	488,150	8,986,208	8,811,448	309,579	9,121,027
	1,362,449,968	92,984,821	1,455,434,789	1,367,101,126	88,785,342	1,455,886,468

**18 SUB-ORDINATED SUKUK**

	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
Additional Tier I Sukuk	18.1	7,000,000	7,000,000
Tier II Sukuk	18.2	13,990,000	13,990,000
		<u>20,990,000</u>	<u>20,990,000</u>

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**18.1** 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 plus) by VIS Credit Rating Company Limited
Issue Date	August 01, 2018
Tenor	Perpetual
Profit payment frequency	Monthly in arrears
Redemption	Perpetual. However, the Bank has call option which can be exercised with prior approval of SBP.
Expected Periodic Profit Amount (Mudaraba Profit Amount) - Non discretionary subject to profit of the pool	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 12.13% 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 (variable) 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.

**18.2** In January 2020 and December 2021, the Bank issued regulatory Shariah compliant unsecured, subordinated privately placed Tier II Sukuk based on Mudaraba of Rs. 4,000 million and Rs 9,990 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	AAA (Triple A) by VIS Credit Rating Company Limited
Issue Date	January 09, 2020 and December 16, 2021
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) - Non discretionary subject to profit of the pool	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 12.01% and 12.13% 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 (variable) 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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	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
<b>19 OTHER LIABILITIES</b>			
Return on deposits and other dues			
- payable in local currency		<b>5,477,674</b>	4,643,447
- payable in foreign currencies		<b>52,221</b>	49,414
Unearned income		<b>1,656,528</b>	1,449,591
Accrued expenses		<b>14,888,835</b>	12,187,304
Current taxation (provision less payments)		<b>14,499,604</b>	13,498,972
Acceptances		<b>9,003,880</b>	10,925,144
Dividends payable		<b>2,459,606</b>	19,490
Payable to defined benefit plan		<b>521,399</b>	941,589
Charity payable		<b>11,893</b>	3,932
Provision against off-balance sheet obligations	19.1	<b>27,293</b>	55,167
Security deposits against Ijarah		<b>21,437,684</b>	20,370,305
Payable on account of credit murabaha / ijarah		<b>14,028</b>	24,819
Security deposits against lockers		<b>166,255</b>	160,555
Advance against future Diminishing Musharakah		<b>11,034</b>	490,951
Withholding taxes payable		<b>559,596</b>	275,530
Lease liability against right-of-use assets		<b>13,209,436</b>	13,107,177
Workers Welfare Fund payable		<b>4,044,754</b>	3,710,254
Others		<b>2,046,791</b>	1,067,904
		<b>90,088,511</b>	<u>82,981,545</u>
<b>19.1 Provision against off-balance sheet obligations</b>			
Opening balance		<b>55,167</b>	36,489
(Reversal) / Charge for the quarter / year		<b>(27,874)</b>	18,678
Closing balance		<b>27,293</b>	<u>55,167</u>
<b>20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>			
Available for sale securities			
- Listed shares / units of mutual fund		<b>1,956,479</b>	1,928,965
- Sukuk		<b>(839,120)</b>	4,694,113
		<b>1,117,359</b>	6,623,078
Non-banking assets acquired in satisfaction of claims		<b>38,578</b>	38,578
Less: Deferred tax liability on			
- Available for sale securities		<b>1,155,937</b>	6,661,656
- Non-banking assets acquired in satisfaction of claims		<b>(435,771)</b>	(2,583,001)
		<b>(15,045)</b>	(15,045)
		<b>(450,816)</b>	(2,598,046)
		<b>705,121</b>	<u>4,063,610</u>

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	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
<b>21 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	21.1	<b>44,072,966</b>	45,072,765
- Commitments	21.2	<b>906,968,711</b>	887,366,094
- Other contingent liabilities	21.3	<b>1,802,000</b>	1,802,000
		<b>952,843,677</b>	934,240,859
<b>21.1 Guarantees:</b>			
Financial guarantees		<b>621,542</b>	930,441
Performance guarantees		<b>20,394,201</b>	23,651,964
Other guarantees		<b>23,057,223</b>	20,490,360
		<b>44,072,966</b>	45,072,765
<b>21.2 Commitments:</b>			
Documentary letters of credit		<b>205,956,312</b>	175,227,624
Commitments in respect of:			
- forward foreign exchange contracts	21.2.1	<b>187,652,170</b>	200,615,279
Commitments for acquisition of:			
- fixed assets		<b>665,908</b>	389,225
- intangible assets		<b>346,041</b>	309,824
Other commitments	21.2.2	<b>512,348,280</b>	510,824,142
		<b>906,968,711</b>	887,366,094
<b>21.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		<b>111,920,056</b>	114,757,851
Sale		<b>75,732,114</b>	85,857,428
		<b>187,652,170</b>	200,615,279
<b>21.2.2 Other Commitments</b>			
Commitments in respect of financing		<b>512,348,280</b>	510,824,142
<b>21.3 Other contingencies</b>			
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	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
		Rupees in '000	
<b>22 PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS</b>			
On financing	22.1	<b>15,852,186</b>	9,426,255
On investments in			
- Available for sale securities		<b>12,853,984</b>	9,077,079
- Held for trading securities		<b>433</b>	-
- Held to maturity securities		<b>5,415,892</b>	266,504
		<b>18,270,309</b>	9,343,583
On deposits / placements with financial institutions		<b>3,988,764</b>	5,459,428
		<b>38,111,259</b>	<b>24,229,266</b>
<b>22.1</b>	The income on Ijarah under IFAS 2 is net off takaful of Rs 521 million (March 31, 2021: Rs 390 million) recovered from customers.		
<b>23 PROFIT ON DEPOSITS AND OTHER DUES EXPENDED</b>			
Deposits and other accounts	23.1	<b>11,487,225</b>	8,072,484
Sub-ordinated Sukuk		<b>635,959</b>	368,773
Other Musharakahs / Modarabas		<b>4,166,371</b>	518,008
Amortisation of lease liability against right-of-use assets		<b>384,745</b>	215,379
		<b>16,674,300</b>	<b>9,174,644</b>
<b>23.1</b>	This includes conversion cost of Rs 453 million (March 31, 2021: Rs 594 million) against foreign currency deposits.		
<b>24 FEE AND COMMISSION INCOME</b>			
Trade related fees and commissions		<b>896,224</b>	804,370
Commission on guarantees		<b>45,370</b>	37,878
Branch banking customer fees		<b>544,122</b>	370,642
Credit processing related fees (including consumer processing fees of Rs 16.669 million (2021: Rs 18.040 million)		<b>26,753</b>	35,857
Debit card related fees		<b>1,212,635</b>	563,386
Investment banking related fees		<b>85,340</b>	119,076
Cash management fees		<b>66,061</b>	33,373
Home remittance related fees		<b>73,221</b>	56,626
Others		<b>39,841</b>	45,502
		<b>2,989,567</b>	<b>2,066,710</b>
<b>25 GAIN ON SECURITIES - NET</b>			
Realised	25.1	<b>15,360</b>	140,743
<b>25.1 Realised gain / (loss) on:</b>			
Listed Shares		<b>(2,160)</b>	102,943
Federal Government Securities		<b>17,520</b>	5,024
Pakistan Energy Sukuk		<b>-</b>	<b>32,776</b>
		<b>15,360</b>	<b>140,743</b>

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	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
	Rupees in '000	
<b>26 OTHER INCOME</b>		
Gain on termination of islamic financing	125,426	200,627
Gain on sale of fixed assets	51,177	49,206
Others	1,000	450
	<b>177,603</b>	<b>250,283</b>
<b>27 OPERATING EXPENSES</b>		
Total compensation expense	<b>5,755,492</b>	4,454,195
<b>Property expense</b>		
Depreciation on right-of-use assets	734,366	579,957
Rent and taxes	9,303	32,386
Utilities cost (including electricity and diesel)	307,159	206,997
Security (including guards)	303,074	201,211
Repair and maintenance (including janitorial charges)	164,943	138,855
Depreciation	200,924	196,978
Others	18,112	12,048
	<b>1,737,881</b>	<b>1,368,432</b>
<b>Information technology expenses</b>		
Software maintenance	163,260	143,797
Hardware maintenance	129,005	84,466
Depreciation	137,375	104,437
Amortisation	102,052	73,181
Network charges	74,957	56,308
	<b>606,649</b>	<b>462,189</b>
<b>Other operating expenses</b>		
Stationery and printing (including debit card related costs)	247,441	217,906
Repairs and maintenance	119,876	64,256
Local transportation and car running	215,418	138,621
Depreciation on vehicles, equipment etc.	350,042	255,037
Marketing, advertisement and publicity	278,082	200,404
Security charges - cash transportation	140,415	139,959
Communication (including courier)	137,936	143,893
Legal and professional charges	30,092	34,384
NIFT and other clearing charges	48,584	47,615
Travelling and conveyance	24,831	11,571
Training and Development	24,201	2,470
Donation	-	362
Fees, subscription and other charges	103,281	75,335
Brokerage and bank charges	53,663	70,604
Office supplies	88,722	75,192
Entertainment	15,480	17,622
Takaful expense	23,712	23,110
Outsourced services costs	4,394	2,980
Auditors' Remuneration	3,702	3,502
Shariah Board fees	4,951	3,651
Non-executive Directors' fee	16,110	17,110
Others	2,152	5,199
	<b>1,933,085</b>	<b>1,550,783</b>
	<b>10,033,107</b>	<b>7,835,599</b>

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	Note	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
		Rupees in '000	
<b>28 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		<u>1,132</u>	<u>1,382</u>
<b>29 PROVISIONS AND WRITE OFFS - NET</b>			
Provision against non-performing islamic financing related assets - net	10.10	<b>28,106</b>	304,578
Provision / (reversals) against diminution in the value of investments	9.3	<b>192,931</b> <b>(27,874)</b> <b>36,858</b> <b>(2,131)</b>	(18,449) 24,316 (23,064) (2,810)
(Reversals) / provision against off-balance sheet obligations		<b>227,890</b>	<b>284,571</b>
Other Provision / (reversals)			
Recovery against written off financing			

	Note	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
		Rupees in '000	
<b>30 TAXATION</b>			
Current - for the year	30.1	<b>6,067,415</b>	2,834,822
Deferred - for the year		<b>(132,267)</b> <b>5,935,148</b>	1,305,511 4,140,333

**30.1** The Bank has recognized super tax charge of Rs 620.862 million (March 31, 2021: Rs 268.115 million) in the current quarter which is determined at the applicable tax rate of 4 percent on taxable income for the quarter.

	Note	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
		Rupees in '000	
<b>31 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the quarter		<b>9,205,539</b>	<b>6,101,203</b>
		(Number)	
Weighted average number of ordinary shares		<b>1,626,931,201</b>	<b>1,626,931,201</b>
		(Rupees)	
Basic earnings per share	31.4	<b>5.66</b>	<b>3.75</b>
		Restated	

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	Note	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
		Rupees in '000	
<b>31.2 Diluted Earnings per share</b>			
Profit for the year		<b>9,205,539</b>	6,101,203
		(Number)	
Weighted average number of ordinary shares	31.3	<b>1,627,240,459</b>	1,626,931,201
		(Rupees)	
Diluted earnings per share	31.4	<b>5.66</b>	3.75
		Restated	

		(Number)
Weighted average number of ordinary shares		<b>1,626,931,201</b>
Add: Employee stock option scheme		<b>309,258</b>
Dilutive potential ordinary shares		<b>1,627,240,459</b>
		1,626,931,201

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

	Note	March 31, 2022 (Unaudited)	March 31, 2021 (Unaudited)
		Rupees in '000	
<b>32 CASH AND CASH EQUIVALENTS</b>			
Cash and balances with treasury banks	6	<b>145,460,335</b>	146,910,480
Balances with other banks	7	<b>10,268,861</b>	11,609,241
		<b>155,729,196</b>	158,519,721

**33 FAIR VALUE OF FINANCIAL INSTRUMENT**

**33.1** 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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	<b>March 31, 2022 (Unaudited)</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Rupees in '000</b>				

**RECURRING FAIR VALUE MEASUREMENTS  
ON BALANCE SHEET FINANCIAL INSTRUMENTS - MEASURED AT FAIR VALUE**

**INVESTMENTS - NET**

**Financial Assets**

**Available for sale securities**

Ordinary shares - listed	9,029,946	-	-	9,029,946
Pakistan Energy Sukuk - listed	119,653,803	-	-	119,653,803
GOP Sukuk	-	531,120,835	-	531,120,835
Foreign Sukuk	10,762,502	-	-	10,762,502

**OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

Forward purchase of foreign exchange contracts	-	114,281,509	-	114,281,509
Forward sale of foreign exchange contracts	-	77,340,818	-	77,340,818

**December 31, 2021 (Audited)**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Rupees in '000</b>				

**RECURRING FAIR VALUE MEASUREMENTS  
ON BALANCE SHEET FINANCIAL INSTRUMENTS - MEASURED AT FAIR VALUE**

**INVESTMENTS - NET**

**Financial Assets**

**Available for sale securities**

Ordinary shares - listed	8,718,285	-	-	8,718,285
Pakistan Energy Sukuk - listed	120,028,511	-	-	120,028,511
GOP Sukuk	-	320,869,119	-	320,869,119
Foreign Sukuk	10,703,622	-	-	10,703,622

**OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

Forward purchase of foreign exchange contracts	-	116,360,987	-	116,360,987
Forward sale of foreign exchange contracts	-	86,873,922	-	86,873,922

**ON BALANCE SHEET FINANCIAL INSTRUMENTS - DISCLOSED BUT NOT MEASURED AT FAIR VALUE**

Investment in associates (listed - mutual funds) have market value of Rs 1,715 million (December 31, 2021: Rs 1,711 million) which is being valued under level 1. Investment in GoP sukuk classified as Held to Maturity have market value of Rs 216,482 million (December 31, 2021: Rs 76,651 million) which is being valued under level 2. These investments are carried at cost in the financial statements in accordance with the bank's accounting policy.

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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.

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

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

Fair value of Islamic financing and related assets, unquoted sukuk, other assets, other liabilities and fixed term deposits and other accounts and due to financial institutions 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 made in accordance with the Bank's accounting policy as stated in note 6.3.2 to the 2021 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.

	<b>Carrying Value</b>	
	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>Rupees in '000</b>	
<b>33.2 Financial assets not measured at fair value</b>		
Cash and balances with treasury banks	145,460,335	170,500,698
Balances with other banks	10,268,861	16,420,036
Due from financial institutions - net	192,084,797	238,401,637
Investments - net	256,925,201	159,812,506
Islamic financings and related assets - net	739,345,161	758,086,120
Other assets - net	61,878,032	61,587,012

**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 14. 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
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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
Rupees in '000						
<b>March 31, 2022 (Unaudited)</b>						
<b>Profit and Loss Account</b>						
External Funded Revenue	14,527,650	1,750,342	21,833,267	-	-	38,111,259
External Non funded Revenue	1,152,213	657,500	1,238,397	1,252,247	-	4,300,357
Inter segment revenue - net	-	35,082,601	-	33,284	(35,115,885)	-
<b>Total Income</b>	<b>15,679,863</b>	<b>37,490,443</b>	<b>23,071,664</b>	<b>1,285,531</b>	<b>(35,115,885)</b>	<b>42,411,616</b>
External Cost of funds	1,165,822	11,889,853	3,618,625	-	-	16,674,300
Segment direct expenses	286,745	9,418,061	56,488	607,445	-	10,368,739
Inter segment expense allocation	13,065,366	-	22,050,519	-	(35,115,885)	-
<b>Total expenses</b>	<b>14,517,933</b>	<b>21,307,914</b>	<b>25,725,632</b>	<b>607,445</b>	<b>(35,115,885)</b>	<b>27,043,039</b>
Provision / (reversals) and write offs - net	(41,297)	76,092	192,931	164	-	227,890
<b>Profit before tax</b>	<b>1,203,227</b>	<b>16,106,437</b>	<b>(2,846,899)</b>	<b>677,922</b>	<b>-</b>	<b>15,140,687</b>
<b>Statement of Financial Position</b>						
Cash and Bank balances	-	152,440,353	1,088,139	2,200,704	-	155,729,196
Due from financial institutions - net	-	-	192,084,797	-	-	192,084,797
Investments - net	13,011,273	-	914,481,014	-	-	927,492,287
Net inter segment lending	-	-	-	-	-	-
Islamic financings and related assets - net	652,764,393	1,300,865,044	-	-	-	739,345,161
Others	86,580,768	86,580,768	-	-	-	103,847,603
<b>Total Assets</b>	<b>19,153,981</b>	<b>44,494,985</b>	<b>40,150,703</b>	<b>47,934</b>	<b>(1,300,865,044)</b>	<b>2,118,499,044</b>
684,929,647	1,584,381,150	1,147,804,653	2,248,638	-	-	-
Due to financial institutions	110,980,440	1,122,646	307,428,036	-	-	419,531,122
Deposits and other accounts	-	1,455,434,789	-	-	-	1,455,434,789
Subordinated Sukuk	20,990,000	-	790,750,907	1,277,478	(1,300,865,044)	20,990,000
Net inter segment borrowing	508,836,659	-	855,992	875,616	-	-
Others	15,020,187	115,777,240	-	-	-	132,529,035
<b>Total Liabilities</b>	<b>655,827,286</b>	<b>1,572,334,675</b>	<b>1,099,034,935</b>	<b>2,153,094</b>	<b>(1,300,865,044)</b>	<b>2,028,484,946</b>
<b>Equity</b>	<b>29,102,361</b>	<b>12,046,475</b>	<b>48,769,718</b>	<b>95,544</b>	<b>-</b>	<b>90,014,098</b>
<b>Total Equity and Liabilities</b>	<b>684,929,647</b>	<b>1,584,381,150</b>	<b>1,147,804,653</b>	<b>2,248,638</b>	<b>(1,300,865,044)</b>	<b>2,118,499,044</b>
<b>Contingencies and Commitments</b>	<b>686,276,125</b>	<b>78,915,382</b>	<b>187,652,170</b>	<b>-</b>	<b>-</b>	<b>952,843,677</b>
<b>March 31, 2021 (Unaudited)</b>						
<b>Profit and Loss Account</b>						
External Funded Revenue	7,791,718	1,940,624	14,496,924	-	-	24,229,266
External Non funded Revenue	1,002,580	648,903	1,302,215	608,883	-	3,562,581
Inter segment revenue - net	-	19,227,887	-	74,631	(19,302,518)	-
<b>Total Income</b>	<b>8,794,298</b>	<b>21,817,414</b>	<b>15,799,139</b>	<b>683,514</b>	<b>(19,302,518)</b>	<b>27,791,847</b>
External Cost of funds	726,508	8,298,140	149,996	-	-	9,174,644
Segment direct expenses	235,669	7,300,811	177,860	376,756	-	8,091,096
Inter segment expense allocation	6,008,814	-	13,293,704	-	(19,302,518)	-
<b>Total expenses</b>	<b>6,970,991</b>	<b>15,598,951</b>	<b>13,621,560</b>	<b>376,756</b>	<b>(19,302,518)</b>	<b>17,265,740</b>
Provision / (reversals) and write offs - net	314,397	(14,833)	(14,993)	-	-	284,571
<b>Profit before tax</b>	<b>1,508,910</b>	<b>6,233,296</b>	<b>2,192,572</b>	<b>306,758</b>	<b>-</b>	<b>10,241,536</b>
<b>Statement of Financial Position</b>						
Cash and Bank balances	-	157,138,375	1,381,346	-	-	158,519,721
Due from financial institutions - net	-	-	315,233,196	-	-	315,233,196
Investments - net	14,845,755	1,078,928,889	449,418,238	-	-	464,263,993
Net inter segment lending	-	81,384,335	-	-	-	-
Islamic financings and related assets - net	441,093,224	28,037,578	-	1,257,017	(1,080,185,906)	522,477,559
Others	16,829,738	-	39,871,569	-	-	84,738,885
<b>Total Assets</b>	<b>472,768,717</b>	<b>1,345,489,177</b>	<b>805,904,349</b>	<b>1,257,017</b>	<b>(1,080,185,906)</b>	<b>1,545,233,354</b>
Due to financial institutions	72,442,775	686,209	34,818,009	-	-	107,946,993
Deposits and other accounts	-	1,248,608,378	-	-	-	1,248,608,378
Subordinated Sukuk	18,000,000	-	731,245,446	-	-	18,000,000
Net inter segment borrowing	348,940,460	83,680,765	2,007,253	1,257,017	(1,080,185,906)	98,136,119
Others	11,191,084	-	-	-	-	-
<b>Total Liabilities</b>	<b>450,574,319</b>	<b>1,332,975,352</b>	<b>768,070,708</b>	<b>1,257,017</b>	<b>(1,080,185,906)</b>	<b>1,472,691,490</b>
<b>Equity</b>	<b>22,194,398</b>	<b>12,513,825</b>	<b>37,833,641</b>	<b>-</b>	<b>-</b>	<b>72,541,864</b>
<b>Total Equity and Liabilities</b>	<b>472,768,717</b>	<b>1,345,489,177</b>	<b>805,904,349</b>	<b>1,257,017</b>	<b>(1,080,185,906)</b>	<b>1,545,233,354</b>
<b>Contingencies and Commitments</b>	<b>507,362,680</b>	<b>78,524,626</b>	<b>172,367,427</b>	<b>-</b>	<b>-</b>	<b>758,254,733</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

**35 RELATED PARTY TRANSACTIONS**

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

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2022	Dec 31, 2021	Mar 31, 2022	Dec 31, 2021						
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Rupees in '000												
<b>Investments</b>												
At January 1,	907,788	908,669	63,050	63,050	844,738	845,619	-	-	-	-	-	-
Addition during the quarter / year	500	-	-	-	500	-	-	-	-	-	-	-
Deletion during the quarter / year	-	(881)	-	-	-	(881)	-	-	-	-	-	-
At March 31 / December 31	908,288	907,788	63,050	63,050	845,238	844,738	-	-	-	-	-	-
<b>Due from financial institutions</b>												
At January 1,	21,858,348	36,671,288	-	-	21,858,348	36,671,288	-	-	-	-	-	-
Addition during the quarter / year	-	76,546,772	-	-	-	76,546,772	-	-	-	-	-	-
Deletion during the quarter / year	(21,858,348)	(91,359,712)	-	-	(21,858,348)	(91,359,712)	-	-	-	-	-	-
At March 31 / December 31	-	21,858,348	-	-	-	21,858,348	-	-	-	-	-	-

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	Mar 31, 2022 (Unaudited)	Dec 31, 2021 (Audited)										
	Rupees in '000											
<b>Deposits</b>	<b>5,250,386</b>	7,236,303	<b>58,825</b>	15,388	<b>1,998,133</b>	2,386,870	<b>133,452</b>	131,435	<b>125,179</b>	188,427	<b>2,934,798</b>	4,514,183
<b>Other Assets</b>												
Profit receivable on financing / investments	-	725,460	-	-	-	725,460	-	-	-	-	-	-
Fee and Other Receivable	<b>47,793</b>	59,573	<b>1,950</b>	22,111	<b>11,442</b>	9,037	-	-	-	-	<b>34,401</b>	28,425
<b>Sub-ordinated Sukuk (Tier II)</b>												
At January 1,	<b>200,000</b>	578,000	-	-	<b>200,000</b>	578,000	-	-	-	-	-	-
Addition during the quarter / year	-	10,000	-	-	-	10,000	-	-	-	-	-	-
Deletion during the quarter / year	-	(388,000)	-	-	-	(388,000)	-	-	-	-	-	-
At March 31 / December 31	<b>200,000</b>	200,000	-	-	<b>200,000</b>	200,000	-	-	-	-	-	-
<b>Other Liabilities</b>												
Payable to defined benefit plan	<b>521,399</b>	941,589	-	-	-	-	-	-	<b>413,962</b>	403,874	<b>107,437</b>	537,715
Accrued Expenses	<b>354,400</b>	353,974	<b>4,400</b>	3,974	-	-	-	-	-	-	<b>350,000</b>	350,000
Unearned Income	<b>14,800</b>	16,648	-	-	<b>14,800</b>	16,648	-	-	-	-	-	-
<b>Contingencies and Commitments</b>												
Letters of Guarantee (unfunded)	<b>1,841,377</b>	2,491,377	100	100	<b>1,841,277</b>	2,491,277	-	-	-	-	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	Mar 31, 2022 (Unaudited)	Mar 31, 2021 (Unaudited)										
<b>Rupees in '000</b>												
Profit earned on financing / investments / placements	<b>68,184</b>	581,701	-	-	<b>68,184</b>	581,701	-	-	-	-	-	-
Fees and other income earned	<b>45,812</b>	38,669	<b>1,398</b>	27,122	<b>44,314</b>	11,497	<b>7</b>	<b>2</b>	<b>62</b>	<b>10</b>	<b>31</b>	<b>38</b>
Dividend income earned	<b>130,000</b>	214,500	<b>130,000</b>	214,500	-	-	-	-	-	-	-	-
Gain on securities	<b>2,028</b>	-	-	-	-	-	-	-	-	-	<b>2,028</b>	-
Return on deposits / borrowing expensed	<b>203,568</b>	133,949	<b>467</b>	292	<b>118,319</b>	59,630	<b>332</b>	<b>189</b>	<b>1,335</b>	<b>2,763</b>	<b>83,115</b>	<b>71,075</b>
Charge for defined benefit plan	<b>107,437</b>	92,109	-	-	-	-	-	-	-	-	<b>107,437</b>	92,109
Contribution to defined contribution plan	<b>116,010</b>	104,771	-	-	-	-	-	-	-	-	<b>116,010</b>	104,771
Contribution to staff benevolent fund	<b>4,404</b>	4,149	-	-	-	-	-	-	-	-	<b>4,404</b>	4,149
Fees expensed	<b>4,912</b>	3,612	<b>4,394</b>	2,980	<b>518</b>	632	-	-	-	-	-	-
Purchase of fixed assets	<b>121,399</b>	112,445	-	-	<b>121,399</b>	112,445	-	-	-	-	-	-
Remuneration to the directors and key management personnel including fee to non-executive directors and end of service benefit charge for the founder President	<b>62,576</b>	59,255	-	-	-	-	<b>16,110</b>	<b>17,110</b>	<b>46,466</b>	<b>42,145</b>	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
	Rupees in '000	
<b>36 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement</b>		
Paid-up capital (net of losses)	<u>16,269,312</u>	<u>16,269,312</u>
<b>Capital Adequacy Ratio</b>		
Eligible Common Equity Tier 1 Capital	<u>87,721,317</u>	<u>80,903,080</u>
Eligible Additional Tier 1 Capital	<u>7,000,000</u>	<u>7,000,000</u>
Total Eligible Tier 1 Capital	<u>94,721,317</u>	<u>87,903,080</u>
Eligible Tier 2 Capital	<u>20,581,129</u>	<u>23,900,095</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>115,302,446</u>	<u>111,803,175</u>
<b>Risk Weighted Assets</b>		
Credit Risk	<u>485,886,923</u>	<u>471,179,745</u>
Market Risk	<u>21,392,163</u>	<u>22,956,751</u>
Operational Risk	<u>133,736,815</u>	<u>133,736,815</u>
Total	<u>641,015,901</u>	<u>627,873,311</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>13.68%</u>	<u>12.89%</u>
Tier 1 Capital Adequacy Ratio	<u>14.78%</u>	<u>14.00%</u>
Total Capital Adequacy Ratio	<u>17.99%</u>	<u>17.81%</u>
<b>Leverage Ratio</b>		
Tier-1 Capital	<u>94,721,317</u>	<u>87,903,080</u>
Total Exposures	<u>2,351,457,259</u>	<u>2,244,744,326</u>
Leverage Ratio	<u>4.03%</u>	<u>3.92%</u>
<b>Liquidity Coverage Ratio</b>		
Total High Quality Liquid Assets	<u>546,065,772</u>	<u>464,998,495</u>
Total Net Cash Outflow	<u>217,955,787</u>	<u>209,348,310</u>
Liquidity Coverage Ratio	<u>251%</u>	<u>222%</u>
<b>Net Stable Funding Ratio</b>		
Total Available Stable Funding	<u>1,437,541,722</u>	<u>1,370,517,865</u>
Total Required Stable Funding	<u>888,786,027</u>	<u>829,111,476</u>
Net Stable Funding Ratio	<u>162%</u>	<u>165%</u>

**37 DATE OF AUTHORISATION AND NON-ADJUSTING EVENT**

- 37.1** This condensed interim financial information was authorised for issue on April 25, 2022 by the Board of Directors of the Bank.
- 37.2** The Board of Directors in their meeting held on April 25, 2022 has announced an interim cash dividend @ 17.5%. This condensed interim unconsolidated financial information does not include the effect of this appropriation which will be accounted for subsequent to the quarter end.

**Riyadh S. A. A. Edrees**  
Chairman

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL INFORMATION**

**CONDENSED INTERIM CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2022**

	March, 2022 (Unaudited)	December 31, 2021 (Audited)
Rupees in '000		
<b>ASSETS</b>		
Cash and balances with treasury banks	145,460,335	170,501,306
Balances with other banks	10,305,936	16,465,169
Due from financial institutions - net	192,084,797	238,401,637
Investments - net	931,607,441	624,332,881
Islamic financing and related assets - net	739,345,161	758,086,120
Fixed assets	35,408,892	34,185,975
Intangible assets	1,461,012	1,505,581
Deferred tax asset	2,204,137	-
Other assets - net	65,165,386	64,180,378
	<b>2,123,043,097</b>	1,907,659,047
<b>LIABILITIES</b>		
Bills payable	42,440,524	36,141,378
Due to financial institutions	419,531,122	220,414,234
Deposits and other accounts	1,455,375,964	1,455,871,080
Sub-ordinated Sukuk	20,990,000	20,990,000
Deferred tax liabilities	-	72,189
Other liabilities	90,839,359	83,728,554
	<b>2,029,176,969</b>	1,817,217,435
<b>NET ASSETS</b>	<b>93,866,128</b>	90,441,612
<b>REPRESENTED BY</b>		
Share capital	16,269,312	16,269,312
Reserves	24,387,738	23,417,514
Unappropriated profit	51,319,301	45,494,657
Surplus on revaluation of assets - net of tax	705,121	4,063,610
	<b>92,681,472</b>	89,245,093
<b>NON-CONTROLLING INTEREST</b>	<b>1,184,656</b>	1,196,519
	<b>93,866,128</b>	90,441,612

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

**Riyadh S. A. A. Edrees**  
Chairman

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED  
PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

	Quarter ended March 31, 2022	Quarter ended March 31, 2021
	Rupees in '000	
Profit / return earned on Islamic financing and related assets, investments and placements	38,137,493	24,229,777
Profit on deposits and other dues expensed	16,678,750	9,180,800
Net spread earned	<u>21,458,743</u>	<u>15,048,977</u>
<b>OTHER INCOME</b>		
Fee and commission income	3,356,404	2,443,004
Dividend income	174,387	68,812
Foreign exchange income	813,439	821,533
Gain on securities - net	15,252	309,116
Other income	177,437	250,376
Total income	<u>4,536,919</u>	<u>3,892,841</u>
	<u>25,995,662</u>	<u>18,941,818</u>
<b>OTHER EXPENSES</b>		
Operating expenses	10,217,420	7,989,753
Workers Welfare Fund	337,958	260,396
Other charges	1,132	1,382
Total other expenses	<u>10,556,510</u>	<u>8,251,531</u>
Share of results of associates before taxation	15,439,152	10,690,287
<b>Profit before provisions</b>	<u>29,555</u>	<u>(48,133)</u>
	<u>15,468,707</u>	<u>10,642,154</u>
Provisions and write offs - net	227,890	284,571
Extraordinary / unusual items	-	-
<b>Profit before taxation</b>	<u>15,240,817</u>	<u>10,357,583</u>
Taxation	5,997,085	4,230,676
<b>Profit after taxation</b>	<u>9,243,732</u>	<u>6,126,907</u>
<b>Attributable to:</b>		
Shareholders of the Holding company	9,185,595	6,049,802
Non-controlling interest	58,137	77,105
	<u>9,243,732</u>	<u>6,126,907</u>
	<hr/> <b>Rupees</b> <hr/>	
	<hr/> <b>Restated</b> <hr/>	
<b>Basic earnings per share</b>	<u>5.65</u>	<u>3.72</u>
<b>Diluted earnings per share</b>	<u>5.64</u>	<u>3.72</u>

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

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

**CONDENSED INTERIM CONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

	Quarter ended March 31, 2022	Quarter ended March 31, 2021
	Rupees in '000	
<b>Profit after taxation for the period attributable to:</b>		
Shareholders of the Holding company	9,185,595	6,049,802
Non-controlling interest	58,137	77,105
	<b>9,243,732</b>	<b>6,126,907</b>
<b>Other Comprehensive income</b>		
<b>Item that may be reclassified to profit and loss account in subsequent periods:</b>		
(Deficit) / surplus on revaluation of investments	(5,505,719)	176,679
Deferred tax on revaluation of investments	2,147,230	(61,838)
	<b>(3,358,489)</b>	<b>114,841</b>
<b>Other comprehensive (loss) / income for the quarter</b>	<b>(3,358,489)</b>	<b>114,841</b>
<b>Total comprehensive Income for the quarter</b>	<b>5,885,243</b>	<b>6,241,748</b>
<b>Attributable to:</b>		
Shareholders of the Holding company	5,827,106	6,164,643
Non-controlling interest	58,137	77,105
	<b>5,885,243</b>	<b>6,241,748</b>

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 QUARTER ENDED MARCH 31, 2022**

Share capital	Capital reserves				Revenue reserve General reserve	Unappropriated profit	Surplus / (deficit) on revaluation of		Non controlling interest	Total	
	Share premium	Statutory reserve *	Non-Distributable Capital Reserve	Employee share option compensation reserve			Investments	Non-banking assets			
<b>Rupees in '000</b>											
<b>Balance as at January 1, 2021</b>	14,147,228	2,406,571	14,833,341	3,117,547	-	91,082	31,808,445	5,542,351	19,941	1,264,512	73,231,018
Profit after taxation for the quarter ended March 31, 2021	-	-	-	-	-	6,049,802	-	-	77,105	6,126,907	
Other Comprehensive income for the quarter ended March 31, 2021 - net of tax	-	-	-	-	-	-	114,841	-	-	114,841	6,241,748
<b>Other appropriations</b>											
Transfer to statutory reserve	-	-	610,120	-	-	-	(610,120)	-	-	-	-
<b>Transactions with owners recognised directly in equity</b>											
Final cash dividend for the year 2020 @ Rs 2 per share	-	-	-	-	-	-	(2,829,446)	-	-	(2,829,446)	
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	(115,500)	(115,500)	
<b>Balance as at March 31, 2021</b>	<b>14,147,228</b>	<b>2,406,571</b>	<b>15,443,461</b>	<b>3,117,547</b>	-	<b>91,082</b>	<b>34,418,681</b>	<b>5,657,192</b>	<b>19,941</b>	<b>1,226,117</b>	<b>76,57,820</b>
Profit after taxation for the nine months period ended December 31, 2021	-	-	-	-	-	22,177,758	-	-	202,923	22,380,681	
Other Comprehensive (loss) / income for the nine months period ended December 31, 2021 - net of tax	-	-	-	-	-	(69,828)	(1,617,115)	-	3,685	1,979	(1,681,279)
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	22,107,930	(1,617,115)	3,685	204,902	20,699,402
<b>Other appropriations</b>											
Transfer to statutory reserve	-	-	2,225,396	-	-	-	(2,225,396)	-	-	-	-
Recognition of share based compensation	-	-	-	-	133,457	-	-	-	-	-	133,457
<b>Transactions with owners recognised directly in equity</b>											
Issue of bonus shares @ 15%	2,122,084	-	-	-	-	-	(2,122,084)	-	-	-	-
First interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	(2,122,085)	-	-	-	(2,122,085)	
Second interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	(2,122,085)	-	-	-	(2,122,085)	
Third interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	(2,440,397)	-	-	-	(2,440,397)	
Dividend payout by Subsidiary	-	-	-	-	-	(6,684,567)	-	-	(234,500)	(234,500)	
<b>Balance as at December 31, 2021</b>	<b>16,269,312</b>	<b>2,406,571</b>	<b>17,668,857</b>	<b>3,117,547</b>	<b>133,457</b>	<b>91,082</b>	<b>45,494,657</b>	<b>4,040,077</b>	<b>23,533</b>	<b>1,196,519</b>	<b>90,441,612</b>
Profit after taxation for the quarter ended March 31, 2022	-	-	-	-	-	9,185,595	-	-	58,137	9,243,732	
Other Comprehensive loss for the quarter ended March 31, 2022 - net of tax	-	-	-	-	-	(3,358,489)	-	-	-	(3,358,489)	
<b>Other appropriations</b>											
Transfer to statutory reserve	-	-	920,554	-	-	-	(920,554)	-	-	-	-
Recognition of share based compensation	-	-	-	-	49,670	-	-	-	-	-	49,670
Final cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	(2,440,397)	-	-	-	(2,440,397)	
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	(70,000)	(70,000)	
<b>Balance as at March 31, 2022</b>	<b>16,269,312</b>	<b>2,406,571</b>	<b>18,589,411</b>	<b>3,117,547</b>	<b>183,127</b>	<b>91,082</b>	<b>51,319,301</b>	<b>681,588</b>	<b>23,533</b>	<b>1,184,656</b>	<b>93,866,128</b>

\*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 these condensed interim consolidated financial information.

**Riyadh S. A. A. Edrees**  
Chairman

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED  
CASH FLOW STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

	Quarter ended March 31, 2022	Quarter ended March 31, 2021
	Rupees in '000	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	15,240,817	10,357,583
Less: Dividend income	(174,387)	(68,812)
	<b>15,066,430</b>	<b>10,288,771</b>
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	702,103	570,115
Amortization	104,065	76,345
Non cash items related to right of use assets	1,140,749	818,188
Provisions and write offs - net	227,890	284,571
Recognition of share based compensation	49,670	-
Gain on sale of fixed assets	(51,011)	(49,299)
Share of results of associates	(29,555)	48,133
	<b>2,143,911</b>	<b>1,748,053</b>
	<b>17,210,341</b>	<b>12,036,824</b>
<b>(Increase) / decrease in operating assets</b>		
Due from financial institutions	46,316,840	26,835,603
Islamic financing and related assets	18,714,984	(10,247,397)
Other assets	(1,018,845)	(7,914,153)
	<b>64,012,979</b>	<b>8,674,053</b>
<b>Increase / (decrease)in operating liabilities</b>		
Bills payable	6,299,146	4,911,177
Due to financial institutions	199,116,888	13,446,353
Deposits and other accounts	(495,116)	(5,828,779)
Other liabilities	3,675,277	6,893,697
	<b>208,596,195</b>	<b>19,422,448</b>
	<b>289,819,515</b>	<b>40,133,325</b>
Income tax paid	(5,191,504)	(2,389,623)
<b>Net cash flow from operating activities</b>	<b>284,628,011</b>	<b>37,743,702</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in securities	(312,943,655)	(29,765,033)
Dividends received	171,366	47,251
Investments in fixed assets	(2,180,652)	(1,001,641)
Investments in intangible assets	(59,496)	(338,415)
Proceeds from sale of fixed assets	80,923	85,486
<b>Net cash used in investing activities</b>	<b>(314,931,514)</b>	<b>(30,972,352)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(826,420)	(981,080)
Dividend paid to equity shareholders of the Bank	(281)	(2,830,725)
Dividend paid to non controlling interest	(70,000)	(115,500)
<b>Net cash used in financing activities</b>	<b>(896,701)</b>	<b>(3,927,305)</b>
(Decrease) / increase in cash and cash equivalents	(31,200,204)	2,844,045
Cash and cash equivalents at the beginning of the quarter	186,966,475	155,722,310
<b>Cash and cash equivalents at the end of the quarter</b>	<b>155,766,271</b>	<b>158,566,355</b>

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

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2022**

**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, Meezan Pakistan Exchange Traded Fund and Meezan Daily Income Fund.
- 1.2** This condensed interim consolidated financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting'.
- 1.3** This condensed interim consolidated financial information comprise of the statement of financial position as at March 31, 2022 and the profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the quarter ended March 31, 2022.

**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, 2021.

**3 DATE OF AUTHORISATION**

This condensed interim consolidated financial information was authorised for issue on April 25, 2022 by the Board of Directors of the Holding company.

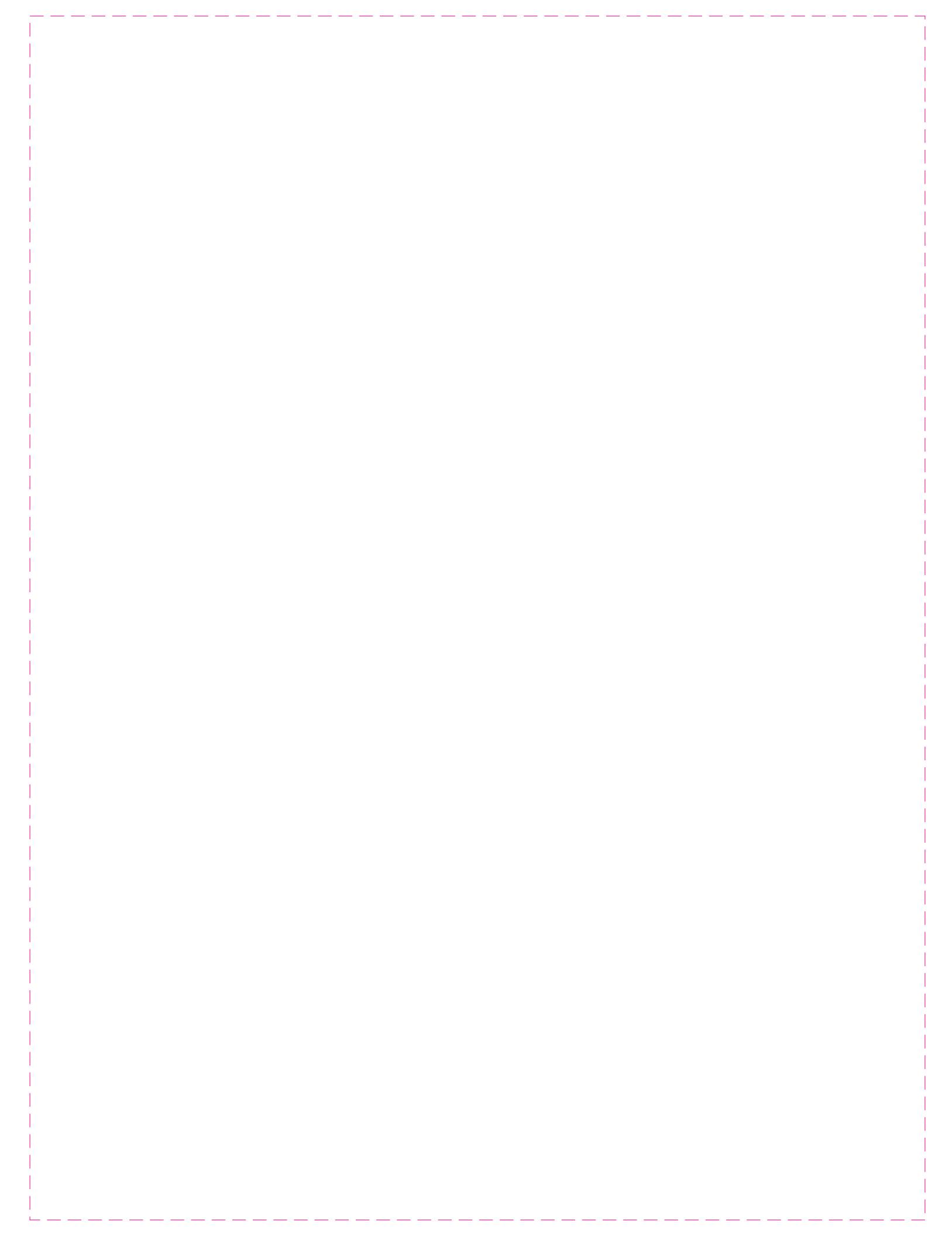
**Riyadh S. A. A. Edrees**  
Chairman

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer





**Meezan Bank**  
The Premier Islamic Bank

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

**PABX:** (92-21) 38103500 **UAN:** 111-331-331 & 111-331-332

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