



Meezan Bank
The Premier Islamic Bank



FORM-8

April 28, 2023

MEBL/CS/PSX-18/048/2023

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, 2023**

Dear Sir,

السلام عليكم

We have to inform you that the Quarterly Report of Meezan Bank for the period ended **March 31, 2023** have been transmitted through PUCARS and is also available on Bank's website.

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

Yours Sincerely,

Muhammad Sohail Khan
Company Secretary

Encl: As above.

Meezan Bank Ltd.

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

**FIRST
QUARTERLY REPORT**
MARCH 31, 2023



Meezan Bank
The Premier Islamic Bank



In the name of Allah The Beneficent The Merciful

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AS OF MARCH 31, 202303

DIRECTORS' REVIEW

الْحَمْدُ لِلَّهِ 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, 2023.

Economy

The global economy witnessed a slowdown in business activities across all major economies amid monetary tightening measures adopted by the regulators in most jurisdictions and supply-side constraints in the commodities sector during the Fiscal Year 2023 (FY2023). The challenges for Pakistan's economy were further exacerbated by the devastation caused by unprecedented floods last year, depleting foreign exchange reserves and domestic political volatility. The Consumer Price Index (CPI) headline inflation during the month of March 2023 rose to 35.4% as compared to 12.7% in February 2022 as a result of higher domestic energy prices, rupee devaluation, flood-related supply chain disruptions and restraint on imports to curtail the balance of payment crisis.

To tame spiralling inflation, the Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) further raised its Policy Rate (benchmark rate) by a cumulative 500 basis points since December 2022, bringing the benchmark rate to 21.00% in April 2023 - the highest ever in the history of the country. Despite these measures, inflation is expected to remain elevated in the near term. The forecast for industrial growth indicates a deceleration, primarily driven by the effects of fiscal and monetary contraction, a notable currency devaluation and increased prices for oil and electricity within the country. The MPC observed that while the economic activity in the country would continue to be subdued, the country's financial sector remains broadly resilient. The World Bank has cut the growth forecast for Pakistan's economy to 0.4 percent in FY2023. The national bourse also witnessed a decline during the quarter, closing at 40,000 points compared to a level of 40,420 points in 2022.

We believe that the significant remedial measures and reforms being initiated by the Federal Government of Pakistan and the imminent resumption of the IMF programme would help the country in achieving sustainable economic growth.

Financial Highlights

By the grace of Allah, Meezan Bank delivered exceptional results during the first quarter of 2023. Profit after Tax grew to Rs 15.4 billion from Rs 9.2 billion in the corresponding period last year, a growth of 68% while Earnings per Share – on enhanced capital increased to Rs 8.62 per share from Rs 5.14 per share in March 2022. The Return on Equity clocked in at over 50% for the first time. Alhamdulillah, we have consistently maintained Return on Equity above the banking industry average in line with our focus on value creation for our shareholders. We remain adequately capitalised with a Capital Adequacy Ratio (CAR) of 18.89%, which is well above the minimum regulatory requirement of 12.00%.

We are pleased to inform you that the Board has approved Rs 3.00 (30.00%) interim cash dividend for the first quarter of 2023. We have maintained our tradition of unbroken dividend payouts since the date of our listing on the Stock Exchange. The financial highlights of Meezan Bank are given below:

DIRECTORS' REVIEW

The Financial Highlights of Meezan Bank are given below:

Rupees in millions

Profit & Loss Account	Jan - Mar 2023	Jan - Mar 2022	Growth %
Profit / return earned on financing, investments and placements	81,953	38,112	115%
Profit on deposits and other dues expensed	(40,907)	(16,674)	145%
Net spread earned	41,046	21,437	91%
Fee, commission and other non-funded income	3,865	4,300	(10%)
Operating income	44,911	25,737	74%
Operating and other expenses	(14,937)	(10,369)	44%
Provision against NPLs and others - net	(2,130)	(228)	834%
Profit before tax	27,844	15,140	84%
Taxation	(12,420)	(5,935)	109%
Profit after tax	15,424	9,205	68%
Basic Earnings per share - Rupees	8.62	5.14	68%
Number of branches	972	908	7%

Rupees in millions

Statement of Financial Position	March 31, 2023	December 31, 2022	Growth %
Total Assets	2,707,859	2,577,397	5%
Investments	1,281,925	1,283,210	-
Islamic financing and related assets - Gross	1,049,226	1,018,102	3%
Deposits	1,791,217	1,658,490	8%
ADR (Gross Advances to Deposits)- %	59%	61%	(3%)
Equity	122,398	115,321	6%

Return on financings, investments and placements increased to Rs 81.9 billion from Rs 38.1 billion in the corresponding period last year – a jump of 115% as a result of higher underlying Policy Rate which increased from an average of 9.75% in the corresponding period last year to 17.71% complemented by higher volume of underlying earning assets. The return on deposits and other dues, on the other hand, increased from Rs 16.7 billion in March 2022 to Rs 40.9 billion in March 2023 – an increase of 145% due to higher average deposit and borrowing volume and an increase in depositors' profit rates.

Fee and commission income demonstrated a decent growth of 20% to Rs 3.6 billion from Rs 3 billion in March 2022 mainly contributed by a rise in debit card and branch banking-related fee income. Meezan recorded a loss of Rs 155 million from dealing in foreign currencies

DIRECTORS' REVIEW

versus a gain of Rs 813 million in the corresponding period last year due to significant rupee devaluation in the current quarter. On an overall basis, non-funded income recorded a dip of 10% from March 2022 closing in at Rs 3.9 billion. The operating and other expenses increased to Rs 14.9 billion from Rs 10.4 billion, primarily due to a substantial rise in inflation, steep rupee devaluation and investment in IT-related initiatives. Notwithstanding this increase in expenses, our income efficiency ratio improved to 33% from 40% in the corresponding period last year due to our continued focus on cost rationalization, process automation and an efficient operating cycle.

The Federal Government, through Finance Act 2022, raised the tax rate on banking companies to 43% for the year 2023 (39% normal tax and 4% Super Tax) versus 39% in 2022 (35% normal tax and 4% Super Tax). As a result of this increase in tax rate and due to growth in our profitability, the tax charge for the quarter has increased to Rs 12.4 billion compared to Rs 5.9 billion in March 2022.

The total assets of the bank reached Rs 2.71 trillion after registering a growth of 5% (Rs 130 billion) from Rs 2.58 trillion in December 2022. The investment portfolio closed at Rs 1.29 trillion with 98% of the investment book representing investments in Federal Government / Government Guaranteed Securities. Our gross financings portfolio grew to Rs 1.05 trillion, as compared to Rs 1.02 billion in December 2022 despite the economic slowdown and monetary contraction amidst a historic high benchmark rate. In line with our strategy to retain a high-quality and well-diversified asset mix spread across all segments including Corporate, Commercial & SME and Consumer segments, we maintained the gross Advances to Deposits Ratio (ADR) at 59%.

With a comfortable level of provisions against our non-performing financings translating into a coverage ratio of 161% and a non-performing financing ratio (infection ratio) below 1.5% levels versus banking industry average of around 7%, we continue to maintain a superior quality financing portfolio relative to the overall industry. During the quarter, we recorded an additional general provision of Rs 1.5 billion against potential non-performing financings and decline in borrowers' repayment capacity given the current economic slowdown and the impact of the recent unprecedented floods.

Our deposit book closed at Rs 1.79 trillion as of March 31, 2023, up by 8% from December 2022. We continue to maintain an optimal deposit mix with current account deposits (Rs 918 billion) now contributing more than half (51%) of the total deposits. The current and savings account (CASA) deposits amounting to Rs 1.6 trillion represent 88% of total deposits. Alhamdulillah, during the quarter we surpassed USD 1.5 billion in remittances through the Roshan Digital Accounts (RDA). With over 88,000 accounts from 144 countries, Meezan's impressive record confirms its status as the leading performer in this segment of the industry with a market share of approximately 25% in terms of total RDA remittances. We express our gratitude to our overseas Pakistanis for entrusting Meezan with their banking requirements.

Our Bank follows a hybrid growth model underpinned by expanding its physical presence in underserved areas of the country whilst simultaneously augmenting its digital footprint through innovative offerings and smooth channel migration. Our branch network is well distributed across the country with 972 branches in 324 cities, as compared to 908 branches in 293 cities in the corresponding period last year supported by a network of more than 1,000 ATMs across the country. We continued to deepen our presence in the digital payment landscape through our Merchant Acquiring initiative and closed the first quarter of 2023 at Rs 20 billion plus sales volume on our merchant network through more than 12,000 POS terminals (March 2022: 700) covering 272 cities. Our Mobile Banking App has been consistently ranked as the No.1 Mobile Banking App in Pakistan by both Apple Store and Google Play Store.

DIRECTORS' REVIEW

The VIS Credit Rating Company Limited has assigned Meezan an Entity Rating of 'AAA' (Triple A) for the Long Term and 'A1+' (A-One Plus) for the Short Term with a stable outlook which denotes the highest credit quality with negligible risk factors.

Outlook

Meezan Bank remains committed to contributing to the economic growth and stability of the country by strengthening the Islamic Banking Industry (IBI) and assisting the government to shift toward Shariah-compliant banking solutions in line with the Honourable Federal Shariat Court (FSC)'s judgement to complete the conversion of the financial system to a Shariah-compliant Riba-free system in the next five years.

We intend to follow a balanced-growth strategy for deposits and financings and further diversify our exposures in different sectors of the economy while keeping all the risk acceptance parameters in check. We would continue to maintain our financial stability ratios above the regulatory requirements and would seek to further strengthen our equity base in line with our future growth plans.

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 establishing a viable Islamic financial system in the country. Our landmark achievements would not have been possible without the proactive support of our diversified customer base, for which we remain indebted to them. We would also like to thank the Members of the Shariah Board, shareholders and holders of Additional Tier I Sukuk and Sub-ordinated Sukuk (Tier II) for their continued support towards establishing Meezan Bank as the country's Premier Islamic Bank.

We are grateful to each one of our team members for their hard work and commitment to further the cause of Islamic Banking. Most importantly, we bow our heads in gratitude to Allah Almighty for His continued blessings on our Bank and all of us, which has enabled us to achieve this outstanding performance in a very short period. We pray that He gives us more strength and wisdom to further expand our Vision of establishing Islamic banking as banking of first choice.

On behalf of the Board

Riyadh S.A.A. Edrees
Chairman

Karachi:
April 18, 2023

Irfan Siddiqui
President & CEO

ڈائریکٹرز کا تجزیہ

الحمد لله رب العالمين

بورڈ آف ڈائریکٹرز مسرت کے ساتھ 31 مارچ، 2023 کو مکمل ہونے والی سہ ماہی کے لئے میزان بینک لمیٹڈ کے مختصر عبوری غیر جانچ شدہ مالیاتی حسابات اور انضامی مالیاتی حسابات پیش کرتا ہے۔

معیشیت

عالمی معیشیت کی بات کی جائے تو زیادہ تر ممالک میں ریگولیٹرز کی جانب سے سخت مالیاتی اقدامات اختیار کئے جانے اور اشیائے صرف کے شعبے میں رسد کے حوالے سے رکاوٹوں کی وجہ سے تمام بڑی معیشتوں میں کاروباری سرگرمیوں میں سست روی کا رجحان دیکھا گیا۔ گزشتہ سال آنے والے غیر معمولی سیلاب کی تباہ کاری، کم ہوتے غیر ملکی زرمبادلہ کے ذخائر اور ملکی سطح پر سیاسی اتار چڑھاؤ کے باعث پاکستانی معیشت کو درپیش چیلنجز میں مزید اضافہ ہو گیا۔ ملک میں توانائی کی قیمتوں میں اضافے، روپے کی قدر میں کمی، سیلاب کی وجہ سے طلب و رسد میں آنے والی رکاوٹوں اور ادائیگیوں کے توازن کے بحران پر قابو پانے کے لئے درآمدات پر لگائی گئی پابندیوں کی وجہ سے مارچ 2023 کے دوران کنزیومر پرائس انڈیکس (CPI) افراط زر بڑھ کر 35.4 فیصد پر پہنچ گئی، جو کہ مارچ 2022 میں محض 12.7 فیصد تھی۔

بڑھتی ہوئی افراط زر پر قابو پانے کے لئے اسٹیٹ بینک آف پاکستان (SBP) کی مانیٹری پالیسی کمیٹی (MPC) نے دسمبر 2022 کے بعد سے پالیسی شرح (بنچ مارک شرح) میں مجموعی طور پر 500 بیس پوائنٹس کا اضافہ کیا جس سے اپریل 2023 میں بنچ مارک شرح 21.00 فیصد ہو گئی، جو ملکی تاریخ میں سب سے زیادہ شرح ہے۔ ان تمام اقدامات کے باوجود قریبی مدت میں افراط زر کے بلند رہنے کی توقع ہے۔ مالی اور مالیاتی سکڑاؤ، روپے کی قدر میں نمایاں کمی اور ملک میں تیل اور بجلی کی قیمتوں میں اضافہ کی وجہ سے صنعتی ترقی کی رفتار میں کمی کا امکان ہے۔ مالیاتی پالیسی کمیٹی کے اندازے کے مطابق اگرچہ ملک میں معاشی سرگرمیاں بدستور کم رہیں گی، تاہم ملک کے مالیاتی شعبے میں بڑے پیمانے پر ابھرنے کی صلاحیت اب بھی برقرار ہے۔ عالمی بینک نے مالی سال 2023 کے لئے پاکستان کی معاشی نمو 0.4 فیصد رہنے کی توقع ظاہر کی ہے۔ زیر جائزہ سہ ماہی کے دوران ملکی اسٹاک مارکیٹ میں بھی گراوٹ کا رجحان رہا، اور مارکیٹ 2022 کے 40,420 پوائنٹس کے مقابلہ میں 40,000 پوائنٹس پر بند ہوئی۔

ہمیں یقین ہے کہ پاکستان کی وفاقی حکومت کی جانب سے صورتحال کی بہتری کے لئے اٹھائے جانے والے اقدامات اور اصلاحات، اور آئی ایم ایف پروگرام کی جلد بحالی ملک کے لئے پائیدار اقتصادی ترقی کے حصول میں معاون ثابت ہوں گے۔

مالیاتی نکات

اللہ تعالیٰ کی رحمت سے میزان بینک نے سال 2023 کی پہلی سہ ماہی کے دوران غیر معمولی نتائج پیش کئے ہیں۔ بعد از ٹیکس منافع گزشتہ سال کی اسی مدت کے 9.2 بلین روپے کے مقابلہ میں بڑھ کر 15.4 بلین روپے ہو گیا، جو 68 فیصد اضافے کو ظاہر کرتا ہے، جبکہ اضافہ شدہ سرمائے پر فی حصص آمدنی مارچ 2022 کے 5.14 روپے فی حصص کے مقابلہ میں بڑھ کر 8.62 روپے فی حصص ہو گئی۔ ایکویٹی پر منافع پہلی بار 50 فیصد سے بڑھ گیا۔ الحمد للہ، ہم نے تسلسل کے ساتھ ایکویٹی پر منافع کو بینکاری صنعت کی اوسط سے زیادہ پر برقرار رکھا ہے اور اپنے حصص یافتگان کے لئے تعمیر قدر (Value creation) پر توجہ مرکوز رکھی ہے۔ بینک 18.15 فیصد کپٹل ایڈیکولیسی ریشو (CAR) کے ساتھ ایک Well capitalized ادارہ ہے اور ہمارا کپٹل ایڈیکولیسی ریشو 12.00 فیصد کے کم از کم درکار قانونی تقاضے سے کافی زیادہ ہے۔

ہمیں آپ کو یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ بورڈ نے 2023 کی پہلی سہ ماہی کے لئے 3.00 روپے (30.00 فیصد) عبوری نقد ڈیویڈنڈ کی منظوری دی ہے۔ ہم نے اسٹاک ایکسچینج میں اندراج کے بعد سے بلا تعطل ڈیویڈنڈز کی ادائیگیوں کا ریکارڈ برقرار رکھا ہے۔

میزان بینک کے اہم مالیاتی نتائج درج ذیل ہیں:

روپے (ملین میں)

نفع و نقصان کھاتہ	جنوری تا مارچ 2023	جنوری تا مارچ 2022	اضافہ کی شرح %
فنانسنگ، سرمایہ کاری اور تعیناتی پر منافع	81,953	38,112	115%
جمع شدہ رقوم اور دیگر واجبات پر منافع	(40,907)	(16,674)	145%
خالص آمدنی	41,046	21,437	91%
فیس، کمیشن اور دیگر نان - فنڈڈ آمدنی	3,865	4,300	(10%)
انتظامی آمدنی	44,911	25,737	74%
انتظامی اور دیگر اخراجات	(14,937)	(10,369)	44%
NPLs اور دیگر کمی مد میں پروویژنز	(2,130)	(228)	834%
قبل از ٹیکس منافع	27,844	15,140	84%
ٹیکس	(12,420)	(5,935)	109%
بعد از ٹیکس منافع	15,424	9,205	68%
فی حصص آمدنی - روپے میں -	8.62	5.14	68%
برانچوں کی تعداد	972	908	7%

مالیاتی حیثیت کا جائزہ	31 مارچ، 2023	31 دسمبر، 2022	اضافہ کی شرح %
کل اثاثے	2,707,859	2,577,397	5%
سرمایہ کاریاں	1,281,925	1,283,210	-
اسلامی فنانسنگ اور متعلقہ اثاثے - مجموعی	1,049,226	1,018,102	3%
جمع شدہ رقوم	1,791,217	1,658,490	8%
اے ڈی آر (Gross advances to deposits) - فیصد	59%	61%	(3%)
ایکویٹی	122,398	115,321	6%

فنانسنگ، سرمایہ کاریوں اور Placements پر منافع گزشتہ سال کی اسی مدت کے 38.1 بلین روپے کے مقابلہ میں بڑھ کر 81.9 بلین روپے ہو گیا۔ 115 فیصد کا یہ اضافہ زیادہ بنیادی پالیسی شرح کا نتیجہ تھا جو گزشتہ سال کی اسی مدت کے اوسطاً 9.75 فیصد کے مقابلہ میں بڑھ کر اوسطاً 17.71 فیصد تک پہنچ گئی، جبکہ زیادہ آمدنی پیدا کرنے والے اثاثوں کے بھاری حجم نے بھی اس منافع میں کردار ادا کیا۔ دوسری جانب جمع شدہ رقوم (Deposits) اور دیگر واجبات الادا رقوم پر منافع مارچ 2022 کے 16.7 بلین روپے کے مقابلے میں بڑھ کر مارچ 2023 تک 40.9 بلین روپے ہو گیا۔ اس 145 فیصد اضافہ کی وجہ اوسط ڈپازٹس اور قرضوں کے حجم اور ڈپازٹرز کی شرح منافع میں اضافہ تھی۔

بینک کی فیس اور کمیشن کی آمدنی میں 20 فیصد کا معقول اضافہ دیکھنے میں آیا جو مارچ 2022 کے 3 بلین روپے کے مقابلہ میں بڑھ کر 3.6 بلین روپے ہو گئی، جس میں ڈیپٹ کارڈ اور برانچ بینکنگ سے متعلقہ فیس کی آمدنی نے بڑا حصہ ڈالا۔ رواں سہ ماہی میں روپے کی قدر میں نمایاں کمی کی وجہ سے میزان بینک کو غیر ملکی کرنسی کی لین دین میں 155 بلین روپے کا نقصان ہوا، جبکہ گزشتہ سال کی اسی مدت میں 813 بلین روپے کی آمدنی ہوئی تھی۔ مجموعی طور پر مارچ 2022 کے بعد سے نان فنڈڈ آمدنی میں 10 فیصد کی کمی واقع ہوئی جو 3.9 بلین روپے پر بند ہوئی۔

انتظامی اور دیگر اخراجات بھی 10.4 بلین روپے سے بڑھ کر 14.9 بلین روپے ہو گئے۔ افراط زر میں نمایاں اضافہ، روپے کی قدر میں زبردستی اور آئی ٹی سے متعلقہ اخراجات میں سرمایہ کاری جیسے عوامل اس اضافے کی وجہ بنے۔

اخراجات میں اضافے کے باوجود بینک کا اکم الفیشنس ریٹو گزشتہ سال کی اسی مدت کے 40 فیصد کے مقابلہ میں بہتر ہو کر 33 فیصد ہو گیا، جس کی وجہ Cost rationalization، پراس آئوٹیشن اور موثر آپریننگ سائیکل پر ہماری مسلسل توجہ تھی۔

وفاقی حکومت نے فنانس ایکٹ، 2022 کے ذریعے بینکنگ کمپنیوں پر ٹیکس کی شرح کو 2023 کے لئے 43 فیصد تک بڑھا دیا ہے (39 فیصد نارمل ٹیکس اور 4 فیصد سپر ٹیکس)، جبکہ 2022 میں یہ شرح 39 فیصد تھی (35 فیصد نارمل ٹیکس اور 4 فیصد سپر ٹیکس)۔ ٹیکس کی شرح میں اس اضافے اور ہمارے منافع جات میں اضافے کے نتیجے میں ہمارا ٹیکس چارج مارچ 2022 کے 5.9 بلین روپے کے مقابلے میں بڑھ کر 12.4 بلین روپے ہو گیا۔

بینک کے کل اثاثے دسمبر 2022 میں 2.58 ٹریلین روپے کے مقابلہ میں 5 فیصد (130 بلین روپے) اضافے کے بعد 2.71 ٹریلین روپے تک پہنچ گئے۔ بینک کا سرمایہ کاری پورٹ فولیو 1.29 ٹریلین روپے پر بند ہوا جس میں 98 فیصد سرمایہ کاری وفاقی حکومت کی ضمانت شدہ سکیورٹیز میں کی گئی۔ تاریخی بلند بینچ مارک شرح کے دوران معاشی سست روی اور مالیاتی سختی کے باوجود ہمارا مجموعی فنانسنگ پورٹ فولیو دسمبر 2022 کے 1.02 ٹریلین روپے کے مقابلہ میں بڑھ کر 1.05 ٹریلین روپے ہو گیا۔ معیشت کے تمام شعبوں بشمول کارپوریٹ، کمرشل اور ایس ایم ای، اور کزن یومر شعبوں میں منقسم اعلیٰ معیار کا متنوع پورٹ فولیو برقرار رکھنے کی ہماری حکمت عملی کے مطابق ہم نے مجموعی ایڈوانسز ٹو ڈپازٹ ریٹو (ADR) کی شرح 59 فیصد پر برقرار رکھی۔

ہماری غیر فعال فنانسنگ کی مدیں پروویژنز کی تسلی بخش شرح، جو 161 فیصد کو ریٹو کی ترجیحی کرتی ہے اور بینکاری صنعت کے تقریباً 7 فیصد کے مقابلہ میں 1.5 فیصد کے نان پرفارمنگ فنانسنگ ریٹو (انفیکشن ریٹو) کے ساتھ ہم نے مجموعی بینکاری صنعت کے مقابلہ میں اعلیٰ معیار کا فنانسنگ پورٹ فولیو برقرار رکھا ہے۔ زیر جائزہ سہ ماہی کے دوران ہم نے موجودہ معاشی سست روی اور حالیہ غیر معمولی اور پتہ کن سیلاب کے اثرات کی وجہ سے ممکنہ غیر فعال فنانسنگ اور قرض خواہان کی قرضوں کی واپسی کی استعداد میں کمی کے پیش نظر اضافی 1.5 بلین روپے عمومی پروویژنز کے لئے مختص کئے ہیں۔

ہمارے ڈپازٹ کھاتے 31 مارچ 2023 کو 1.79 ٹریلین روپے پر بند ہوئے، جو دسمبر 2022 کے بعد سے 8 فیصد اضافہ ہے۔ ہم نے 918 بلین روپے کے کرنٹ اکاؤنٹ کے ڈپازٹس کے ساتھ ایک بہترین ڈپازٹ کس برقرار رکھا ہے اور ہمارے کرنٹ اکاؤنٹ ڈپازٹس، ہمارے کل موجود ڈپازٹس کا تقریباً نصف سے زائد حصہ (51 فیصد) ہیں۔ کرنٹ اور سیونگز اکاؤنٹ (CASA) ڈپازٹس 1.6 ٹریلین روپے پر مشتمل ہیں جو کل ڈپازٹس کا 88 فیصد حصہ ہیں۔ الحمد للہ زیر جائزہ سہ ماہی کے دوران ہم نے روشن ڈیجیٹل اکاؤنٹ کے ذریعے 1.5 بلین امریکی ڈالر سے زائد ترسیلات وصول کی ہیں۔ 144 ملکوں سے 88,000 سے زائد اکاؤنٹس کے ساتھ میزان کا متاثر کن ریکارڈ اس شعبے میں اس کی قائدانہ حیثیت کی تصدیق کرتا ہے اور آرڈی اے میں کل ترسیلات کے اعتبار سے ہمارا مارکیٹ شیئر تقریباً 25 فیصد ہے۔ ہم بیرون ملک مقیم پاکستانیوں کے شکر گزار ہیں کہ انہوں نے اپنی بینکاری ضروریات کی تکمیل کے لئے میزان بینک پر اعتماد کیا۔

ہمارا بینک ملک کے بینکاری کی سہولیات سے محروم علاقوں میں اپنی موجودگی بڑھا کر اور اس کے ساتھ ساتھ جدید پیشکش اور چینلز کی ہموار منتقلی کے ذریعے ڈیجیٹل سطح پر بینک کی موجودگی کو مستحکم بنا کر ایک ہائپر ڈیجیٹل ماڈل پر عمل کرتا ہے۔ ہمارا برانچ نیٹ ورک ملک بھر کے 324 شہروں میں 972 برانچوں تک وسیع ہے اور اس کے ساتھ 1,000 سے زائد اے ٹی ایمز کا نیٹ ورک بھی ہے، جبکہ گزشتہ سال کی اسی مدت کے دوران ہماری 293 شہروں میں 908 برانچیں تھیں۔ ہم نے اپنے مرچنٹ ایکوائزنگ اقدام کے ذریعے ڈیجیٹل ادائیگیوں کے منظر نامے میں اپنی موجودگی بڑھانے کا سلسلہ جاری رکھا اور 2023 کی پہلی سہ ماہی کا اختتام اپنے مرچنٹ نیٹ ورک پر 272 شہروں کا احاطہ کرنے والے 12,000 سے زائد پوائنٹ آف سیل ٹرمینلز (مارچ 2022: 700 ٹرمینلز) کے ذریعے 20 بلین روپے سے زائد فروخت کے حجم کے ساتھ کیا۔ ہماری موبائل بینکنگ ایپلی کیشن کو صارفین کی جانب سے Apple Store اور Google Play Store پر تسلسل کے ساتھ پاکستان کی نمبر 1 موبائل بینکنگ ایپلی کیشن قرار دیا گیا ہے۔

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کو طویل المدتی ریٹنگ AAA (ٹرپل اے) اور قلیل المدتی ریٹنگ A1+ (اے ون پلس) تفویض کی ہے جو نہ ہونے کے برابر رسک فیکٹرز کے ساتھ کریڈٹ کے ممکنہ حد تک اعلیٰ ترین معیار کی نشاندہی کرتی ہے۔ تفویض کردہ ریٹنگز کے آثار مستحکم ہیں۔

مستقبل کے آثار

میزان بینک اسلامی بینکاری کی صنعت کو مستحکم بنا کر ملک کی معاشی ترقی اور استحکام میں اپنا کردار ادا کرنے اور شریعہ کمپلائنس بینکاری پر منتقلی کے لئے حکومت کے ساتھ تعاون جاری رکھنے کے لئے پرعزم ہے، جو پاکستان میں مالیاتی نظام کو اگلے پانچ سالوں میں مکمل طور پر شریعہ کمپلائنس، ربا سے پاک نظام پر منتقل کرنے کے معزز وفاقی شرعی عدالت (FSC) کے فیصلے سے ہم آہنگ ہے۔

ہم ڈپازٹس اور فنانسنگ کے حوالے سے متوازن ترقی کی حکمت عملی پر عمل کریں گے اور تمام رسک ایکسپنٹس پیرامیٹرز کو مد نظر رکھتے ہوئے معیشت کے مختلف شعبوں میں اپنی رسائی بڑھائیں گے۔ ہم اپنے مالیاتی استحکام کے تناسب کو ریگولیٹری تقاضوں سے زیادہ شرح پر برقرار رکھیں گے اور اپنی ایکویٹی بیس کو مزید مستحکم بنائیں گے، جو ہمارے مستقبل کی ترقی کے منصوبوں کے عین مطابق ہے۔

بورڈ اسٹیٹ بینک آف پاکستان (SBP)، وزارت خزانہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور ہمارے شریعہ سپروائزری بورڈ کو ملک میں ایک قابل عمل اسلامی مالیاتی نظام کے قیام کے لئے کی گئی ان کی مسلسل کوششوں اور وابستگی کے لئے خراج تحسین پیش کرتا ہے۔ ہماری امتیازی کامیابیاں ہمارے متنوع صارفین کے فعال تعاون کے بغیر ممکن نہیں ہو سکتی تھیں، جس کے لئے ہم ان کے ممنون احسان رہیں گے۔ ہم اپنے شریعہ بورڈ کے ممبران، حصص یافتگان، اضافی Tier I صلوک اور ثانوی صلوک (Tier II) یافتگان کا ان کی معاونت کے لئے شکریہ ادا کرنا چاہتے ہیں جنہوں نے میزان بینک کو اولین اور ممتاز ترین اسلامی بینک بنانے کے لئے مسلسل محنت کی ہے۔

ہم اپنی ٹیم کے ہر رکن کا ان کی محنت اور وابستگی کے لئے تہ دل سے شکریہ ادا کرتے ہیں۔ سب سے بڑھ کر ہم اللہ ﷻ کے شکر گزار ہیں کہ اس کی مسلسل رحمت کے باعث ہم اس قلیل عرصے میں اتنی شاندار کامیابیوں کے حصول کے قابل ہو سکے ہیں اور ہم دعا گو ہیں کہ اللہ ﷻ ہمیں حوصلہ اور دانائی عطا کرے کہ ہم اسلامی بینکاری کو بینکاری کا پہلا انتخاب بنانے کے اپنے خواب کو تعبیر کی بلندیوں تک پہنچا سکیں۔ آمین

(منجانب بورڈ)

عرفان صدیقی
صدر اور CEO

ریاض ایس۔ اے۔ اے۔ اور ایس
چیئرمین

کراچی:

18 اپریل، 2023

CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks	6	175,189,889	117,743,106
Balances with other banks	7	11,104,213	13,676,159
Due from financial institutions	8	34,964,299	34,964,299
Investments	9	1,281,925,430	1,283,210,287
Islamic financing and related assets	10	1,024,469,135	995,508,354
Fixed assets	11	40,475,062	40,426,520
Intangible assets	12	1,796,305	1,843,984
Deferred tax asset	13	7,119,237	4,646,002
Other assets	14	130,815,358	85,378,800
		2,707,858,928	2,577,397,511
LIABILITIES			
Bills payable	15	39,908,273	40,175,122
Due to financial institutions	16	601,290,480	573,326,439
Deposits and other accounts	17	1,791,216,799	1,658,490,118
Sub-ordinated sukuk	18	20,990,000	20,990,000
Deferred tax liabilities		-	-
Other liabilities	19	132,055,873	169,095,139
		2,585,461,425	2,462,076,818
NET ASSETS		122,397,503	115,320,693
REPRESENTED BY			
Share capital		17,896,243	17,896,243
Reserves		29,815,604	28,187,821
Deficit on revaluation of assets - net of tax	20	(3,727,528)	(663,671)
Unappropriated profit		78,413,184	69,900,300
		122,397,503	115,320,693
CONTINGENCIES AND COMMITMENTS			
	21		

The annexed notes 1 to 39 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

Mohammad Abdul Aleem
Director

Syed Imran Ali Shah
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED
PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

	Note	Quarter ended March 31, 2023	Quarter ended March 31, 2022
		Rupees in '000	
Profit / return earned on Islamic financing and related assets, investments and placements	22	81,952,946	38,111,259
Profit on deposits and other dues expensed	23	40,907,273	16,674,300
Net profit / return		41,045,673	21,436,959
OTHER INCOME			
Fee and Commission Income	24	3,598,109	2,989,567
Dividend income		241,252	304,388
Foreign Exchange (Loss) / Income		(155,042)	813,439
(Loss) / gain on securities	25	(105,717)	15,360
Other income	26	286,882	177,603
Total other income		3,865,484	4,300,357
Total income		44,911,157	25,737,316
OTHER EXPENSES			
Operating expenses	27	14,344,691	10,033,107
Workers Welfare Fund		589,508	334,500
Other charges	28	2,828	1,132
Total other expenses		14,937,027	10,368,739
Profit before provisions		29,974,130	15,368,577
Provisions and write offs - net	29	2,129,887	227,890
Extra ordinary/ unusual items		-	-
Profit before taxation		27,844,243	15,140,687
Taxation	30	12,420,072	5,935,148
Profit after taxation		15,424,171	9,205,539
		Rupees	
		Restated	
Basic earnings per share	31	8.62	5.14
Diluted earnings per share	32	8.61	5.14

The annexed notes 1 to 39 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

Mohammad Abdul Aleem
Director

Syed Imran Ali Shah
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

	Note	Quarter ended March 31, 2023	Quarter ended March 31, 2022
		————— Rupees in '000 —————	
Profit after taxation for the quarter		15,424,171	9,205,539
Other comprehensive income / (loss)			
Items that may be reclassified to			
profit and loss account in subsequent periods:			
Movement in deficit on revaluation of available for sale			
investments - net of tax	20	(3,063,854)	(3,358,489)
Total Comprehensive Income for the quarter		12,360,317	5,847,050

The annexed notes 1 to 39 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

Mohammad Abdul Aleem
Director

Syed Imran Ali Shah
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED

STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE QUARTER ENDED MARCH 31, 2023

	Capital reserves					Revenue reserve	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
	Share capital	Share premium	Statutory reserve *	Non-Distributable Capital Reserve - Gain on Bargain Purchase	Employee share option compensation reserve	General reserve	Investments	Non-banking Assets		
	Rupees in '000									
Balance as at January 01, 2022	16,269,312	2,406,571	17,668,857	3,117,547	133,457	66,766	4,040,077	23,533	42,831,655	86,557,775
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										
Movement in surplus / (deficit) on revaluation of available for sale investments - net of tax	-	-	-	-	-	-	(3,358,489)	-	-	(3,358,489)
Total other comprehensive income - net of tax	-	-	-	-	-	-	(3,358,489)	-	-	(3,358,489)
Recognition of share based compensation	-	-	-	-	49,670	-	-	-	-	49,670
Other appropriations										
Transfer to statutory reserve*	-	-	920,554	-	-	-	-	-	(920,554)	-
Transactions with owners recognised directly in equity										
Final cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	-	-	-	(2,440,397)	(2,440,397)
Balance as at March 31, 2022	16,269,312	2,406,571	18,589,411	3,117,547	183,127	66,766	681,588	23,533	48,676,243	90,014,098
Profit after taxation for the nine months period ended December 31, 2022	-	-	-	-	-	-	-	-	-	35,801,071
Other Comprehensive loss for the nine months period ended December 31, 2022 - net of tax										
Movement in surplus / (deficit) on revaluation of available for sale investments - net of tax	-	-	-	-	-	-	(1,347,937)	-	-	(1,347,937)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(96,555)	(96,555)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(20,768)	-	(20,768)
Total other comprehensive income - net of tax	-	-	-	-	-	-	(1,347,937)	(20,768)	(96,555)	(1,465,260)
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(87)	87	-
Recognition of share based compensation	-	-	-	-	244,292	-	-	-	-	244,292
Other appropriations										
Transfer to statutory reserve*	-	-	3,580,107	-	-	-	-	-	(3,580,107)	-
Transactions with owners recognised directly in equity										
Issue of bonus shares @ 10%	1,626,931	-	-	-	-	-	-	-	(1,626,931)	-
First interim cash dividend for the year 2022 @ Rs 1.75 per share	-	-	-	-	-	-	-	-	(2,847,130)	(2,847,130)
Second interim cash dividend for the year 2022 @ Rs 1.75 per share	-	-	-	-	-	-	-	-	(2,847,130)	(2,847,130)
Third interim cash dividend for the year 2022 @ Rs 2 per share	-	-	-	-	-	-	-	-	(3,579,248)	(3,579,248)
	-	-	-	-	-	-	-	-	(9,273,508)	(9,273,508)
Balance as at December 31, 2022	17,896,243	2,406,571	22,169,518	3,117,547	427,419	66,766	(666,349)	2,678	69,900,300	115,320,693

CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

	Capital reserves					Revenue reserve	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
	Share capital	Share premium	Statutory reserve *	Non-Distributable Capital Reserve - Gain on Bargain Purchase	Employee share option compensation reserve	General reserve	Investments	Non-banking Assets		
	Rupees in '000									
Balance as at December 31, 2022	17,896,243	2,406,571	22,169,518	3,117,547	427,419	66,766	(666,349)	2,678	69,900,300	115,320,693
Profit after taxation for the quarter ended March 31, 2023	-	-	-	-	-	-	-	-	15,424,171	15,424,171
Other Comprehensive loss for the quarter ended March 31, 2023 - net of tax										
Movement in surplus / (deficit) on revaluation of available for sale investments - net of tax	-	-	-	-	-	-	(3,063,854)	-	-	(3,063,854)
Total other comprehensive income - net of tax	-	-	-	-	-	-	(3,063,854)	-	-	(3,063,854)
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(3)	3	-
Recognition of share based compensation	-	-	-	-	85,366	-	-	-	-	85,366
Other appropriations										
Transfer to statutory reserve*	-	-	1,542,417	-	-	-	-	-	(1,542,417)	-
Transactions with owners recognised directly in equity										
Final cash dividend for the year 2022 @ Rs 3 per share	-	-	-	-	-	-	-	-	(5,368,873)	(5,368,873)
Balance as at March 31, 2023	<u>17,896,243</u>	<u>2,406,571</u>	<u>23,711,935</u>	<u>3,117,547</u>	<u>512,785</u>	<u>66,766</u>	<u>(3,730,203)</u>	<u>2,675</u>	<u>78,413,184</u>	<u>122,397,503</u>

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

The annexed notes 1 to 39 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. AlNassar
Director

Mohammad Abdul Aleem
Director

Syed Imran Ali Shah
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

	Note	Quarter ended March 31, 2023	Quarter ended March 31, 2022
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		27,844,243	15,140,687
Less: Dividend income		(241,252)	(304,388)
		<u>27,602,991</u>	<u>14,836,299</u>
Adjustments:			
Depreciation	27	946,588	688,341
Amortisation	27	117,196	102,052
Non cash items related to right-of-use assets	23 & 27	1,134,993	1,119,111
Provisions and write offs - net	29	2,129,887	227,890
Share based compensation expense		85,366	49,670
Unrealised gain - HFT	25	18	-
Gain on sale of fixed assets	26	(62,715)	(51,177)
		<u>4,351,333</u>	<u>2,135,887</u>
		<u>31,954,324</u>	<u>16,972,186</u>
(Increase) / decrease in operating assets			
Due from financial institutions		-	46,316,840
Islamic financings and related assets		(31,012,422)	18,714,984
Other assets		(45,404,340)	(984,376)
		<u>(76,416,762)</u>	<u>64,047,448</u>
Increase / (decrease) in operating liabilities			
Bills payable		(266,849)	6,299,146
Due to financial institutions		27,964,041	199,116,888
Deposits and other accounts		132,726,681	(451,679)
Other liabilities		(42,049,989)	3,591,833
		<u>118,373,884</u>	<u>208,556,188</u>
		<u>73,911,446</u>	<u>289,575,822</u>
Income tax paid		(12,187,957)	(5,066,783)
Net cash generated from operating activities		<u>61,723,489</u>	<u>284,509,039</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net (investments) / redemption in available for sale securities		(4,227,128)	(171,686,469)
Net (investments) / redemption in held to maturity securities		62,546	(141,372,425)
Net (investments) / redemption in held for trading securities		2,470	-
Dividends received		202,557	301,367
Investments in fixed assets		(1,999,283)	(2,168,481)
Investments in intangible assets		(69,517)	(59,495)
Proceeds from sale of fixed assets		103,925	80,760
Net cash used in investing activities		<u>(5,924,430)</u>	<u>(314,904,743)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(923,813)	(795,553)
Dividend paid		(409)	(281)
Net cash used in financing activities		<u>(924,222)</u>	<u>(795,834)</u>
Increase / (decrease) in cash and cash equivalents		<u>54,874,837</u>	<u>(31,191,538)</u>
Cash and cash equivalents at the beginning of the quarter	33	131,419,265	186,920,734
Cash and cash equivalents at the end of the quarter	33	<u>186,294,102</u>	<u>155,729,196</u>

The annexed notes 1 to 39 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. AlNassar
Director

Mohammad Abdul Aleem
Director

Syed Imran Ali Shah
Chief Financial Officer

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

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 seventy two branches as at March 31, 2023 (December 31, 2022: nine hundred and sixty two branches). Its registered office is at Meezan House, C-25, Estate Avenue, SITE, Karachi, Pakistan.
- 1.4** Based on the unconsolidated financial statements of the Bank for the year ended December 31, 2021, the VIS Credit Rating Company Limited has reaffirmed the Bank's medium to long-term rating as 'AAA' and the short-term rating as 'A1+'.

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 including under Islamic Export Refinance Scheme and various long term islamic refinancing facilities of the State Bank of Pakistan respectively.

The purchases and sales arising under these arrangements are not reflected in these unconsolidated 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 STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

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 Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 IFRS or IFAS, 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

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, 2022.

3.2.2 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, 2022.

3.2.2.1 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 3.6 to the annual financial statement of the Bank). However, such standards did not have any significant effect on this condensed interim unconsolidated financial information.

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

As referred to in note 3.6 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 except IFRS 9 (Financial Instruments).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

3.3.1 IFRS 9 - 'Financial Instruments'

As directed by the SBP via BPRD Circular no 7 of 2023, IFRS 9, 'Financial Instruments' is effective for periods beginning on or after January 1, 2024. Previously IFRS 9 was applicable on banks having asset base of more than Rs. 500 billion as at December 31, 2021 from January 1, 2023. Moreover, SBP has also issued application instructions on IFRS 9 for banks in Pakistan along with the requirements to conduct quarterly parallel run reporting for the year 2023 and the Bank is in the process of complying the same.

In addition, the SBP via BPRD Circular no 7 of 2023, has also deferred the applicability of revised format for interim and annual financial statements to the next year.

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, 2022.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	Note	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
6 CASH AND BALANCES WITH TREASURY BANKS		Rupees in '000	
In hand			
- local currency		47,558,600	40,142,380
- foreign currencies		4,349,218	1,120,217
		51,907,818	41,262,597
With the State Bank of Pakistan in			
- local currency current accounts		80,292,768	69,747,152
- foreign currency current accounts		14,133,671	6,433,593
	6.1	94,426,439	76,180,745
With the National Bank of Pakistan in			
- local currency current accounts		28,760,996	222,839
National Prize Bonds	6.2	94,636	76,925
		<u>175,189,889</u>	<u>117,743,106</u>

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

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, 2023 (Unaudited)	December 31, 2022 (Audited)
7 BALANCES WITH OTHER BANKS		Rupees in '000	
In Pakistan			
- in current accounts		6,425,000	4,770,402
Outside Pakistan			
- in current accounts		1,707,168	4,080,128
- in deposit accounts	7.1	2,972,045	4,825,629
		4,679,213	8,905,757
		<u>11,104,213</u>	<u>13,676,159</u>

7.1 It represent the balance in the remunerative account maintained with financial institutions outside Pakistan. The return on these balances ranges from 0.20% to 3% (December 31, 2022: 0.20% to 2.25%) per annum.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

9 INVESTMENTS

	March 31, 2023 (Unaudited)				December 31, 2022 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
9.1 Investments by types								
Held for trading securities								
- Federal Government Securities	-	-	-	-	2,470	-	18	2,488
Available for sale securities								
- Federal Government Securities								
- Ijarah Sukuk	893,450,868	-	(12,500,910)	880,949,958	893,891,330	-	(7,185,753)	886,705,577
- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	23,224,694	-	-	23,224,694	23,224,694	-	-	23,224,694
- Islamic Naya Pakistan Certificates	12,922,858	-	-	12,922,858	7,940,803	-	-	7,940,803
- Shares	10,665,946	3,200,574	956,903	8,422,275	10,205,678	3,200,574	1,035,172	8,112,045
- Non Government Sukuk								
- Pakistan Energy Sukuk guaranteed by the Government of Pakistan	114,381,163	-	5,128,545	119,509,708	114,385,781	-	5,123,927	119,509,708
- Other Sukuk guaranteed by the Government of Pakistan	8,187,511	-	-	8,187,511	6,716,920	-	-	6,716,920
- Other Non Government Sukuk	5,606,245	75,892	-	5,530,353	4,378,519	75,892	-	4,302,627
- Foreign Securities	5,252,811	-	(128,753)	5,124,058	8,721,244	-	(142,380)	8,578,864
	1,073,692,096	3,276,466	(6,544,215)	1,063,871,415	1,069,464,969	3,204,697	(1,169,034)	1,065,091,238
Held for trading securities								
- Federal Government Securities	217,145,713	-	-	217,145,713	217,208,259	-	-	217,208,259
In related parties								
Associates								
- Units of mutual funds	845,252	-	-	845,252	845,252	-	-	845,252
Subsidiary								
- Shares	63,050	-	-	63,050	63,050	-	-	63,050
Total Investments	1,291,746,111	3,276,466	(6,544,215)	1,281,925,430	1,287,584,000	3,204,697	(1,169,016)	1,283,210,287

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

9.1.1 Investments given as collateral

	March 31, 2023 (Unaudited)		December 31, 2022 (Audited)	
	Cost / amortised cost	Market value	Cost / amortised cost	Market value
	Rupees in '000			
Federal Government Securities				
- Sukuk	<u>420,000,000</u>	<u>415,239,000</u>	<u>404,000,000</u>	<u>401,903,600</u>

9.2 Provision for diminution in value of investments

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	Rupees in '000	
Opening balance	3,204,697	2,398,016
Charge / (reversals)		
Charge for the quarter on account of provision for diminution against shares	154,337	970,287
Reversals of provision on disposals of shares	(82,568)	(163,606)
	71,769	806,681
Closing balance	<u>3,276,466</u>	<u>3,204,697</u>

9.3 Particulars of provision against Sukuk

	March 31, 2023 (Unaudited)		December 31, 2022 (Audited)	
Category of classification	Non- performing investment	Provision held	Non- performing investment	Provision held
	Rupees in '000			
Domestic				
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	75,892	75,892	75,892	75,892
	75,892	75,892	75,892	75,892
	<u>75,892</u>	<u>75,892</u>	<u>75,892</u>	<u>75,892</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	Note	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
Rupees in '000			
10 ISLAMIC FINANCING AND RELATED ASSETS			
In Pakistan:			
Murabaha financing and related assets			
- Murabaha financing	10.1	7,398,609	7,127,282
- Advances against Murabaha		5,278,523	4,888,537
- Murabaha inventory		2,530,120	3,872,679
- Financing under Islamic Export Refinance - Murabaha	10.2	612,132	711,413
- Financing against Islamic SME Asaan Finance	10.3	73,297	94,018
- Advance against Islamic SME Asaan Finance		-	-
- Advance against Islamic Export Refinance - Murabaha		1,331,619	2,465,400
- Inventory under Islamic Export Refinance - Murabaha		12,143	-
		17,236,443	19,159,329
Running Musharakah financing			
- Running Musharakah financing		232,366,696	240,531,788
- Financing under Islamic Export Refinance - Running Musharakah		48,007,470	50,965,430
		280,374,166	291,497,218
Istisna financing and related assets			
- Istisna financing		36,092,186	23,081,974
- Advances against Istisna		53,627,965	94,010,017
- Istisna inventory		40,399,149	13,309,627
- Financing under Islamic Export Refinance - Istisna		21,846	72,143
- Advances under Islamic Export Refinance - Istisna		9,711,546	10,957,214
- Inventory under Islamic Export Refinance - Istisna		3,331,161	1,658,523
		143,183,853	143,089,498
Tijarah financing and related assets			
- Tijarah financing		1,530,760	1,959,394
- Tijarah inventory		14,437,612	9,160,823
- Financing under Islamic Export Refinance - Tijarah		973,436	1,056,241
- Financing under Islamic SME Asaan Finance - Tijarah		-	-
- Inventory under Islamic Export Refinance - Tijarah		795,016	1,132,182
		17,736,824	13,308,640
Musawammah financing and related assets			
- Musawammah financing	10.4	43,446,169	74,983,110
- Advances against Musawammah		12,969,231	11,073,176
- Musawammah Inventory		11,381,442	12,874,909
- Financing under Islamic Export Refinance - Musawammah	10.5	1,059,162	1,481,762
- Financing under SBP's Islamic Financing Facility for Renewable Energy (IFRE) - Musawammah	10.6	258,061	271,213
- Advances under Islamic Export Refinance - Musawammah		52,534	412,100
- Inventory under Islamic Export Refinance - Musawammah		582,000	-
		69,748,599	101,096,270
Salam Financing and related assets			
- Salam Financing		1,940,217	899,631
- Advances against Salam		28,300,648	18,705,389
- Salam Inventory		2,580,761	1,836,491
		32,821,626	21,441,511
Financing against bills			
- Financing against bills - Salam		9,225,835	5,173,912
- Advances against bills - Salam		1,738	1,738
		9,227,573	5,175,650
- Bai Muajjal financing	10.7	83,382,602	35,969,952

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	Note	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
		Rupees in '000	
Ijarah financing and related assets			
- Net investment in Ijarah		56,448	74,960
- Net book value of assets/investment in Ijarah under IFAS 2		64,107,642	63,004,338
	10.8	64,164,090	63,079,298
- Advances against Ijarah		4,119,811	6,508,337
		68,283,901	69,587,635
Diminishing Musharakah financing and related assets			
- Diminishing Musharakah financing		164,056,709	151,635,702
- Diminishing Musharakah financing - housing		19,782,240	20,132,503
- Diminishing Musharakah financing - SBP's Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)		279,585	263,206
- Diminishing Musharakah financing - SBP's Islamic Financing Facility for Renewable Energy (IFRE)		15,693,894	14,350,196
- Diminishing Musharakah financing - SBP's Islamic Refinance Facility for Combating COVID – 19 (IRFCC)		281,309	295,145
- Diminishing Musharakah financing - SBP's Islamic SME Asaan Finance (I-SAAF) Scheme		81,478	80,771
- Diminishing Musharakah financing - SBP's Islamic Long Term Financing Facility (ILTFF) for Plant & Machinery		17,713,265	15,771,049
- Diminishing Musharakah financing - SBP's Islamic Temporary Economic Refinance Facility (ITERF)		11,826,654	10,880,035
- Diminishing Musharakah financing - SBP's Islamic Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concerns (IRSPWS)		2,900	427,780
- Advances against Diminishing Musharakah		22,786,900	29,957,946
- Advances against Diminishing Musharakah under SBP's IFFSAP		34,376	57,141
- Advances against Diminishing Musharakah under SBP's IFRE		963,464	2,870,913
- Advances against Diminishing Musharakah under SBP's IRFCC		242,438	254,401
- Advances against Diminishing Musharakah under SBP's ISAAF		800	4,800
- Advances against Diminishing Musharakah under SBP's ITERF		8,644,314	9,030,290
- Advances against Diminishing Musharakah under SBP's ILTFF		7,504,765	9,986,155
		269,895,091	265,998,033
- Musharakah financing		888,725	888,725
- Wakalah Tul Istithmar financing		-	6,375,000
- Advances against Wakalah Tul Istithmar		30,602,133	19,227,133
- Advance against Service Ijarah		14,996,840	14,899,103
- Qard financing under SBP's IRSPWS		-	5,783
- Qard financing under SBP's IRFCC		335,690	406,027
- Labbaik (Qard for Hajj and Umrah)		10,341	9,714
- Staff financing (including under SBP's IFRE)	10.9	9,116,207	8,433,655
- Other financing		1,384,944	1,532,881
Gross Islamic Financing and Related Assets	10.10	1,049,225,558	1,018,101,757
Less: Provision against non-performing Islamic financing and related assets - Specific	10.12	(13,470,532)	(12,812,762)
Less: Provision against non-performing Islamic financing and related assets - General	10.12	(11,285,891)	(9,780,641)
Islamic financing and related assets - net of provision		1,024,469,135	995,508,354

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	Note	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
		Rupees in '000	
10.1 Murabaha receivable - gross	10.1.1	9,391,629	12,435,057
Less: Deferred murabaha income	10.1.3	(223,539)	(164,688)
Profit receivable shown in other assets		(1,769,481)	(5,143,087)
Murabaha financing	10.1.2	7,398,609	7,127,282
10.1.1 Murabaha Sale Price		9,391,629	12,435,057
Murabaha Purchase Price		(7,398,609)	(7,127,282)
		1,993,020	5,307,775
10.1.2 The movement in Murabaha financing during the quarter / year is as follows:			
Opening balance		7,127,282	6,195,161
Sales during the quarter / year		8,424,895	68,424,533
Adjusted during the quarter / year		(8,153,568)	(67,492,412)
Closing balance		7,398,609	7,127,282
10.1.3 Deferred murabaha income			
Opening balance		164,688	117,597
Arising during the year		555,196	10,906,739
Recognised during the year		(496,345)	(10,859,648)
Closing balance		223,539	164,688
10.2 Financing under Islamic Export Refinance - Murabaha - gross		646,388	745,114
Less: Deferred income		(13,101)	(10,030)
Profit receivable shown in other assets		(21,155)	(23,671)
Financing under Islamic Export Refinance - Murabaha		612,132	711,413
10.2.1 The movement in Islamic Export Refinance Murabaha financing during the quarter / year is as follows:			
Opening balance		711,413	1,048,988
Sales during the quarter / year		574,718	3,990,743
Adjusted during the quarter / year		(673,999)	(4,328,318)
Closing balance		612,132	711,413
10.2.2 Deferred Islamic Export Refinance murabaha income			
Opening balance		10,030	5,937
Arising during the quarter / year		37,155	82,533
Recognised during the quarter / year		(34,084)	(78,440)
Closing balance		13,101	10,030
10.3 Financing against Islamic SME Asaan Finance - Murabaha - gross		80,863	112,938
Less: Deferred income		(5,886)	(7,566)
Profit receivable shown in other assets		(1,680)	(11,354)
Financing against Islamic SME Asaan Finance - Murabaha		73,297	94,018
10.3.1 The movement in Islamic SME Asaan Finance (Murabaha financing) during the quarter / year is as follows:			
Opening balance		94,018	10,000
Sales during the quarter / year		-	116,957
Adjusted during the quarter / year		(20,721)	(32,939)
Closing balance		73,297	94,018
10.3.2 Deferred Islamic SME Asaan Finance Murabaha income			
Opening balance		7,566	1,526
Arising during the quarter / year		-	17,394
Recognised during the quarter / year		(1,680)	(11,354)
Closing balance		5,886	7,566

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	Rupees in '000	
10.4 Musawammah financing - gross	46,694,490	76,327,808
Less: Deferred income	(1,139,235)	(593,935)
Profit receivable shown in other assets	(2,109,086)	(750,763)
Musawammah financing	43,446,169	74,983,110
10.5 Financing under Islamic Export Refinance - Musawammah - gross	1,116,386	1,548,225
Less: Deferred income	(22,964)	(33,599)
Profit receivable shown in other assets	(34,260)	(32,864)
Financing under Islamic Export Refinance - Musawammah	1,059,162	1,481,762
10.6 Financing under SBP's IFRE - Musawammah - gross	289,839	304,510
Less: Deferred income	(26,665)	(29,482)
Profit receivable shown in other assets	(5,113)	(3,815)
Financing under SBP's IFRE - Musawammah	258,061	271,213
10.7 Bai Muajjal financing - gross	91,608,975	42,504,634
Less: Deferred income	(5,136,551)	(5,283,514)
Profit receivable shown in other assets	(3,089,822)	(1,251,168)
Bai Muajjal financing	83,382,602	35,969,952
10.8 Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs 46,502 million (December 31, 2022: Rs 45,881 million).		
10.9 This includes Rs 686 million (December 31, 2022: Rs 699 million) representing profit free financing to staff advanced under the Bank's Human Resource Policies.		
	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	Rupees in '000	
10.10 Particulars of financing - Gross		
- in local currency	988,067,443	972,271,359
- in foreign currencies	61,158,115	45,830,398
	1,049,225,558	1,018,101,757

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- 10.11 Islamic financing and related assets include Rs 15,411 million (December 31, 2022: Rs 13,628 million) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2023 (Unaudited)		December 31, 2022 (Audited)	
	Non-performing amount	Provision held	Non-performing amount	Provision held
	Rupees in '000			
Domestic				
Other Assets Especially Mentioned	219,813	-	221,234	114
Substandard	723,996	167,215	318,621	69,740
Doubtful	1,608,557	650,441	305,332	127,458
Loss	12,858,512	12,652,876	12,783,100	12,615,450
Total	<u>15,410,878</u>	<u>13,470,532</u>	<u>13,628,287</u>	<u>12,812,762</u>

- 10.12 Particulars of credit loss allowance / provision against Islamic financing and related assets:

	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	12,812,762	9,780,641	22,593,403	13,338,988	5,870,018	19,209,006
Exchange Adjustment for the quarter / year	110,348	-	110,348	219,559	-	219,559
Charge for the quarter / year	682,266	1,505,250	2,187,516	815,425	3,910,623	4,726,048
Less: Reversals for the quarter / year	(134,341)	-	(134,341)	(1,476,314)	-	(1,476,314)
	547,925	1,505,250	2,053,175	(660,889)	3,910,623	3,249,734
Amount written off	(503)	-	(503)	(84,896)	-	(84,896)
Closing balance	<u>13,470,532</u>	<u>11,285,891</u>	<u>24,756,423</u>	<u>12,812,762</u>	<u>9,780,641</u>	<u>22,593,403</u>

- 10.12.1 The Bank maintains general 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 10,600 million (December 31, 2022: Rs 9,100 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.

- 10.12.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sales Value (FSV) of collaterals against the non-performing financing. The accumulated benefit availed amounts to Rs 409.6 million (December 31, 2022: Rs 256.30 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs 233.6 million (December 31, 2022: Rs 130.70 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, 2023 (Unaudited)	December 31, 2022 (Audited)
		Rupees in '000	
11 FIXED ASSETS			
Capital work-in-progress	11.1	6,986,444	6,782,412
Property and equipment		23,104,545	22,297,092
Right-of-use assets		10,384,073	11,347,016
		<u>40,475,062</u>	<u>40,426,520</u>
11.1 Capital work-in-progress			
Advances to suppliers and contractors for:			
- civil works		5,194,701	4,767,018
- computer hardware		351,939	815,696
- purchase of vehicles		419,610	76,824
- office machines		885,447	993,941
- furniture and fixtures		134,747	128,933
		<u>6,986,444</u>	<u>6,782,412</u>
		March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
		Rupees in '000	
11.2 Additions to fixed assets			
The following additions (net) have been made to fixed assets during the period:			
Capital work-in-progress		204,032	896,028
Property and equipment			
Leasehold land		-	14,177
Buidling on leasehold land		83,542	-
Leasehold improvements		392,752	228,054
Furniture and fixture		23,581	97,821
Electrical, office and computer equipment		1,198,783	770,602
Vehicles		96,593	161,799
		1,795,251	1,272,453
		<u>1,999,283</u>	<u>2,168,481</u>

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	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
	Rupees in '000	
11.3 Disposal of fixed assets		
The net book value of fixed assets disposed off during the quarter is as follows:		
Leasehold improvements	723	4,058
Furniture and fixture	215	447
Electrical, office and computer equipment	14,168	1,809
Vehicles	26,104	23,269
	<u>41,210</u>	<u>29,583</u>

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	Rupees in '000	
12 INTANGIBLE ASSETS		
Computer Software	1,453,082	1,421,338
Advance against computer software	343,223	422,646
	<u>1,796,305</u>	<u>1,843,984</u>

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
	Rupees in '000	
12.1 Additions to intangible assets		
Additions (Net) during the quarter	<u>69,517</u>	<u>59,495</u>

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	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	Rupees in '000	
13 DEFERRED TAX ASSETS		
Taxable temporary differences due to:		
Excess of accounting book values over tax written down values of owned assets	(471,772)	(463,330)
Surplus on revaluation of Non-banking assets acquired in satisfaction of claims	(2,019)	(2,021)
	(473,791)	(465,351)
Deductible temporary differences on:		
(Surplus) / deficit on revaluation of available for sale investments	2,814,012	502,685
Provision for diminution / impairment in value of investments	1,444,385	1,378,020
Income not accrued due to non-culmination of financing	2,784,367	2,998,031
Provision against non-performing Islamic financing and related assets	477,351	162,490
Others	72,913	70,127
	7,593,028	5,111,353
	7,119,237	4,646,002

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	Note	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
		Rupees in '000	
14 OTHER ASSETS			
Profit / return accrued in local currency - net of provisions		106,712,258	68,614,403
Profit / return accrued in foreign currencies - net of provisions		1,165,563	390,362
Acceptances		12,418,881	12,495,872
Advances, deposits, and other prepayments		2,847,747	2,301,748
Non-banking assets acquired in satisfaction of claims		50,267	50,301
Mark to market gain on forward foreign exchange contracts		5,045,862	-
Receivables on account of sale of securities		-	61,941
Dividends receivable		39,645	950
Stamps		26,883	27,400
Security deposits		426,729	427,931
Other		2,184,750	1,111,114
		130,918,585	85,482,022
Less: Provision held against other assets	14.1.1	(107,921)	(107,921)
Other Assets (net of provision)		130,810,664	85,374,101
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	4,694	4,699
Other assets - total		130,815,358	85,378,800
14.1 Provision held against other assets			
Others		107,921	107,921
14.1.1 Movement in provision held against other assets			
Opening balance		107,921	39,854
Charge for the quarter / year		6,477	134,167
Reversals for the quarter / year		-	(8,056)
Amount adjusted / written off		(6,477)	(58,044)
Closing balance		107,921	107,921

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	Note	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
		Rupees in '000	
15	BILLS PAYABLE		
	In Pakistan	39,908,273	40,175,122
	Outside Pakistan	-	-
		<u>39,908,273</u>	<u>40,175,122</u>
16	DUE TO FINANCIAL INSTITUTIONS		
	In Pakistan	601,290,480	573,326,439
	Outside Pakistan	-	-
		<u>601,290,480</u>	<u>573,326,439</u>
16.1	Details of due to financial institutions secured / unsecured		
	Secured		
	With State Bank of Pakistan		
	Musharakah under Islamic Export Refinance Scheme	67,800,654	71,610,934
	Investment under Islamic Long Term Financing Facility	25,175,985	25,694,774
	Investment under Islamic Refinance Facility for Combating COVID-19	873,791	955,573
	Investment under Islamic Financing for Renewal Energy	16,861,661	17,251,134
	Investment under Islamic Temporary Economic Refinance Facility for Plant and Machinery	20,342,746	19,384,119
	Investment under Islamic Refinance Scheme for storage of agriculture produce	298,715	282,324
	Investment under Islamic Refinance Scheme for SME Asaan Finance	164,640	201,614
	Investment under Shariah Compliant Open Market Operations	367,057,988	363,382,155
	16.1.1		
	Total secured	498,576,180	498,762,627
	With Scheduled Bank	35,000,000	30,000,000
	16.1.2		
	Other financial institutions	5,582,191	5,856,908
	Unsecured		
	Overdrawn nostro accounts	1,850,109	496,904
	Musharakah with scheduled banks / financial institutions	60,282,000	37,775,000
	Others	-	435,000
	16.1.3		
		<u>601,290,480</u>	<u>573,326,439</u>

16.1.1 These represents acceptance of funds by the Bank on Mudarabah basis which has been invested in special pools of the Bank and are secured against lien of the Bank's investment in Federal Government securities. The expected average return on Open Market Operations is 19.28% (December 31, 2022: 15.91%) per annum.

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 Federal Government securities. The expected average return on these Musharakah is around 20.17% (December 31, 2022: 16.15%) per annum. These balances have matured in April 2023 (December 31, 2022: January 2023).

16.1.3 These represents acceptance of funds by the Bank on Musharakah basis. The expected average return on these Musharakah is around 19.55% (December 31, 2022: 15.51%) per annum. These balances have matured in April 2023 (December 31, 2022: January 2023).

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17 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2023 (Unaudited)			December 31, 2022 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
Customers						
- Current accounts - non-remunerative	842,425,100	49,510,058	891,935,158	736,468,532	38,420,227	774,888,759
- Savings deposits	579,744,618	64,675,844	644,420,462	581,314,505	53,554,524	634,869,029
- Fixed deposits	201,921,196	19,514,509	221,435,705	181,114,576	16,136,130	197,250,706
- Margin	21,540,806	2,523,167	24,063,973	40,429,443	2,005,656	42,435,099
	1,645,631,720	136,223,578	1,781,855,298	1,539,327,056	110,116,537	1,649,443,593
Financial institutions						
- Current accounts - non-remunerative	1,288,217	502,443	1,790,660	1,770,475	345,846	2,116,321
- Savings deposits	6,066,794	1,136	6,067,930	5,929,062	904	5,929,966
- Fixed deposits	1,502,911	-	1,502,911	1,000,238	-	1,000,238
	8,857,922	503,579	9,361,501	8,699,775	346,750	9,046,525
	1,654,489,642	136,727,157	1,791,216,799	1,548,026,831	110,463,287	1,658,490,118

Note **March 31,
2023
(Unaudited)** **December 31,
2022
(Audited)**

Rupees in '000

18 SUB-ORDINATED SUKUK

Additional Tier I Sukuk	18.1	7,000,000	7,000,000
Tier II Sukuk	18.2	13,990,000	13,990,000
		20,990,000	20,990,000

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18.1 In August 2018, the Bank issued regulatory Shariah compliant unsecured, sub-ordinated 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 19.29% 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 actual 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 17.84% and 17.21% 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, 2023 (Unaudited)	December 31, 2022 (Audited)
		Rupees in '000	
19 OTHER LIABILITIES			
Return on deposits and other dues			
- payable in local currency		16,864,966	13,408,460
- payable in foreign currencies		265,868	222,900
Unearned income		2,571,063	2,123,582
Accrued expenses		21,593,075	17,360,130
Current taxation (provision less payments)		20,478,596	20,084,580
Acceptances		12,418,881	12,495,872
Unclaimed dividends		9,193,814	3,825,350
Payable to defined benefit plan		699,645	1,198,444
Provision against off-balance sheet obligations	19.1	55,167	55,167
Charity payable		9,468	4,159
Security deposits against Ijarah		21,603,368	21,959,346
Payable on account of credit murabaha / ijarah / musawammah		45,138	53,681,143
Security deposits against lockers		189,878	183,412
Mark to market loss on forward foreign exchange commitments - net		-	214,602
Advance against future Diminishing Musharakah		56,743	34,987
Withholding taxes payable		826,725	400,426
Lease liability against right-of-use assets		12,061,463	12,813,226
Workers Welfare Fund payable		6,210,106	5,620,598
Payable to interchange network		3,050,009	1,999,252
Others		3,861,900	1,409,503
		<u>132,055,873</u>	<u>169,095,139</u>
19.1 Provision against off-balance sheet obligations			
Opening balance		55,167	36,489
Charge for the quarter		-	18,678
Reversals for the quarter		-	-
Closing balance		<u>55,167</u>	<u>55,167</u>
20 DEFICIT ON REVALUATION OF ASSETS - NET OF TAX			
Available for sale securities			
- Listed shares		956,903	1,035,172
- Sukuk		(7,501,118)	(2,204,206)
		(6,544,215)	(1,169,034)
Non-banking assets acquired in satisfaction of claims		4,694	4,699
		(6,539,521)	(1,164,335)
Less: Deferred tax liability on			
- Available for sale securities		2,814,012	502,685
- Non-banking assets acquired in satisfaction of claims		(2,019)	(2,021)
		2,811,993	500,664
		<u>(3,727,528)</u>	<u>(663,671)</u>

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	Note	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
		Rupees in '000	
21 CONTINGENCIES AND COMMITMENTS			
- Guarantees	21.1	61,004,507	56,485,801
- Commitments	21.2	1,298,030,575	1,238,876,726
- Other contingent liabilities	21.3	1,802,000	1,802,000
		<u>1,360,837,082</u>	<u>1,297,164,527</u>
21.1 Guarantees:			
Financial guarantees		619,263	570,477
Performance guarantees		36,432,067	33,361,532
Other guarantees		23,953,177	22,553,792
		<u>61,004,507</u>	<u>56,485,801</u>
21.2 Commitments:			
Documentary letters of credit		216,763,383	221,689,496
Commitments in respect of:			
- forward foreign exchange transactions	21.2.1	267,284,716	243,862,470
Commitments for acquisition of:			
- fixed assets		587,184	640,778
- intangible assets		326,876	291,358
Other commitments	21.2.2	813,068,416	772,392,624
		<u>1,298,030,575</u>	<u>1,238,876,726</u>
21.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		157,037,953	139,648,096
Sale		110,246,763	104,214,374
		<u>267,284,716</u>	<u>243,862,470</u>
21.2.2 Other Commitments			
Commitments in respect of financing (including irrevocable commitments)		<u>813,068,416</u>	<u>772,392,624</u>
21.3 Other contingencies			

The Income Tax Department amended the deemed assessment orders of the Bank for prior years including the tax year 2021. 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 these unconsolidated financial statements 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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FOR THE QUARTER ENDED MARCH 31, 2023**

	Note	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
22 PROFIT / RETURN EARNED ON ISLAMIC FINANCING AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS		Rupees in '000	
On financing	22.1	29,541,487	15,852,186
On investments			
- Available for Sale securities		41,610,076	12,853,984
- Held for trading securities		3	433
- Held to maturity securities		9,659,904	5,415,892
		51,269,983	18,270,309
On deposits / placements with financial institutions		1,141,476	3,988,764
		81,952,946	38,111,259
22.1	The income on Ijarah under IFAS 2 is net of takaful of Rs 506 million (March 31, 2022: Rs 521 million) recovered from customers.		
	Note	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
23 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		Rupees in '000	
Deposits and other accounts	23.1	17,634,060	11,487,225
Sub-ordinated Sukuk		936,355	635,959
Shariah Compliant Open Market Operations and Standing Ceiling Facility from the State Bank of Pakistan		17,337,563	1,226,474
Other Musharakahs / Mudarabas		4,591,038	2,939,897
Amortisation of lease liability against right-of-use assets		408,257	384,745
		40,907,273	16,674,300
23.1	This includes conversion income of Rs 110 million (March 31, 2022: conversion cost of Rs 453 million) against foreign currency deposits.		
	Note	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
24 FEE AND COMMISSION INCOME		Rupees in '000	
Trade related fees and commissions		837,522	896,224
Commission on guarantees		55,379	45,370
Branch banking customer fees		581,062	544,122
Credit related fees		22,859	26,753
Debit card related fees		1,683,633	1,212,635
Investment banking related fees		91,214	85,340
Commission on cash management		101,808	66,061
Commission on home remittances		59,487	73,221
Others		165,145	39,841
		3,598,109	2,989,567
25 (LOSS) / GAIN ON SECURITIES			
Realised - net	25.1	(105,699)	15,360
Unrealised - held for trading - net		(18)	-
		(105,717)	15,360
25.1 Realised (loss) / gain on:			
Federal Government Securities		(86,978)	17,520
Listed Shares		(18,721)	(2,160)
		(105,699)	15,360

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	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
	Rupees in '000	
26 OTHER INCOME		
Gain on termination of Islamic financing	223,167	125,426
Gain on sale of operating fixed assets	62,715	51,177
Others	1,000	1,000
	<u>286,882</u>	<u>177,603</u>
27 OPERATING EXPENSES		
Total compensation expense	8,289,933	5,755,492
Property expense		
Depreciation on right-of-use assets	726,736	734,366
Rent and taxes	27,040	9,303
Utilities cost (including electricity and diesel)	466,140	307,159
Security (including guards)	324,521	303,074
Repair and maintenance (including janitorial charges)	389,942	164,943
Depreciation	264,851	200,924
Others	8,275	18,112
	2,207,505	1,737,881
Information technology expenses		
Software maintenance	340,582	163,260
Hardware maintenance	117,650	129,005
Depreciation	257,122	137,375
Amortisation	117,196	102,052
Network charges	82,207	74,957
	914,757	606,649
Other operating expenses		
Stationery and printing (including debit card related cost)	419,477	247,441
Repairs and maintenance	141,439	119,876
Local transportation and car running	435,472	215,418
Depreciation on vehicles, equipment etc.	424,615	350,042
Legal and professional charges	51,545	30,092
NIFT and other clearing charges	60,904	48,584
Marketing, advertisement and publicity	282,001	278,082
Security charges - cash transportation	220,728	140,415
Communication (including courier)	348,847	137,936
Travelling and conveyance	58,606	24,831
Training and Development	40,587	24,201
Fees, subscription and other charges	128,909	103,281
Brokerage and bank charges	83,059	53,663
Office supplies	140,429	88,722
Entertainment	18,491	15,480
Takaful expense	38,655	23,712
Outsourced services costs	5,976	4,394
Auditors' Remuneration	4,102	3,702
Fees and allowances to Shariah Board	9,324	4,951
Directors' fees and allowances	18,760	16,110
Others	570	2,152
	2,932,496	1,933,085
	<u>14,344,691</u>	<u>10,033,107</u>

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	Note	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
		Rupees in '000	
28 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		2,828	1,132
29 PROVISIONS AND WRITE OFFS - NET			
Provision against non-performing Islamic financing and related assets - net	10.12	2,053,175	28,106
Provision for diminution in value of investments	9.2	71,769	192,931
Provision against other assets	14.1.1	6,477	36,858
Provision against off-balance sheet obligations	19.1	-	(27,874)
Recoveries of written off financings		(1,534)	(2,131)
		2,129,887	227,890
30 TAXATION			
Current	30.1	12,581,978	6,067,415
Deferred		(161,906)	(132,267)
		12,420,072	5,935,148

- 30.1** Through Finance Act 2022, the effective tax rate on banking companies has been increased and consequently for the year 2023, tax rates has been enhanced to 43% (inclusive of 4% Super Tax) from 39% in March 2022 (inclusive of 4% Super Tax). Accordingly, the Bank has recognised super tax charge of Rs 1,133 million (March 31, 2022: Rs 621 million) in the current quarter based on taxable income for the quarter.

	Note	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
		Rupees in '000	
31 BASIC EARNINGS PER SHARE			
Profit for the quarter		15,424,171	9,205,539
		(Number)	
			Restated
Weighted average number of ordinary shares		1,789,624,321	1,789,624,321
		(Rupees)	
			Restated
Basic earnings per share	32.2	8.62	5.14
	Note	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
		Rupees in '000	
32 DILUTED EARNINGS PER SHARE			
Profit for the quarter		15,424,171	9,205,539

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	Note	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
		(Number)	
Weighted average number of ordinary shares	32.1	<u>1,790,479,468</u>	<u>1,789,933,579</u>
		(Rupees)	
			Restated
Diluted earnings per share	32.2	<u>8.61</u>	<u>5.14</u>
32.1 Reconciliation of basic and diluted earning per share		(Number)	
Weighted average number of ordinary shares		<u>1,789,624,321</u>	1,789,624,321
Add: Diluted impact of Employee stock option scheme		<u>855,147</u>	309,258
Dilutive potential ordinary shares		<u>1,790,479,468</u>	<u>1,789,933,579</u>
32.2 The Bank has issued bonus shares during the last year and accordingly the earnings per share for the comparative year has been restated.			
	Note	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
33 CASH AND CASH EQUIVALENTS		Rupees in '000	
Cash and balances with treasury banks	6	<u>175,189,889</u>	145,460,335
Balances with other banks	7	<u>11,104,213</u>	10,268,861
		<u>186,294,102</u>	<u>155,729,196</u>

34 FAIR VALUE INSTRUMENT

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

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

34.1 Fair value of financial assets

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

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

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

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

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March 31, 2023 (Unaudited)					
	Carrying value	Level 1	Fair value Level 2	Level 3	Total
On balance sheet financial instruments	Rupees in '000				
Financial assets - measured at fair value					
Investments					
- Federal Government securities	917,097,511	-	917,097,511	-	917,097,511
- Shares	7,876,102	7,876,102	-	-	7,876,102
- Non Government Sukuk	119,509,708	119,509,708	-	-	119,509,708
- Foreign Securities	5,113,669	-	5,113,669	-	5,113,669
	<u>1,049,596,990</u>	<u>127,385,810</u>	<u>922,211,180</u>	<u>-</u>	<u>1,049,596,990</u>
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	<u>217,145,713</u>	<u>-</u>	<u>195,273,500</u>	<u>-</u>	<u>195,273,500</u>
	217,145,713	-	195,273,500	-	195,273,500
	<u>1,266,742,703</u>	<u>127,385,810</u>	<u>1,117,484,680</u>	<u>-</u>	<u>1,244,870,490</u>
Off-balance sheet financial instruments - measured at fair value					
Forward purchase and sale of foreign exchange contracts	<u>270,827,681</u>	<u>-</u>	<u>270,827,681</u>	<u>-</u>	<u>270,827,681</u>
	270,827,681	-	270,827,681	-	270,827,681
December 31, 2022 (Audited)					
	Carrying value	Level 1	Fair value Level 2	Level 3	Total
On balance sheet financial instruments	Rupees in '000				
Financial assets - measured at fair value					
Investments					
- Federal Government securities	917,873,562	-	917,873,562	-	917,873,562
- Shares	7,565,867	7,565,867	-	-	7,565,867
- Non Government Sukuk	119,509,708	119,509,708	-	-	119,509,708
- Foreign Securities	8,568,475	-	8,568,475	-	8,568,475
	<u>1,053,517,612</u>	<u>127,075,575</u>	<u>926,442,037</u>	<u>-</u>	<u>1,053,517,612</u>
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	<u>217,208,259</u>	<u>-</u>	<u>203,805,000</u>	<u>-</u>	<u>203,805,000</u>
	217,208,259	-	203,805,000	-	203,805,000
	<u>1,270,725,871</u>	<u>127,075,575</u>	<u>1,130,247,037</u>	<u>-</u>	<u>1,257,322,612</u>
Off-balance sheet financial instruments - measured at fair value					
Forward purchase and sale of foreign exchange contracts	<u>244,685,475</u>	<u>-</u>	<u>244,685,475</u>	<u>-</u>	<u>244,685,475</u>
	244,685,475	-	244,685,475	-	244,685,475

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		March 31, 2023 (Unaudited)			
34.2 Fair value of non-financial assets	Carrying value	Level 1	Fair value		Total
			Level 2	Level 3	
		Rupees in '000			
Non-banking assets acquired in satisfaction of claims	55,000	-	-	55,000	55,000
	55,000	-	-	55,000	55,000

	December 31, 2022 (Audited)				
	Carrying value	Level 1	Fair value Level 2	Level 3	Total
			Rupees in '000		
Non-banking assets acquired in satisfaction of claims	55,000	-	-	55,000	55,000
	55,000	-	-	55,000	55,000

Non-banking assets acquired in satisfactions of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values.

Valuation techniques used in determination of fair values

Item	Valuation approach and input used
Listed Securities	The valuation has been determined through closing rates of Pakistan Stock Exchange.
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.
Foreign Sukuk	The valuation has been determined through closing rates of Bloomberg.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by SBP.
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 2022 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED MARCH 31, 2023

35 SEGMENT INFORMATION

35.1 Segment Details with respect to Business Activities

March 31, 2023 (Unaudited)

	Corporate and Commercial banking	Retail Banking	Trading & Sales	Others	Inter-segment Eliminations	Total
Rupees in '000						
Profit and Loss Account						
External Funded Revenue	32,896,572	2,154,282	46,902,092	-	-	81,952,946
External Non funded Revenue	1,069,633	907,871	39,977	1,848,003	-	3,865,484
Inter segment revenue - net	-	66,177,683	-	93,273	(66,270,956)	-
Total Income	33,966,205	69,239,836	46,942,069	1,941,276	(66,270,956)	85,818,430
External Cost of funds	2,582,921	18,235,538	20,088,814	-	-	40,907,273
Segment direct expenses	380,144	13,629,839	181,344	745,700	-	14,937,027
Inter segment expense allocation	29,001,815	-	37,269,141	-	(66,270,956)	-
Total expenses	31,964,880	31,865,377	57,539,299	745,700	(66,270,956)	55,844,300
Provision and write offs - net	2,030,609	22,502	71,769	5,007	-	2,129,887
Profit before tax	(29,284)	37,351,957	(10,668,999)	1,190,569	-	27,844,243
Statement of Financial Position						
Cash and Bank balances	-	173,863,717	4,679,213	7,751,172	-	186,294,102
Due from financial institutions - net	-	-	34,964,299	-	-	34,964,299
Investments - net	13,717,864	-	1,268,207,566	-	-	1,281,925,430
Net inter segment lending	-	1,632,076,383	-	-	(1,632,076,383)	-
Islamic financings and related assets - net	936,062,062	88,407,073	-	-	-	1,024,469,135
Others	37,983,697	55,935,594	84,726,703	1,559,968	-	180,205,962
Total Assets	987,763,623	1,950,282,767	1,392,577,781	9,311,140	(1,632,076,383)	2,707,858,928
Due to financial institutions	131,062,993	6,037,391	464,190,096	-	-	601,290,480
Deposits and other accounts	-	1,791,216,799	-	-	-	1,791,216,799
Subordinated Sukuk	20,990,000	-	-	-	-	20,990,000
Net inter segment borrowing	767,985,691	-	860,621,698	3,468,994	(1,632,076,383)	-
Others	23,077,191	138,645,381	4,820,299	5,421,275	-	171,964,146
Total liabilities	943,115,875	1,935,899,571	1,329,632,093	8,890,269	(1,632,076,383)	2,585,461,425
Equity	44,647,748	14,383,196	62,945,688	420,871	-	122,397,503
Total Equity and liabilities	987,763,623	1,950,282,767	1,392,577,781	9,311,140	(1,632,076,383)	2,707,858,928
Contingencies and Commitments	1,007,951,360	85,601,006	267,284,716	-	-	1,360,837,082

March 31, 2022 (Unaudited)

	Corporate and Commercial banking	Retail Banking	Trading & Sales	Others	Inter-segment Eliminations	Total
Rupees in '000						
Profit and Loss Account						
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)	-
Total Income	15,679,863	37,490,443	23,071,664	1,285,531	(35,115,885)	42,411,616
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)	-
Total expenses	14,517,933	21,307,914	25,725,632	607,445	(35,115,885)	27,043,039
Provision and write offs - net	(41,297)	76,092	192,931	164	-	227,890
Profit before tax	1,203,227	16,106,437	(2,846,899)	677,922	-	15,140,687
Statement of Financial Position						
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	-	1,300,865,044	-	-	(1,300,865,044)	-
Islamic financings and related assets - net	652,764,393	86,580,768	-	-	-	739,345,161
Others	19,153,981	44,494,985	40,150,703	47,934	-	103,847,603
Total Assets	684,929,647	1,584,381,150	1,147,804,653	2,248,638	(1,300,865,044)	2,118,499,044
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	-	-	-	-	20,990,000
Net inter segment borrowing	508,836,659	-	790,750,907	1,277,478	(1,300,865,044)	-
Others	15,020,187	115,777,240	855,992	875,616	-	132,529,035
Total liabilities	655,827,286	1,572,334,675	1,099,034,935	2,153,094	(1,300,865,044)	2,028,484,946
Equity	29,102,361	12,046,475	48,769,718	95,544	-	90,014,098
Total Equity and liabilities	684,929,647	1,584,381,150	1,147,804,653	2,248,638	(1,300,865,044)	2,118,499,044
Contingencies and Commitments	686,276,125	78,915,382	187,652,170	-	-	952,843,677

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36 RELATED PARTY TRANSACTIONS

36.1 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.

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

36.3 Subsidiary company

- Al Meezan Investment Management Limited

36.4 Associates

Associates include 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.

36.5 Key management personnel

- President and Chief Executive Officer
- Deputy Chief Executive Officer

36.6 Details of transactions with related parties and balances with them (other than those disclosed in respective notes) as at the year-end as are follows. Balances pertaining to parties that were related at the beginning of the year 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.

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	March 31, 2023 (Unaudited)	Dec 31, 2022 (Audited)	March 31, 2023 (Unaudited)	Dec 31, 2022 (Audited)	March 31, 2023 (Unaudited)	Dec 31, 2022 (Audited)	March 31, 2023 (Unaudited)	Dec 31, 2022 (Audited)	March 31, 2023 (Unaudited)	Dec 31, 2022 (Audited)	March 31, 2023 (Unaudited)	Dec 31, 2022 (Audited)
Rupees in '000												
Islamic financing and related assets												
At January 1,	29,972,348	-	-	-	29,972,348	-	-	-	-	-	-	-
Addition during the quarter / year	-	29,972,348	-	-	-	29,972,348	-	-	-	-	-	-
Repayment / redemption / deletion during the quarter / year	-	-	-	-	-	-	-	-	-	-	-	-
At March 31 / December 31	29,972,348	29,972,348	-	-	29,972,348	29,972,348	-	-	-	-	-	-
Investments												
At January 1,	908,302	907,788	63,050	63,050	845,252	844,738	-	-	-	-	-	-
Addition during the quarter / year	-	514	-	-	-	514	-	-	-	-	-	-
Repayment / redemption / deletion during the quarter / year	-	-	-	-	-	-	-	-	-	-	-	-
At March 31 / December 31	908,302	908,302	63,050	63,050	845,252	845,252	-	-	-	-	-	-
Due from financial institutions												
At January 1,	-	21,858,348	-	-	-	21,858,348	-	-	-	-	-	-
Addition during the quarter / year	-	-	-	-	-	-	-	-	-	-	-	-
Repayment / redemption / deletion during the quarter / year	-	(21,858,348)	-	-	-	(21,858,348)	-	-	-	-	-	-
At March 31 / December 31	-	-	-	-	-	-	-	-	-	-	-	-

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FOR THE QUARTER ENDED MARCH 31, 2023**

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	March 31, 2023 (Unaudited)	Dec 31, 2022 (Audited)	March 31, 2023 (Unaudited)	Dec 31, 2022 (Audited)	March 31, 2023 (Unaudited)	Dec 31, 2022 (Audited)	March 31, 2023 (Unaudited)	Dec 31, 2022 (Audited)	March 31, 2023 (Unaudited)	Dec 31, 2022 (Audited)	March 31, 2023 (Unaudited)	Dec 31, 2022 (Audited)
Rupees in '000												
Deposits	4,952,005	4,494,250	43,886	20,530	3,535,802	3,565,923	181,238	134,806	77,099	180,487	1,113,980	592,504
Other Assets												
Profit receivable on financing / investments / placements	1,808,266	684,919	-	-	1,808,266	684,919	-	-	-	-	-	-
Fee and Other Receivable	133,197	47,936	54,000	24,975	79,197	17,864	-	-	-	1,745	-	3,352
Due from financial institutions												
At January 1,	18,000,000	-	-	-	18,000,000	-	-	-	-	-	-	-
Addition during the quarter / year	58,600,000	53,500,000	-	-	58,600,000	53,500,000	-	-	-	-	-	-
Repayment / redemption / deletion during the quarter / year	(56,300,000)	(35,500,000)	-	-	(56,300,000)	(35,500,000)	-	-	-	-	-	-
At March 31 / December 31	20,300,000	18,000,000	-	-	20,300,000	18,000,000	-	-	-	-	-	-
Sub-ordinated Sukuk												
At January 1,	210,000	200,000	-	-	210,000	210,000	-	-	-	-	-	-
Addition during the quarter / year	-	10,000	-	-	-	10,000	-	-	-	-	-	-
Repayment / redemption / deletion during the quarter / year	-	-	-	-	-	-	-	-	-	-	-	-
At March 31 / December 31	210,000	210,000	-	-	210,000	210,000	-	-	-	-	-	-
Other Liabilities												
Profit payable on musharakah acceptance	181,376	54,568	-	-	181,376	54,568	-	-	-	-	-	-
Payable to defined benefit plan	699,645	1,198,444	-	-	-	-	-	-	553,052	529,429	146,593	669,015
Accrued Expenses	5,976	1,992	5,976	1,992	-	-	-	-	-	-	-	-
Unearned Income	2,001	16,615	-	-	2,001	16,615	-	-	-	-	-	-
Contingencies and Commitments												
Letters of credit (unfunded)	908,872	725,168	-	-	908,872	725,168	-	-	-	-	-	-
Letters of Guarantee (unfunded)	1,187,177	2,387,177	100	100	1,187,077	2,387,077	-	-	-	-	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
Transactions, income and expenses	Rupees in '000											
Profit earned on financing / investments / placements	1,123,347	68,184	-	-	1,123,347	68,184	-	-	-	-	-	-
Fees and other income earned	174,659	45,812	38,180	1,398	136,355	44,314	10	7	73	62	41	31
Dividend income earned	130,000	130,000	130,000	130,000	-	-	-	-	-	-	-	-
Capital gain - net	-	2,028	-	-	-	-	-	-	-	-	-	2,028
Return on deposits / acceptance expensed	870,492	203,568	1,195	467	854,290	118,319	674	332	1,672	1,335	12,661	83,115
Charge for defined benefit plan	146,633	107,437	-	-	-	-	-	-	-	-	146,633	107,437
Contribution to defined contribution plan	137,797	116,010	-	-	-	-	-	-	-	-	137,797	116,010
Contribution to staff benevolent fund	5,407	4,404	-	-	-	-	-	-	-	-	5,407	4,404
Fees expensed	6,362	4,912	5,976	4,394	386	518	-	-	-	-	-	-
Purchase of fixed assets	41,737	121,399	-	-	41,737	121,399	-	-	-	-	-	-
Remuneration to key management personnel	75,487	46,466	-	-	-	-	-	-	75,487	46,466	-	-
Fee to non-executive directors	18,760	16,110	-	-	-	-	18,760	16,110	-	-	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	Rupees in '000	
37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR)		
Paid-up capital (net of losses)	<u>17,896,243</u>	<u>17,896,243</u>
Capital Adequacy Ratio		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>120,470,634</u>	<u>113,339,894</u>
Eligible Additional Tier 1 (ADT 1) Capital	<u>7,000,000</u>	<u>7,000,000</u>
Total Eligible Tier 1 Capital	<u>127,470,634</u>	<u>120,339,894</u>
Eligible Tier 2 Capital	<u>21,240,046</u>	<u>20,962,210</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>148,710,680</u>	<u>141,302,104</u>
Risk weighted assets (RWAs):		
Credit Risk	<u>580,003,678</u>	<u>557,776,813</u>
Market Risk	<u>20,682,410</u>	<u>22,678,235</u>
Operational Risk	<u>186,602,267</u>	<u>186,602,267</u>
Total	<u>787,288,355</u>	<u>767,057,315</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>15.30%</u>	<u>14.78%</u>
Tier 1 Capital Adequacy Ratio	<u>16.19%</u>	<u>15.69%</u>
Total Capital Adequacy Ratio	<u>18.89%</u>	<u>18.42%</u>
Leverage ratio (LR):		
Tier-1 Capital	<u>127,470,634</u>	<u>120,339,894</u>
Total Exposures	<u>3,116,096,490</u>	<u>2,940,154,033</u>
Leverage Ratio	<u>4.09%</u>	<u>4.09%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>669,174,217</u>	<u>682,411,975</u>
Total Net Cash Outflow	<u>321,023,493</u>	<u>240,277,969</u>
Liquidity Coverage Ratio	<u>208%</u>	<u>284%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>1,757,721,784</u>	<u>1,628,565,640</u>
Total Required Stable Funding	<u>1,080,835,994</u>	<u>1,038,717,022</u>
Net Stable Funding Ratio	<u>163%</u>	<u>157%</u>

38 NON-ADJUSTING EVENT

The Board of Directors in their meeting held on April 18, 2023 has announced interim cash dividend of Rs 3 per share (30%). This condensed interim unconsolidated financial information does not include the effect of this appropriation which will be accounted for subsequent to the quarter end.

39 DATE OF AUTHORISATION

This condensed interim financial information were authorised for issue on April 18, 2023 by the Board of Directors of the Bank.

Riyadh S. A. A. Edrees
Chairman

Irfan Siddiqui
President & Chief Executive

Faisal A. A. A. AlNassar
Director

Mohammad Abdul Aleem
Director

Syed Imran Ali Shah
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

CONDENSED INTERIM CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	Rupees in '000	
ASSETS		
Cash and balances with treasury banks	175,276,105	117,743,672
Balances with other banks	11,060,317	13,710,753
Due from financial institutions	34,964,299	34,964,299
Investments	1,286,010,875	1,287,316,423
Islamic financing and related assets	1,024,469,135	995,508,354
Fixed assets	40,835,799	40,624,658
Intangible assets	1,853,814	1,873,518
Deferred tax asset	6,910,281	4,439,835
Other assets	131,270,731	85,719,066
	2,712,651,356	2,581,900,578
LIABILITIES		
Bills payable	39,908,273	40,175,122
Due to financial institutions	601,290,480	573,326,439
Deposits and other accounts	1,791,172,903	1,658,469,588
Sub-ordinated sukuk	20,990,000	20,990,000
Deferred tax liabilities	-	-
Other liabilities	133,046,188	169,804,739
	2,586,407,844	2,462,765,888
NET ASSETS	126,243,512	119,134,690
REPRESENTED BY		
Share capital	17,896,243	17,896,243
Reserves	29,839,920	28,212,137
Deficit on revaluation of assets - net of tax	(3,727,528)	(663,671)
Unappropriated profit	81,020,651	72,485,599
	125,029,286	117,930,308
NON-CONTROLLING INTEREST	1,214,226	1,204,382
	126,243,512	119,134,690

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

Riyadh S. A. A. Edrees
Chairman

Irfan Siddiqui
President & Chief Executive

Faisal A. A. A. AlNassar
Director

Mohammad Abdul Aleem
Director

Syed Imran Ali Shah
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED
PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	Quarter ended March 31, 2023	Quarter ended March 31, 2022
	Rupees in '000	
Profit / return earned on Islamic financing and related assets, investments and placements	81,988,469	38,137,493
Profit on deposits and other dues expensed	40,920,804	16,678,750
Net profit / return	41,067,665	21,458,743
OTHER INCOME		
Fee and Commission income	4,044,864	3,356,404
Dividend income	111,252	174,387
Foreign Exchange (loss) / Income	(155,042)	813,439
(Loss) / gain on securities	(92,060)	15,252
Other income	286,674	177,437
	4,195,688	4,536,919
Total other income	45,263,353	25,995,662
OTHER EXPENSES		
Operating expenses	14,519,265	10,217,420
Workers Welfare Fund	595,835	337,958
Other charges	2,828	1,132
Total other expenses	15,117,928	10,556,510
	30,145,425	15,439,152
Share of results of associates before taxation	26,463	29,555
Profit before provisions	30,171,888	15,468,707
Provisions and write offs - net	2,129,887	227,890
Extra ordinary / unusual items	-	-
PROFIT BEFORE TAXATION	28,042,001	15,240,817
Taxation	12,515,818	5,997,085
PROFIT AFTER TAXATION	15,526,183	9,243,732
Attributable to:		
Shareholders of the Holding company	15,446,339	9,185,595
Non-controlling interest	79,844	58,137
	15,526,183	9,243,732
	Rupees	
	Restated	
Basic earnings per share	8.63	5.13
Diluted earnings per share	8.63	5.13

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

Riyadh S. A. A. Edrees
Chairman

Irfan Siddiqui
President & Chief Executive

Faisal A. A. AlNassar
Director

Mohammad Abdul Aleem
Director

Syed Imran Ali Shah
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE QUARTER ENDED MARCH 31, 2023

	Quarter ended March 31, 2023	Quarter ended March 31, 2022
	Rupees in '000	
Profit after taxation for the quarter attributable to:		
Shareholders of the Holding company	15,446,339	9,185,595
Non-controlling interest	79,844	58,137
	<u>15,526,183</u>	<u>9,243,732</u>
Other Comprehensive Income		
Item that may be reclassified to profit and loss account in subsequent periods:		
Movement in deficit on revaluation of investments - net of tax	(3,063,854)	(3,358,489)
Total Comprehensive income for the quarter	<u>12,462,329</u>	<u>12,589,413</u>
Attributable to:		
Shareholders of the Holding company	12,382,485	5,827,106
Non-controlling interest	79,844	58,137
	<u>12,462,329</u>	<u>5,885,243</u>

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

Riyadh S. A. A. Edrees
Chairman

Irfan Siddiqui
President & Chief Executive

Faisal A. A. AlNassar
Director

Mohammad Abdul Aleem
Director

Syed Imran Ali Shah
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

	Share capital	Capital reserves				Revenue reserve	Unappropriated profit	Surplus / (deficit) on revaluation of		Non controlling interest	Total
		Share premium	Statutory reserve *	Non - Distributable Capital Reserve Gain on Bargain Purchase	Employee share option compensation reserve	General reserve		Investments	Non-banking assets		
	Rupees in '000										
Balance as at January 1, 2022	16,269,312	2,406,571	17,668,857	3,117,547	133,457	91,082	45,494,657	4,040,077	23,533	1,196,519	90,441,612
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)
	-	-	-	-	-	-	9,185,595	(3,358,489)	-	58,137	5,885,243
Other appropriations											
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)
Balance as at March 31, 2022	16,269,312	2,406,571	18,589,411	3,117,547	183,127	91,082	51,319,301	681,588	23,533	1,184,656	93,866,128
Profit after taxation for the nine months period end December 31, 2022	-	-	-	-	-	-	35,751,100	-	-	146,420	35,897,520
Other Comprehensive loss for the nine months period ended December 31, 2022 - net of tax	-	-	-	-	-	-	(104,343)	(1,347,937)	(20,768)	(4,194)	(1,477,242)
	-	-	-	-	-	-	35,646,757	(1,347,937)	(20,768)	142,226	34,420,278
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	87	-	(87)	-	-
Other appropriations											
Transfer to statutory reserve*	-	-	3,580,107	-	-	-	(3,580,107)	-	-	-	-
Recognition of share based compensation	-	-	-	-	244,292	-	-	-	-	-	244,292
Transactions with owners recognised directly in equity											
Issue of bonus shares @ 10%	1,626,931	-	-	-	-	-	(1,626,931)	-	-	-	-
First Interim cash dividend for the year 2022 @ Rs 1.75 per share	-	-	-	-	-	-	(2,847,130)	-	-	-	(2,847,130)
Second Interim cash dividend for the year 2022 @ Rs 1.75 per share	-	-	-	-	-	-	(2,847,130)	-	-	-	(2,847,130)
Thrid interem cash dividend for the year 2022 @ Rs. 2 per share	-	-	-	-	-	-	(3,579,248)	-	-	-	(3,579,248)
	-	-	-	-	-	-	(9,273,508)	-	-	-	(9,273,508)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	-	(122,500)	(122,500)
Balance as at December 31, 2022	17,896,243	2,406,571	22,169,518	3,117,547	427,419	91,082	72,485,599	(666,349)	2,678	1,204,382	119,134,690
Profit after taxation for the quarter ended March 31, 2023	-	-	-	-	-	-	15,446,339	-	-	79,844	15,526,183
Other Comprehensive loss for the quarter ended March 31, 2023 - net of tax	-	-	-	-	-	-	-	(3,063,854)	-	-	(3,063,854)
Total other comprehensive income - net of tax	-	-	-	-	-	-	15,446,339	(3,063,854)	-	79,844	12,462,329
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	3	-	(3)	-	-
Recognition of share based compensation	-	-	-	-	85,366	-	-	-	-	-	85,366
Other appropriations											
Transfer to statutory reserve*	-	-	1,542,417	-	-	-	(1,542,417)	-	-	-	-
Transactions with owners recognised directly in equity											
Final cash dividend for the year 2022 @ Rs 3 per share	-	-	-	-	-	-	(5,368,873)	-	-	-	(5,368,873)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	-	(70,000)	(70,000)
Balance as at March 31, 2023	17,896,243	2,406,571	23,711,935	3,117,547	512,785	91,082	81,020,651	(3,730,203)	2,675	1,214,226	126,243,512

* 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 statements.

Riyadh S. A. A. Edrees
Chairman

Irfan Siddiqui
President & Chief Executive

Faisal A. A. A. AlNassar
Director

Mohammad Abdul Aleem
Director

Syed Imran Ali Shah
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

	Quarter ended March 31, 2023	Quarter ended March 31, 2022
	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	28,042,001	15,240,817
Less: Dividend income	(111,252)	(174,387)
	27,930,749	15,066,430
Adjustments for non-cash charges and other items:		
Depreciation	960,218	702,103
Amortization	123,527	104,065
Non cash items related to right-of-use assets	1,167,773	1,140,749
Provisions and write offs - net	2,129,887	227,890
Share based compensation expense	85,366	49,670
Gain on sale of operating fixed assets	(64,296)	(51,011)
Share of results of associates	(26,463)	(29,555)
	4,376,012	2,143,911
	32,306,761	17,210,341
(Increase) / decrease in operating assets		
Due from financial institutions	-	46,316,840
Islamic financing and related assets	(31,012,422)	18,714,984
Other assets	(45,519,447)	(1,018,845)
	(76,531,869)	64,012,979
Increase / (decrease) in operating liabilities		
Bills payable	(266,849)	6,299,146
Due to financial institutions	27,964,041	199,116,888
Deposits and other accounts	132,703,315	(495,116)
Other liabilities	(41,905,288)	3,675,277
	118,495,219	208,596,195
	74,270,111	289,819,515
Income tax paid	(12,315,369)	(5,191,504)
Net cash generated from operating activities	61,954,742	284,628,011
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities	(4,114,940)	(312,943,655)
Dividends received	72,557	171,366
Investments in operating fixed assets	(2,002,753)	(2,180,652)
Investments in intangible assets	(103,823)	(59,496)
Proceeds from sale of fixed assets	106,068	80,923
Net cash used in investing activities	(6,042,891)	(314,931,514)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(959,445)	(826,420)
Dividend paid to equity shareholders of the Bank	(409)	(281)
Dividend paid to non controlling interest	(70,000)	(70,000)
Net cash used in financing activities	(1,029,854)	(896,701)
Increase / (decrease) in cash and cash equivalents	54,881,997	(31,200,204)
Cash and cash equivalents at the beginning of the quarter	131,454,425	186,966,475
Cash and cash equivalents at the end of the quarter	186,336,422	155,766,271

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

Riyadh S. A. A. Edrees
Chairman

Irfan Siddiqui
President & Chief Executive

Faisal A. A. AlNassar
Director

Mohammad Abdul Aleem
Director

Syed Imran Ali Shah
Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED MARCH 31, 2023

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, Meezan Daily Income Fund and Meezan Paidar Munafa Plan.
- 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, 2023 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, 2023.

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, 2022.

3 DATE OF AUTHORISATION

This condensed interim consolidated financial information was authorised for issue on April 18, 2023 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

Mohammad Abdul Aleem
Director

Syed Imran Ali Shah
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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