HALF YEARLY REPORT

JUNE 30, 2022

Meezan Bank
The Premier Islamic Bank

بِسۡمِ اللّٰہِ الرَّحۡمٰنِ الرَّحِیۡمِ

In the name of Allah The Beneficent The Merciful

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CORPORATE INFORMATION
FOR THE HALF YEAR ENDED JUNE 30, 2022

Board of Directors	Riyadh S. A. A. Edrees	Chairman
	Faisal A. A. A. Al-Nassar	Vice Chairman
	Bader H. A. M. A. Al-Rabiah	
	Mubashar Maqbool	
	Faisal Fahad Al-Muzaini	
	Naveed Iftikhar Sherwani	
	Mohamed Guermazi	
	Mohammad Abdul Aleem	
	Nausheen Ahmad	
	Yousef S.M.A Al-Saad	
	Irfan Siddiqui	President & CEO
Shariah Board	Justice (Retd.) Muhammad Taqi Usmani	Chairman
	Dr. Muhammad Imran Ashraf Usmani	Vice Chairman
	Sheikh Esam Mohamed Ishaq	
	Mufti Muhammad Naveed Alam	
Management	Irfan Siddiqui	President & CEO
	Ariful Islam	Deputy CEO
Board Audit Committee	Mohammad Abdul Aleem	
	Faisal A.A.A. Al-Nassar	
	Mohamed Guermazi	
	Mubashar Maqbool	
Board Risk Management Committee	Faisal A. A. A. Al-Nassar	
	Mubashar Maqbool	
	Bader H. A. M. A. Al-Rabiah	
	Yousef S.M.A Al-Saad	
Board Human Resources, Remuneration & Compensation Committee	Riyadh S. A. A. Edrees	
	Mohammad Abdul Aleem	
	Nausheen Ahmad	
Board Information Technology Committee	Mubashar Maqbool	
	Riyadh S. A. A. Edrees	
	Faisal A. A. A. Al-Nassar	
	Irfan Siddiqui	
Board IFRS 9 Implementation Oversight Committee	Riyadh S. A. A. Edrees	
	Faisal Fahad Al-Muzaini	
	Irfan Siddiqui	
Resident Shariah Board Member	Mufti Muhammad Naveed Alam	
Chief Financial Officer	Shabbir Hamza Khandwala	
Company Secretary	Muhammad Sohail Khan	
Auditors	A. F. Ferguson & Co., Chartered Accountants	
Legal Adviser	Haidermota & Co. Advocates	
Registered Office and Head Office	Meezan House C-25, Estate Avenue, SITE, Karachi - 75730, Pakistan Phone: (92-21) 38103500, 37133500, Fax: (92-21) 36406056 24/7 Call Centre: 111-331-331 & 111-331-332	
E-mail	info@meezanbank.com	
Website	www.meezanbank.com www.meezanbank.pk	
Shares Registrar	THK Associates (Pvt.) Ltd Plot No. 32-C, Jami Commercial, Street 2, DHA, Phase VII, Karachi - 75500, Pakistan Phone: (92-21) 111-000-322, 35310191-6 Fax: (92-21) 35310191 Email: secretariat@thk.com.pk, sfc@thk.com.pk Website: www.thk.com.pk	

DIRECTORS' REVIEW

ٱلْحَمْدُ لِلَّهِ رَبِّ ٱلْعَٰلَمِينَ

The Board of Directors is pleased to present the condensed interim unaudited financial statements of Meezan Bank Limited and consolidated financial statements for the half year ended June 30, 2022.

Economy

Pakistan's economy posted a robust GDP growth of 5.97% for the fiscal year ended 30th June 2022. Exports grew strongly on account of policy support including export facilitation scheme, enhancement in coverage and loan limits under LTFF, and tariff rationalization in certain sectors. Tax collection by the Federal Board of Revenue also recorded substantial growth of 29% during fiscal year 2022.

However, the geopolitical uncertainty, arising out of the Russia-Ukraine conflict, has amplified macroeconomic imbalances and global commodity prices have increased substantially. The current account deficit for the period July-May FY2022 rose to $15.2 billion while the CPI inflation rose to 11.3%. This led the State Bank of Pakistan (SBP) to raise the policy rate to 15 percent as part of monetary tightening which has been underway since September 2021 to tame the rising inflation. The Federal Government has also increased the income taxes on select corporate sectors, including the Banking industry, through the Federal Budget 2022-23 to fill the fiscal gap.

Our performance

By the grace of Allah, notwithstanding these challenging economic conditions, Meezan Bank continued to deliver strong financial results during the first half year of 2022. The Bank's profit after tax for the half year ended on June 30, 2022 registered a growth of 36% to Rs 17.1 billion from Rs 12.6 billion in corresponding period last year despite higher taxation charge levied under the Finance Act 2022 by the Federal Government. Under the Finance Act 2022, the tax rate on banking companies has been increased to 49% for the year 2022 (39% normal tax and 10% Super Tax) from 39% in 2021 (35% normal tax and 4% Super Tax). As a result, the effective tax rate of the Bank for the second quarter surged to 57% while the effective tax rate for the half year ended June 30, 2022 increased to 49% versus 39% in June 2021. In addition, there is an additional penal tax charge if bank's Asset to Deposit Ratio (ADR) falls below 50% which in the case of Meezan did not apply since the Bank was able to maintain its ADR at 50% plus levels and contributed to its efficient tax management strategy.

Earnings per Share, on enhanced share capital of Rs 16.27 billion, increased to Rs 10.52 per share from Rs 7.75 per share in June 2021. The Bank remains well-capitalized with Capital Adequacy Ratio (CAR) of 17.86% being well above the minimum regulatory requirement. We are pleased to inform you that the Board has approved Rs 1.75 (17.5%) interim cash dividend for the second quarter. Further, the Board has also approved to issue 10% bonus shares. This brings the total dividend payout for the half year to Rs 3.50 (35%) along with 10% bonus shares, as Rs 1.75 per share (17.5%) interim cash dividend was paid for the first quarter of 2022.

The Financial Highlights of Meezan Bank are given below:

Rupees in millions

Statement of Financial Position	June 30, 2022	December 31, 2021	Growth %
Total Assets	2,418,486	1,902,971	27%
Investments	1,241,233	620,132	100%
Sovereign	1,216,377	594,101	105%
Others	24,856	26,031	(5%)
Islamic financing and related assets - Gross	827,477	777,295	6%
Deposits	1,568,627	1,455,886	8%
ADR (Gross Advances to Deposits) - %	53%	53%	
Equity	93,646	86,558	8%

Rupees in millions

Profit & Loss Account	Jan - June 2022	Jan - June 2021	Growth %
Profit / return earned on financing, investments and placements	88,296	50,117	76%
Profit on deposits and other dues expensed	(42,874)	(18,911)	127%
Net spread earned	**45,422**	**31,205**	**46%**
Fee, commission and other non - funded income	10,658	6,810	57%
Operating income	**56,080**	**38,016**	**48%**
Operating and other expenses	(21,209)	(16,748)	27%
Provision against NPLs and others - net	(1,189)	(433)	175%
Profit before tax	**33,682**	**20,835**	**62%**
Taxation	(16,563)	(8,227)	101%
Profit after tax	**17,119**	**12,608**	**36%**
Earnings per share - Rupees - on enhanced share capital	10.52	7.75	36%
Number of branches	931	835	11%

Return on financings, investments and placements increased by 76% to Rs 88.3 billion from Rs 50.1 billion in the corresponding period last year, contributed by both higher volume of earning assets and higher benchmark Policy Rate which, on average, increased from 7.00% in the corresponding period last year to 11.23% during the current half year. The return on deposits and other dues, on the other hand, recorded more than a twofold increase closing at Rs 42.9 billion from Rs 18.9 billion in corresponding period last year due to higher average deposit volume and increase in depositors' profit rates, and other related costs.

Fee and commission income recorded a robust growth of 50% to Rs 6.2 billion from Rs 4.1 billion in June 2021 mainly contributed by rise in debit card related fee income, trade and branch banking income. The increase in card based spend and growing volumes of digital transactions contributed to this growth. The foreign exchange income of the Bank also doubled, growing from Rs 1.6 billion to Rs 3.1 billion on account of improved trade flows and market volatility. On an overall basis, the Bank's non-funded income recorded a 57% growth from June 2021 closing at Rs 10.7 billion.

The Bank's operating and other expenses also increased by 27% to Rs 21.2 billion from Rs 16.7 billion, primarily due to an increase in costs associated with opening of 96 new branches since June 2021, high inflation, rupee devaluation and investment in IT related initiatives. However, this rise in expenses was sufficiently absorbed by growth in the Bank's total income, resulting in further improving the income efficiency ratio of the Bank to 38% from 44% in the corresponding period last year.

The total assets of the Bank crossed Rs 2.4 trillion, after registering a growth of 27% (Rs 516 billion), from December 2021 levels of Rs 1.9 trillion. The investment portfolio of the Bank doubled, growing to Rs 1.2 trillion from Rs 620 billion last year, after investment of more than Rs 600 billion in GoP Ijarah Sukuk. The resumption of regular Sukuk auction by the Government of Pakistan (GoP), coupled with the introduction of the SBP's shariah compliant OMO and standing ceiling facility has played an instrumental role in addressing the chronic liquidity management challenges historically faced by the Islamic Banking Industry (IBI) for which we remain indebted to the GoP and the SBP.

The gross ADR of the Bank remained at 53% which is in line with the Bank's strategic objective to maintain a high-quality diversified asset portfolio spread across all segments including Corporate, Commercial & SME and the Consumer segments. Despite the repayment of seasonal financing and overall economic slowdown, the Bank was able to grow its gross financings book to Rs 827 billion – a growth of 6% over Rs 777 billion in December 2021. The Bank has met the SBP assigned mandatory targets under all SBP led initiatives including housing/construction finance and Mera Pakistan Mera Ghar (MPMG) Scheme. The Bank is also actively extending Islamic financing under export refinance, long term financing facility, financing for renewable energy, temporary economic refinance for plant and machinery, SME Asaan Finance etc.

During the half year ended June 30, 2022, the Bank made additional general provision of Rs 750 million against any potential non-performing financings and decline in borrowers' repayment capacity in view of the current ongoing economic slowdown. The Bank's non-performing financing ratio remained at an exemplary level of 1.7% versus overall banking industry average of 8%. The Bank maintains a comfortable level of provisions against its non-performing financings with a coverage ratio of 139% - one of the highest in the Banking industry. The Bank is fully geared up for adoption of IFRS - 9 and does not foresee any impact as a result of its implementation.

Deposits of the Bank grew by 8% closing at Rs 1.57 trillion as of June 30, 2022 from Rs 1.46 trillion last year. The Bank's deposit portfolio maintained an optimal deposit mix with current account deposits comprising 47% of its total deposits, amounting to Rs 747 billion. The current and savings account (CASA) deposits represent 83% of total deposits, amounting to Rs 1.3 trillion. Alhamdulillah, the Bank achieved landmark of one billion USD inflows through Roshan Digital Accounts (RDA) in a short span of less than two years. The Bank continued to maintain its leadership in RDA with market share of 24% in terms of total RDA remittances of the Pakistan Banking Industry.

To cater the banking needs of diversified and geographically dispersed population of the country, and to further stretch its footprints, the Bank added new 96 branches to its network from June 2021, bringing the total network size to 931 branches in more than 300 cities. The Bank's ATM network also crossed the 1000 ATMs milestone during the half year which is a significant achievement for the Bank. In addition to the physical channels, the Bank continued to deepen its presence in the digital space. The Bank's acquiring business also increased to 4,900 POS machines deployed on merchants across Pakistan. The Bank's Mobile App remains the highest-rated mobile App in the banking industry on both Google Play Store and Apple App Store.

VIS Credit Rating Company Limited has reaffirmed the entity ratings of the Bank at 'AAA/A-1+' (Triple A/ A-One Plus) which denotes highest credit quality, with negligible risk factors. Outlook on the assigned ratings is 'Stable'.

Outlook

The Bank remains committed to contribute towards the economic growth and stability of the country by strengthening the Islamic Banking landscape, and assisting the Government to shift towards Shariah-compliant banking solutions in line with the SBP's strategic vision to increase the market share of IBI from its current level of 19% to 30% by 2025. The Bank aims to maintain its share of IBI deposits and plans to grow its deposit book in the mid-teens for the financial year 2022. The Bank plans to add InshaAllah more branches to its network which will expand its geographical presence across Pakistan and help provide shariah compliant banking solutions to the unbanked population of the country. At the same time, the Bank aims to continue its digital acceleration to ensure seamless digital experience to its customers.

The Board would like to express its sincere thanks and gratitude to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and the Ministry of Finance for their continuous commitment to establish a viable Islamic financial system in the country. We would also like to thank our shareholders, Board members, Members of the Shariah Supervisory Board, holders of Additional Tier I Sukuk and Sub-ordinated Sukuk (Tier II) and each one of our staff members for their hard work, commitment and support without which these results would not have been made possible. Most importantly, we are thankful to Allah Almighty for His blessings on our Bank which has enabled us to achieve this incredible performance in a very short span of time. 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

Irfan Siddiqui
President & CEO

Riyadh S.A.A. Edrees
Chairman

Islamabad:
August 11, 2022

ڈائریکٹرز کا تجزیہ

اَلْحَمْدُ لِلّٰہِ رَبِّ الْعٰلَمِیْنَ

بورڈ آف ڈائریکٹرز مسرت کے ساتھ 30 جون، 2022 کو ختم ہونے والے نصف سال کے لئے میزان بینک لمیٹڈ کے مختصر عبوری غیر جانچ شدہ مالیاتی حسابات اور انضمامی مالیاتی حسابات پیش کرتا ہے۔

معیشت

30 جون، 2022 کو ختم ہونے والے مالی سال میں پاکستانی معیشت نے 5.97 فیصد کی مستحکم جی ڈی پی نمو ظاہر کی۔ معاون پالیسی بشمول برآمدات میں سہولت کی اسکیم، LTFF کے تحت کوریج اور قرضوں کی حد میں اضافہ اور مختلف شعبوں میں ٹیرف ریشنلائزیشن کی وجہ سے برآمدات میں مستحکم اضافہ دیکھنے میں آیا۔ مالی سال 2022 میں فیڈرل بورڈ آف ریونیو کی جانب سے ٹیکس وصولیوں میں بھی 29 فیصد کا کافی زیادہ اضافہ ریکارڈ کیا گیا۔

تاہم روس۔ یوکرین تنازعہ کے باعث پیدا ہونے والی جغرافیائی۔ سیاسی غیر یقینی کی صورتحال نے میکرو اکنامک عدم توازن کو بڑھا دیا ہے اور اشیائے ضروریہ کی قیمتوں میں کافی حد تک اضافہ ہوا ہے۔ کرنٹ اکاؤنٹ خسارہ جولائی تا مئی، مالی سال 2022 میں بڑھ کر 15.2 ارب امریکی ڈالر ہو گیا جبکہ CPI (کنزیومر پرائس انڈیکس) کی افراط زر 11.3 فیصد تک پہنچ گئی۔ جس کے نتیجے میں اسٹیٹ بینک آف پاکستان (SBP) کو پالیسی شرح بڑھا کر 15 فیصد کرنا پڑی، جو اسٹیٹ بینک آف پاکستان کے بڑھتی ہوئی افراط زر کی شرح پر قابو پانے کے لئے ستمبر 2021 سے جاری اقدامات کا تسلسل ہے۔ وفاقی حکومت نے مالیاتی خلا کو پُر کرنے کے لئے وفاقی بجٹ 23-2022 کے ذریعے منتخب کارپوریٹ شعبوں بشمول بینکاری صنعت پر انکم ٹیکس میں بھی اضافہ کیا ہے۔

ہماری کارکردگی

الحمدللہ، ان تمام مشکل معاشی حالات کے باوجود میزان بینک نے مالی سال 2022 کے پہلے نصف حصہ میں مستحکم مالیاتی نتائج پیش کرنے کا سلسلہ جاری رکھا ہے۔ 30 جون، 2022 کو ختم ہونے والے نصف سال کے لئے بینک کے بعد از ٹیکس منافع میں 36 فیصد اضافہ ریکارڈ کیا گیا، اور وفاقی حکومت کی جانب سے فنانس ایکٹ 2022 کے تحت زیادہ ٹیکس کی وصولی کے باوجود بینک نے گزشتہ سال کی اسی مدت کے 12.6 ارب روپے کے مقابلہ میں 17.1 ارب روپے کا اضافہ ظاہر کیا۔ فنانس ایکٹ 2022 کے تحت بینکنگ کمپنیوں کے لئے ٹیکس کی شرح 2021 کے 39 فیصد (35 فیصد عمومی ٹیکس اور 4 فیصد سپر ٹیکس) سے بڑھا کر مالی سال 2022 میں 49 فیصد (39 فیصد عمومی ٹیکس اور 10 فیصد سپر ٹیکس) کر دی گئی۔ نتیجتاً دوسری سہ ماہی میں بینک کے لئے مؤثر ٹیکس کی شرح بڑھ کر 57 فیصد ہو گئی جبکہ 30 جون 2022 کو ختم ہونے والے نصف سال کے لئے مؤثر ٹیکس کی شرح جون 2021 کے 39 فیصد کے مقابلہ میں بڑھ کر 49 فیصد ہو گئی۔ مزید برآں، بینک کا ایسٹ ٹو ڈپازٹ ریشو (ADR) اگر 50 فیصد سے کم ہو تو اس پر اضافی پینل ٹیکس کا بھی نفاذ ہوگا، تاہم میزان بینک پر اس کا اطلاق نہیں ہوتا کیونکہ بینک نے اپنے ADR کو 50 فیصد سے زائد کی سطح پر برقرار رکھا جو اس کی مؤثر ٹیکس مینجمنٹ کی حکمت عملی میں مددگار ثابت ہوا۔

16.27 ارب روپے اضافہ شدہ حصص کے سرمائے پر فی حصص آمدنی جون 2021 کے 7.75 روپے فی حصص کے مقابلہ میں بڑھ کر 10.52 روپے فی حصص ہو گئی۔ بینک ایک well-capitalized ادارہ ہے اور اس کا کیپیٹل ایڈیکویسی ریشو (CAR)، 17.86 فیصد ہے جو کم از کم درکار قانونی تقاضے سے کافی زیادہ ہے۔ ہمیں آپ کو یہ بتاتے ہوئے مسرت محسوس ہو رہی ہے کہ بورڈ نے دوسری سہ ماہی کے لئے 1.75 روپے (17.5 فیصد) عبوری نقد ڈیویڈنڈ کی منظوری دی ہے۔ مزید برآں بورڈ نے 10 فیصد بونس حصص کے اجرا کی بھی منظوری دی ہے۔ اس سے نصف سال میں ڈیویڈنڈ کی ادائیگی 3.50 روپے (35 فیصد) ہو گئی ہے اور 10 فیصد بونس حصص بھی دیئے گئے ہیں، کیونکہ 2022 کی پہلی سہ ماہی میں 1.75 روپے فی حصص (17.5 فیصد) عبوری نقد ڈیویڈنڈ ادا کیا گیا تھا۔

میزان بینک کے اہم مالیاتی نتائج درج ذیل ہیں:

روپے (ملین میں)

مالیاتی حیثیت کا جائزہ	30 جون، 2022	31 دسمبر، 2021	اضافہ کی شرح %
کل اثاثے	2,418,486	1,902,971	27%
سرمایہ کاریاں	1,241,233	620,132	100%
- خودمختار	1,216,377	594,101	105%
- دیگر	24,856	26,031	(5%)
اسلامی فنانسنگ اور متعلقہ اثاثے۔ مجموعی	827,477	777,295	6%
جمع شدہ رقوم	1,568,627	1,455,886	8%
اے ڈی آر (Gross advances to deposits)۔ فیصد	53%	53%	
ایکویٹی	93,646	86,558	8%

نفع ونقصان کھاتہ	جنوری تا جون 2022	جنوری تا جون 2021	اضافہ کی شرح %
فنانسنگز، سرمایہ کاری اور تعیناتی پر منافع	88,296	50,117	76%
جمع شدہ رقوم اور دیگر واجبات پر منافع	(42,874)	(18,911)	127%
خالص آمدنی	**45,422**	**31,205**	**46%**
فیس، کمیشن اور دیگر نان۔ فنڈ ڈ آمدنی	10,658	6,810	57%
انتظامی آمدنی	**56,080**	**38,016**	**48%**
انتظامی اور دیگر اخراجات	(21,209)	(16,748)	27%
NPLs اور دیگر کی مد میں پروویژنز	(1,189)	(433)	175%
قبل از ٹیکس منافع	**33,682**	**20,835**	**62%**
ٹیکس	(16,563)	(8,227)	101%
بعد از ٹیکس منافع	**17,119**	**12,608**	**36%**
فی حصص آمدنی۔ روپے میں۔ اضافہ شدہ حصص کے سرمائے پر	10.52	7.75	36%
برانچوں کی تعداد	931	835	11%

فنانسنگز، سرمایہ کاریوں اور تعیناتی پر بینک کی آمدنی گزشتہ سال کی اسی مدت کے 50.1 ارب روپے کے مقابلہ میں 76 فیصد اضافہ کے بعد 88.3 ارب روپے ہوگئی، جس میں آمدنی والے اثاثوں کے بڑے حجم کا بھی حصہ تھا اور زیادہ بینچ مارک پالیسی شرح نے بھی اپنا کردار ادا کیا، جو اوسطاً گزشتہ سال کی اسی مدت کے 7 فیصد سے بڑھ کر موجودہ نصف سال میں 11.23 فیصد ہوگئی۔ دوسری جانب ڈپازٹس اور دیگر واجب الادا رقوم پر آمدنی میں دوگنا سے زائد اضافہ ریکارڈ کیا گیا جو گزشتہ سال کی اسی مدت کے 18.9 ارب روپے کے مقابلہ میں بڑھ کر 42.9 ارب روپے ہوگئی، جس کی وجہ ڈپازٹس کا زیادہ اوسط حجم اور ڈپازٹرز کی منافع کی شرح اور دیگر متعلقہ اخراجات میں اضافہ تھی۔

فیس اور کمیشن کی آمدنی جون 2021 کے 4.1 ارب روپے کے مقابلہ میں 50 فیصد کے زبردست اضافہ کے بعد 6.2 ارب روپے ہوگئی، جس میں ڈیبٹ کارڈ سے متعلقہ فیس کی آمدنی، ٹریڈ اور برانچ بینکنگ کی آمدنی میں اضافہ نے نمایاں کردار ادا کیا۔ کارڈ کے ذریعے کئے گئے اخراجات اور ڈیجیٹل ٹرانزیکشنز کے بڑھتے ہوئے

حجم نے بھی اس اضافہ میں اپنا حصہ ڈالا۔ تجارتی سرمائے کی آمد میں بہتری اور مارکیٹ کے اتار چڑھاؤ کی وجہ سے بینک کی غیر ملکی زرمبادلہ کی آمدنی بھی دگنی ہوگئی اور 1.6 ارب روپے سے بڑھ کر 3.1 ارب روپے ہوگئی۔ مجموعی طور پر جون 2021 سے بینک کی نان۔فنڈڈ آمدنی میں 57 فیصد اضافہ ہوا اور 10.7 ارب روپے پر بند ہوئی۔

بینک کے آپریٹنگ اور دیگر اخراجات بھی 27 فیصد بڑھ کر 16.7 ارب روپے سے 21.2 ارب روپے ہوگئے، جس کی بنیادی وجوہات میں جون 2021 کے بعد سے 96 نئی برانچیں کھولنے سے اخراجات میں ہونے والا اضافہ، افراط زر کی بڑھتی شرح، روپے کی قدر میں کمی اور آئی ٹی سے متعلقہ سرمایہ کاری اقدامات شامل ہیں۔ تاہم اخراجات میں ہونے والے اس اضافہ کو بینک کی کل آمدنی میں ہونے والے اضافہ نے کافی حد تک متوازن کر دیا، اس کا نتیجہ بینک کے انکم ایفیشنسی ریشو میں مزید بہتری کی صورت میں سامنے آیا، جو گزشتہ سال کی اسی مدت کے 44 فیصد سے بہتر ہو کر 38 فیصد ہوگیا۔

بینک کے کل اثاثوں نے دسمبر 2021 کے 1.9 کھرب روپے کے مقابلہ میں 27 فیصد (516 ارب روپے) اضافہ کے بعد 4.2 کھرب روپے کا ہدف عبور کر لیا۔ حکومت پاکستان کے اجارہ صکوک میں 600 ارب روپے سے زائد کی سرمایہ کاری کے بعد بینک کا سرمایہ کاری پورٹ فولیو گزشتہ سال کے 620 ارب روپے کے مقابلہ میں دوگنے اضافہ کے ساتھ 1.2 کھرب روپے ہوگیا۔ حکومت پاکستان کی جانب سے باقاعدگی سے صکوک کے اجرا کے عمل کی بحالی اور اس کے ساتھ ساتھ اسٹیٹ بینک آف پاکستان کی جانب سے شریعہ کمپلائنٹ اوپن مارکیٹ آپریشنز (OMO) کے اجرا اور اسٹینڈنگ سیلنگ فیسلٹی نے اسلامی بینکاری صنعت (IBI) کو درپیش لکویڈیٹی مینجمنٹ کے دیرینہ مسئلے کے حل میں اہم کردار ادا کیا، جس کے لئے ہم حکومت پاکستان اور اسٹیٹ بینک آف پاکستان کے انتہائی مشکور ہیں۔

بینک کا مجموعی ایڈوانسز ٹو ڈپازٹ ریشو 53 فیصد پر برقرار ہے جو تمام شعبوں بشمول کارپوریٹ، کمرشل اور اسمال میڈیم انٹرپرائزز اور کنزیومر شعبوں پر مشتمل اعلیٰ معیار کا فنانسنگ پورٹ فولیو قائم رکھنے کی بینک کی حکمت عملی کے مطابق ہے۔ Seasonal فنانسنگز کی ادائیگی اور مجموعی معاشی صورتحال کی سست رفتار کے باوجود بینک کی مجموعی فنانسنگز بڑھ کر 827 ارب روپے تک پہنچ گئیں اور دسمبر 2021 کے 777 ارب روپے کے مقابلہ میں 6 فیصد اضافہ ریکارڈ کیا گیا۔ بینک نے اسٹیٹ بینک آف پاکستان کے زیر سرپرستی جاری اقدامات کے تحت تفویض کردہ تمام لازمی اہداف حاصل کر لئے جن میں ہاؤسنگ/کنسٹرکشن فنانس اور میرا پاکستان میرا گھر (MPMG) اسکیم شامل ہیں۔ بینک ایکسپورٹ ری فنانس، طویل مدتی فنانسنگ فیسلٹی، قابل تجدید توانائی کے لئے فنانسنگ، پلانٹ اور مشینری کے لئے عارضی معاشی ری فنانس، SME آسان فنانس وغیرہ کے تحت اسلامک فنانسنگ فراہم کرنے میں فعال کردار ادا کر رہا ہے۔

30 جون 2022 کو ختم ہونے والے نصف سال کے دوران بینک نے موجودہ طور پر جاری سست معاشی رفتار کے پیش نظر ممکنہ غیر فعال فنانسنگز، اور فنانسنگ حاصل کرنے والوں کی واپسی کی گنجائش میں کمی کو مدنظر رکھتے ہوئے عمومی پرووِیژنز کے لئے اضافی 750 ملین روپے مقرر کئے ہیں۔ بینک کی غیر فعال فنانسنگز کی شرح مجموعی طور پر بینکاری صنعت کی اوسط 8 فیصد شرح کے مقابلہ میں 1.7 فیصد کی مثالی شرح پر برقرار ہے۔ بینک نے اپنی غیر فعال فنانسنگز کی مد میں پرووِیژنز کی تسلی بخش شرح برقرار رکھی ہے جبکہ اس کا کوریج ریشو 139 فیصد ہے جو بینکاری صنعت میں بلند ترین شرحوں میں سے ایک ہے۔ بینک IFRS-9 کو اختیار کرنے کے لئے پوری طرح تیار ہے اور اس کے نفاذ کی وجہ سے کوئی اثرات مرتب ہونے کا امکان نہیں ہے۔

بینک کے ڈپازٹس گزشتہ سال کے 1.46 کھرب روپے کے مقابلہ میں 8 فیصد اضافہ کے بعد 30 جون 2022 کو 1.57 کھرب روپے ہوگئے۔ بینک کے ڈپازٹ پورٹ فولیو میں بہترین ڈپازٹ مکس برقرار رکھا گیا اور کرنٹ اکاؤنٹ ڈپازٹس بینک کے کل ڈپازٹس کا 47 فیصد یعنی 747 ارب روپے رہے۔ کرنٹ اور سیونگز اکاؤنٹ ڈپازٹس (CASA) کل ڈپازٹس کے 83 فیصد حصہ پر مشتمل ہیں، جو 1.3 کھرب روپے ہیں۔ الحمدللہ، بینک نے دو سال کی مختصر مدت میں روشن ڈیجیٹل اکاؤنٹ (RDA) کے ذریعے ایک ارب امریکی ڈالر کی آمد کا سنگ میل عبور کر لیا۔ بینک نے پاکستان کی بینکاری صنعت میں روشن ڈیجیٹل اکاؤنٹ کے ذریعے ترسیلات زر کے اعتبار سے 24 فیصد حصہ کے ساتھ اپنی اولین حیثیت برقرار رکھی۔

ملک کی متنوع اور جغرافیائی اعتبار سے بکھری ہوئی آبادی کی بینکاری ضروریات کی تکمیل کے لئے، اور اپنی موجودگی میں مزید اضافہ کے لئے بینک نے جون 2021 کے بعد سے اپنے نیٹ ورک میں 96 نئی برانچوں کا اضافہ کیا ہے جس سے 300 سے زائد شہروں میں بینک کی برانچوں کی تعداد 931 تک ہوگئی ہے۔ بینک کے اے ٹی ایم نیٹ ورک نے بھی نصف سال کے دوران 1000 کا ہدف عبور کر لیا ہے جو بینک کے لئے ایک اہم کامیابی ہے۔ روایتی بینکاری ذرائع کے ساتھ ساتھ بینک نے ڈیجیٹل ذرائع میں بھی اپنی موجودگی مستحکم کرنے کا سلسلہ جاری رکھا۔ بینک کا ایکوائرنگ بزنس بھی پاکستان بھر میں مرچنٹس پر نصب 4,900 پی او ایس مشینز کی بدولت روز افزوں ترقی کر رہا ہے۔۔ بینک کی موبائل بینکنگ ایپلی کیشن، Apple App Store اور Google Play Store پر بدستور بینکاری صنعت کی سب سے اعلیٰ ریٹنگ کی حامل ایپ ہے۔

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے بینک کو 'AAA/A-1+'(ٹرپل اے/ اے ون پلس) ریٹنگز دی گئی ہیں جو نہ ہونے کے برابر رسک فیکٹرز کے ساتھ کریڈٹ کے ممکنہ حد تک اعلیٰ ترین معیار کی نشاندہی کرتی ہیں۔تفویض کردہ ریٹنگز کے آثار 'مستحکم' ہیں۔

مستقبل کے امکانات

بینک اسلامی بینکاری کو مستحکم بنیادوں پر استوار کر کے ملکی معاشی ترقی اور استحکام میں اپنا کردار ادا کرنے اور شریعہ کمپلائنٹ بینکاری پر منتقلی کے لئے حکومت کی معاونت جاری رکھنے کے لئے پُرعزم ہے، جو اسٹیٹ بینک آف پاکستان کے اسلامی بینکاری صنعت (IBI) کے حصہ کو 2025 تک موجودہ سطح یعنی 19 فیصد سے بڑھا کر 30 فیصد کرنے کے عزم سے ہم آہنگ ہے۔ بینک کا مقصد اسلامی بینکاری صنعت کے ڈپازٹس میں اپنا حصہ برقرار رکھنا ہے اور مالی سال 2022 کے لئے بینک نے اپنی ڈپازٹس بُک mid-teens میں بڑھانے کی منصوبہ بندی کی ہے۔ بینک نے انشا اللہ اپنے نیٹ ورک میں مزید برانچوں کے اضافے کا فیصلہ کیا ہے جس سے پاکستان بھر میں اس کی جغرافیائی موجودگی میں اضافہ ہوگا اور ملک کی بینکوں کی سہولت سے فائدہ نہ اٹھانے والی آبادی کو شریعہ کمپلائنٹ بینکاری سولیوشن فراہم کرنے میں مدد ملے گی۔اس کے ساتھ ساتھ بینک اپنے ڈیجیٹل ارتقاء کو جاری رکھنے کا بھی ارادہ رکھتا ہے تاکہ صارفین کو ڈیجیٹل ذرائع سے خدمات کے بلا رکاوٹ تجربہ سے روشناس کروایا جاسکے۔

بورڈ، اسٹیٹ بینک آف پاکستان (SBP)، وزارت خزانہ اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو ملک میں ایک قابل عمل اسلامی مالیاتی نظام کے لئے کی گئی ان کی مسلسل کوششوں اور وابستگی کے لئے خراج تحسین پیش کرتا ہے۔ہم اپنے بورڈ ممبران، شریعہ سپروائزری بورڈ کے ممبران، حصص یافتگان، اضافی Tier I صکوک اور ثانوی صکوک (Tier II) یافتگان اور اپنے عملے کے تمام ارکان کا ان کی معاونت اور انتھک کوششوں کے لئے شکریہ ادا کرنا چاہتے ہیں جنہوں نے میزان بینک کو اوّلین اسلامی بینک بنانے کے لئے مسلسل محنت کی ہے۔سب سے بڑھ کر ہم اللہ ﷻ کے شکر گزار ہیں کہ اس کی مسلسل رحمت کے باعث ہم اس قلیل مدت میں اتنی شاندار کارکردگی 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 لئے اپنے خواب کو تعبیر کی بلندیوں تک لے جاسکیں۔آمین۔

(منجانب بورڈ)

ریاض ایس.اے.اے.ادریس
چیئرمین

عرفان صدیقی
صدر اور CEO

اسلام آباد:
11 اگست، 2022

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

Report on Review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Meezan Bank Limited ("the Bank") as at June 30, 2022 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures for the quarters ended June 30, 2022 and June 30, 2021 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been subject to review and therefore, we do not express a conclusion thereon.

The financial statements of the Bank for the year ended December 31, 2021 and half year ended June 30, 2021 were audited and reviewed by another firm of Chartered Accountants who had expressed an unmodified opinion / conclusion on those statements vide their reports dated February 28, 2022 and August 25, 2021 respectively.

The engagement partner on the engagement resulting in this independent auditor's review report is **Shahbaz Akbar**.

A. F. Ferguson & Co.
Chartered Accountants
Place: Karachi
Dated: August 22, 2022
UDIN: RR202210068ykG1IxeSX

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		Rupees in '000	
Cash and balances with treasury banks	6	**166,493,297**	170,500,698
Balances with other banks	7	**12,433,516**	16,420,036
Due from financial institutions - net	8	**78,832,828**	238,401,637
Investments - net	9	**1,241,232,565**	620,132,043
Islamic financing and related assets - net	10	**807,537,961**	758,086,120
Fixed assets	11	**37,666,552**	33,957,947
Intangible assets	12	**1,644,585**	1,495,810
Deferred tax assets	13	**5,003,011**	175,555
Other assets - net	14	**67,642,098**	63,801,554
		2,418,486,413	1,902,971,400
LIABILITIES			
Bills payable	15	**58,870,035**	36,141,378
Due to financial institutions	16	**572,030,657**	220,414,234
Deposits and other accounts	17	**1,568,627,208**	1,455,886,468
Sub-ordinated Sukuk	18	**20,990,000**	20,990,000
Deferred tax liabilities	13	**-**	-
Other liabilities	19	**104,322,910**	82,981,545
		2,324,840,810	1,816,413,625
NET ASSETS		**93,645,603**	86,557,775
REPRESENTED BY			
Share capital		**16,269,312**	16,269,312
Reserves		**25,228,343**	23,393,198
Unappropriated profit		**52,951,401**	42,831,655
(Deficit) / surplus on revaluation of assets - net of tax	20	**(803,453)**	4,063,610
		93,645,603	86,557,775
CONTINGENCIES AND COMMITMENTS	21		

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

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

CONDENSED INTERIM UNCONSOLIDATED
PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Note	Quarter ended June 30, 2022	Half year ended June 30, 2022	Quarter ended June 30, 2021	Half year ended June 30, 2021
		Rupees in '000			
Profit / return earned on Islamic financing and related assets, investments and placements	22	**50,185,189**	**88,296,448**	25,887,172	50,116,438
Profit on deposits and other dues expensed	23	**26,200,154**	**42,874,454**	9,736,472	18,911,116
Net spread earned		**23,985,035**	**45,421,994**	16,150,700	31,205,322
OTHER INCOME					
Fee and commission income	24	**3,171,924**	**6,161,491**	2,035,122	4,101,832
Dividend income		**119,265**	**423,653**	129,430	412,742
Foreign exchange income		**2,318,467**	**3,131,906**	783,506	1,605,039
Gain on securities - net	25	**166,251**	**181,611**	117,328	258,071
Other income	26	**581,938**	**759,541**	182,910	433,193
		6,357,845	**10,658,202**	3,248,296	6,810,877
Total income		**30,342,880**	**56,080,196**	19,398,996	38,016,199
OTHER EXPENSES					
Operating expenses	27	**10,432,669**	**20,465,776**	8,423,828	16,259,427
Workers Welfare Fund		**402,330**	**736,830**	229,998	484,113
Other charges	28	**4,801**	**5,933**	3,534	4,916
Total other expenses		**10,839,800**	**21,208,539**	8,657,360	16,748,456
Profit before provisions		**19,503,080**	**34,871,657**	10,741,636	21,267,743
Provisions and write offs - net	29	**961,498**	**1,189,388**	148,320	432,891
Extra ordinary / unusual items		**-**	**-**	-	-
Profit before taxation		**18,541,582**	**33,682,269**	10,593,316	20,834,852
Taxation	30	**10,627,972**	**16,563,120**	4,086,587	8,226,920
Profit after taxation		**7,913,610**	**17,119,149**	6,506,729	12,607,932
		Rupees			
				Restated	
Basic earnings per share	31	**4.86**	**10.52**	4.00	7.75
Diluted earnings per share	31	**4.86**	**10.52**	4.00	7.75

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

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

CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Note	Quarter ended June 30, 2022	Half year ended June 30, 2022	Quarter ended June 30, 2021	Half year ended June 30, 2021
		Rupees in '000			
Profit after taxation for the period		**7,913,610**	**17,119,149**	6,506,729	12,607,932
Other comprehensive income					
Items that may be reclassified to profit and loss account in subsequent periods:					
(Deficit) / surplus on revaluation of investments	20	**(2,565,435)**	**(8,071,154)**	1,142,299	1,318,978
Deferred tax on revaluation of investments	20	**1,058,444**	**3,205,674**	(822,103)	(883,941)
		(1,506,991)	**(4,865,480)**	320,196	435,037
Items that will not be reclassified to profit and loss account in subsequent periods:					
Surplus on revaluation of non - banking assets		**-**	**-**	-	-
Deferred tax on revaluation of non - banking assets	20	**(1,544)**	**(1,544)**	(1,227)	(1,227)
		(1,544)	**(1,544)**	(1,227)	(1,227)
Other Comprehensive (loss) / Income for the period		**(1,508,535)**	**(4,867,024)**	318,969	433,810
Total Comprehensive Income for the period		**6,405,075**	**12,252,125**	6,825,698	13,041,742

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

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

CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

		Capital reserves				Revenue reserve		Surplus / (deficit) on revalution of		
	Share capital	Share premium	Statutory reserve *	Non-Distributable Capital Reserve - Gain on Bargain Purchase	Employee share option compensation reserve	General reserve	Unappropriated profit	Investments	Non-banking Assets	Total
	Rupees in '000									
Balance as at January 01, 2021	**14,147,228**	**2,406,571**	**14,833,341**	**3,117,547**	**-**	**66,766**	**29,021,521**	**5,542,351**	**19,941**	**69,155,266**
Profit after taxation for the half year ended June 30, 2021	-	-	-	-	-	-	12,607,932	-	-	12,607,932
Other Comprehensive income / (loss) for the half year ended June 30, 2021 - net of tax	-	-	-	-	-	-	-	435,037	(1,227)	433,810
	-	-	-	-	-	-	12,607,932	435,037	(1,227)	13,041,742
Other appropriations										
Transfer to statutory reserve	-	-	1,260,793	-	-	-	(1,260,793)	-	-	-
Final cash dividend for the year 2020 @ Rs 2 per share	-	-	-	-	-	-	(2,829,446)	-	-	(2,829,446)
First Interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	-	(2,122,085)	-	-	(2,122,085)
Balance as at June 30, 2021	**14,147,228**	**2,406,571**	**16,094,134**	**3,117,547**	**-**	**66,766**	**35,417,129**	**5,977,388**	**18,714**	**77,245,477**
Profit after taxation for the half year ended December 31, 2021	-	-	-	-		-	15,747,225	-	-	15,747,225
Other Comprehensive loss for the half year ended December 31, 2021 - net of tax	-	-	-	-	-	-	(73,503)	(1,937,311)	4,912	(2,005,902)
	-	-	-	-	-	-	15,673,722	(1,937,311)	4,912	13,741,323
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	93	-	(93)	-
Other appropriations										
Transfer to statutory reserve	-	-	1,574,723	-		-	(1,574,723)	-	-	-
Recognition of share based compensation	-	-	-	-	133,457	-	-	-	-	133,457
Transactions with owners recognised directly in equity										
Issue of bonus shares @ 15%	2,122,084	-	-	-	-	-	(2,122,084)	-	-	-
Second Interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	-	(2,122,085)	-	-	(2,122,085)
Third Interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	-	(2,440,397)	-	-	(2,440,397)
Balance as at December 31, 2021	**16,269,312**	**2,406,571**	**17,668,857**	**3,117,547**	**133,457**	**66,766**	**42,831,655**	**4,040,077**	**23,533**	**86,557,775**
Profit after taxation for the half year ended June 30, 2022	-	-	-	-	-	-	17,119,149	-	-	17,119,149
Other Comprehensive loss for the half year ended June 30, 2022 - net of tax	-	-	-	-	-	-	-	(4,865,480)	(1,544)	(4,867,024)
	-	-	-	-	-	-	17,119,149	(4,865,480)	(1,544)	12,252,125
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	39	-	(39)	-
Other appropriations										
Transfer to statutory reserve	-	-	1,711,915	-	-	-	(1,711,915)	-	-	-
Recognition of share based compensation	-	-	-	-	123,230	-	-	-	-	123,230
Final cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	-	(2,440,397)	-	-	(2,440,397)
First Interim cash dividend for the year 2022 @ Rs 1.75 per share	-	-	-	-	-	-	(2,847,130)	-	-	(2,847,130)
Balance as at June 30, 2022	**16,269,312**	**2,406,571**	**19,380,772**	**3,117,547**	**256,687**	**66,766**	**52,951,401**	**(825,403)**	**21,950**	**93,645,603**

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

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

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

CONDENSED INTERIM UNCONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Note	Half year ended June 30, 2022	Half year ended June 30, 2021
		Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**33,682,269**	20,834,852
Less: Dividend income		**(423,653)**	(412,742)
		33,258,616	20,422,110
Adjustments for non-cash charges and other items:			
Depreciation		**1,413,361**	1,187,393
Amortization		**210,715**	164,618
Non cash items related to right of use assets		**2,187,752**	1,577,240
Provisions and write offs - net		**1,189,388**	432,891
Recognition of share based compensation		**123,230**	-
Gain on sale of fixed assets		**(141,750)**	(61,762)
		4,982,696	3,300,380
		38,241,312	23,722,490
Decrease / (increase) in operating assets			
Due from financial institutions		**159,568,809**	(38,182,057)
Islamic financings and related assets		**(50,177,986)**	(58,082,422)
Other assets		**(3,871,747)**	(12,570,185)
		105,519,076	(108,834,664)
Increase / (decrease) in operating liabilities			
Bills payable		**22,728,657**	12,856,906
Due to financial institutions		**351,616,423**	7,320,728
Deposits and other accounts		**112,740,740**	115,543,357
Other liabilities		**13,400,367**	6,588,363
		500,486,187	142,309,354
		644,246,575	57,197,180
Income tax paid		**(11,141,919)**	(6,037,384)
Net cash flow from operating activities		**633,104,656**	51,159,796
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities		**(629,607,548)**	(36,597,293)
Dividends received		**427,485**	397,904
Investments in fixed assets		**(5,990,594)**	(2,643,806)
Investments in intangible assets		**(359,490)**	(520,758)
Proceeds from sale of fixed assets		**239,233**	105,772
Net cash used in investing activities		**(635,290,914)**	(39,258,181)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		**(1,694,034)**	(1,484,117)
Dividend paid		**(4,113,629)**	(4,951,231)
Net cash used in financing activities		**(5,807,663)**	(6,435,348)
(Decrease) / increase in cash and cash equivalents		**(7,993,921)**	5,466,267
Cash and cash equivalents at the beginning of the period	32	**186,920,734**	155,688,374
Cash and cash equivalents at the end of the period	32	**178,926,813**	161,154,641

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

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

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 thirty one branches as at June 30, 2022 (December 31, 2021: nine hundred and two branches). Its registered office is at Meezan House, C-25, Estate Avenue, SITE, Karachi, Pakistan.

1.4 Based on the financial statements of the Bank for the year ended December 31, 2021, the VIS Credit Rating Company Limited has reaffirmed the Bank's medium to long-term 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, and Export Refinance under Islamic Export Refinance Scheme and various long term refinancing facility of the State Bank of Pakistan.

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

3 STATEMENT OF COMPLIANCE

3.1 This condensed interim financial statements (here-in-after referred to as "financial statements") has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

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

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

- Directives issued by the State Bank of Pakistan (SBP) and the Securities Exchange Commission of Pakistan (SECP).

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

3.2 Significant accounting policies and financial risk management

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

3.2.1 The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2021.

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

There are certain new and amended standards that became effective during the period (enumerated in note 3.5 to the annual financial statement of the Bank for the year ended December 31, 2021). However, such standards did not have any significant effect on this condensed interim unconsolidated financial statements.

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

As referred to in note 3.5 to the annual financial statements of the Bank for the year ended December 31, 2021, 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.

IFRS 9 'Financial Instruments' - IFRS 9 replaced the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments and a new expected credit loss model for calculating impairment on financial assets. The SBP vide its BPRD Circular Letter No. 03 of 2022 dated July 05, 2022 extended the implementation date of IFRS 9 to January 01, 2023 from an earlier implementation date of January 01, 2022. 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 2022 and the Bank is in the process of complying the same.

4 BASIS OF MEASUREMENT

4.1 This condensed interim unconsolidated financial statements have been prepared under the historical cost convention except that certain available for sale 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 statements have 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 statements are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2021.

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
6 CASH AND BALANCES WITH TREASURY BANKS		Rupees in '000	
In hand			
- local currency		**39,114,677**	36,028,760
- foreign currencies		**2,146,065**	2,821,769
		41,260,742	38,850,529
With the State Bank of Pakistan in			
- local currency current accounts	6.1	**67,756,173**	70,308,704
- foreign currency current accounts	6.1	**11,721,563**	10,259,746
		79,477,736	80,568,450
With the National Bank of Pakistan in			
- local currency current accounts		**45,654,106**	50,668,296
National Prize Bonds	6.2	**100,713**	413,423
		166,493,297	170,500,698

6.1 These include local and foreign currency amounts required to be maintained by the Bank with the SBP as stipulated by the SBP. These accounts are non-remunerative in nature.

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

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
7 BALANCES WITH OTHER BANKS		Rupees in '000	
In Pakistan			
- in current accounts		**9,892,105**	14,901,943
Outside Pakistan			
- in current accounts		**2,244,669**	1,275,566
- in deposit accounts	7.1	**296,742**	242,527
		2,541,411	1,518,093
		12,433,516	16,420,036

7.1 It represent the balance in the remunerative account maintained with financial insitutions outside Pakistan. The return on these balances range from 0.20% to 0.33% (December 31, 2021: 0.0001%) per annum.

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
8 DUE FROM FINANCIAL INSTITUTIONS - NET		Rupees in '000	
Bai Muajjal:			
With scheduled banks / financial institution - Secured	8.1	**78,832,828**	238,401,637
With other financial institution		**15,500**	15,500
		78,848,328	238,417,137
Commodity Murabaha		**26,066**	26,066
		78,874,394	238,443,203
Provision against non-performing amounts due from financial institutions	8.2	**(41,566)**	(41,566)
		78,832,828	238,401,637

8.1 The average return on this product is 10.80% (December 31, 2021: 8.10%) per annum. These balances have maturities ranging between August 2022 to July 2025 (December 31, 2021: January 2022 to July 2025).

	June 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Non-performing due from financial institutions	Provision held	Non-performing due from financial institutions	Provision held
	Rupees in '000			
8.2 Category of classification				
Loss	**41,566**	**41,566**	41,566	41,566

9 INVESTMENTS - NET

	June 30, 2022 (Unaudited)				December 31, 2021 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	Rupees in '000							
9.1 Investments by types								
Available for sale securities								
Federal Government Securities								
- Ijarah Sukuk	**852,168,585**	**-**	**(7,760,647)**	**844,407,938**	322,169,774	-	(1,300,655)	320,869,119
- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	**23,224,694**	**-**	**-**	**23,224,694**	64,443,192	-	-	64,443,192
- Islamic Naya Pakistan Certificate	**4,385,362**	**-**	**-**	**4,385,362**	1,285,426	-	-	1,285,426
Non Government Sukuk								
- Pakistan Energy Sukuk guaranteed by the Government of Pakistan	**114,395,223**	**-**	**5,374,608**	**119,769,831**	114,404,511	-	5,624,000	120,028,511
- Other Sukuk guaranteed by the Government of Pakistan	**7,252,810**	**-**	**-**	**7,252,810**	10,786,560	-	-	10,786,560
- Other Non Government Sukuk	**4,699,474**	**75,892**	**-**	**4,623,582**	5,216,319	75,892	-	5,140,427
Foreign Securities	**10,974,181**	**-**	**(229,617)**	**10,744,564**	10,343,243	-	370,768	10,714,011
Shares	**10,169,762**	**2,757,996**	**1,167,580**	**8,579,346**	9,662,370	2,322,124	1,928,965	9,269,211
	1,027,270,091	**2,833,888**	**(1,448,076)**	**1,022,988,127**	538,311,395	2,398,016	6,623,078	542,536,457
Held to maturity securities								
- Ijarah Sukuk	**217,336,136**	**-**	**-**	**217,336,136**	76,687,798	-	-	76,687,798
In related parties								
Subsidiary (unlisted)								
- Shares	**63,050**	**-**	**-**	**63,050**	63,050	-	-	63,050
Associates (listed)								
- Units of funds	**845,252**	**-**	**-**	**845,252**	844,738	-	-	844,738
Total Investments	**1,245,514,529**	**2,833,888**	**(1,448,076)**	**1,241,232,565**	615,906,981	2,398,016	6,623,078	620,132,043

9.2 Investments given as collateral

	June 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Face Value	Market / Carrying Value	Face Value	Market / Carrying Value
	Rupees in '000			
Federal Government Securities				
- Sukuk	**402,000,000**	**401,006,100**	30,000,000	30,054,000
- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	**-**	**-**	28,150,000	28,150,000
	402,000,000	**401,006,100**	58,150,000	58,204,000

9.3 Provision against diminution in value of investments

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	Rupees in '000	
Opening balance	**2,398,016**	2,183,393
Charge / (reversals) for the period / year		
On available for sale securities		
- charge for the period / year on equity instruments	**491,429**	305,016
- reversals for the period / year on recovery of debt instruments	**-**	(3,456)
- reversals for the period / year on disposals of equity instruments	**(55,557)**	(86,937)
	435,872	214,623
Closing balance	**2,833,888**	2,398,016

9.4 Particulars of provision against Sukuk

	June 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Non-performing investment	Provision held	Non-performing investment	Provision held
	Rupees in '000			
Category of classification				
Loss	**75,892**	**75,892**	75,892	75,892

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
10 ISLAMIC FINANCING AND RELATED ASSETS		Rupees in '000	
In Pakistan:			
Murabaha financing and related assets			
- Murabaha financing	10.1	**6,282,042**	6,195,161
- Advances against Murabaha		**3,878,056**	2,224,908
- Murabaha inventory		**51,522,175**	2,085,908
- Financing under Islamic Export Refinance - Murabaha	10.2	**891,225**	1,048,988
- Financing against Islamic SME Asaan Finance	10.3	**116,688**	10,000
- Inventory under Islamic Export Refinance - Murabaha		**3,700**	35,000
- Advance against Islamic SME Asaan Finance		**132,109**	40,000
- Advance against Islamic Export Refinance - Murabaha		**844,108**	460,014
		63,670,103	12,099,979
Running Musharakah financing			
- Running Musharakah financing		**137,003,210**	193,218,603
- Financing under Islamic Export Refinance - Running Musharakah		**53,760,715**	37,235,077
		190,763,925	230,453,680
Istisna financing and related assets			
- Istisna financing		**14,559,705**	6,534,664
- Advances against Istisna		**51,664,675**	68,370,720
- Istisna inventory		**20,002,175**	5,574,727
- Financing under Islamic Export Refinance - Istisna		**30,570**	266,800
- Advances under Islamic Export Refinance - Istisna		**11,084,404**	7,985,372
- Inventory under Islamic Export Refinance - Istisna		**3,488,813**	2,866,783
		100,830,342	91,599,066
Tijarah financing and related assets			
- Tijarah financing		**1,624,029**	1,715,312
- Tijarah inventory		**9,043,323**	10,959,567
- Financing under Islamic Export Refinance - Tijarah		**1,088,527**	1,549,127
- Financing under Islamic SME Asaan Finance - Tijarah		**19,608**	2,738
- Inventory under Islamic Export Refinance - Tijarah		**571,096**	413,901
		12,346,583	14,640,645
Musawammah financing and related assets			
- Musawammah financing	10.4	**15,459,024**	33,362,530
- Musawammah Inventory		**8,075,294**	8,621,219
- Advances against Musawammah		**7,695,211**	15,944,490
- Financing under Islamic Export Refinance - Musawammah	10.5	**1,271,762**	2,313,610
- Financing under SBP's IFRE - Musawammah	10.6	**305,033**	90,260
- Inventory under Islamic Export Refinance - Musawammah		**469,000**	647,638
- Advances under Islamic Export Refinance - Musawammah		**48,500**	1,215,492
		33,323,824	62,195,239
Salam Financing and related assets			
- Salam Financing		**1,032,609**	990,223
- Salam Inventory		**1,386,403**	11,204,294
- Advances against Salam		**16,561,818**	1,230,270
- Financing under Islamic Export Refinance - Salam		**99,206**	-
- Advances under Islamic Export Refinance - Salam		**-**	449,206
		19,080,036	13,873,993
Financing against bills			
- Financing against bills - Salam		**9,506,770**	9,827,325
- Advances against bills - Salam		**32,440**	1,947
		9,539,210	9,829,272
- Bai Muajjal financing	10.7	**50,998,878**	39,429,724

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
Ijarah financing and related assets			
- Net investment in Ijarah		**75,042**	75,042
- Net book value of assets/investment in Ijarah under IFAS 2		**60,725,311**	54,013,622
- Net book value of assets/investment in Ijarah under IFAS 2 under SBP's ILTFF		**3,756**	11,030
	10.8	**60,804,109**	54,099,694
- Advances against Ijarah		**9,981,380**	8,865,508
		70,785,489	62,965,202
Diminishing Musharakah financing and related assets			
- Diminishing Musharakah financing - others		**126,608,103**	110,857,954
- Diminishing Musharakah financing - housing		**20,191,959**	16,670,211
- Diminishing Musharakah financing - SBP's ILTFF		**12,990,792**	12,881,740
- Diminishing Musharakah financing - SBP's IRSPWS		**1,196,359**	2,321,293
- Diminishing Musharakah financing - SBP's IFRE		**10,084,899**	952,704
- Diminishing Musharakah financing - SBP's ITERF		**5,764,193**	1,507,883
- Diminishing Musharakah financing - SBP's IRFCC		**456,591**	402,751
- Diminishing Musharakah financing - SBP's IFFSAP		**99,713**	62,913
- Diminishing Musharakah financing - SBP's ISAAF		**14,022**	9,900
- Advances against Diminishing Musharakah		**13,057,109**	11,302,256
- Advances against Diminishing Musharakah under SBP's IFFSAP		**172,891**	83,939
- Advances against Diminishing Musharakah under SBP's IFRE		**7,471,150**	15,188,412
- Advances against Diminishing Musharakah under SBP's IRFCC		**290,744**	327,087
- Advances against Diminishing Musharakah under SBP's ISAAF		**68,225**	-
- Advances against Diminishing Musharakah under SBP's ITERF		**12,669,065**	12,148,592
- Advances against Diminishing Musharakah under SBP's ILTFF		**13,121,822**	4,963,408
		224,257,637	189,681,043
- Wakalah Tul Istithmar financing		**20,191,733**	10,625,000
- Advance against Wakalah Tul Istithmar financing		**8,333,334**	23,714,700
- Advance against Service Ijarah		**14,899,103**	7,749,103
- Qard financing under SBP's IRSPWS		**17,349**	28,914
- Qard financing under SBP's IRFCC		**310,748**	528,791
- Labbaik (Qard for Hajj and Umrah)		**1,397**	274
- Staff financing		**6,813,362**	6,237,617
- Other financing		**1,313,595**	1,642,884
Gross Islamic financing and related assets		**827,476,648**	777,295,126
Less: Provision against non-performing Islamic financing and related assets - Specific	10.10	**(13,233,996)**	(13,338,988)
Less: Provision against non-performing Islamic financing and related assets - General	10.10	**(6,704,691)**	(5,870,018)
Islamic financing and related assets - net of provision		**807,537,961**	758,086,120

		Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
			Rupees in '000	
10.1	Murabaha receivable - gross	10.1.1	**6,664,398**	6,944,861
	Less: Deferred murabaha income	10.1.3	**(160,074)**	(117,597)
	Profit receivable shown in other assets		**(222,282)**	(632,103)
	Murabaha financing		**6,282,042**	6,195,161
10.1.1	Murabaha Sale Price		**6,664,398**	6,944,861
	Murabaha Purchase Price		**(6,282,042)**	(6,195,161)
			382,356	749,700
10.1.2	The movement in Murabaha financing during the period / year is as follows:			
	Opening balance		**6,195,161**	7,292,120
	Sales during the period / year		**8,369,172**	72,951,570
	Adjusted during the period / year		**(8,282,291)**	(74,048,529)
	Closing balance		**6,282,042**	6,195,161
10.1.3	Deferred Murabaha Income			
	Opening balance		**117,597**	112,171
	Deferred during the period / year		**550,593**	2,621,586
	Recognised during the period / year		**(508,116)**	(2,616,160)
	Closing balance		**160,074**	117,597
10.2	Financing under Islamic Export Refinance - Murabaha - gross		**911,077**	1,068,203
	Less: Deferred income		**(8,035)**	(5,937)
	Profit receivable shown in other assets		**(11,817)**	(13,278)
	Financing under Islamic Export Refinance - Murabaha		**891,225**	1,048,988
10.2.1	The movement in Islamic Export Refinance Murabaha financing during the period / year is as follows:			
	Opening balance		**1,048,988**	873,321
	Sales during the period / year		**1,329,141**	3,159,707
	Adjusted during the period / year		**(1,486,904)**	(2,984,040)
	Closing balance		**891,225**	1,048,988
10.2.2	Deferred Islamic Export Refinance Murabaha Income			
	Opening balance		**5,937**	5,106
	Deferred during the period / year		**25,342**	51,534
	Recognised during the period / year		**(23,244)**	(50,703)
	Closing balance		**8,035**	5,937
10.3	Financing against Islamic SME Asaan Finance - Murabaha - gross		**124,739**	11,526
	Less: Deferred income		**(7,213)**	(1,506)
	Profit receivable shown in other assets		**(838)**	(20)
	Financing against Islamic SME Asaan Finance - Murabaha		**116,688**	10,000
10.3.1	The movement in Islamic SME Asaan Finance (Murabaha financing) during the year is as follows:			
	Opening balance		**10,000**	-
	Sales during the period / year		**116,458**	10,000
	Adjusted during the period / year		**(9,770)**	-
	Closing balance		**116,688**	10,000
10.3.2	Deferred Islamic SME Asaan Finance Murabaha income			
	Opening balance		**1,506**	-
	Arising during the period / year		**9,402**	1,526
	Recognised during the period / year		**(3,695)**	(20)
	Closing balance		**7,213**	1,506

		June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
10.4	Musawammah financing - gross	**16,309,720**	34,477,153
	Less: Deferred income	**(467,369)**	(468,449)
	Profit receivable shown in other assets	**(383,327)**	(646,174)
	Musawammah financing	**15,459,024**	33,362,530
10.5	Financing under Islamic Export Refinance - Musawammah - gross	**1,294,305**	2,346,068
	Less: Deferred income	**(9,289)**	(13,048)
	Profit receivable shown in other assets	**(13,254)**	(19,410)
	Financing under Islamic Export Refinance - Musawammah	**1,271,762**	2,313,610
10.6	Financing under SBP's IFRE - Musawammah - gross	**343,638**	101,406
	Less: Deferred income	**(37,015)**	(10,925)
	Profit receivable shown in other assets	**(1,590)**	(221)
	Financing under SBP's IFRE - Musawammah	**305,033**	90,260
10.7	Bai Muajjal financing - gross	**53,164,206**	40,373,453
	Less: Deferred income	**(852,020)**	(300,831)
	Profit receivable shown in other assets	**(1,313,308)**	(642,898)
	Bai Muajjal financing	**50,998,878**	39,429,724

10.8 Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs 43,512 million (December 31, 2021: Rs 41,547 million).

10.9 Islamic financing and related assets include Rs. 14,381 million (December 31, 2021: Rs. 14,450 million) which have been placed under non-performing status as detailed below:

	June 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
Category of classification	**Non-performing amount**	**Provision held**	**Non-performing amount**	**Provision held**
	Rupees in '000			
Domestic				
Other Assets Especially Mentioned	**11,893**	**-**	41,771	358
Substandard	**290,405**	**62,147**	409,772	82,151
Doubtful	**1,252,443**	**557,717**	1,000,601	356,314
Loss	**12,825,843**	**12,614,132**	12,997,394	12,900,165
	14,380,584	**13,233,996**	14,449,538	13,338,988

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

	June 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	**13,338,988**	**5,870,018**	**19,209,006**	13,602,974	5,452,711	19,055,685
Charge for the period / year	**791,106**	**834,673**	**1,625,779**	2,186,594	417,307	2,603,901
Less: Reversals	**(896,098)**	**-**	**(896,098)**	(1,859,091)	-	(1,859,091)
	(104,992)	**834,673**	**729,681**	327,503	417,307	744,810
Amount written off	**-**	**-**	**-**	(591,489)	-	(591,489)
Closing balance	**13,233,996**	**6,704,691**	**19,938,687**	13,338,988	5,870,018	19,209,006

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

In addition, the Bank has also maintained a general provision of Rs 6,100 million (December 31, 2021: Rs 5,350 million) against financing made on prudent basis, in view of prevailing economic conditions. This general provision is in addition to the requirements of Prudential Regulations.

10.10.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sales Value (FSV) of collaterals against the non-performing financing. The accumulated benefit availed as at June 30, 2022 amounts to Rs 264.7 million (December 31, 2021: Rs 176.6 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs 135 million as at June 30, 2022 (December 31, 2021: Rs 107.7 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to shareholders.

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
11 FIXED ASSETS		Rupees in '000	
Capital work-in-progress	11.1	**6,920,552**	5,117,821
Property and equipment		**18,981,662**	16,304,643
Right-of-use assets		**11,764,338**	12,535,483
		37,666,552	33,957,947

11.1 Capital work-in-progress

Advances to suppliers and contractors for:

- civil works	**4,283,145**	3,600,313
- computer hardware	**1,076,781**	583,704
- purchase of vehicles	**968,396**	346,210
- office machines	**544,771**	472,467
- furniture and fixtures	**47,459**	115,127
	6,920,552	5,117,821

	June 30, 2022 (Unaudited)	June 30, 2021 (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	**1,802,731**	892,638
Property and equipment		
Leasehold land	**161,463**	283,163
Buidling on leasehold land	**524,488**	119,803
Leasehold improvements	**790,713**	325,974
Furniture and fixture	**237,424**	90,474
Electrical, office and computer equipment	**2,090,490**	497,318
Vehicles	**383,285**	434,436
	4,187,863	1,751,168
Right-of-use assets	**628,000**	301,481
Total	**6,618,594**	2,945,287

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
	Rupees in '000	
11.3 Disposal of fixed assets		
The net book value of fixed assets disposed off during the period is as follows:		
Leasehold improvements	**10,385**	-
Furniture and fixture	**618**	-
Electrical, office and computer equipment	**2,193**	5
Vehicles	**84,287**	44,005
	97,483	44,010

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
12 INTANGIBLE ASSETS			
Computer Software		**1,295,121**	1,235,876
Advance against computer software		**349,464**	259,934
	12.1	**1,644,585**	1,495,810

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
	Rupees in '000	
12.1 Additions to intangible assets	**359,490**	520,758

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (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		**(210,785)**	(136,865)
Surplus on revaluation of available for sale investments		**-**	(2,583,001)
Surplus on revaluation of Non-banking assets acquired in satisfaction of claims		**(16,552)**	(15,045)
		(227,337)	(2,734,911)
Deductible temporary differences due to:			
Provision for diminution / impairment in value of investments		**1,520,486**	1,209,055
Deficit on revaluation of available for sale investments		**622,673**	-
Provision against non-performing Islamic financing and related assets		**197,351**	125,678
Income not accrued due to non-culmination of financing		**2,734,159**	1,365,823
Provision against non-banking assets acquired in satisfaction of claims and others		**155,679**	209,910
		5,230,348	2,910,466
		5,003,011	175,555

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
14 OTHER ASSETS			
Profit / return accrued in local currency - net of provisions		**46,955,343**	48,899,926
Profit / return accrued in foreign currencies - net of provisions		**170,733**	109,199
Acceptances		**14,972,799**	10,925,144
Advances, deposits, advance rent and other prepayments		**2,931,498**	2,075,376
Non-banking assets acquired in satisfaction of claims		**115,193**	115,269
Unrealised gain on forward foreign exchange contracts - net		**1,392,314**	976,644
Dividends receivable		**261**	4,093
Stamps		**27,294**	25,020
Security deposits		**364,849**	234,949
Advance for Investments		**-**	882
Other		**732,359**	436,175
		67,662,643	63,802,677
Provision against other assets	14.1	**(59,276)**	(39,854)
Other Assets (Net of Provision)		**67,603,367**	63,762,823
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	**38,731**	38,731
Other Assets - total		**67,642,098**	63,801,554

14.1 Provision held against other assets

Others	**59,276**	39,854
	59,276	39,854

14.1.1 Movement in provision held against other assets

Opening balance	**39,854**	53,923
Charge for the period / year	**31,490**	61,004
Reversals during the period / year	**(4,119)**	(36,518)
Amount adjusted / written off during the period / year	**(7,949)**	(38,555)
Closing balance	**59,276**	39,854

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
15 BILLS PAYABLE			
In Pakistan		**58,870,035**	36,141,378
Outside Pakistan		**-**	-
		58,870,035	36,141,378
16 DUE TO FINANCIAL INSTITUTIONS			
In Pakistan		**572,030,657**	220,414,234
Outside Pakistan		**-**	-
		572,030,657	220,414,234
16.1 Details of due to financial institutions secured / unsecured			
Secured			
With State Bank of Pakistan			
Musharakah under Islamic Export Refinance Scheme		**74,433,540**	55,181,621
Investment under Islamic Long Term Financing Facility		**26,039,464**	17,490,047
Investment under Islamic Refinance Facility for Combating COVID-19		**1,092,486**	1,244,792
Investment under Islamic Financing for Renewal Energy		**17,336,267**	12,967,880
Investment under Islamic Temporary Economic Refinance Facility for Plant and Machinery		**17,953,744**	13,230,968
Investment under Islamic Refinance Scheme for storage of agriculture produce		**210,744**	40,677
Investment under Islamic Refinance Scheme for payment of wages and salaries		**1,088,192**	2,177,385
Investment under Islamic Refinance Scheme for SME Asaan Finance		**295,101**	-
Investment under Shariah Compliant Open Market Operations	16.1.1	**304,174,509**	-
Investment under Shariah Compliant Standing Ceiling Facility	16.1.1	**17,958,371**	39,993,944
		460,582,418	142,327,314
With Scheduled Bank	16.1.2	**72,000,000**	30,000,000
Other financial institutions		**700,624**	693,096
Unsecured			
Overdrawn nostro accounts		**252,615**	443,824
Other Musharakah	16.1.3	**38,495,000**	46,950,000
		572,030,657	220,414,234

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 13.87% (December 31, 2021: Nil) per annum and on Standing ceiling facility is 14.75% (December 31, 2021: 10.75%) 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 Government Ijarah Sukuk. The expected average return on these Musharakah is around 13.64% (December 31, 2021: 10.65%) per annum. These balances have matured in July 2022 (December 31, 2021: January 2022).

16.1.3 These Musharakah are on profit and loss sharing basis with banks. The expected average return on these Musharakah is around 13.82% (December 2021: 10.37%) per annum. These balances have matured in July 2022 (December 2021: January 2022).

17 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
Customers						
- Current accounts - non-remunerative	**691,944,588**	**34,359,517**	**726,304,105**	622,823,894	30,848,040	653,671,934
- Savings deposits	**503,397,423**	**51,210,198**	**554,607,621**	492,095,194	43,166,844	535,262,038
- Fixed deposits	**243,669,756**	**16,029,806**	**259,699,562**	231,366,955	14,454,313	245,821,268
- Margin	**16,734,380**	**1,790,647**	**18,525,027**	12,003,635	6,566	12,010,201
	1,455,746,147	**103,390,168**	**1,559,136,315**	1,358,289,678	88,475,763	1,446,765,441
Financial institutions						
- Current accounts - non-remunerative	**1,524,813**	**506,146**	**2,030,959**	1,829,027	308,877	2,137,904
- Savings deposits	**5,518,561**	**815**	**5,519,376**	6,096,621	702	6,097,323
- Fixed deposits	**1,940,558**	**-**	**1,940,558**	885,800	-	885,800
	8,983,932	**506,961**	**9,490,893**	8,811,448	309,579	9,121,027
	1,464,730,079	**103,897,129**	**1,568,627,208**	1,367,101,126	88,785,342	1,455,886,468

18 SUB-ORDINATED SUKUK

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
Additional Tier I Sukuk	18.1	**7,000,000**	7,000,000
Tier II Sukuk	18.2	**13,990,000**	13,990,000
		20,990,000	20,990,000

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

Credit Rating	AA+ (Double A plus) by VIS Credit Rating Company Limited
Issue Date	August 01, 2018
Tenor	Perpetual
Profit payment frequency	Monthly in arrears
Redemption	Perpetual. However, the Bank has call option which can be exercised with prior approval of SBP.
Expected Periodic Profit Amount (Mudaraba Profit Amount) - Non discretionary subject to profit of the pool	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk is 16.68% per annum.
Call Option	The Bank may call Additional Tier I Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Additional Tier I Sukuk, at the option of the SBP, will be fully and permanently converted into common shares (variable) upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Additional Tier I Sukuk, upon directive of the SBP, if such payment will result in a shortfall in the Bank's minimum capital requirement, capital adequacy ratio requirement or leverage ratio requirement.

18.2 In January 2020 and December 2021, the Bank issued regulatory Shariah compliant unsecured, subordinated privately placed Tier II Sukuk based on Mudaraba of Rs. 4,000 million and Rs 9,990 million respectively as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of Tier II sukuk is as follows:

Credit Rating	AAA (Triple A) by VIS Credit Rating Company Limited
Issue Date	January 09, 2020 and December 16, 2021
Tenor	10 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the tenth year
Expected Periodic Profit Amount (Mudaraba Profit Amount) - Non discretionary subject to profit of the pool	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk are 12.17% and 15.34% 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.

	Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
		Rupees in '000	
19 OTHER LIABILITIES			
Return on deposits and other dues			
- payable in local currency		**9,207,220**	4,643,447
- payable in foreign currencies		**81,540**	49,414
Unearned income		**1,633,269**	1,449,591
Accrued expenses		**12,894,971**	12,187,304
Current taxation (provision less payments)		**20,543,499**	13,498,972
Acceptances		**14,972,799**	10,925,144
Dividends payable		**1,193,388**	19,490
Payable to defined benefit plan		**638,924**	941,589
Charity payable		**7,581**	3,932
Provision against off-balance sheet obligations	19.1	**55,167**	55,167
Security deposits against Ijarah		**22,827,351**	20,370,305
Payable on account of credit murabaha / ijarah		**-**	24,819
Security deposits against lockers		**171,362**	160,555
Advance against future Diminishing Musharakah		**14,473**	490,951
Withholding taxes payable		**457,324**	275,530
Lease liability against right-of-use assets		**12,829,750**	13,107,177
Workers Welfare Fund payable		**4,447,084**	3,710,254
Others		**2,347,208**	1,067,904
		104,322,910	82,981,545

19.1 Provision against off-balance sheet obligations

Opening balance	**55,167**	36,489
Charge for the period / year	**-**	18,678
Closing balance	**55,167**	55,167

20 (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Available for sale securities		
- Listed shares	**1,167,580**	1,928,965
- Sukuk	**(2,615,656)**	4,694,113
	(1,448,076)	6,623,078
Non-banking assets acquired in satisfaction of claims	**38,502**	38,578
	(1,409,574)	6,661,656
Less: Deferred tax Asset / (liability) on		
- Available for sale securities	**622,673**	(2,583,001)
- Non-banking assets acquired in satisfaction of claims	**(16,552)**	(15,045)
	606,121	(2,598,046)
	(803,453)	4,063,610

		Note	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
			Rupees in '000	
21	**CONTINGENCIES AND COMMITMENTS**			
	- Guarantees	21.1	**51,529,855**	45,072,765
	- Commitments	21.2	**1,056,819,658**	887,366,094
	- Other contingent liabilities	21.3	**1,802,000**	1,802,000
			1,110,151,513	934,240,859
21.1	**Guarantees:**			
	Financial guarantees		**604,760**	930,441
	Performance guarantees		**28,378,984**	23,651,964
	Other guarantees		**22,546,111**	20,490,360
			51,529,855	45,072,765
21.2	**Commitments:**			
	Documentary letters of credit		**231,892,310**	175,227,624
	Commitments in respect of:			
	- forward foreign exchange contracts	21.2.1	**227,308,831**	200,615,279
	Commitments for acquisition of:			
	- fixed assets		**387,072**	389,225
	- intangible assets		**358,615**	309,824
	Other commitments	21.2.2	**596,872,830**	510,824,142
			1,056,819,658	887,366,094
21.2.1	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		**132,214,373**	114,757,851
	Sale		**95,094,458**	85,857,428
			227,308,831	200,615,279
21.2.2	**Other Commitments**			
	Commitments in respect of financing		**596,872,830**	510,824,142

21.3 Other contingencies

The Income Tax Department has 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 this financial statement 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.

		Note	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
22	**PROFIT / RETURN EARNED ON FINANCING, AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS**		Rupees in '000	
	On financing	22.1	**33,508,788**	19,138,405
	On investments in			
	- Available for sale securities		**36,579,519**	18,802,730
	- Held for trading securities		**433**	-
	- Held to maturity securities		**11,380,848**	549,025
			47,960,800	19,351,755
	On deposits / placements with financial institutions		**6,826,860**	11,626,278
			88,296,448	50,116,438

22.1 The income on Ijarah under IFAS 2 is net off takaful of Rs 1,107 million (June 30, 2021: Rs 787 million) recovered from customers.

		Note	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
23	**PROFIT ON DEPOSITS AND OTHER DUES EXPENSED**		Rupees in '000	
	Deposits and other accounts	23.1	**25,651,096**	16,344,178
	Sub-ordinated Sukuk		**1,338,596**	766,121
	Shariah Compliant Open Market Operations and Standing Ceiling Facility from the State Bank of Pakistan		**10,932,888**	-
	Other Musharakahs / Mudarabas		**4,163,267**	1,389,650
	Amortisation of lease liability against right-of-use assets		**788,607**	411,167
			42,874,454	18,911,116

23.1 This includes conversion cost of Rs 1,355 million (June 30, 2021: Rs 1,312 million) against foreign currency deposits.

		Note	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
24	**FEE AND COMMISSION INCOME**		Rupees in '000	
	Trade related fees and commissions		**1,872,127**	1,582,465
	Commission on guarantees		**90,266**	88,300
	Branch banking customer fees		**1,079,418**	763,999
	Credit processing related fees (including consumer processing fees of Rs 31.852 million (June 30, 2021: Rs 31.645 million)		**59,425**	64,991
	Debit card related fees		**2,505,593**	1,156,177
	Investment banking related fees		**154,476**	151,064
	Cash management fees		**134,412**	74,421
	Home remittance related fees		**144,767**	127,925
	Others		**121,007**	92,490
			6,161,491	4,101,832
25	**GAIN ON SECURITIES - NET**			
	Realised	25.1	**181,611**	258,071
25.1	**Realised gain on:**			
	Listed Shares		**159,246**	219,183
	Federal Government Securities		**22,365**	5,024
	Pakistan Energy Sukuk		**-**	33,864
			181,611	258,071

		June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
		Rupees in '000	
26	**OTHER INCOME**		
	Gain on termination of islamic financing	**265,191**	370,331
	Gain on sale of fixed assets	**141,750**	61,762
	Liabilities written back	**350,000**	-
	Others	**2,600**	1,100
		759,541	433,193
27	**OPERATING EXPENSES**		
	Total compensation expense	**11,571,816**	9,142,504
	Property expense		
	Depreciation on right-of-use assets	**1,399,145**	1,166,073
	Rent and taxes	**16,395**	31,501
	Utilities cost (including electricity and diesel)	**778,076**	511,121
	Security (including guards)	**555,683**	402,694
	Repair and maintenance (including janitorial charges)	**331,532**	270,092
	Depreciation	**414,580**	423,123
	Others	**29,191**	24,399
		3,524,602	2,829,003
	Information technology expenses		
	Software maintenance	**421,546**	287,132
	Hardware maintenance	**148,989**	138,371
	Depreciation	**300,859**	247,224
	Amortisation	**210,715**	164,618
	Network charges	**153,714**	114,062
		1,235,823	951,407
	Other operating expenses		
	Stationery and printing (including debit card related costs)	**588,482**	499,455
	Repairs and maintenance	**244,807**	140,709
	Local transportation and car running	**472,909**	287,825
	Depreciation on vehicles, equipment etc.	**697,922**	517,046
	Marketing, advertisement and publicity	**605,150**	522,174
	Security charges - cash transportation	**306,389**	303,770
	Communication (including courier)	**267,632**	251,353
	Legal and professional charges	**55,675**	71,333
	NIFT and other clearing charges	**104,222**	106,783
	Travelling and conveyance	**65,995**	16,664
	Training and Development	**54,103**	8,460
	Donation	**-**	512
	Fees, subscription and other charges	**199,215**	146,094
	Brokerage and bank charges	**130,362**	171,806
	Office supplies	**179,253**	137,803
	Entertainment	**33,550**	33,773
	Takaful expense	**52,154**	47,522
	Outsourced services costs	**11,222**	11,220
	Auditors' Remuneration	**7,204**	7,004
	Shariah Board fees	**17,951**	9,910
	Non-executive Directors' fee	**34,670**	33,570
	Others	**4,668**	11,727
		4,133,535	3,336,513
		20,465,776	16,259,427

		Note	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
			Rupees in '000	
28	**OTHER CHARGES**			
	Penalties imposed by the State Bank of Pakistan		**5,933**	4,916
29	**PROVISIONS AND WRITE OFFS - NET**			
	Provision against non-performing islamic financing related assets - net	10.10	**729,681**	397,681
	Provision against diminution in the value of investments	9.3	**435,872**	528
	Provision against off-balance sheet obligations		**-**	20,499
	Other provision		**27,371**	19,162
	Recovery against written off financing		**(3,536)**	(4,979)
			1,189,388	432,891
30	**TAXATION**			
	Current			
	- for the period	30.1	**18,186,446**	7,594,599
	Deferred			
	- for the period		**(1,623,326)**	632,321
			16,563,120	8,226,920

30.1 Through Finance Act 2022, the effective tax rate on banking companies has been increased and consequently for the year 2022, tax rates has been enhanced to 49% (inclusive of 10% Super Tax) from 39% in 2021 (inclusive of 4% Super Tax). Accordingly, the Bank has recognized super tax charge of Rs 3,676 million (June 30, 2021: Rs 733 million) in the current period based on taxable income for the period.

		Note	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
			Rupees in '000	
31	**BASIC AND DILUTED EARNINGS PER SHARE**			
31.1	**Basic Earnings per share**			
	Profit for the period		**17,119,149**	12,607,932
			(Number)	
	Weighted average number of ordinary shares		**1,626,931,201**	1,626,931,201
			(Rupees)	
				Restated
	Basic earnings per share	31.4	**10.52**	7.75

	Note	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
		Rupees in '000	
31.2 Diluted Earnings per share			
Profit for the period		**17,119,149**	12,607,932
		(Number)	
Weighted average number of ordinary shares	31.3	**1,627,449,563**	1,626,931,201
		(Rupees)	
			Restated
Diluted earnings per share	31.4	**10.52**	7.75

31.3 Reconciliation of basic and diluted earning per share	(Number)	
Weighted average number of ordinary shares	**1,626,931,201**	1,626,931,201
Add: Employee stock option scheme	**518,362**	-
Dilutive potential ordinary shares	**1,627,449,563**	1,626,931,201

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

	Note	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
32 CASH AND CASH EQUIVALENTS		Rupees in '000	
Cash and balances with treasury banks	6	**166,493,297**	142,210,133
Balances with other banks	7	**12,433,516**	18,944,508
		178,926,813	161,154,641

33 FAIR VALUE OF FINANCIAL INSTRUMENT

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

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

	June 30, 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
RECURRING FAIR VALUE MEASUREMENTS ON BALANCE SHEET FINANCIAL INSTRUMENTS - MEASURED AT FAIR VALUE				
INVESTMENTS - NET				
Financial Assets				
Available for sale securities				
Ordinary shares - listed	**8,028,416**	**-**	**-**	**8,028,416**
Pakistan Energy Sukuk - listed	**119,769,831**	**-**	**-**	**119,769,831**
GOP Sukuk	**-**	**844,407,938**	**-**	**844,407,938**
Foreign Sukuk	**10,734,175**	**-**	**-**	**10,734,175**
OFF BALANCE SHEET FINANCIAL INSTRUMENTS				
Forward purchase of foreign exchange contracts	**-**	**133,747,815**	**-**	**133,747,815**
Forward sale of foreign exchange contracts	**-**	**96,043,188**	**-**	**96,043,188**

	December 31, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
RECURRING FAIR VALUE MEASUREMENTS ON BALANCE SHEET FINANCIAL INSTRUMENTS - MEASURED AT FAIR VALUE				
INVESTMENTS - NET				
Financial Assets				
Available for sale securities				
Ordinary shares - listed	8,718,285	-	-	8,718,285
Pakistan Energy Sukuk - listed	120,028,511	-	-	120,028,511
GOP Sukuk	-	320,869,119	-	320,869,119
Foreign Sukuk	10,703,622	-	-	10,703,622
OFF BALANCE SHEET FINANCIAL INSTRUMENTS				
Forward purchase of foreign exchange contracts	-	116,360,987	-	116,360,987
Forward sale of foreign exchange contracts	-	86,873,922	-	86,873,922

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

Investment in associates (listed - mutual funds) have market value of Rs 1,608 million (December 31, 2021: Rs 1,711 million) which is being valued under level 1. Investment in GoP sukuk classified as Held to Maturity have market value of Rs 207,127 million (December 31, 2021: Rs 76,651 million) which is being valued under level 2. These investments are carried at cost in the financial statements in accordance with the bank's accounting policy.

Valuation techniques used in determination of fair values

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

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

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

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 as stated in note 6.3.2 to the 2021 annual financial statements.

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

33.2 Financial assets not measured at fair value

	Carrying Value	
	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	Rupees in '000	
Cash and balances with treasury banks	**166,493,297**	170,500,698
Balances with other banks	**12,433,516**	16,420,036
Due from financial institutions - net	**78,832,828**	238,401,637
Investments - net	**258,292,205**	159,812,506
Islamic financings and related assets - net	**807,537,961**	758,086,120
Other assets - net	**64,588,658**	61,587,012

33.3 Fair value of non-financial assets

Non-banking assets acquired in satisfaction of claims have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 14. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in this financial statements.

34 SEGMENT ANALYSIS

34.1 Segment Details with respect to Business Activities

	Corporate and Commercial banking	Retail Banking	Trading & Sales	Others	Inter-segment Eliminations	Total
	Rupees in '000					
June 30, 2022 (Unaudited)						
Profit and Loss Account						
External Funded Revenue	30,872,958	3,493,962	53,929,528	-	-	88,296,448
External Non funded Revenue	2,381,342	1,713,724	3,936,993	2,626,143	-	10,658,202
Inter segment revenue - net	-	76,577,091	-	57,017	(76,634,108)	-
Total Income	33,254,300	81,784,777	57,866,521	2,683,160	(76,634,108)	98,954,650
External Cost of funds	2,506,226	26,481,116	13,887,112	-	-	42,874,454
Segment direct expenses	618,202	19,383,203	148,541	1,058,593	-	21,208,539
Inter segment expense allocation	26,852,212	-	49,781,896	-	(76,634,108)	-
Total expenses	29,976,640	45,864,319	63,817,549	1,058,593	(76,634,108)	64,082,993
Provision and write offs - net	621,394	110,250	435,872	21,872	-	1,189,388
Profit before tax	2,656,266	35,810,208	(6,386,900)	1,602,695	-	33,682,269
Statement of Financial Position						
Cash and Bank balances	-	166,213,644	2,541,411	10,171,758	-	178,926,813
Due from financial institutions - net	-	-	78,832,828	-	-	78,832,828
Investments - net	11,876,392	-	1,229,356,173	-	-	1,241,232,565
Net inter segment lending	-	1,411,497,751	-	-	(1,411,497,751)	-
Islamic financings and related assets - net	715,620,615	91,917,346	-	-	-	807,537,961
Others	25,875,012	49,980,232	35,995,747	105,255	-	111,956,246
Total Assets	753,372,019	1,719,608,973	1,346,726,159	10,277,013	(1,411,497,751)	2,418,486,413
Due to financial institutions	137,870,355	1,279,807	432,880,495	-	-	572,030,657
Deposits and other accounts	-	1,568,627,208	-	-	-	1,568,627,208
Subordinated Sukuk	20,990,000	-	-	-	-	20,990,000
Net inter segment borrowing	543,728,551	-	859,165,929	8,603,271	(1,411,497,751)	-
Others	21,611,985	137,771,661	2,533,491	1,275,808	-	163,192,945
Total liabilities	724,200,891	1,707,678,676	1,294,579,915	9,879,079	(1,411,497,751)	2,324,840,810
Equity	29,171,128	11,930,297	52,146,244	397,934	-	93,645,603
Total Equity and liabilities	753,372,019	1,719,608,973	1,346,726,159	10,277,013	(1,411,497,751)	2,418,486,413
Contingencies and Commitments	796,044,595	86,798,087	227,308,831	-	-	1,110,151,513
June 30, 2021 (Unaudited)						
Profit and Loss Account						
External Funded Revenue	15,773,098	3,988,647	30,354,693	-	-	50,116,438
External Non funded Revenue	1,920,501	1,206,234	2,435,488	1,248,654	-	6,810,877
Inter segment revenue - net	-	40,501,651	-	140,105	(40,641,756)	-
Total Income	17,693,599	45,696,532	32,790,181	1,388,759	(40,641,756)	56,927,315
External Cost of funds	1,511,039	16,778,844	621,233	-	-	18,911,116
Segment direct expenses	492,092	15,152,005	353,754	750,605	-	16,748,456
Inter segment expense allocation	12,818,524	-	27,823,232	-	(40,641,756)	-
Total expenses	14,821,655	31,930,849	28,798,219	750,605	(40,641,756)	35,659,572
Provision and write offs - net	414,947	12,858	3,984	1,102	-	432,891
Profit before tax	2,456,997	13,752,825	3,987,978	637,052	-	20,834,852
Statement of Financial Position						
Cash and Bank balances	-	154,713,459	6,441,182	-	-	161,154,641
Due from financial institutions - net	-	-	380,250,856	-	-	380,250,856
Investments - net	13,980,338	-	458,143,745	-	-	472,124,083
Net inter segment lending	-	1,207,986,111	-	1,530,985	(1,209,517,096)	-
Islamic financings and related assets - net	486,103,204	84,118,446	-	-	-	570,221,650
Others	16,266,767	28,489,441	45,385,971	-	-	90,142,179
Total Assets	516,350,309	1,475,307,457	890,221,754	1,530,985	(1,209,517,096)	1,673,893,409
Due to financial institutions	83,731,609	694,251	17,395,508	-	-	101,821,368
Deposits and other accounts	-	1,369,973,891	-	-	-	1,369,973,891
Subordinated Sukuk	18,000,000	-	-	-	-	18,000,000
Net inter segment borrowing	377,863,709	-	831,653,387	-	(1,209,517,096)	-
Others	12,926,875	92,303,186	91,627	1,530,985	-	106,852,673
Total liabilities	492,522,193	1,462,971,328	849,140,522	1,530,985	(1,209,517,096)	1,596,647,932
Equity	23,828,116	12,336,129	41,081,232	-	-	77,245,477
Total Equity and liabilities	516,350,309	1,475,307,457	890,221,754	1,530,985	(1,209,517,096)	1,673,893,409
Contingencies and Commitments	549,813,620	77,774,017	202,875,046	-	-	830,462,683

35 RELATED PARTY TRANSACTIONS

35.1 Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes a subsidiary company, associated companies, retirement benefit funds, directors, and key management personnel and their close family members.

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

35.3 Subsidiary company
- Al Meezan Investment Management Limited

35.4 Associates
Associates include major shareholders, mutual funds managed by Al Meezan Investment Management Limited and entities having common directorship with the Board. However, entities are not considered related party only if common director is an independent director working on both the Boards.

35.5 Key management personnel
- President and Chief Executive Officer
- Deputy Chief Executive Officer

35.6 Details of transactions with related parties and balances with them (other than those disclosed in respective notes) as at the period-end as are follows:

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	June 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)	June 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)	June 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)	June 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)	June 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)	June 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)
	Rupees in '000											
Investments												
At January 1,	**907,788**	908,669	**63,050**	63,050	**844,738**	845,619	-	-	-	-	-	-
Addition during the period / year	**514**	-	-	-	**514**	-	-	-	-	-	-	-
Deletion during the period / year	-	(881)	-	-	-	(881)	-	-	-	-	-	-
At June 30 / December 31	**908,302**	907,788	**63,050**	63,050	**845,252**	844,738	-	-	-	-	-	-
Due from financial institutions												
At January 1,	**21,858,348**	36,671,288	-	-	**21,858,348**	36,671,288	-	-	-	-	-	-
Addition during the period / year	-	76,546,772	-	-	-	76,546,772	-	-	-	-	-	-
Deletion during the period / year	**(21,858,348)**	(91,359,712)	-	-	**(21,858,348)**	(91,359,712)	-	-	-	-	-	-
At June 30 / December 31	-	21,858,348	-	-	-	21,858,348	-	-	-	-	-	-

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

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	June 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)	June 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)	June 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)	June 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)	June 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)	June 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)
	Rupees in '000											
Deposits	**3,443,644**	7,236,303	**27,614**	15,388	**2,776,728**	2,386,870	**137,494**	131,435	**130,074**	188,427	**371,734**	4,514,183
Other Assets												
Profit receivable on financing / investments	**-**	725,460	**-**	-	**-**	725,460	**-**	-	**-**	-	**-**	-
Fee and Other Receivable	**35,107**	59,573	**19,540**	22,111	**15,567**	9,037	**-**	-	**-**	-	**-**	28,425
Sub-ordinated Sukuk (Tier II)												
At January 1,	**200,000**	578,000	**-**	-	**200,000**	578,000	**-**	-	**-**	-	**-**	-
Addition during the period / year	**-**	10,000	**-**	-	**-**	10,000	**-**	-	**-**	-	**-**	-
Deletion during the period / year	**-**	(388,000)	**-**	-	**-**	(388,000)	**-**	-	**-**	-	**-**	-
At June 30 / December 31	**200,000**	200,000	**-**	-	**200,000**	200,000	**-**	-	**-**	-	**-**	-
Other Liabilities												
Payable to defined benefit plan	**638,924**	941,589	**-**	-	**-**	-	**-**	-	**424,050**	403,874	**214,874**	537,715
Accrued Expenses	**1,621**	353,974	**1,621**	3,974	**-**	-	**-**	-	**-**	-	**-**	350,000
Unearned Income	**15,976**	16,648	**-**	-	**15,976**	16,648	**-**	-	**-**	-	**-**	-
Contingencies and Commitments												
Letters of Guarantee (unfunded)	**2,387,177**	2,491,377	**100**	100	**2,387,077**	2,491,277	**-**	-	**-**	-	**-**	-

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)
	Rupees in '000											
Profit earned on financing / investments / placements	**68,184**	1,389,282	**-**	-	**68,184**	1,389,282	**-**	-	**-**	-	**-**	-
Fees and other income earned	**469,435**	85,506	**41,116**	52,908	**78,093**	32,540	**8**	6	**187**	13	**350,031**	39
Dividend income earned	**130,556**	214,500	**130,000**	214,500	**556**	-	**-**	-	**-**	-	**-**	-
Gain on securities	**2,028**	280	**-**	-	**-**	280	**-**	-	**-**	-	**2,028**	-
Return on deposits / borrowing expensed	**288,066**	275,636	**1,146**	704	**141,662**	116,870	**564**	384	**3,537**	5,178	**141,157**	152,500
Charge for defined benefit plan	**214,874**	184,219	**-**	-	**-**	-	**-**	-	**-**	-	**214,874**	184,219
Contribution to defined contribution plan	**265,352**	232,212	**-**	-	**-**	-	**-**	-	**-**	-	**265,352**	232,212
Contribution to staff benevolent fund	**10,216**	37,887	**-**	-	**-**	-	**-**	-	**-**	-	**10,216**	37,887
Fees expensed	**11,964**	13,437	**11,222**	11,220	**742**	2,217	**-**	-	**-**	-	**-**	-
(Reversals) / Provision against investments	**-**	(527)	**-**	-	**-**	(527)	**-**	-	**-**	-	**-**	-
Charity Paid	**-**	38,000	**-**	-	**-**	-	**-**	-	**-**	-	**-**	38,000
Purchase of fixed assets	**141,496**	183,410	**-**	-	**141,496**	183,410	**-**	-	**-**	-	**-**	-
Remuneration to the directors and key management personnel including fee to non-executive directors and end of service benefit charge for the founder President	**135,848**	123,525	**-**	-	**-**	-	**34,670**	33,570	**101,178**	89,955	**-**	-

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	Rupees in '000	
36 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement		
Paid-up capital (net of losses)	**16,269,312**	16,269,312
Capital Adequacy Ratio		
Eligible Common Equity Tier 1 Capital	**91,853,469**	80,903,080
Eligible Additional Tier 1 Capital	**7,000,000**	7,000,000
Total Eligible Tier 1 Capital	**98,853,469**	87,903,080
Eligible Tier 2 Capital	**20,405,477**	23,900,095
Total Eligible Capital (Tier 1 + Tier 2)	**119,258,946**	111,803,175
Risk Weighted Assets		
Credit Risk	**513,238,147**	471,179,745
Market Risk	**20,667,294**	22,956,751
Operational Risk	**133,736,815**	133,736,815
Total	**667,642,256**	627,873,311
Common Equity Tier 1 Capital Adequacy ratio	**13.76%**	12.89%
Tier 1 Capital Adequacy Ratio	**14.81%**	14.00%
Total Capital Adequacy Ratio	**17.86%**	17.81%
Leverage Ratio		
Tier-1 Capital	**98,853,469**	87,903,080
Total Exposures	**2,658,280,047**	2,244,744,326
Leverage Ratio	**3.72%**	3.92%
Liquidity Coverage Ratio		
Total High Quality Liquid Assets	**590,341,787**	464,998,495
Total Net Cash Outflow	**209,640,727**	209,348,310
Liquidity Coverage Ratio	**282%**	222%
Net Stable Funding Ratio		
Total Available Stable Funding	**1,534,017,313**	1,370,517,865
Total Required Stable Funding	**930,098,496**	829,111,476
Net Stable Funding Ratio	**165%**	165%

37 DATE OF AUTHORISATION AND NON-ADJUSTING EVENT

37.1 This condensed interim financial statements was authorised for issue on August 11, 2022 by the Board of Directors of the Bank.

37.2 The Board of Directors in their meeting held on August 11, 2022 has announced an interim cash dividend @ 17.5% along with bonus issue of 10%. This condensed interim unconsolidated financial statements does not include the effect of this appropriation which will be accounted for subsequent to the period end.

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	Rupees in '000	
ASSETS		
Cash and balances with treasury banks	**166,493,297**	170,501,306
Balances with other banks	**12,474,022**	16,465,169
Due from financial institutions - net	**78,832,828**	238,401,637
Investments - net	**1,245,468,555**	624,332,881
Islamic financing and related assets - net	**807,537,961**	758,086,120
Fixed assets	**37,909,492**	34,185,975
Intangible assets	**1,669,289**	1,505,581
Deferred tax asset	**4,786,966**	-
Other assets - net	**67,867,799**	64,180,378
	2,423,040,209	1,907,659,047
LIABILITIES		
Bills payable	**58,870,035**	36,141,378
Due to financial institutions	**572,030,657**	220,414,234
Deposits and other accounts	**1,568,599,594**	1,455,871,080
Sub-ordinated Sukuk	**20,990,000**	20,990,000
Deferred tax liabilities	**-**	72,189
Other liabilities	**105,084,562**	83,728,554
	2,325,574,848	1,817,217,435
NET ASSETS	**97,465,361**	90,441,612
REPRESENTED BY		
Share capital	**16,269,312**	16,269,312
Reserves	**25,252,659**	23,417,514
Unappropriated profit	**55,540,116**	45,494,657
(Deficit) / surplus on revaluation of assets - net of tax	**(803,453)**	4,063,610
	96,258,634	89,245,093
NON-CONTROLLING INTEREST	**1,206,727**	1,196,519
	97,465,361	90,441,612

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

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

CONDENSED INTERIM CONSOLIDATED
PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Quarter ended June 30, 2022	Half year ended June 30, 2022	Quarter ended June 30, 2021	Half year ended June 30, 2021
	Rupees in '000			
Profit / return earned on Islamic financing and related assets, investments and placements	**50,224,429**	**88,361,922**	25,887,606	50,117,383
Profit on deposits and other dues expensed	**26,198,822**	**42,877,572**	9,742,480	18,923,280
Net spread earned	**24,025,607**	**45,484,350**	16,145,126	31,194,103
OTHER INCOME				
Fee and commission income	**3,458,041**	**6,814,445**	2,417,009	4,860,013
Dividend income	**118,710**	**293,097**	129,430	198,242
Foreign exchange income	**2,318,467**	**3,131,906**	783,506	1,605,039
Gain on securities - net	**101,197**	**116,449**	136,797	445,913
Other income	**582,498**	**759,935**	183,371	433,747
	6,578,913	**11,115,832**	3,650,113	7,542,954
Total income	**30,604,520**	**56,600,182**	19,795,239	38,737,057
OTHER EXPENSES				
Operating expenses	**10,523,033**	**20,740,453**	8,589,262	16,579,015
Workers Welfare Fund	**405,927**	**743,885**	236,300	496,696
Other charges	**4,801**	**5,933**	3,534	4,916
Total other expenses	**10,933,761**	**21,490,271**	8,829,096	17,080,627
	19,670,759	**35,109,911**	10,966,143	21,656,430
Share of results of associates before taxation	**(136,130)**	**(106,575)**	153,004	104,871
Profit before provisions	**19,534,629**	**35,003,336**	11,119,147	21,761,301
Provisions and write offs - net	**961,498**	**1,189,388**	148,320	432,891
Extraordinary / unusual items	**-**	**-**	-	-
Profit before taxation	**18,573,131**	**33,813,948**	10,970,827	21,328,410
Taxation	**10,679,811**	**16,676,896**	4,195,854	8,426,530
Profit after taxation	**7,893,320**	**17,137,052**	6,774,973	12,901,880
Attributable to:				
Shareholders of the Holding company	**7,867,055**	**17,052,650**	6,682,699	12,732,501
Non-controlling interest	**26,265**	**84,402**	92,274	169,379
	7,893,320	**17,137,052**	6,774,973	12,901,880
	Rupees			
			Restated	
Basic earnings per share	**4.84**	**10.48**	4.11	7.83
Diluted earnings per share	**4.83**	**10.48**	4.11	7.83

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

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

CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Quarter ended June 30, 2022	Half year ended June 30, 2022	Quarter ended June 30, 2021	Half year ended June 30, 2021
	Rupees in '000			
Profit after taxation for the period attributable to:				
Shareholders of the Holding company	**7,867,055**	**17,052,650**	6,682,699	12,732,501
Non-controlling interest	**26,265**	**84,402**	92,274	169,379
	7,893,320	**17,137,052**	6,774,973	12,901,880
Other Comprehensive income				
Item that may be reclassified to profit and loss account in subsequent periods:				
(Deficit) / surplus on revaluation of investments	**(2,565,435)**	**(8,071,154)**	1,142,299	1,318,978
Deferred tax on revaluation of investments	**1,058,444**	**3,205,674**	(822,103)	(883,941)
	(1,506,991)	**(4,865,480)**	320,196	435,037
Item that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurements of defined benefit plan - net of tax	**(11,982)**	**(11,982)**	5,654	5,654
Surplus on revaluation of non - banking assets	**-**	**-**	-	-
Deferred tax on revaluation of non - banking assets	**(1,544)**	**(1,544)**	(1,227)	(1,227)
	(13,526)	**(13,526)**	4,427	4,427
Other comprehensive (loss) / income for the period	**(1,520,517)**	**(4,879,006)**	324,623	439,464
Total comprehensive Income for the period	**6,372,803**	**12,258,046**	7,099,596	13,341,344
Attributable to:				
Shareholders of the Holding company	**6,350,732**	**12,177,838**	7,005,343	13,169,986
Non-controlling interest	**22,071**	**80,208**	94,253	171,358
	6,372,803	**12,258,046**	7,099,596	13,341,344

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

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

CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Share capital	Capital reserves				Revenue reserve	Unappro-priated profit	Surplus / (deficit) on revalution of		Non controlling interest	Total
		Share premium	Statutory reserve *	Non-Distributable Capital Reserve Gain on Bargain Purchase	Employee share option compensation reserve	General reserve		Invest-ments	Non-banking assets		
	Rupees in '000										
Balance as at January 1, 2021	14,147,228	2,406,571	14,833,341	3,117,547	-	91,082	31,808,445	5,542,351	19,941	1,264,512	73,231,018
Profit after taxation for the half year ended June 30, 2021	-	-	-	-	-	-	12,732,501	-	-	169,379	12,901,880
Other Comprehensive income for half year ended June 30, 2021 - net of tax	-	-	-	-	-	-	3,675	435,037	(1,227)	1,979	439,464
	-	-	-	-	-	-	12,736,176	435,037	(1,227)	171,358	13,341,344
Other appropriations											
Transfer to statutory reserve	-	-	1,260,793	-	-	-	(1,260,793)	-	-	-	-
Transactions with owners recognised directly in equity											
Final cash dividend for the year 2020 @ Rs 2 per share	-	-	-	-	-	-	(2,829,446)	-	-	-	(2,829,446)
Interim cash dividend for the year 2021	-	-	-	-	-	-	(2,122,085)	-	-	-	(2,122,085)
	-	-	-	-	-	-	(4,951,531)	-	-	-	(4,951,531)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	-	(115,500)	(115,500)
Balance as at June 30, 2021	**14,147,228**	**2,406,571**	**16,094,134**	**3,117,547**	-	**91,082**	**38,332,297**	**5,977,388**	**18,714**	**1,320,370**	**81,505,331**
Profit after taxation for the six months period ended December 31, 2021	-	-	-	-	-	-	15,495,059	-	-	110,649	15,605,708
Other Comprehensive (loss) / income for the six months period ended December 31, 2021 - net of tax	-	-	-	-	-	-	(73,503)	(1,937,311)	4,912	-	(2,005,902)
	-	-	-	-	-	-	15,421,556	(1,937,311)	4,912	110,649	13,599,806
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	93	-	(93)	-	-
Other appropriations											
Transfer to statutory reserve	-	-	1,574,723	-	-	-	(1,574,723)	-	-	-	-
Recognition of share based compensation	-	-	-	-	133,457	-	-	-	-	-	133,457
Transactions with owners recognised directly in equity											
Issue of bonus shares @ 15%	2,122,084	-	-	-	-	-	(2,122,084)	-	-	-	-
Second interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	-	(2,122,085)	-	-	-	(2,122,085)
Third interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	-	(2,440,397)	-	-	-	(2,440,397)
	-	-	-	-	-	-	(4,562,482)	-	-	-	(4,562,482)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	-	(234,500)	(234,500)
Balance as at December 31, 2021	**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 half year ended June 30, 2022	-	-	-	-	-	-	17,052,650	-	-	84,402	17,137,052
Other Comprehensive loss for the half year ended June 30, 2022 - net of tax	-	-	-	-	-	-	(7,788)	(4,865,480)	(1,544)	(4,194)	(4,879,006)
	-	-	-	-	-	-	17,044,862	(4,865,480)	(1,544)	80,208	12,258,046
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	39	-	(39)	-	-
Other appropriations											
Transfer to statutory reserve	-	-	1,711,915	-	-	-	(1,711,915)	-	-	-	-
Recognition of share based compensation	-	-	-	-	123,230	-	-	-	-	-	123,230
Final cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	-	(2,440,397)	-	-	-	(2,440,397)
First Interim cash dividend for the year 2022 @ Rs 1.75 per share	-	-	-	-	-	-	(2,847,130)	-	-	-	(2,847,130)
	-	-	-	-	-	-	(5,287,527)	-	-	-	(5,287,527)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	-	(70,000)	(70,000)
Balance as at June 30, 2022	**16,269,312**	**2,406,571**	**19,380,772**	**3,117,547**	**256,687**	**91,082**	**55,540,116**	**(825,403)**	**21,950**	**1,206,727**	**97,465,361**

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

CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Half year ended June 30, 2022	Half year ended June 30, 2021
	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**33,813,948**	21,328,410
Less: Dividend income	**(293,097)**	(198,242)
	33,520,851	21,130,168
Adjustments for non-cash charges and other items:		
Depreciation	**1,441,379**	1,215,257
Amortization	**215,461**	170,947
Non cash items related to right of use assets	**2,225,395**	1,622,834
Provisions and write offs - net	**1,189,388**	432,891
Recognition of share based compensation	**123,230**	-
Gain on sale of fixed assets	**(142,144)**	(62,369)
Share of results of associates	**106,575**	(104,871)
	5,159,284	3,274,689
	38,680,135	24,404,857
(Increase) / decrease in operating assets		
Due from financial institutions	**159,568,809**	(38,182,057)
Islamic financing and related assets	**(50,177,986)**	(58,082,422)
Other assets	**(3,718,624)**	(12,582,366)
	105,672,199	(108,846,845)
Increase / (decrease)in operating liabilities		
Bills payable	**22,728,657**	12,856,906
Due to financial institutions	**351,616,423**	7,320,728
Deposits and other accounts	**112,728,514**	115,490,669
Other liabilities	**13,466,933**	6,690,403
	500,540,527	142,358,706
	644,892,861	57,916,718
Income tax paid	**(11,309,705)**	(6,230,260)
Net cash flow from operating activities	**633,583,156**	51,686,458
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities	**(629,749,275)**	(36,715,949)
Dividends received	**296,929**	183,404
Investments in fixed assets	**(6,058,551)**	(2,674,272)
Investments in intangible assets	**(379,169)**	(530,576)
Proceeds from sale of fixed assets	**240,990**	106,655
Net cash used in investing activities	**(635,649,076)**	(39,630,738)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	**(1,749,607)**	(1,537,366)
Dividend paid to equity shareholders of the Bank	**(4,113,629)**	(4,951,231)
Dividend paid to non controlling interest	**(70,000)**	(115,500)
Net cash used in financing activities	**(5,933,236)**	(6,604,097)
(Decrease) / increase in cash and cash equivalents	**(7,999,156)**	5,451,623
Cash and cash equivalents at the beginning of the period	**186,966,475**	155,722,310
Cash and cash equivalents at the end of the period	**178,967,319**	161,173,933

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

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

1 BASIS OF PRESENTATION

1.1 This condensed interim consolidated financial statements include the unaudited financial statements of Meezan Bank Limited (MBL) (the holding company) and Al-Meezan Investment Management Limited (AMIML) (the subsidiary) collectively referred as the 'Group' and associates namely, Al-Meezan Mutual Fund, Meezan Islamic Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, KSE Meezan Index Fund, Meezan Balanced Fund, Meezan Financial Planning Fund of Funds, Meezan Strategic Allocation Fund II, Meezan Gold Fund, Meezan Energy Fund, Meezan Strategic Allocation Fund III, Meezan Rozana Amdani Fund, Meezan Pakistan Exchange Traded Fund and Meezan Daily Income Fund.

1.2 This condensed interim consolidated financial statements has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting'.

1.3 This condensed interim consolidated financial statements comprise of the statement of financial position as at June 30, 2022 and the profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the half year ended June 30, 2022.

2 ACCOUNTING POLICIES

2.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial statements are the same as those applied in the preparation of the Group for the year ended December 31, 2021.

3 DATE OF AUTHORISATION

This condensed interim consolidated financial statements was authorised for issue on August 11, 2022 by the Board of Directors of the Holding company.

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

Meezan Bank
The Premier Islamic Bank

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