



THIRD  
QUARTERLY REPORT  
SEPTEMBER 30, 2021



**Meezan Bank**  
The Premier Islamic Bank

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah The Beneficent The Merciful

## **CONTENTS**

<b>Corporate Information</b>	<b>03</b>
<b>Directors' Review</b>	<b>04</b>
<b>Condensed Interim Unconsolidated Statement of Financial Position</b>	<b>13</b>
<b>Condensed Interim Unconsolidated Profit and Loss Account</b>	<b>14</b>
<b>Condensed Interim Unconsolidated Statement of Comprehensive Income</b>	<b>15</b>
<b>Condensed Interim Unconsolidated Statement of Changes in Equity</b>	<b>16</b>
<b>Condensed Interim Unconsolidated Cash Flow Statement</b>	<b>17</b>
<b>Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Information</b>	<b>18</b>
<b>Condensed Interim Consolidated Statement of Financial Position</b>	<b>51</b>
<b>Condensed Interim Consolidated Profit and Loss Account</b>	<b>52</b>
<b>Condensed Interim Consolidated Statement of Comprehensive Income</b>	<b>53</b>
<b>Condensed Interim Consolidated Statement of Changes in Equity</b>	<b>54</b>
<b>Condensed Interim Consolidated Cash Flow Statement</b>	<b>55</b>
<b>Notes to and Forming Part of the Condensed Interim Consolidated Financial Information</b>	<b>56</b>



# CORPORATE INFORMATION

AS OF SEPTEMBER 30, 2021

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

\*The Bank has already submitted application for the Fit and Proper Test of the Director to the State Bank of Pakistan which is in process of reviewing the same.

## **DIRECTORS' REVIEW**

The Board of Directors is pleased to present the condensed interim unaudited financial statements of Meezan Bank Limited and consolidated financial statements for the nine months ended September 30, 2021.

### **Islamic Banker of the Year Award**

We are delighted to inform you that the Founding President and CEO of the Bank, Mr. Irfan Siddiqui has been recognized as the Islamic Banker of the Year at the Global Islamic Finance Awards 2021. The Board acknowledges the extraordinary contributions of the President and CEO in establishing the Islamic Banking Industry in Pakistan and transforming the financial landscape of the Country by delivering innovative Islamic banking solutions to masses. This recognition is an acknowledgement of the Bank's resolve for the Shariah Compliant Banking and has further strengthened our commitment to uphold our core values of shariah compliance, service excellence and integrity, Insha'Allah.

### **Economy**

The cogent measures taken by the Government of Pakistan (GoP) and the State Bank of Pakistan (SBP) amid COVID-19 pandemic have borne fruit as the pace of the economic recovery exceeded beyond expectations. This robust recovery in domestic demand, coupled with higher international commodity prices, led to a strong pick-up in imports and rise in trade deficit which resulted in depreciation of Pakistani Rupee against the US dollar. However, notably, the SBP's forex reserves continue to rise and are at an all-time high of USD 19 billion in September 2021. Inflation fell from 9.7% (YoY) in June 2021 to 8.4% in July / August 2021. The SBP expects GDP growth in FY22 between the range of 4% to 5%.

On the back of strong economic rebound, in September 2021, the SBP raised the Policy rate by 25 basis points to 7.25%, after maintaining the Policy Rate at 7.00% for more than a year with an indication to keep the Policy Rate accommodative in near term, with possible gradual tapering of stimulus to achieve mildly positive real interest rates over time to protect the longevity of growth.

By August 2021, total funds received under Roshan Digital Account (RDA) rose to USD 2.1 billion. Alhamdulillah, Meezan Bank maintained its leadership in RDA and received multiple

## **DIRECTORS' REVIEW**

awards from His Excellency the Prime Minister of Pakistan. The Bank is closely working with the SBP to bolster its Roshan Apna Ghar and Roshan Apni Car initiative which will have a positive impact on economy.

The COVID-19 infection rate in Pakistan fell around three percent with significant ramp up by the Federal Government in the vaccination program with almost 88 million doses till early October and daily vaccinations now clocking 1 million plus.

Under the drive initiated by the National Command and Operations Committee (NCOC), to make Pakistan COVID-19 free, the Bank established COVID Vaccination Centre (CVC) in Karachi, Lahore, Islamabad and Peshawar for staff with the support of NCOC and local health authorities. Further, as a responsible Corporate Citizen, the Bank joined hands with the Sindh Government and established CVCs for general public through two drive-through facilities and two mobile van services for general public in Karachi - more than 100,000 have been vaccinated through these initiatives. The Bank has also launched vaccination awareness drive by placement of banners.

### **Financial Highlights**

By the grace of Allah, Meezan Bank continued its growth momentum and achieved excellent results for the nine months ended September 30, 2021. The Profit after tax of the Bank grew to Rs 19.57 billion from Rs 18.08 billion in the corresponding period last year, a growth of 8% while Earnings per Share - increased to Rs 12.03 per share from Rs 11.11 per share in corresponding period last year - on enhanced share capital of Rs 16 billion. The Bank is a well-capitalized institution with Capital Adequacy Ratio (CAR) of 18.98%, well above the minimum regulatory requirement of 11.50%.

We are pleased to inform you that the Board has approved Rs 1.50 (15%) per share interim cash dividend for the third quarter. This brings the total dividend payout for the nine months to Rs 4.50 (45%) per share as Rs 3.00 per share i.e 30% interim cash dividend was paid for the half year. This is in addition to 15% bonus shares issued in the last quarter. You will be glad to know that in August 2021, Meezan Bank became the most valuable bank in terms of market capitalization amongst all the listed banks on Pakistan Stock Exchange, which reflects investors' confidence on the performance of the Bank and its growth potential.

## DIRECTORS' REVIEW

**Financial Highlights of Meezan Bank are given below:**

### Rupees in millions

Profit & Loss Account	Jan - Sep 2021	Jan - Sep 2020	Growth %
Return on financings, investments and placements	77,615	83,312	(7%)
Return on deposits and other dues expensed	29,097	33,557	(13%)
Net spread earned	48,518	49,755	(2%)
Non - funded income	10,268	7,165	43%
Operating income	58,786	56,920	3%
Operating and other expenses	(25,583)	(22,667)	13%
Taxation	(13,084)	(11,986)	9%
Profit after tax	19,566	18,079	8%
Earnings per share - on enhance capital - Rs	12.03	11.11	8%
Number of branches	849	802	6%

### Rupees in millions

Statement of Financial Position	September 30, 2021	December 31, 2020	Growth %
Total Assets	1,697,729	1,521,559	12%
Islamic financing and related assets - Gross	623,065	531,588	17%
Investments	476,357	434,208	10%
- Sovereign / Government Guaranteed	452,467	413,855	9%
- Others Securities	23,890	20,353	17%
Deposits	1,344,157	1,254,431	7%
ADR (Gross Financings to Deposits) - %	46%	42%	
Equity	81,835	69,155	18%

The Bank's return on financings, investments and placements decreased by 7% to Rs 77.6 billion from Rs 83.3 billion in September 2020 mainly due to decline in the Policy Rate to 7% from 9.6% (average) in the corresponding period last year. However, this decline in the Policy Rate has been substantially off-set by the higher volume of earning assets. Similarly, the return on deposits and other dues also decreased from Rs 33.6 billion to Rs 29.1 billion in September 2021 due to lower average Policy Rate and 45% increase in average current account balances from the corresponding period last year which helped the Bank to maintain an optimal cost of funds. On an overall basis, the net spread of the Bank dropped by 2% to Rs 48.5 billion from Rs 49.7 billion in the corresponding period last year.



## **DIRECTORS' REVIEW**

The Bank's fee and commission income grew by 70% to Rs 6.6 billion from Rs 3.9 billion in September 2020 mainly contributed by increase in debit card, trade and branch banking income. The Bank's foreign exchange income rose by 34% mainly attributable to the growing trade business volume handled by the Bank. On an overall basis, the Bank's non-funded income recorded a 43% growth closing at Rs 10.3 billion. The Bank's operating and other expenses also increased to Rs 25.6 billion from Rs 22.7 billion, due to continuous branch expansion - an investment in future. During the nine months, the Bank has opened 34 new branches taking the total network size to 849 branches in 265 cities (December 2020: 815 Branches in 248 cities).

The total assets of the Bank grew by Rs 176 billion or 12% to Rs 1.7 trillion in September 2021 from Rs 1.5 trillion in December 2020 majorly driven by an all-round growth in the gross financing portfolio which increased by Rs 91 billion or 17% to Rs 623 billion from Rs 532 billion last year. The gross advances to deposits ratio of the Bank grew to 46% from 42% last year. The Bank continued to support the SBP led initiatives for increasing the financial inclusion and extended financing under a number of refinance schemes. The Bank has exceeded the mandatory targets assigned by the SBP for Housing and Construction finance. The Bank is also actively participating in "Mera Pakistan Mera Ghar" (G-MSS) scheme. Apart from this, the Bank is also extending credit under Kamyab Jawan scheme, along with other SBP led initiatives including Green Banking to reduce carbon footprint in the economy. The Bank maintains a comfortable level of provisions against its non-performing financings with a coverage ratio of 131% while its non-performing financing ratio stood at 2.3%.

The Bank's investment portfolio rose by 10% to Rs 476 billion from Rs 434 billion last year, out of which 95% represents investment in Federal Government / Government Guaranteed Securities. After a gap of 7 months from January 2021, an auction of GoP Ijarah Sukuk was held on September 30, 2021 - a positive development for the Islamic Banking Industry. The Bank is working actively with the GoP and SBP for regular Sukuk issuance and the Bank's Shariah Board has also approved Shariah Structure for new Sukuk issuance.

Deposits of the Bank grew by 7% to Rs 1.34 trillion from Rs 1.25 trillion as at December 2020. The Current Account (CA) deposits now represent 43% of the total deposit, amounting to Rs 581 billion, while Savings Account (SA) deposits account for 38% of the total deposits. The Bank's CASA deposits are now Rs 1 trillion plus or 81% of the total deposits after registering a growth of 14% from December 2020 in alignment with the Bank's focus on low-cost deposits.

Apart from investment in traditional brick and mortar, digitizing remains a key area of focus to instill operational efficiencies and ensure service excellence. With this spirit, the Bank is all set to launch its Merchant Acquiring initiative and e-Commerce Payment Gateway to rapidly grow digital payments in Pakistan and fulfill the needs of a vast majority of retailers and online businesses who have been looking for shariah compliant payment solution. The Bank's Mobile Banking App has been consistently ranked as No.1 Mobile Banking App in Pakistan by both Apple Store and Google Play Store.



## **DIRECTORS' REVIEW**

As part of the Bank's endeavors to attract and retain key talent and align the interests of employees and shareholders for long-term value creation, the Bank has initiated the process of granting share options to its key employees under the Meezan Bank Employees Share Option Scheme (ESOS) approved by its shareholders and the Securities and Exchange Commission of Pakistan (SECP).

The VIS Credit Rating Company Limited (VIS) has upgraded the Bank's entity rating to the highest possible level of 'AAA / A-1+' which denotes highest possible credit quality, with negligible risk factors, being only slightly more than for risk-free debt of the GoP. The VIS has also upgraded ratings of Tier 1 and Tier 2 Sukuk of the Bank at 'AA' (Double A) and 'AA+' (Double A Plus) respectively.

### **Outlook**

Islamic Banking has a strong potential in the country and the SBP in its third strategic plan for the Islamic Banking Industry 2021- 2025 has set a target to take the share of Islamic Banking assets and deposits to 30% of the total banking industry. We will continue to support the SBP in strengthening of Islamic Banking Industry and play our leadership role in achievement of these targets. The Bank will continue to expand its geographical presence across Pakistan and add more branches to its network, Insha'Allah to bring Islamic Banking solutions to the doorstep of unbanked population of the country.

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

On behalf of the Board

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

**Irfan Siddiqui**  
President & CEO

Karachi:  
October 14, 2021

## ڈائریکٹرز کا تجزیہ

بورڈ آف ڈائریکٹرز مسرت کے ساتھ 30 ستمبر، 2021 کو ختم ہونے والے نو ماہ کے لئے میزان بینک لمیٹڈ کے مختصر عبوری غیر جانچ شدہ مالیاتی حسابات اور انضمامی مالیاتی حسابات پیش کرتا ہے۔

اسلامک بینکر آف دی ایئر ایوارڈ

ہمیں آپ کو یہ اطلاع دینے میں مسرت محسوس ہو رہی ہے کہ بینک کے بانی پریزیڈنٹ اور سی ای او جناب عرفان صدیقی کو گلوبل اسلامک فنانس ایوارڈز، 2021 میں اسلامک بینکر آف دی ایئر کے ایوارڈ سے نوازا گیا ہے۔ بورڈ ملک میں اسلامی بینکاری کی صنعت کے قیام اور عوام الناس کو جدید اسلامک بینکنگ سولوشنز کی فراہمی کے ذریعے ملک کے مالیاتی منظر نامے کو تبدیل کرنے کے لئے جناب پریزیڈنٹ اور سی ای او کی کاوشوں کا اعتراف کرتا ہے۔ یہ ایوارڈ شریعہ کمپلائنس بینکاری کے لئے بینک کے عزم مصمم کا اعتراف ہے، جس سے ہمیں شریعہ کمپلائنس، اعلیٰ ترین معیار خدمت اور دیانتداری کی بنیادی اقدار پر کاربند رہنے کے عزم کو مزید تقویت ملے گی، انشاء اللہ۔

معیشت

COVID-19 کی وبا کے دوران حکومت پاکستان (GoP) اور اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے اٹھائے گئے بروقت اور ٹھوس اقدامات کے ثمرات نظر آنا شروع ہو گئے ہیں اور معاشی بحالی کی رفتار توقعات سے بڑھ گئی ہے۔ مقامی طلب کی تیز رفتاری سے بحالی کے ساتھ ساتھ عالمی سطح پر اجناس کی قیمتوں میں اضافے سے درآمدات میں بھی اضافہ ہوا اور تجارتی خسارہ بھی بڑھا جس کے نتیجے میں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی واقع ہوئی۔ تاہم اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر میں تیزی سے اضافہ ہو رہا ہے جو ستمبر 2021 میں تاریخ کی بلند ترین سطح یعنی 19 ارب امریکی ڈالر تک پہنچ گئے ہیں۔ افراط زر کی شرح جون 2021 کے 9.7 فیصد (سال بہ سال) سے کم ہو کر جولائی/اگست 2021 میں 8.4 فیصد ہو گئی ہے۔ اسٹیٹ بینک آف پاکستان نے مالی سال 2022 کے لئے مجموعی ترقیاتی پیداوار (GDP) کی شرح 4 سے 5 فیصد تک رہنے کی توقع ظاہر کی ہے۔

گزشتہ ایک سال سے زائد عرصہ سے پالیسی شرح 7.00 فیصد پر برقرار تھی، تاہم مستحکم معاشی بحالی کی وجہ سے اسٹیٹ بینک آف پاکستان نے ستمبر 2021 میں پالیسی شرح میں 25 بیس پوائنٹس کا اضافہ کر کے اسے 7.25 فیصد کر دیا اور Stimulus میں ملکنہ بتدریج کمی کے ساتھ نزدیکی مدت میں پالیسی شرح کو سا زگار رکھنے کا اشارہ بھی دے دیا تاکہ طویل المیعاد مستحکم ترقی کے لئے نسبتاً مثبت حقیقی شرح سود حاصل کی جائے۔

اگست 2021 تک روشن ڈیجیٹل اکاؤنٹ (RDA) کے تحت حاصل ہونے والی رقم 2.1 ارب امریکی ڈالر تک پہنچ گئیں۔ الحمد للہ میزان بینک نے روشن ڈیجیٹل اکاؤنٹ میں اپنی برتری برقرار رکھی اور عزت مآب وزیراعظم پاکستان کی جانب سے متعدد ایوارڈز حاصل کئے۔ بینک روشن اپنا گھر اور روشن اپنی کار جیسے اقدامات کو فروغ دینے کے لئے اسٹیٹ بینک آف پاکستان کے ساتھ مل کر کام کر رہا ہے جس سے معیشت پر مثبت اثرات مرتب ہوں گے۔

وفاقی حکومت کی جانب سے ویکسینیشن پروگرام میں نمایاں اضافے کے بعد پاکستان میں COVID-19 انفیکشن کی شرح کم ہو کر تقریباً 3 فیصد تک رہ گئی ہے۔ اکتوبر 2021 کے اوائل تک 88 ملین ویکسین لگائی جا چکی ہیں اور روزانہ تقریباً 10 لاکھ سے زائد ویکسین لگائی جا رہی ہیں۔

نیشنل کمانڈ اینڈ آپریشن سینٹر (NCOC) کی پاکستان کو COVID-19 سے پاک کرنے کی مہم کے تحت بینک نے کراچی، لاہور، اسلام آباد اور پشاور میں NCOC اور مقامی ہیلتھ اتھارٹیز کی مدد سے اپنے عملے کے لئے ویکسینیشن سینٹرز (CVCs) قائم کئے۔ مزید برآں، ایک ذمہ دار کارپوریٹ شہری کی حیثیت سے بینک نے سندھ حکومت کے ساتھ اشتراک کیا اور کراچی میں دو ڈرائیو تقریباً 100,000 سے زائد افراد ویکسین لگوائے ہیں۔ بینک نے بیسز آویزاں کر کے ویکسین سے متعلق آگاہی مہم بھی چلائی ہے۔

مالیاتی نکات

اللہ تعالیٰ کی رحمت سے میزان بینک نے ترقی کی رفتار کو جاری رکھا اور 30 ستمبر 2021 کو ختم ہونے والے نو ماہ میں زبردست نتائج حاصل کئے۔ بینک کا بعد از نکاح منافع گزشتہ سال کی اسی مدت کے 18.08 ارب روپے کے مقابلے میں 8 فیصد اضافہ کے بعد 19.57 ارب روپے ہو گیا جبکہ اضافہ شدہ حصص کے 16 ارب

روپے کے سرمائے پر فی حصص آمدنی گزشتہ سال کی اسی مدت کے 11.11 روپے فی حصص کے مقابلہ میں بڑھ کر 12.03 روپے فی حصص ہو گئی۔ بینک ایک Well-capitalized ادارہ ہے اور اس کا کمپیٹل اید کیولیسی ریٹو (CAR) اس وقت 18.98 ہے، جو کم از کم درکار قانونی تقاضے یعنی 11.50 فیصد سے کافی زیادہ ہے۔

ہمیں آپ کو یہ بتاتے ہوئے خوش محسوس ہو رہی ہے کہ بورڈ نے تیسری سہ ماہی کے لئے 1.50 روپے فی حصص (15 فیصد) عبوری نقد ڈیویڈنڈ کی منظوری دی ہے۔ اس سے نو ماہ میں کل ادا شدہ ڈیویڈنڈ 4.50 روپے فی حصص (45 فیصد) ہو گیا ہے کیونکہ نصف سال کے دوران 3.00 روپے فی حصص یعنی 30 فیصد عبوری نقد ڈیویڈنڈ ادا کیا گیا تھا۔ اس کے علاوہ گزشتہ سہ ماہی میں 15 فیصد بونس حصص بھی جاری کئے گئے تھے۔ آپ کو یہ جان کر خوشی ہوگی کہ اگست 2021 میں میزبان بینک پاکستان اسٹاک ایکسچینج میں لسٹڈ تمام بینکوں میں مارکیٹ کیپچلایزیشن کے اعتبار سے سب سے بیش قیمت بینک بن گیا، جو بینک کی کارکردگی اور آگے بڑھنے کی صلاحیت پر سرمایہ کاروں کے اعتماد کا مظہر ہے۔

میزبان بینک کے اہم مالیاتی نتائج درج ذیل ہیں:

روپے (ملین میں)

نفع و نقصان کھاتہ	جنوری تا ستمبر 2021	جنوری تا ستمبر 2020	اضافہ/کمی کی شرح %
فنانسنگ، سرمایہ کاری اور تعیناتی پر منافع	77,615	83,312	(7%)
جمع شدہ رقوم اور دیگر واجبات پر ادائیگی	29,097	33,557	(13%)
خالص آمدنی	48,518	49,755	(2%)
نان۔ فنڈ ڈآمدنی	10,268	7,165	43%
انتظامی آمدنی	58,786	56,920	3%
انتظامی اور دیگر اخراجات	(25,583)	(22,667)	13%
ٹیکسیشن	(13,084)	(11,986)	9%
بعد از ٹیکس منافع	19,566	18,079	8%
فی حصص آمدنی۔ اضافہ شدہ سرمائے پر۔ روپے میں	12.03	11.11	8%
برانچوں کی تعداد	849	802	6%

روپے (ملین میں)

مالیاتی حیثیت کا جائزہ	30 ستمبر 2021	31 دسمبر 2020	اضافہ/کمی کی شرح %
کل اثاثے	1,697,729	1,521,559	12%
اسلامی فنانسنگ اور متعلقہ اثاثے۔ مجموعی	623,065	531,588	17%
سرمایہ کاریاں	476,357	434,208	10%
- Sovereign / حکومتی ضمانت شدہ	452,467	413,855	9%
- دیگر سیکیورٹیز	23,890	20,353	17%
جمع شدہ رقوم	1,344,157	1,254,431	7%
ایڈوانس ٹو ڈپازٹ ریٹو (Gross financings to deposits)	46%	42%	
ایکیویٹی	81,835	69,155	18%



فنانسنگ، سرمایہ کاریوں اور Placements پر بینک کی آمدنی ستمبر 2020 کے 83.3 ارب روپے کے مقابلہ میں 7 فیصد کمی کے بعد 77.6 ارب روپے ہو گئی ہے۔ اس کمی کی اہم وجہ بنیادی پالیسی شرح میں جو گزشتہ سال کی اسی مدت کی 10 فیصد (اوسط) شرح کے مقابلہ میں کم ہو کر 7 فیصد ہو گئی۔ تاہم پالیسی شرح میں کمی کے اثرات کو آمدنی پیدا کرنے والے اثاثوں کے زیادہ حجم نے کافی حد تک زائل کر دیا۔ اسی طرح ستمبر 2021 میں جمع شدہ رقوم اور دیگر وجوہات کی ادائیگی بھی 33.6 ارب روپے کے مقابلہ میں کم ہو کر 29.1 ارب روپے ہو گئی۔ گزشتہ سال کے مقابلہ میں اوسط پالیسی شرح اور اوسط کرنٹ اکاؤنٹ بیلنس میں 45 فیصد کا خاصا بڑا اضافہ اس کمی کی وجہ بنا، جس سے بینک کو فنڈز کی مناسب ترین قیمت برقرار رکھنے میں مدد ملی۔ مجموعی طور پر بینک کی خالص آمدنی گزشتہ سال کی اسی مدت کے 49.7 ارب روپے کے مقابلہ میں 2 فیصد کمی کے بعد 48.5 ارب روپے ہو گئی۔

بینک کی فیس اور کمیشن کی آمدنی ستمبر 2020 کے 3.9 ارب روپے کے مقابلہ میں 70 فیصد اضافہ کے بعد 6.6 ارب روپے ہو گئی، جس میں ٹریڈ، برانچ بینکنگ اور ڈیپٹ کارڈ سے متعلق آمدنی کا نمایاں کردار رہا۔ بینک کی جانب سے کئے جانے والے تجارتی کاروبار کے حجم میں اضافہ کی وجہ سے بینک کی غیر ملکی زرمبادلہ کی آمدنی میں 34 فیصد اضافہ ہوا۔ مجموعی طور پر بینک کی نان-فنڈ آمدنی 43 فیصد اضافہ کے بعد 10.3 ارب روپے ریکارڈ کی گئی۔ برانچ نیٹ ورک میں مسلسل اضافے کے باعث بینک کے انتظامی اور دیگر اخراجات بھی 22.7 ارب روپے سے بڑھ کر 25.6 ارب روپے ہو گئے، تاہم برانچوں کی یہ توسیع مستقبل کے لئے سرمایہ کاری ہے۔ نو ماہ کے دوران بینک نے 34 نئی برانچیں کھولیں، جس سے اس کا نیٹ ورک 265 شہروں میں 849 برانچوں تک وسیع ہو گیا۔ (دسمبر 2020: 248 شہروں میں 815 برانچیں)۔

بینک کے کل اثاثے جو دسمبر 2020 میں 1.5 ٹریلین روپے تھے، ستمبر 2021 تک 176 ارب روپے یا 12 فیصد اضافے کے بعد 1.7 ٹریلین روپے ہو گئے۔ اس کی وجہ بینک کے مجموعی فنانسنگ پورٹ فولیو میں ہمہ جہت اضافہ تھا، جو گزشتہ سال کے 532 ارب روپے کے مقابلہ میں 91 ارب روپے یا 17 فیصد اضافہ کے بعد 623 ارب روپے تک پہنچ گیا۔ بینک کا مجموعی ایڈوانسز ٹو ڈپازٹس ریٹو (Gross ADR) گزشتہ سال 42 فیصد تھا جو بڑھ کر 46 فیصد ہو گیا۔ بینک نے اسٹیٹ بینک آف پاکستان (SBP) کی زیر نگرانی معاشی شمولیت کے فروغ کے لئے کئے جانے والے اقدامات میں بھرپور تعاون کا سلسلہ بھی جاری رکھا ہے اور متعدد ری فنانس اسکیمز کے تحت فنانسنگ جاری کی ہیں۔ بینک نے ہاؤسنگ اور کنسٹرکشن فنانس کے لئے اسٹیٹ بینک آف پاکستان کی جانب سے تفویض کردہ لازمی اہداف بھی حاصل کر لئے ہیں۔ بینک ”میرا پاکستان۔ میرا گھر“ (جی ایم ایس ایس) اسکیم میں بھی فعال انداز سے شریک ہے۔ اس کے علاوہ بینک کامیاب جوان پروگرام کے تحت قرضے دینے کے ساتھ ساتھ اسٹیٹ بینک آف پاکستان کی زیر نگرانی دیگر اقدامات کے لئے بھی فنانسنگ فراہم کر رہا ہے، جس میں گرین بینکنگ بھی شامل ہے، جس کا مقصد معیشت سے کاربن کو کم کرنا ہے۔ بینک نے اپنی غیر فعل فنانسنگ کی مدد میں 131 فیصد کورینج ریٹو کے ساتھ پروویڈنزی کی تسلی بخش شرح برقرار رکھی ہے، جبکہ اس کی غیر فعال فنانسنگ کی شرح 2.3 فیصد پر برقرار ہے۔

بینک کا سرمایہ کاری پورٹ فولیو گزشتہ سال کے 434 ارب روپے کے مقابلہ میں 10 فیصد اضافہ کے ساتھ 476 ارب روپے ہو گیا جس کا 95 فیصد حصہ وفاقی حکومت / حکومت کی ضمانت شدہ سکیورٹیز پر مشتمل ہے۔ جنوری 2021 سے 7 ماہ کے وقفہ کے بعد 30 ستمبر 2021 کو حکومت پاکستان کے اجارہ صکوک کا اجراء ہوا، جو اسلامی بینکاری کی صنعت کے لئے ایک مثبت پیش رفت ہے۔ بینک حکومت پاکستان اور اسٹیٹ بینک آف پاکستان کے ساتھ مل کر صکوک کے باقاعدگی سے اجراء کے لئے سرگرم ہے اور بینک کا شریعہ بورڈ نئے صکوک کے اجراء کے لئے شریعہ اسٹریٹجی کی منظوری بھی دے چکا ہے۔

بینک کے ڈپازٹس دسمبر 2020 کے 1.25 ٹریلین روپے کے مقابلہ میں 7 فیصد اضافہ کے بعد 1.34 ٹریلین روپے ہو گئے۔ کرنٹ اکاؤنٹ ڈپازٹس (CA) بکل ڈپازٹس کا 43 فیصد حصہ ہیں، جوکل 581 ارب روپے بنتے ہیں، جبکہ سیونگزا کاؤنٹ (SA) بینک کے کل ڈپازٹس کا 38 فیصد ہیں۔ بینک کے کرنٹ اکاؤنٹ اور سیونگزا اکاؤنٹ (CASA) کے کل ڈپازٹس، بینک کے مجموعی ڈپازٹس کا 81 فیصد حصہ ہیں اور ایک ٹریلین روپے سے زائد ہیں جن میں دسمبر 2020 کے بعد 14 فیصد اضافہ ریکارڈ کیا گیا، جو بینک کی کم قیمت ڈپازٹس پر توجہ مرکوز رکھنے کی پالیسی کے مطابق ہیں۔

روایتی کاروبار میں سرمایہ کاری کے ساتھ ساتھ ڈیجیٹائزیشن بدستور بینک کی توجہ کا مرکز ہے تاکہ بینک کی انتظامی استعداد اور خدمات کے معیار میں اضافہ کیا جائے۔ اسی جذبہ کے ساتھ بینک مچنٹ ایکویزٹنگ کے اقدام اور ای کامرس ایجنٹ گیٹ وے کی شروعات کے لئے پوری طرح تیار ہے، تاکہ پاکستان میں ڈیجیٹل ٹرانزیکشن کو تیزی سے فروغ دیا جائے اور ایسے ریٹیلرز اور آن لائن بزنسز کی ضروریات کو پورا کیا جاسکے جو ایجنٹ کے شریعہ کمپلائنس طریقے اختیار کرنا چاہتے ہیں۔ بینک کی موبائل بینکنگ ایپلی کیشن کو اپیل اسٹور اور گوگل پلے اسٹور پر صارفین کی جانب سے تسلسل کے ساتھ پاکستان کی نمبر 1 موبائل بینکنگ ایپ قرار دیا جا رہا ہے۔

بینک نے میزان بینک ایسپلائی شیئر آپشن اسکیم (ESOS) کے تحت اپنے مرکزی ملازمین کو شیئر آپشن دینے کے عمل کا آغاز کیا ہے، جو اہم ٹیلنٹ کو حاصل اور برقرار رکھنے اور طویل مدتی افادیت کے لئے بینک کے ملازمین اور حصص یافتگان کے مفادات کو ہم آہنگ رکھنے کی بینک کی کوششوں کا حصہ ہے۔ اس عمل کی منظوری بینک کے شیئر ہولڈرز اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے دی ہے۔

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) کی جانب سے میزان بینک کی ریٹنگ کو اعلیٰ ترین کمندہ درجے تک بڑھا کر AAA/A1+ کر دیا گیا ہے۔ تفویض کردہ یہ ریٹنگ نہ ہونے کے برابر رسک فیکٹرز کے ساتھ کریڈٹ کے کمندہ حد تک اعلیٰ ترین معیار کی نشاندہی کرتی ہیں، جو حکومت پاکستان کے رسک فری قرضہ جات سے ذرا ہی زیادہ ہے۔ VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کے Tier 1 اور Tier 2 صلوک کی ریٹنگ کو بھی بہتر کر کے 'AA' (ڈبل اے) اور 'AA+' (ڈبل اے پلس) کر دیا ہے۔

مستقبل کے امکانات

ملک میں اسلامی بینکاری کے فروغ کے امکانات روشن ہیں اور اسٹیٹ بینک آف پاکستان نے اسلامی بینکاری صنعت 2021-2025 کے لئے اپنے تیسرے اسٹریٹجک منصوبے میں اسلامی بینکاری کے اثاثوں اور جمع شدہ رقوم کے حصہ کو کل بینکاری صنعت کے 30 فیصد تک بڑھانے کا ہدف مقرر کیا ہے۔ ہم ملک میں اسلامی بینکاری کی صنعت کے استحکام کے لئے اسٹیٹ بینک آف پاکستان کی اعانت اور ان اہداف کے حصول میں اپنا قائدانہ کردار ادا کرنے کا سلسلہ جاری رکھیں گے۔ بینک اپنی برانچوں میں توسیع کی حکمت عملی پر عمل پیرا ہے اور انشاء اللہ اپنے نیٹ ورک میں مزید برانچوں کے اضافہ کی منصوبہ بندی کر رہا ہے، جس سے ملک بھر میں اس کی جغرافیائی رسائی میں اضافہ ہوگا اور بینکوں کی سہولت سے فائدہ نہ اٹھانے والی آبادی کو اسلامی بینکاری کے حل فراہم کرنے میں مدد ملے گی۔

بورڈ، اسٹیٹ بینک آف پاکستان (SBP)، وزارت خزانہ اور سکیورٹیز 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 سپروائزر بورڈ کے ممبران، حصص یافتگان، اضافی Tier I صلوک اور ثانوی صلوک (Tier II) یافتگان کا ان کی معاونت اور انتھک کوششوں کے لئے شکریہ ادا کرنا چاہتے ہیں جنہوں نے میزان بینک کو اولین اسلامی بینک بنانے کے لئے مسلسل محنت کی ہے۔ سب سے بڑھ کر ہم اللہ ﷻ کے شکر گزار ہیں کہ اس کی مسلسل رحمت کے باعث ہم اس قلیل مدت میں اتنی شاندار کامیابیوں کے حصول کے قابل ہو سکے ہیں، اور ہم دعا گو ہیں کہ اللہ 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 جا سکیں۔ آمین۔

(منجانب بورڈ)

عرفان صدیقی  
صدر اور CEO

ریاض ایس. اے. اے. اور ایس  
چیئرمین

کراچی:

14 اکتوبر 2021

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

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>ASSETS</b>			
Rupees in '000			
Cash and balances with treasury banks	6	<b>135,845,315</b>	136,242,495
Balances with other banks	7	<b>13,674,146</b>	19,445,879
Due from financial institutions - net	8	<b>368,474,190</b>	342,068,799
Investments - net	9	<b>476,356,630</b>	434,208,340
Islamic financing and related assets - net	10	<b>604,078,479</b>	512,531,930
Fixed assets	11	<b>24,606,130</b>	23,568,351
Intangible assets	12	<b>1,576,661</b>	1,079,961
Deferred tax assets	18	-	389,653
Other assets - net	13	<b>73,117,157</b>	52,024,055
		<b>1,697,728,708</b>	1,521,559,463
<b>LIABILITIES</b>			
Bills payable	14	<b>39,816,943</b>	26,494,006
Due to financial institutions	15	<b>139,250,335</b>	94,500,640
Deposits and other accounts	16	<b>1,344,156,618</b>	1,254,430,534
Sub-ordinated Sukuk	17	<b>18,000,000</b>	18,000,000
Deferred tax liabilities	18	<b>462,433</b>	-
Other liabilities	19	<b>74,207,436</b>	58,979,017
		<b>1,615,893,765</b>	1,452,404,197
<b>NET ASSETS</b>			
		<b>81,834,943</b>	69,155,266
<b>REPRESENTED BY</b>			
Share capital		<b>16,269,312</b>	14,147,228
Reserves		<b>22,380,860</b>	20,424,225
Unappropriated profit		<b>37,435,536</b>	29,021,521
Surplus on revaluation of assets - net of tax	20	<b>5,749,235</b>	5,562,292
		<b>81,834,943</b>	69,155,266
<b>CONTINGENCIES AND COMMITMENTS</b>			
	21		

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

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

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer

## CONDENSED INTERIM UNCONSOLIDATED

### PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Note	Quarter ended September 30, 2021	Nine months period ended September 30, 2021	Quarter ended September 30, 2020	Nine months period ended September 30, 2020
Rupees in '000					
Profit / return earned on Islamic financing and related assets, investments and placements	22	27,498,562	77,615,000	25,483,261	83,312,498
Profit on deposits and other dues expensed	23	10,185,340	29,096,456	8,082,761	33,556,956
Net spread earned		17,313,222	48,518,544	17,400,500	49,755,542
<b>OTHER INCOME</b>					
Fee and commission income	24	2,506,984	6,608,816	1,554,842	3,884,193
Dividend income		160,527	573,269	72,521	285,793
Foreign exchange income		543,966	2,149,005	304,149	1,602,262
Gain / (loss) on securities - net	25	80,938	339,009	(4,556)	934,663
Other income	26	164,579	597,772	212,058	457,777
		3,456,994	10,267,871	2,139,014	7,164,688
Total income		20,770,216	58,786,415	19,539,514	56,920,230
<b>OTHER EXPENSES</b>					
Operating expenses	27	8,587,719	24,847,146	7,540,586	21,889,756
Workers Welfare Fund		245,231	729,344	233,451	692,949
Other charges	28	1,608	6,524	867	84,553
Total other expenses		8,834,558	25,583,014	7,774,904	22,667,258
<b>Profit before provisions</b>		11,935,658	33,203,401	11,764,610	34,252,972
Provisions and write offs - net	29	120,527	553,418	1,091,069	4,188,165
Extra ordinary / unusual items		-	-	-	-
<b>Profit before taxation</b>		11,815,131	32,649,983	10,673,541	30,064,807
Taxation	30	4,856,713	13,083,633	4,271,734	11,986,052
<b>Profit after taxation</b>		6,958,418	19,566,350	6,401,807	18,078,755
Rupees					
Restated					
<b>Basic and diluted earnings per share</b>	31	4.28	12.03	3.94	11.11

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

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

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer



## CONDENSED INTERIM UNCONSOLIDATED

### STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Note	Quarter ended September 30, 2021	Nine months period ended September 30, 2021	Quarter ended September 30, 2020	Nine months period ended September 30, 2020
Rupees in '000					
<b>Profit after taxation for the period</b>		<b>6,958,418</b>	<b>19,566,350</b>	6,401,807	18,078,755
<b>Other comprehensive (loss) / income</b>					
<b>Items that may be reclassified to</b>					
<b>profit and loss account in subsequent periods:</b>					
(Deficit) / surplus on revaluation of investments	20	(391,688)	927,290	2,437,094	(4,657,704)
Deferred tax on revaluation of investments	20	144,821	(739,120)	(852,983)	1,630,196
		(246,867)	188,170	1,584,111	(3,027,508)
<b>Items that will not be reclassified to profit and</b>					
<b>loss account in subsequent periods:</b>					
Surplus on revaluation of non - banking assets	20	-	-	-	-
Deferred tax on revaluation of non - banking assets	20	-	(1,227)	-	-
		-	(1,227)	-	-
<b>Other Comprehensive (loss) / income for the period</b>		<b>(246,867)</b>	<b>186,943</b>	1,584,111	(3,027,508)
<b>Total Comprehensive Income for the period</b>		<b>6,711,551</b>	<b>19,753,293</b>	7,985,918	15,051,247

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

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

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer

**CONDENSED INTERIM UNCONSOLIDATED  
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Capital reserves			Revenue reserve	Unappropriated profit	Surplus / (deficit) on revaluation of		Total	
	Share capital	Share premium	Statutory reserve *	Non-Distributable Capital Reserve Gain on Bargain Purchase		General reserve	Investments		Non-banking Assets
<b>Rupees in '000</b>									
<b>Balance as at January 01, 2020</b>	<b>12,861,116</b>	<b>2,406,571</b>	<b>12,616,780</b>	<b>3,117,547</b>	<b>66,766</b>	<b>18,545,797</b>	<b>9,387,715</b>	<b>13,120</b>	<b>59,015,412</b>
Profit after taxation for the nine months period ended September 30, 2020	-	-	-	-	-	18,078,755	-	-	18,078,755
Other Comprehensive loss for the nine months period ended September 30, 2020 - net of tax	-	-	-	-	-	-	(3,027,508)	-	(3,027,508)
	-	-	-	-	-	18,078,755	(3,027,508)	-	15,051,247
<b>Other appropriations</b>									
Transfer to statutory reserve	-	-	1,807,876	-	-	(1,807,876)	-	-	-
<b>Transactions with owners recognised directly in equity</b>									
Issue of bonus shares	1,286,112	-	-	-	-	(1,286,112)	-	-	-
Final cash dividend for the year 2019 @ Rs 2 per share	-	-	-	-	-	(2,572,224)	-	-	(2,572,224)
<b>Balance as at September 30, 2020</b>	<b>14,147,228</b>	<b>2,406,571</b>	<b>14,424,656</b>	<b>3,117,547</b>	<b>66,766</b>	<b>30,958,340</b>	<b>6,360,207</b>	<b>13,120</b>	<b>71,494,435</b>
Profit after taxation for the quarter ended December 31, 2020	-	-	-	-	-	4,086,851	-	-	4,086,851
Other Comprehensive loss for the quarter ended December 31, 2020 - net of tax	-	-	-	-	-	43,906	(817,856)	6,821	(767,129)
	-	-	-	-	-	4,130,757	(817,856)	6,821	3,319,722
<b>Other appropriations</b>									
Transfer to statutory reserve	-	-	408,685	-	-	(408,685)	-	-	-
<b>Transactions with owners recognised directly in equity</b>									
Interim cash dividend for the year 2020 @ Rs 4 per share	-	-	-	-	-	(5,658,891)	-	-	(5,658,891)
<b>Balance as at December 31, 2020</b>	<b>14,147,228</b>	<b>2,406,571</b>	<b>14,833,341</b>	<b>3,117,547</b>	<b>66,766</b>	<b>29,021,521</b>	<b>5,542,351</b>	<b>19,941</b>	<b>69,155,266</b>
Profit after taxation for the nine months period ended September 30, 2021	-	-	-	-	-	19,566,350	-	-	19,566,350
Other Comprehensive income for the nine months period ended September 30, 2021 - net of tax	-	-	-	-	-	-	188,170	(1,227)	186,943
	-	-	-	-	-	19,566,350	188,170	(1,227)	19,753,293
<b>Other appropriations</b>									
Transfer to statutory reserve	-	-	1,956,635	-	-	(1,956,635)	-	-	-
<b>Transactions with owners recognised directly in equity</b>									
Issue of bonus shares	2,122,084	-	-	-	-	(2,122,084)	-	-	-
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)
Second interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	(2,122,085)	-	-	(2,122,085)
<b>Balance as at September 30, 2021</b>	<b>16,269,312</b>	<b>2,406,571</b>	<b>16,789,976</b>	<b>3,117,547</b>	<b>66,766</b>	<b>37,435,536</b>	<b>5,730,521</b>	<b>18,714</b>	<b>81,834,943</b>

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

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

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

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer

**CONDENSED INTERIM UNCONSOLIDATED  
CASH FLOW STATEMENT (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	Nine months period ended September 30, 2021	Nine months period ended September 30, 2020
Rupees in '000			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		32,649,983	30,064,807
Less: Dividend income		(573,269)	(285,793)
		<u>32,076,714</u>	<u>29,779,014</u>
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation		1,786,173	1,548,031
Amortization		262,331	164,655
Non cash items related to right of use assets		2,371,360	2,477,154
Provisions and write offs - net		553,418	4,188,165
Gain on sale of fixed assets		(77,210)	(82,261)
		<u>4,896,072</u>	<u>8,295,744</u>
		<u>36,972,786</u>	<u>38,074,758</u>
<b>Decrease / (increase) in operating assets</b>			
Due from financial institutions		(26,405,391)	(58,963,514)
Islamic financings and related assets		(92,038,055)	(313,768)
Other assets		(21,016,688)	555,444
		<u>(139,460,134)</u>	<u>(58,721,838)</u>
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		13,322,937	7,295,196
Due to financial institutions		44,749,695	19,549,059
Deposits and other accounts		89,726,084	157,965,604
Other liabilities		13,636,049	(293,392)
		<u>161,434,765</u>	<u>184,516,467</u>
		<u>58,947,417</u>	<u>163,869,387</u>
Income tax paid		(11,276,513)	(8,478,945)
<b>Net cash flow from operating activities</b>		<u>47,670,904</u>	<u>155,390,442</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in securities		(41,259,212)	(141,735,097)
Dividends received		491,834	274,512
Investments in fixed assets		(4,199,642)	(2,703,930)
Investments in intangible assets		(759,031)	(420,924)
Proceeds from sale of fixed assets		132,778	116,004
<b>Net cash used in investing activities</b>		<u>(45,593,273)</u>	<u>(144,469,435)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issuance of Sub-ordinated Sukuk - Tier II		-	4,000,000
Payment of lease liability against right-of-use assets		(2,248,191)	(2,010,894)
Dividend paid		(5,998,353)	(2,573,299)
<b>Net cash used in financing activities</b>		<u>(8,246,544)</u>	<u>(584,193)</u>
(Decrease) / increase in cash and cash equivalents		<u>(6,168,913)</u>	<u>10,336,814</u>
Cash and cash equivalents at the beginning of the period		<u>155,688,374</u>	<u>107,565,594</u>
Cash and cash equivalents at the end of the period	32	<u>149,519,461</u>	<u>117,902,408</u>

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

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Bank Limited (the Bank) was incorporated in Pakistan on January 27, 1997, as a public limited company under the Companies Act, 2017 (previously Companies Ordinance, 1984), and its shares are quoted on the Pakistan Stock Exchange Limited. The Bank was registered as an 'Investment Finance Company' on August 8, 1997, and carried on the business of investment banking as permitted under SRO 585(I)/87 dated July 13, 1987, in accordance and in conformity with the principles of Islamic Shariah. A 'Certificate of Commencement of Business' was issued to the Bank on September 29, 1997.
- 1.2** The Bank was granted a 'Scheduled Islamic Commercial Bank' license on January 31, 2002 and formally commenced operations as a Scheduled Islamic Commercial Bank with effect from March 20, 2002, on receiving notification in this regard from the State Bank of Pakistan (the SBP) under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, investment and retail banking activities.
- 1.3** The Bank was operating through eight hundred and forty nine branches as at September 30, 2021 (December 31, 2020: eight hundred and fifteen branches). Its registered office is at Meezan House, C-25, Estate Avenue, SITE, Karachi, Pakistan.
- 1.4** Based on the financial statements of the Bank for the year ended December 31, 2020, the VIS Credit Rating Company Limited has upgraded the Bank's medium to long-term as 'AAA' and reaffirmed the short-term rating as "A1+". The 'AAA' rating denotes the highest possible credit quality, with negligible risk factors, being only slightly more than for risk-free debt of the Government of Pakistan.
- 1.5** An Employee Share Option Scheme (the Scheme) has been approved by the Board of Directors and shareholder of the Bank and sanctioned by the Securities and Exchange Commission of Pakistan (SECP). As the grant of options has been finalized and approved by Board of Directors subsequent to the period end, the financial effects of the Scheme will be reflected in the annual financial statements of the Bank for the year ending December 31, 2021.

**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 facilities of the State Bank of Pakistan.

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

**3 STATEMENT OF COMPLIANCE**

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

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

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

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

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

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

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

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

There are certain new and amended standards that became effective during the period (enumerated in note 3.5 to the annual financial statement of the Bank for the year 2020). However, such standards did not have any significant effect on this condensed interim unconsolidated financial information.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

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

3.4.1 As referred to in note 3.5 to the annual financial statements of the Bank for the year 2020, there are certain amendments to the financial reporting standards which would become effective from the next financial year, however such amendments are not expected to have a material effect on the Bank's financial statements of the period of initial application.

3.4.2 "IFRS 9 'Financial Instruments' - IFRS 9 replaced the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. SBP vide its BPRD Circular Letter No. 24 of 2021 dated July 05, 2021 has extended the implementation date of IFRS 9 to January 01, 2022 from an earlier implementation date of January 01, 2021. However, SBP has directed the banks in Pakistan to submit IFRS 9 parallel run and proforma financial statements on periodic basis and the Bank has been complying with these requirements.

**4 BASIS OF MEASUREMENT**

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

**4.2 Functional and presentation currency**

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

**4.3 Rounding off**

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

**5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
<b>6 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
- local currency		<b>34,375,262</b>	27,356,626
- foreign currencies		<b>2,766,068</b>	3,477,535
With the State Bank of Pakistan in			
- local currency current accounts	6.1	<b>55,722,148</b>	51,975,020
- foreign currency current accounts	6.1	<b>9,855,223</b>	8,542,148
With the National Bank of Pakistan in			
- local currency current accounts		<b>32,164,359</b>	42,518,016
National Prize Bonds	6.2	<u><b>962,255</b></u>	<u>2,373,150</u>
		<u><b>135,845,315</b></u>	<u>136,242,495</u>

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

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

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
<b>7 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
- in current accounts		<b>12,566,093</b>	7,055,015
- in deposit accounts		<b>14</b>	6,000,000
Outside Pakistan			
- in current accounts		<b>1,057,310</b>	2,234,338
- in deposit accounts	7.1	<u><b>50,729</b></u>	<u>4,156,526</u>
		<u><b>13,674,146</b></u>	<u>19,445,879</u>

**7.1** The return on these balances is 0.08% (December 31, 2020: 0.08%) per annum.



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
<b>8 DUE FROM FINANCIAL INSTITUTIONS - NET</b>			
Bai Muajjal:			
With scheduled banks / financial institution - Secured	8.1	<b>368,474,190</b>	327,277,079
With other financial institution		<b>15,500</b>	15,500
		<b>368,489,690</b>	327,292,579
Musharakah		-	6,800,000
Wakalah		-	7,991,720
Commodity Murabaha		<b>26,066</b>	26,066
		<b>368,515,756</b>	342,110,365
Provision against non-performing amounts due from financial institutions	8.2	<b>(41,566)</b>	(41,566)
		<b>368,474,190</b>	342,068,799

**8.1** The average return on this product is 7.92% (December 31, 2020: 7.86%) per annum. These balances have maturities ranging between October 2021 to July 2025 (December 31, 2020: January 2021 to July 2025).

	September 30, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Non-performing due from financial institutions	Provision held	Non-performing due from financial institutions	Provision held
Rupees in '000				
<b>8.2 Category of classification</b>				
Loss	<b>41,566</b>	<b>41,566</b>	41,566	41,566

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

**9 INVESTMENTS - NET**

**September 30, 2021 (Unaudited)**

**December 31, 2020 (Audited)**

Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
-----------------------------	--------------------------------	------------------------	-------------------	-----------------------------	--------------------------------	------------------------	-------------------

**9.1 Investments by types**

**Rupees in '000**

**Available for sale securities**

**Federal Government Securities**

- Ijarah Sukuk	197,795,293	-	1,456,339	199,251,632	168,574,511	-	(380,076)	168,194,435
- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	106,876,904	-	-	106,876,904	106,876,904	-	-	106,876,904
- Islamic Naya Pakistan Certificate	1,742,793	-	-	1,742,793	466,435	-	-	466,435

**Non Government Sukuk**

- Pakistan Energy Sukuk guaranteed by the Government of Pakistan	114,409,283	-	5,619,279	120,028,562	111,737,601	-	5,504,818	117,242,419
- Other Sukuk guaranteed by the Government of Pakistan	11,380,310	-	-	11,380,310	10,503,470	-	-	10,503,470
- Other Non Government Sukuk	5,298,700	75,892	-	5,222,808	3,865,919	79,348	-	3,786,571

**Foreign Securities**

	8,646,447	-	436,292	9,082,739	7,216,711	-	552,073	7,768,784
--	-----------	---	---------	-----------	-----------	---	---------	-----------

**Shares**

	8,879,775	2,145,713	1,942,076	8,676,138	7,144,667	2,104,045	2,849,881	7,890,503
	455,029,505	2,221,605	9,453,986	462,261,886	416,386,218	2,183,393	8,526,696	422,729,521

**Held to maturity securities**

- Ijarah Sukuk	13,186,928	-	-	13,186,928	10,571,003	-	-	10,571,003
----------------	------------	---	---	------------	------------	---	---	------------

**In related parties**

**Subsidiary (unlisted)**

- Shares	63,050	-	-	63,050	63,050	-	-	63,050
----------	--------	---	---	--------	--------	---	---	--------

**Associates (listed)**

- Units of funds	844,766	-	-	844,766	844,766	-	-	844,766
------------------	---------	---	---	---------	---------	---	---	---------

**Total Investments**

	469,124,249	2,221,605	9,453,986	476,356,630	427,865,037	2,183,393	8,526,696	434,208,340
--	-------------	-----------	-----------	-------------	-------------	-----------	-----------	-------------

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
	Rupees in '000	
<b>9.2 Provision against diminution in value of investments</b>		
Opening balance	2,183,393	2,364,384
<b>Charge / (reversals) for the period / year</b>		
<b>On available for sale securities</b>		
- charge for the period / year on equity instruments	119,483	290,244
- reversals for the period / year on recovery of debt instruments	(3,456)	(16,548)
- reversals for the period / year on disposals of equity instruments	(77,815)	(387,700)
	<b>38,212</b>	<b>(114,004)</b>
Amount written off	-	(66,987)
Closing balance	<u>2,221,605</u>	<u>2,183,393</u>

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
<b>10 ISLAMIC FINANCING AND RELATED ASSETS</b>			
<b>In Pakistan</b>			
<b>Murabaha financing and related assets</b>			
- Murabaha financing	10.1	12,612,168	7,292,120
- Advances against Murabaha		2,711,458	2,986,634
- Murabaha inventory		41,964,386	1,407,894
- Financing under Islamic Export Refinance - Murabaha	10.2	926,207	873,321
- Inventory under Islamic Export Refinance - Murabaha		9,200	17,779
- Advance against Islamic Export Refinance - Murabaha		490,381	1,008,181
		<b>58,713,800</b>	13,585,929
<b>Running Musharakah financing</b>			
- Running Musharakah financing		90,116,319	102,571,519
- Financing under Islamic Export Refinance - Running Musharakah		34,146,611	35,775,663
		<b>124,262,930</b>	138,347,182
<b>Istisna financing and related assets</b>			
- Istisna financing		5,036,771	3,925,839
- Advances against Istisna		33,304,588	46,300,271
- Istisna inventory		5,173,949	6,437,594
- Financing under Islamic Export Refinance - Istisna		400,975	218,304
- Advances under Islamic Export Refinance - Istisna		5,553,789	8,422,231
- Inventory under Islamic Export Refinance - Istisna		1,389,109	2,723,453
		<b>50,859,181</b>	68,027,692
<b>Tijarah financing and related assets</b>			
- Tijarah financing		1,355,956	596,504
- Tijarah inventory		6,145,674	7,507,389
- Financing under Islamic Export Refinance - Tijarah		1,338,966	1,366,016
- Inventory under Islamic Export Refinance - Tijarah		655,410	897,624
		<b>9,496,006</b>	10,367,533
<b>Musawammah financing and related assets</b>			
- Musawammah financing	10.3	19,307,236	13,798,171
- Musawammah Inventory		21,041,050	7,613,522
- Advances against Musawammah		16,058,547	14,209,318
- Financing under Islamic Export Refinance - Musawammah	10.4	1,063,792	1,090,893
- Financing under SBP's IFRE - Musawammah	10.5	18,903	-
- Inventory under Islamic Export Refinance - Musawammah		1,141,492	45,000
- Advances under Islamic Export Refinance - Musawammah		1,185,500	994,771
		<b>59,816,520</b>	37,751,675
<b>Salam Financing and related assets</b>			
- Salam Financing		309,036	1,238,311
- Salam Inventory		833,198	6,378,860
- Advances against Salam		6,577,369	1,560,370
- Advances under Islamic Export Refinance - Salam		-	496,820
		<b>7,719,603</b>	9,674,361
<b>Financing against bills</b>			
- Financing against bills - Salam		6,540,357	4,151,254
- Advances against bills - Salam		1,863	1,738
		<b>6,542,220</b>	4,152,992
<b>Bai Muajjal financing</b>			
	10.6	18,900,155	1,633,373
<b>Ijarah financing and related assets</b>			
- Net investment in Ijarah		80,832	81,965
- Net book value of assets / investment in Ijarah under IFAS 2		50,358,270	43,569,281
- Net book value of assets / investment in Ijarah under IFAS 2 under SBP's ILTF		16,445	48,778
	10.7	<b>50,455,547</b>	43,700,024
- Advances against Ijarah		8,813,208	6,210,281
		<b>59,268,755</b>	49,910,305

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
<b>Diminishing Musharakah financing and related assets</b>			
- Diminishing Musharakah financing - housing		14,893,545	12,556,621
- Diminishing Musharakah financing - others		104,919,606	102,400,030
- Diminishing Musharakah financing - SBP's IRSPWS		3,700,297	4,481,268
- Diminishing Musharakah financing - SBP's IFRE		992,121	182,955
- Diminishing Musharakah financing - SBP's ITERF		1,031,493	-
- Diminishing Musharakah financing - SBP's ILTFF		10,775,488	7,595,493
- Advances against Diminishing Musharakah		13,081,469	7,667,897
- Advances against Diminishing Musharakah under SBP's IFFSAP		28,066	-
- Advances against Diminishing Musharakah under SBP's IRFCC		749,050	172,913
- Advances against Diminishing Musharakah under SBP's IFRE		11,450,834	5,204,775
- Advances against Diminishing Musharakah under SBP's ITERF		9,783,061	676,621
- Advances against Diminishing Musharakah under SBP's ILTFF		5,560,380	5,559,059
		<b>176,965,410</b>	146,497,632
<b>- Musharakah financing</b>		-	82,960
<b>- Wakalah Tul Istithmar financing</b>		24,085,533	21,156,433
<b>- Advance against Wakalah Tul Istithmar financing</b>		10,625,000	18,500,000
<b>- Wakalah financing</b>		-	45,000
<b>- Advance against Service Ijarah</b>		7,749,103	4,258,103
<b>- Qard financing under SBP's IRSPWS</b>		46,263	46,263
<b>- Qard financing under SBP's IRFCC</b>		545,792	440,310
<b>- Labbaik (Qard for Hajj and Umrah)</b>		274	856
<b>- Staff financing</b>		5,858,373	4,951,794
<b>- Other financing</b>		1,610,265	2,157,222
<b>Gross Islamic financing and related assets</b>		<b>623,065,183</b>	531,587,615
Less: Provision against non-performing Islamic financing and related assets - Specific	10.9	<b>(13,148,126)</b>	(13,602,974)
Less: Provision against non-performing Islamic financing and related assets - General	10.9	<b>(5,838,578)</b>	(5,452,711)
<b>Islamic financing and related assets - net of provision</b>		<b>604,078,479</b>	512,531,930

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
———— Rupees in '000 ————			
<b>10.1</b> Murabaha receivable - gross	10.1.1	<b>12,906,304</b>	7,610,201
Less: Deferred murabaha income	10.1.3	<b>(101,990)</b>	(112,171)
Profit receivable shown in other assets		<b>(192,146)</b>	(205,910)
Murabaha financing		<b>12,612,168</b>	7,292,120
<b>10.1.1</b> Murabaha Sale Price		<b>12,906,304</b>	7,610,201
Murabaha Purchase Price		<b>(12,612,168)</b>	(7,292,120)
		<b>294,136</b>	318,081
<b>10.1.2</b> The movement in Murabaha financing during the period / year is as follows:			
Opening balance		<b>7,292,120</b>	8,633,318
Sales during the period / year		<b>65,649,503</b>	34,727,183
Adjusted during the period / year		<b>(60,329,455)</b>	(36,068,381)
Closing balance		<b>12,612,168</b>	7,292,120
<b>10.1.3</b> Deferred Murabaha Income:			
Opening balance		<b>112,171</b>	198,327
Deferred during the period / year		<b>684,142</b>	921,798
Recognised during the period / year		<b>(694,323)</b>	(1,007,954)
Closing balance		<b>101,990</b>	112,171
<b>10.2</b> Financing under Islamic Export Refinance - Murabaha - gross		<b>947,513</b>	893,589
Less: Deferred income		<b>(3,635)</b>	(5,106)
Profit receivable shown in other assets		<b>(17,671)</b>	(15,162)
Financing under Islamic Export Refinance - Murabaha		<b>926,207</b>	873,321
<b>10.2.1</b> The movement in Islamic Export Refinance Murabaha financing during the period / year is as follows:			
Opening balance		<b>873,321</b>	369,441
Sales during the period / year		<b>2,129,103</b>	3,254,140
Adjusted during the period / year		<b>(2,076,217)</b>	(2,750,260)
Closing balance		<b>926,207</b>	873,321
<b>10.2.2</b> Deferred Islamic Export Refinance Murabaha Income:			
Opening balance		<b>5,106</b>	836
Deferred during the period / year		<b>38,007</b>	42,170
Recognised during the period / year		<b>(39,478)</b>	(37,900)
Closing balance		<b>3,635</b>	5,106
<b>10.3</b> Musawammah financing - gross		<b>19,990,905</b>	14,258,642
Less: Deferred income		<b>(382,799)</b>	(272,835)
Profit receivable shown in other assets		<b>(300,870)</b>	(187,636)
Musawammah financing		<b>19,307,236</b>	13,798,171

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	<b>September 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
	Rupees in '000	
<b>10.4</b> Financing under Islamic Export Refinance - Musawammah - gross	<b>1,079,324</b>	1,104,908
Less: Deferred income	<b>(10,573)</b>	(8,473)
Profit receivable shown in other assets	<b>(4,959)</b>	(5,542)
Financing under Islamic Export Refinance - Musawammah	<b>1,063,792</b>	1,090,893
<b>10.5</b> Financing under SBP's IFRE - Musawammah - gross	<b>21,328</b>	-
Less: Deferred income	<b>(2,410)</b>	-
Profit receivable shown in other assets	<b>(15)</b>	-
Financing under SBP's IFRE - Musawammah	<b>18,903</b>	-
<b>10.6</b> Bai Muajjal financing - gross	<b>19,664,920</b>	2,477,558
Less: Deferred income	<b>(206,914)</b>	(107,351)
Profit receivable shown in other assets	<b>(557,851)</b>	(736,834)
Bai Muajjal financing	<b>18,900,155</b>	1,633,373
<b>10.7</b> Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs 41,465 million (December 31, 2020: Rs 40,217 million).		
<b>10.8</b> Islamic financing and related assets include Rs. 14,446 million (December 31, 2020: Rs. 14,933 million) which have been placed under non-performing status as detailed below:		

	September 30, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Non-performing amount	Provision held	Non-performing amount	Provision held
<b>Category of classification</b>	Rupees in '000			
<b>Domestic</b>				
Other Assets Especially Mentioned	<b>74,542</b>	<b>600</b>	80,289	1,109
Substandard	<b>717,161</b>	<b>163,117</b>	790,278	165,158
Doubtful	<b>1,132,700</b>	<b>582,576</b>	966,160	425,586
Loss	<b>12,521,365</b>	<b>12,401,833</b>	13,096,746	13,011,121
	<b>14,445,768</b>	<b>13,148,126</b>	14,933,473	13,602,974



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

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

	September 30, 2021 (Unaudited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	13,602,974	5,452,711	19,055,685	8,284,519	4,452,711	12,737,230
Charge for the period / year	1,871,763	385,867	2,257,630	7,655,410	1,000,000	8,655,410
Less: Reversals	(1,758,510)	-	(1,758,510)	(314,555)	-	(314,555)
	113,253	385,867	499,120	7,340,855	1,000,000	8,340,855
Amount written off	(568,101)	-	(568,101)	(2,022,400)	-	(2,022,400)
Closing balance	13,148,126	5,838,578	18,986,704	13,602,974	5,452,711	19,055,685

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

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

**10.9.2** In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sales Value (FSV) of collaterals against the non-performing financing. The accumulated benefit availed as at September 30, 2021 amounts to Rs 166.8 million (December 31, 2020: Rs 76.6 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs 101.8 million as at September 30, 2021 (December 31, 2020: Rs 46.7 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
<b>11 FIXED ASSETS</b>			
Capital work-in-progress	11.1	4,734,306	3,230,914
Property and equipment		15,384,674	14,530,165
Right-of-use assets		4,487,150	5,807,272
		<u>24,606,130</u>	<u>23,568,351</u>
<b>11.1 Capital work-in-progress</b>			
Advances to suppliers and contractors for:			
- civil works		3,140,215	2,171,132
- computer hardware		293,343	379,323
- purchase of vehicles		516,282	269,437
- office machines		669,738	272,364
- furniture and fixtures		114,728	138,658
		<u>4,734,306</u>	<u>3,230,914</u>
		September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Rupees in '000			
<b>11.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress - net		1,503,392	660,690
<b>Property and equipment</b>			
Leasehold land		536,680	79,787
Buidling on leasehold land		331,428	501
Leasehold improvements		440,355	646,896
Furniture and fixture		119,127	86,503
Electrical, office and computer equipment		688,149	746,846
Vehicles		580,511	482,707
		2,696,250	2,043,240
Right-of-use assets		454,949	1,012,104
<b>Total</b>		<u>4,654,591</u>	<u>3,716,034</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	<b>September 30, 2021 (Unaudited)</b>	<b>September 30, 2020 (Unaudited)</b>
<b>———— Rupees in '000 ————</b>		
<b>11.3 Disposal of fixed assets</b>		
The net book value of fixed assets disposed off during the period is as follows:		
Leasehold improvements	-	178
Furniture and fixture	11	22
Electrical, office and computer equipment	28	785
Vehicles	<u>55,529</u>	<u>32,758</u>
	<u><b>55,568</b></u>	<u><b>33,743</b></u>

	<b>Note</b>	<b>September 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
<b>———— Rupees in '000 ————</b>			
<b>12 INTANGIBLE ASSETS</b>			
Computer Software		1,281,905	745,513
Advance against computer software		<u>294,756</u>	<u>334,448</u>
	12.1	<u><b>1,576,661</b></u>	<u><b>1,079,961</b></u>

	<b>September 30, 2021 (Unaudited)</b>	<b>September 30, 2020 (Unaudited)</b>
<b>———— Rupees in '000 ————</b>		
<b>12.1 Additions to intangible assets</b>	<u><b>759,031</b></u>	<u><b>420,924</b></u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
<b>13 OTHER ASSETS</b>			
Profit / return accrued in local currency - net of provisions		<b>59,867,431</b>	40,953,826
Profit / return accrued in foreign currencies - net of provisions		<b>94,435</b>	79,029
Acceptances		<b>7,706,191</b>	8,488,266
Advances, deposits, advance rent and other prepayments		<b>2,051,554</b>	1,772,230
Non-banking assets acquired in satisfaction of claims		<b>115,422</b>	115,422
Unrealised gain on forward foreign exchange contracts - net		<b>2,350,955</b>	-
Receivables on account of sale of securities		-	16,956
Dividends receivable		<b>89,612</b>	8,177
Stamps		<b>23,626</b>	15,857
Security deposits		<b>215,826</b>	206,058
Advance for Investments		<b>35,826</b>	67,530
Other		<b>591,248</b>	323,949
		<b>73,142,126</b>	52,047,300
Provision against other assets	13.1	<b>(55,647)</b>	(53,923)
Other Assets (Net of Provision)		<b>73,086,479</b>	51,993,377
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	<b>30,678</b>	30,678
Other Assets - total		<b>73,117,157</b>	52,024,055
<b>13.1 Provision held against other assets</b>			
Acceptances		-	33,980
Others		<b>55,647</b>	19,943
		<b>55,647</b>	53,923

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
<b>13.1.1 Movement in provision held against other assets</b>			
Opening balance		53,923	74,686
Charge for the period / year		39,001	5,521
Reversals during the period / year		(33,980)	(20,763)
Amount adjusted / written off during the period / year		(3,297)	(5,521)
Closing balance		<u>55,647</u>	<u>53,923</u>
<b>14 BILLS PAYABLE</b>			
In Pakistan		39,816,943	26,494,006
Outside Pakistan		-	-
		<u>39,816,943</u>	<u>26,494,006</u>
<b>15 DUE TO FINANCIAL INSTITUTIONS</b>			
In Pakistan		139,250,335	94,500,640
Outside Pakistan		-	-
		<u>139,250,335</u>	<u>94,500,640</u>
<b>15.1 Details of due to financial institutions secured / unsecured</b>			
<b>Secured</b>			
<b>With State Bank of Pakistan</b>			
Musharakah under Islamic Export Refinance Scheme		45,906,290	51,995,700
Investment under Islamic Long Term Financing Facility		15,858,202	12,567,944
Investment under Islamic Refinance Facility for Combating COVID-19		1,294,841	610,809
Investment under Islamic Financing for Renewal Energy		12,237,985	5,315,473
Investment under Islamic Temporary Economic Refinance Facility for Plant and Machinery		10,717,160	514,115
Investment under Islamic Refinance Scheme for storage of agriculture produce		31,460	-
Investment under Islamic Refinance Scheme for payment of wages and salaries		2,792,894	4,527,531
		<u>88,838,832</u>	<u>75,531,572</u>
<b>Other financial institutions</b>		753,925	721,131
<b>Unsecured</b>			
Overdrawn nostro accounts		412,578	747,937
Other Musharakah	15.1.1	<u>49,245,000</u>	<u>17,500,000</u>
		<u>139,250,335</u>	<u>94,500,640</u>
<b>15.1.1</b> These Musharakah are on profit and loss sharing basis with banks. The expected average return on these Musharakah is around 6.78% (December 2020: 7.44%) per annum. These balances are maturing in October 2021 (December 2020: January 2021).			

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

**16 DEPOSITS AND OTHER ACCOUNTS**

	September 30, 2021 (Unaudited)			December 31, 2020 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
<b>Customers</b>						
- Current accounts - non-remunerative	535,848,496	28,746,141	564,594,637	465,573,842	24,180,026	489,753,868
- Savings deposits	467,287,461	40,740,630	508,028,091	415,280,740	33,825,435	449,106,175
- Fixed deposits	234,754,768	14,102,705	248,857,473	279,506,740	15,039,627	294,546,367
- Margin	15,165,137	6,357	15,171,494	10,603,578	5,957	10,609,535
	1,253,055,862	83,595,833	1,336,651,695	1,170,964,900	73,051,045	1,244,015,945
<b>Financial institutions</b>						
- Current accounts - non-remunerative	1,403,037	-	1,403,037	4,235,642	-	4,235,642
- Savings deposits	4,425,086	-	4,425,086	4,759,877	-	4,759,877
- Fixed deposits	1,676,800	-	1,676,800	1,419,070	-	1,419,070
	7,504,923	-	7,504,923	10,414,589	-	10,414,589
	1,260,560,785	83,595,833	1,344,156,618	1,181,379,489	73,051,045	1,254,430,534

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
<b>17 SUB-ORDINATED SUKUK</b>			
Additional Tier I Sukuk	17.1	7,000,000	7,000,000
Tier II Sukuk	17.2	11,000,000	11,000,000
		<b>18,000,000</b>	<b>18,000,000</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

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

Credit Rating	AA (Double A) by VIS Credit Rating Company Limited
Issue Date	August 01, 2018
Tenor	Perpetual
Profit payment frequency	Monthly in arrears
Redemption	Perpetual
Expected Periodic Profit Amount (Mudaraba Profit Amount)	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk is 9.78% per annum.
Call Option	The Bank may call Additional Tier I Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Additional Tier I Sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Additional Tier I Sukuk, upon directive of the SBP, if such payment will result in a shortfall in the Bank's minimum capital requirement, capital adequacy ratio requirement or leverage ratio requirement.

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

Credit Rating	AA+ (Double A Plus) by VIS Credit Rating Company Limited
Issue Date	September 22, 2016 and January 09, 2020
Tenor	10 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the tenth year
Expected Periodic Profit Amount (Mudaraba Profit Amount)	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk are 8.57% and 9.22% per annum respectively.
Call Option	The Bank may call Tier II Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Tier II Sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Tier II Sukuk upon directive of the SBP, if such payment will result in a shortfall in the Bank's minimum capital requirement, capital adequacy ratio requirement or leverage ratio requirement.



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

17.2.1 The Board of Directors in their meeting held on August 12, 2021 have resolved, subject to obtaining approval from SBP, to exercise the call option in full in relation to the Tier II Capital of Rs 7 Billion issued by the Bank on September 22, 2016. The Board has further authorized the raising of fresh Tier II Capital through issuance of Subordinated Instrument, in the form of Tier II Sukuk up to the extent of Rs 10 billion subject to obtaining all applicable corporate and regulatory approvals and completion of necessary formalities.

**September 30, 2021**      **December 31, 2020**  
**(Unaudited)**      **(Audited)**  
————— **Rupees in '000** —————

**18 DEFERRED TAX LIABILITIES / (ASSETS)**

**Taxable temporary differences due to:**

Excess of accounting book values over tax written down values of owned assets	<b>170,188</b>	321,162
Surplus on revaluation of available for sale investments	<b>3,723,465</b>	2,984,345
Surplus on revaluation of Non-banking assets acquired in satisfaction of claims	<b>11,964</b>	10,737
	<b>3,905,617</b>	3,316,244

**Deductible temporary differences due to:**

Provision for diminution / impairment in value of investments	<b>(1,171,951)</b>	(1,009,932)
Provision against non-performing Islamic financing and related assets	<b>(243,855)</b>	(1,474,152)
Income not accrued due to non-culmination of financing	<b>(1,825,062)</b>	(1,048,537)
Provision against non-banking assets acquired in satisfaction of claims and others	<b>(202,316)</b>	(173,276)
	<b>(3,443,184)</b>	(3,705,897)
	<b>462,433</b>	(389,653)

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
<b>19 OTHER LIABILITIES</b>			
Return on deposits and other dues			
- payable in local currency		3,992,114	3,942,766
- payable in foreign currencies		51,746	76,037
Unearned income		1,186,965	862,453
Accrued expenses		11,257,326	9,568,182
Current taxation (provision less payments)		11,370,685	9,675,304
Acceptances		7,706,191	8,488,266
Dividends payable		1,096,482	21,219
Payable to defined benefit plan		660,178	663,141
Charity payable		9,934	989
Provision against off-balance sheet obligations	19.1	55,168	36,489
Security deposits against Ijarah		18,900,107	14,804,093
Payable on account of credit murabaha / ijarah		6,144,194	8,419
Security deposits against lockers		154,658	136,804
Unrealised loss on forward foreign exchange contracts - net		-	162,055
Advance against future Diminishing Musharakah		357,153	119,358
Withholding taxes payable		659,957	233,744
Lease liability against right-of-use assets		5,277,282	6,474,235
Workers Welfare Fund payable		3,499,729	2,770,385
Others		1,827,567	935,078
		<u>74,207,436</u>	<u>58,979,017</u>
<b>19.1 Provision against off-balance sheet obligations</b>			
Opening balance		36,489	29,339
Net Charge for the period / year		18,679	7,150
Closing balance		<u>55,168</u>	<u>36,489</u>
<b>20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>			
Available for sale securities			
- Listed shares / units of mutual fund		1,942,076	2,849,881
- Sukuk		7,511,910	5,676,815
		9,453,986	8,526,696
Non-banking assets acquired in satisfaction of claims		30,678	30,678
		<u>9,484,664</u>	<u>8,557,374</u>
Less: Deferred tax liability on			
- Available for sale securities		(3,723,465)	(2,984,345)
- Non-banking assets acquired in satisfaction of claims		(11,964)	(10,737)
		<u>(3,735,429)</u>	<u>(2,995,082)</u>
		<u>5,749,235</u>	<u>5,562,292</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
Rupees in '000			
<b>21 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	21.1	45,978,023	37,768,446
- Commitments	21.2	836,885,821	736,693,486
- Other contingent liabilities	21.3	1,802,000	1,802,000
		<b>884,665,844</b>	776,263,932
<b>21.1 Guarantees:</b>			
Financial guarantees		1,701,739	1,629,063
Performance guarantees		22,697,462	20,050,469
Other guarantees		21,578,822	16,088,914
		<b>45,978,023</b>	37,768,446
<b>21.2 Commitments:</b>			
Documentary letters of credit		212,767,050	151,668,892
Commitments in respect of: - forward foreign exchange contracts	21.2.1	171,599,566	187,071,597
Commitments for acquisition of: - fixed assets		617,832	305,288
- intangible assets		224,919	387,064
Other commitments	21.2.2	451,676,454	397,260,645
		<b>836,885,821</b>	736,693,486
<b>21.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		110,779,309	108,885,191
Sale		60,820,257	78,186,406
		<b>171,599,566</b>	187,071,597
<b>21.2.2 Other Commitments</b>			
Commitments in respect of financing		<b>451,676,454</b>	397,260,645

**21.3 Other contingencies**

The Income Tax Department has amended the deemed assessment orders of the Bank for prior years including the tax year 2020. The additions / disallowances were mainly due to allocation of expenses relating to dividends and capital gain, allowability of provision against loans and advances, provision against investments and provision against other assets. In the amended order for tax year 2015, additional issues with respect to the taxability of gain on bargain purchase and non-adjustment of loss pertaining to HSBC Bank Middle East – Pakistan Branches have also been raised. The Bank has obtained stay order from the High Court of Sindh against the demands raised through the amended order for the tax year 2015. Both the Bank and the department have filed appeals with the Appellate Authorities in respect of the aforementioned matters.

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Rupees in '000			
<b>22 PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS</b>			
On financing	22.1	29,112,730	38,793,103
On investments in			
- Available for sale securities		28,828,936	20,870,796
- Held to maturity securities		834,651	98,309
On deposits / placements with financial institutions		<u>18,838,683</u>	<u>23,550,290</u>
		<u><b>77,615,000</b></u>	<u><b>83,312,498</b></u>
<b>22.1</b>	The income on Ijarah under IFAS 2 is net off takaful of Rs 1,234 million (September 30, 2020: Rs 1,258 million) recovered from customers.		
	Note	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Rupees in '000			
<b>23 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED</b>			
Deposits and other accounts	23.1	25,047,630	30,065,692
Sub-ordinated Sukuk		1,155,820	1,739,481
Other Musharakahs / Modarabas		2,296,717	1,004,994
Amortisation of lease liability against right-of-use assets		596,289	746,789
		<u>29,096,456</u>	<u>33,556,956</u>
<b>23.1</b>	This includes conversion cost of Rs 1,890 million (September 30, 2020: Rs 1,594 million) against foreign currency deposits.		
	Note	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Rupees in '000			
<b>24 FEE AND COMMISSION INCOME</b>			
Trade related fees and commissions		2,440,973	1,765,998
Commission on guarantees		133,342	108,148
Branch banking customer fees		1,206,978	622,277
Credit processing related fees		92,645	69,596
Debit card related fees		2,085,797	795,905
Investment banking related fees		205,329	164,801
Cash management fees		118,863	65,014
Home remittance related fees		198,600	168,417
Others		126,289	124,037
		<u>6,608,816</u>	<u>3,884,193</u>
<b>25 GAIN ON SECURITIES - NET</b>			
Realised	25.1	<u>339,009</u>	<u>934,663</u>
<b>25.1 Realised gain / (loss) on:</b>			
Listed Shares		297,251	(47,339)
Unlisted Shares		-	(34,261)
Federal Government Securities		9,024	(31,064)
Non Government Securities		-	(17,636)
Pakistan Energy Sukuk		32,734	1,064,963
		<u>339,009</u>	<u>934,663</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
	Rupees in '000	
<b>26 OTHER INCOME</b>		
Gain on termination of islamic financing	518,713	378,833
Gain on sale of fixed assets	77,210	82,261
Loss on disposal of Non-banking asset acquired in satisfaction of claim	-	(10,000)
Rental income	-	4,334
Others	1,849	2,349
	<u>597,772</u>	<u>457,777</u>
<b>27 OPERATING EXPENSES</b>		
Total compensation expense	13,957,880	12,279,332
<b>Property expense</b>		
Depreciation on right-of-use assets	1,775,071	1,730,365
Rent and taxes	75,271	86,689
Utilities cost (including electricity and diesel)	883,519	715,549
Security (including guards)	609,948	606,738
Repair and maintenance (including janitorial charges)	407,895	283,770
Depreciation	629,693	572,131
Others	56,821	56,410
	<u>4,438,218</u>	<u>4,051,652</u>
<b>Information technology expenses</b>		
Software maintenance	445,098	458,808
Hardware maintenance	232,104	206,646
Depreciation	372,658	287,766
Amortisation	262,331	164,655
Network charges	183,307	183,261
	<u>1,495,498</u>	<u>1,301,136</u>
<b>Other operating expenses</b>		
Stationery and printing (including debit card related costs)	704,858	619,602
Repairs and maintenance	218,944	276,825
Local transportation and car running	459,069	386,562
Depreciation on vehicles, equipment etc.	783,822	688,134
Marketing, advertisement and publicity	776,034	284,658
Security charges - cash transportation	440,079	309,947
Communication (including courier)	358,664	403,763
Legal and professional charges	114,201	93,097
NIFT and other clearing charges	142,969	138,836
Travelling and conveyance	30,922	52,860
Training and Development	14,802	25,359
Donation	512	226,722
Fees, subscription and other charges	214,636	171,720
Brokerage and bank charges	244,972	175,126
Office supplies	218,542	183,856
Entertainment	49,630	38,988
Takaful expense	68,652	68,170
Outsourced services costs	19,778	11,586
Auditors' Remuneration	10,506	12,756
Shariah Board fees	14,863	13,655
Non-executive Directors' fee	50,030	54,220
Others	19,065	21,194
	<u>4,955,550</u>	<u>4,257,636</u>
	<u>24,847,146</u>	<u>21,889,756</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Rupees in '000			
<b>28 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		<b>6,524</b>	84,553
<b>29 PROVISIONS AND WRITE OFFS - NET</b>			
Provision against non-performing islamic financing related assets - net	10.9	<b>499,120</b>	3,933,522
Provision against diminution in the value of investments	9.2	<b>38,212</b>	267,059
Provision / (reversal) against off-balance sheet obligations		<b>18,679</b>	(239)
Other Provision / (reversals)		<b>5,021</b>	(5,951)
Recovery against written off financing		<b>(7,614)</b>	(6,226)
		<b>553,418</b>	4,188,165
<b>30 TAXATION</b>			
Current			
- for the period	30.1	<b>12,971,894</b>	12,307,618
Deferred			
- for the period		<b>111,739</b>	(321,566)
		<b>13,083,633</b>	11,986,052

**30.1** The Bank has recognized super tax charge of Rs 1,261 million (September 30, 2020: Rs 1,246 million) in the current period which is determined at the applicable tax rate of 4 percent on taxable income for the period.

	Note	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Rupees in '000			
<b>31 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period		<b>19,566,350</b>	18,078,755
		<b>(Number)</b>	
Weighted average number of ordinary shares		<b>1,626,931,201</b>	1,626,931,201
		<b>(Rupees)</b>	
			<b>Restated</b>
Basic and diluted earnings per share	31.1	<b>12.03</b>	11.11

**31.1** The Bank issued bonus shares in current period and accordingly the earnings per share for the comparative period has been restated.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Note	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Rupees in '000			
<b>32 CASH AND CASH EQUIVALENTS</b>			
Cash and balances with treasury banks	6	<b>135,845,315</b>	100,032,655
Balances with other banks	7	<b>13,674,146</b>	17,869,753
		<b><u>149,519,461</u></b>	<u>117,902,408</u>

**33 FAIR VALUE OF FINANCIAL INSTRUMENT**

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

**(a) Financial instruments in level 1**

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

**(b) Financial instruments in level 2**

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

**(c) Financial instruments in level 3**

Currently, no financial instruments are classified in level 3.

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

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



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

**Valuation techniques used in determination of fair values**

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

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

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

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

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	September 30, 2021 (Unaudited)			
	Level 1	Level 2	Level 3	Total
<b>RECURRING FAIR VALUE MEASUREMENTS</b>				
<b>INVESTMENTS - NET</b>				
	Rupees in '000			
<b>Financial Assets Available for sale securities</b>				
Ordinary shares - listed	8,155,975	-	-	8,155,975
Pakistan Energy Sukuk - listed	120,028,562	-	-	120,028,562
GOP Sukuks	-	199,251,632	-	199,251,632
Foreign Sukuk	9,072,350	-	-	9,072,350
<b>Forward purchase of foreign exchange contracts</b>	-	112,163,319	-	112,163,319
<b>Forward sale of foreign exchange contracts</b>	-	61,622,610	-	61,622,610
	December 31, 2020 (Audited)			
	Level 1	Level 2	Level 3	Total
<b>RECURRING FAIR VALUE MEASUREMENTS</b>				
<b>INVESTMENTS - NET</b>				
	Rupees in '000			
<b>Financial Assets Available for sale securities</b>				
Ordinary shares - listed	7,370,345	-	-	7,370,345
Pakistan Energy Sukuk - listed	117,242,419	-	-	117,242,419
GOP Sukuks	-	178,765,438	-	178,765,438
Foreign Sukuk	7,758,395	-	-	7,758,395
<b>Forward purchase of foreign exchange contracts</b>	-	110,550,519	-	110,550,519
<b>Forward sale of foreign exchange contracts</b>	-	79,023,239	-	79,023,239

Investment in associates (listed - mutual funds) have market value of Rs 1,702 million (December 31, 2020: Rs 1,654 million) which is being valued under level 1. These are carried at cost in the financial statements in accordance with the Bank's accounting policy.

**33.3 Fair value of non-financial assets**

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

	Carrying Value	
	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>33.4 Financial assets not measured at fair value</b>		
	Rupees in '000	
Cash and balances with treasury banks	135,845,315	136,242,495
Balances with other banks	13,674,146	19,445,879
Due from financial institutions - net	368,474,190	342,068,799
Investments - net	139,848,111	123,071,743
Islamic financings and related assets - net	604,078,479	512,531,930
Other assets - net	70,951,524	50,143,791

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

**34 SEGMENT ANALYSIS**

**34.1 Segment Details with respect to Business Activities**

September 30, 2021 (Unaudited)	Corporate and Commercial banking	Retail Banking	Trading & Sales	Others	Inter-segment Eliminations	Total
Rupees in '000						
<b>Profit and Loss Account</b>						
External Revenue	28,055,246	5,937,590	50,839,139	3,050,896	-	87,882,871
Inter segment revenue - net	-	63,006,636	-	204,070	(63,210,706)	-
<b>Total Income</b>	<b>28,055,246</b>	<b>68,944,226</b>	<b>50,839,139</b>	<b>3,254,966</b>	<b>(63,210,706)</b>	<b>87,882,871</b>
Segment direct expenses	3,113,800	48,952,271	1,550,809	1,062,590	-	54,679,470
Inter segment expense allocation	19,830,556	-	43,380,150	-	(63,210,706)	-
<b>Total expenses</b>	<b>22,944,356</b>	<b>48,952,271</b>	<b>44,930,959</b>	<b>1,062,590</b>	<b>(63,210,706)</b>	<b>54,679,470</b>
Provision / (reversals) and write offs - net	426,174	85,576	41,668	-	-	553,418
<b>Profit before tax</b>	<b>4,684,716</b>	<b>19,906,379</b>	<b>5,866,512</b>	<b>2,192,376</b>	<b>-</b>	<b>32,649,983</b>
<b>Statement of Financial Position</b>						
Cash & Bank balances	-	148,411,421	1,108,040	-	-	149,519,461
Due from financial institutions - net	-	-	368,474,190	-	-	368,474,190
Investments - net	16,603,118	-	459,753,512	-	-	476,356,630
Net inter segment lending	-	1,180,355,055	-	632,343	(1,180,987,398)	-
Islamic financings and related assets - net	511,776,748	92,301,731	-	-	-	604,078,479
Others	14,920,308	31,932,675	52,446,965	-	-	99,299,948
<b>Total Assets</b>	<b>543,300,174</b>	<b>1,453,000,882</b>	<b>881,782,707</b>	<b>632,343</b>	<b>(1,180,987,398)</b>	<b>1,697,728,708</b>
Due to financial institutions	88,838,833	753,923	49,657,579	-	-	139,250,335
Deposits & other accounts	-	1,344,156,618	-	-	-	1,344,156,618
Subordinated Sukuk	18,000,000	-	-	-	-	18,000,000
Net inter segment borrowing	391,560,665	-	789,426,733	-	(1,180,987,398)	-
Others	18,712,194	94,948,102	194,173	632,343	-	114,486,812
<b>Total liabilities</b>	<b>517,111,692</b>	<b>1,439,858,643</b>	<b>839,278,485</b>	<b>632,343</b>	<b>(1,180,987,398)</b>	<b>1,615,893,765</b>
<b>Equity</b>	<b>26,188,482</b>	<b>13,142,239</b>	<b>42,504,222</b>	<b>-</b>	<b>-</b>	<b>81,834,943</b>
<b>Total Equity &amp; liabilities</b>	<b>543,300,174</b>	<b>1,453,000,882</b>	<b>881,782,707</b>	<b>632,343</b>	<b>(1,180,987,398)</b>	<b>1,697,728,708</b>
<b>Contingencies &amp; Commitments</b>	<b>625,864,816</b>	<b>87,201,462</b>	<b>171,599,566</b>	<b>-</b>	<b>-</b>	<b>884,665,844</b>
<b>September 30, 2020 (Unaudited)</b>						
<b>Profit and Loss Account</b>						
External Revenue	36,245,577	6,949,358	46,007,950	1,274,301	-	90,477,186
Inter segment revenue - net	-	61,115,978	-	90,149	(61,206,127)	-
<b>Total Income</b>	<b>36,245,577</b>	<b>68,065,336</b>	<b>46,007,950</b>	<b>1,364,450</b>	<b>(61,206,127)</b>	<b>90,477,186</b>
Segment direct expenses	3,192,748	51,623,923	639,888	767,655	-	56,224,214
Inter segment expense allocation	24,076,345	-	37,129,782	-	(61,206,127)	-
<b>Total expenses</b>	<b>27,269,093</b>	<b>51,623,923</b>	<b>37,769,670</b>	<b>767,655</b>	<b>(61,206,127)</b>	<b>56,224,214</b>
Provision / (reversals) & write offs - net	3,615,865	293,877	278,423	-	-	4,188,165
<b>Profit before tax</b>	<b>5,360,619</b>	<b>16,147,536</b>	<b>7,959,857</b>	<b>596,795</b>	<b>-</b>	<b>30,064,807</b>
<b>Statement of Financial Position</b>						
Cash & Bank balances	-	110,677,673	7,224,735	-	-	117,902,408
Due from financial institutions - net	-	-	282,652,839	-	-	282,652,839
Investments - net	15,372,817	-	347,083,679	-	-	362,456,496
Net inter segment lending	-	961,832,809	-	319,246	(962,152,055)	-
Islamic financings and related assets - net	414,919,202	75,242,616	-	-	-	490,161,818
Others	15,625,819	27,596,747	27,481,213	-	-	70,703,779
<b>Total Assets</b>	<b>445,917,838</b>	<b>1,175,349,845</b>	<b>664,442,466</b>	<b>319,246</b>	<b>(962,152,055)</b>	<b>1,323,877,340</b>
Due to financial institutions	60,936,600	589,053	70,796	-	-	61,596,449
Deposits & other accounts	-	1,090,544,718	-	-	-	1,090,544,718
Subordinated Sukuk	18,000,000	-	-	-	-	18,000,000
Net inter segment borrowing	334,368,750	-	627,783,305	-	(962,152,055)	-
Others	8,531,221	72,685,337	705,934	319,246	-	82,241,738
<b>Total liabilities</b>	<b>421,836,571</b>	<b>1,163,819,108</b>	<b>628,560,035</b>	<b>319,246</b>	<b>(962,152,055)</b>	<b>1,252,382,905</b>
<b>Equity</b>	<b>24,081,267</b>	<b>11,530,737</b>	<b>35,882,431</b>	<b>-</b>	<b>-</b>	<b>71,494,435</b>
<b>Total Equity &amp; liabilities</b>	<b>445,917,838</b>	<b>1,175,349,845</b>	<b>664,442,466</b>	<b>319,246</b>	<b>(962,152,055)</b>	<b>1,323,877,340</b>
<b>Contingencies &amp; Commitments</b>	<b>450,657,932</b>	<b>73,324,449</b>	<b>190,441,051</b>	<b>-</b>	<b>-</b>	<b>714,423,432</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

**35 RELATED PARTY TRANSACTIONS**

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

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

**35.3 Subsidiary company**  
- Al Meezan Investment Management Limited

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

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

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

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	Sept 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)	Sept 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)	Sept 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)	Sept 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)	Sept 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)	Sept 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)
<b>Rupees in '000</b>												
<b>Islamic financing and related assets</b>												
At January 1,	-	569,248	-	-	-	569,248	-	-	-	-	-	-
Addition during the period / year	1,203,557	9,859,061	-	-	1,203,557	9,859,061	-	-	-	-	-	-
Deletion during the period / year	(1,203,557)	(10,428,309)	-	-	(1,203,557)	(10,428,309)	-	-	-	-	-	-
At September 30 / December 31	-	-	-	-	-	-	-	-	-	-	-	-
<b>Investments</b>												
At January 1,	908,669	897,811	63,050	63,050	845,619	834,761	-	-	-	-	-	-
Addition during the period / year	-	1,468,680	-	-	-	1,468,680	-	-	-	-	-	-
Deletion during the period / year	(853)	(1,457,822)	-	-	(853)	(1,457,822)	-	-	-	-	-	-
At September 30 / December 31	907,816	908,669	63,050	63,050	844,766	845,619	-	-	-	-	-	-
<b>Due from financial institutions</b>												
At January 1,	36,671,288	24,985,377	-	-	36,671,288	24,985,377	-	-	-	-	-	-
Addition during the period / year	76,546,772	70,174,844	-	-	76,546,772	70,174,844	-	-	-	-	-	-
Deletion during the period / year	(73,401,454)	(58,488,933)	-	-	(73,401,454)	(58,488,933)	-	-	-	-	-	-
At September 30 / December 31	39,816,606	36,671,288	-	-	39,816,606	36,671,288	-	-	-	-	-	-

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	Sept 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)	Sept 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)	Sept 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)	Sept 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)	Sept 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)	Sept 30, 2021 (Unaudited)	Dec 31, 2020 (Audited)
<b>Rupees in '000</b>												
<b>Deposits</b>	7,736,131	9,921,195	48,929	18,292	1,872,348	5,078,362	18,542	28,185	198,287	428,646	5,598,025	4,367,710
<b>Provision held against investments</b>	-	527	-	-	-	527	-	-	-	-	-	-
<b>Other Assets</b>												
Profit receivable on financing / investments	731,214	982,419	-	-	731,214	982,419	-	-	-	-	-	-
Fee and Other Receivable	38,126	33,151	25,057	27,319	4,937	1,314	-	-	-	-	8,132	4,518
<b>Sub-ordinated Sukuk</b>	588,000	578,000	-	-	588,000	578,000	-	-	-	-	-	-
<b>Other Liabilities</b>												
Payable to defined benefit plan	660,179	663,141	-	-	-	-	-	-	383,850	358,978	276,329	304,163
Accrued Expenses	351,800	477,762	1,800	77,762	-	-	-	-	-	-	350,000	400,000
Unearned Income	17,893	5,012	-	-	17,893	5,012	-	-	-	-	-	-
<b>Contingencies and Commitments</b>												
Letters of Guarantee (unfunded)	2,341,377	1,066,377	100	100	2,341,277	1,066,277	-	-	-	-	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Total		Subsidiary		Associates		Directors		Key management personnel		Other related parties	
	Sept 30, 2021 (Unaudited)	Sept 30, 2020 (Unaudited)	Sept 30, 2021 (Unaudited)	Sept 30, 2020 (Unaudited)	Sept 30, 2021 (Unaudited)	Sept 30, 2020 (Unaudited)	Sept 30, 2021 (Unaudited)	Sept 30, 2020 (Unaudited)	Sept 30, 2021 (Unaudited)	Sept 30, 2020 (Unaudited)	Sept 30, 2021 (Unaudited)	Sept 30, 2020 (Unaudited)
<b>Rupees in '000</b>												
Profit earned on financing / investments / placements	2,206,406	3,101,799	-	-	2,206,406	3,101,799	-	-	-	-	-	-
Fees and other income earned	119,846	131,823	70,094	85,071	49,603	46,723	20	-	44	8	85	21
Dividend income earned	214,500	122,457	214,500	65,000	-	57,457	-	-	-	-	-	-
Gain on securities	280	15,405	-	-	280	15,405	-	-	-	-	-	-
Return on deposits / borrowing expensed	448,465	476,553	1,092	2,210	203,994	186,605	568	988	6,312	5,370	236,499	281,380
Charge for defined benefit plan	276,329	242,483	-	-	-	-	-	-	-	-	276,329	242,483
Contribution to defined contribution plan	347,023	283,329	-	-	-	-	-	-	-	-	347,023	283,329
Contribution to staff benevolent fund	42,204	32,203	-	-	-	-	-	-	-	-	42,204	32,203
Fees expensed	22,262	165,651	19,778	11,586	2,484	154,065	-	-	-	-	-	-
(Reversals) / Provision against investments	(527)	24,019	-	-	(527)	24,019	-	-	-	-	-	-
Donation	-	225,000	-	-	-	-	-	-	-	-	-	225,000
Charity Paid	38,000	31,000	-	-	-	-	-	-	-	-	38,000	31,000
Purchase of fixed assets	367,927	245,816	-	-	367,927	245,816	-	-	-	-	-	-
Remuneration to the directors and key management personnel including fee to non-executive directors and end of service benefit charge for the founder President	184,580	186,646	-	-	-	-	50,030	54,220	134,550	132,426	-	-
Proceeds from sale of fixed assets	-	3,616	-	-	-	-	-	-	-	3,616	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	<b>September 30, 2021 (Unaudited)</b>	<b>December 31, 2020 (Audited)</b>
	<b>———— Rupees in '000 ————</b>	
<b>36 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement</b>		
Paid-up capital (net of losses)	<u>16,269,312</u>	<u>14,147,228</u>
<b>Capital Adequacy Ratio</b>		
Eligible Common Equity Tier 1 Capital	<u>74,407,675</u>	<u>62,447,565</u>
Eligible Additional Tier 1 Capital	<u>7,000,000</u>	<u>7,000,000</u>
Total Eligible Tier 1 Capital	<u>81,407,675</u>	<u>69,447,565</u>
Eligible Tier 2 Capital	<u>20,493,819</u>	<u>21,385,064</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>101,901,494</u>	<u>90,832,629</u>
<b>Risk Weighted Assets</b>		
Credit Risk	<u>413,483,219</u>	<u>387,852,984</u>
Market Risk	<u>19,631,074</u>	<u>17,931,030</u>
Operational Risk	<u>103,835,365</u>	<u>103,835,365</u>
Total	<u>536,949,658</u>	<u>509,619,379</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>13.86%</u>	<u>12.25%</u>
Tier 1 Capital Adequacy Ratio	<u>15.16%</u>	<u>13.63%</u>
Total Capital Adequacy Ratio	<u>18.98%</u>	<u>17.82%</u>
<b>Leverage Ratio</b>		
Tier-1 Capital	<u>81,407,675</u>	<u>69,447,565</u>
Total Exposures	<u>2,106,158,952</u>	<u>1,696,206,745</u>
Leverage Ratio	<u>3.87%</u>	<u>4.09%</u>
<b>Liquidity Coverage Ratio</b>		
Total High Quality Liquid Assets	<u>459,012,232</u>	<u>275,456,729</u>
Total Net Cash Outflow	<u>206,819,717</u>	<u>104,609,841</u>
Liquidity Coverage Ratio	<u>222%</u>	<u>263%</u>
<b>Net Stable Funding Ratio</b>		
Total Available Stable Funding	<u>1,257,185,257</u>	<u>1,159,868,096</u>
Total Required Stable Funding	<u>738,245,181</u>	<u>645,362,258</u>
Net Stable Funding Ratio	<u>170%</u>	<u>180%</u>

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

- 37.1** This condensed interim financial information was authorised for issue on October 14, 2021 by the Board of Directors of the Bank.
- 37.2** The Board of Directors in their meeting held on October 14, 2021 has announced an interim cash dividend @ 15%. This condensed interim unconsolidated financial information does not include the effect of this appropriation which will be accounted for subsequent to the period end.

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

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer



**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL INFORMATION**

**CONDENSED INTERIM CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2021**

	September 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>ASSETS</b>		
Rupees in '000		
Cash and balances with treasury banks	135,845,923	136,243,103
Balances with other banks	13,689,718	19,479,207
Due from financial institutions - net	368,474,190	342,068,799
Investments - net	480,933,893	438,795,625
Islamic financing and related assets - net	604,078,479	512,531,930
Fixed assets	24,859,659	23,881,875
Intangible assets	1,588,536	1,091,512
Deferred tax asset	-	173,943
Other assets - net	73,587,536	52,294,842
	<b>1,703,057,934</b>	<b>1,526,560,836</b>
<b>LIABILITIES</b>		
Bills payable	39,816,943	26,494,006
Due to financial institutions	139,250,335	94,500,640
Deposits and other accounts	1,344,107,689	1,254,412,242
Sub-ordinated Sukuk	18,000,000	18,000,000
Deferred tax liabilities	721,199	-
Other liabilities	74,958,144	59,922,930
	<b>1,616,854,310</b>	<b>1,453,329,818</b>
<b>NET ASSETS</b>		
	<b>86,203,624</b>	<b>73,231,018</b>
<b>REPRESENTED BY</b>		
Share capital	16,269,312	14,147,228
Reserves	22,405,176	20,448,541
Unappropriated profit	40,411,935	31,808,445
Surplus on revaluation of assets - net of tax	5,749,235	5,562,292
	<b>84,835,658</b>	<b>71,966,506</b>
<b>NON-CONTROLLING INTEREST</b>		
	<b>1,367,966</b>	<b>1,264,512</b>
	<b>86,203,624</b>	<b>73,231,018</b>

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

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

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer

## CONDENSED INTERIM CONSOLIDATED

### PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Nine months period ended September 30, 2021	Quarter ended September 30, 2020	Nine months period ended September 30, 2020
Rupees in '000				
Profit / return earned on Islamic financing and related assets, investments and placements	27,498,837	77,616,220	25,484,091	83,316,762
Profit on deposits and other dues expensed	10,189,538	29,112,818	8,088,664	33,575,383
Net spread earned	17,309,299	48,503,402	17,395,427	49,741,379
<b>OTHER INCOME</b>				
Fee and commission income	2,899,008	7,759,021	1,886,799	4,849,933
Dividend income	160,527	358,769	72,521	163,648
Foreign exchange income	543,966	2,149,005	304,149	1,602,262
Gain on securities - net	89,539	535,452	38,988	1,004,617
Other income	164,629	598,376	212,088	457,822
	3,857,669	11,400,623	2,514,545	8,078,282
Total income	21,166,968	59,904,025	19,909,972	57,819,661
<b>OTHER EXPENSES</b>				
Operating expenses	8,724,745	25,303,760	7,694,735	22,279,032
Workers Welfare Fund	250,625	747,321	242,736	707,114
Other charges	1,608	6,524	867	84,553
Total other expenses	8,976,978	26,057,605	7,938,338	23,070,699
	12,189,990	33,846,420	11,971,634	34,748,962
Share of results of associates before taxation	(81,628)	23,243	445,235	89,293
<b>Profit before provisions</b>	<b>12,108,362</b>	<b>33,869,663</b>	<b>12,416,869</b>	<b>34,838,255</b>
Provisions and write offs - net	120,527	553,418	1,091,069	4,188,165
Extraordinary / unusual items	-	-	-	-
<b>Profit before taxation</b>	<b>11,987,835</b>	<b>33,316,245</b>	<b>11,325,800</b>	<b>30,650,090</b>
Taxation	4,920,590	13,347,120	4,448,670	12,189,870
<b>Profit after taxation</b>	<b>7,067,245</b>	<b>19,969,125</b>	<b>6,877,130</b>	<b>18,460,220</b>
<b>Attributable to:</b>				
Shareholders of the Holding company	7,019,649	19,752,150	6,755,802	18,294,372
Non-controlling interest	47,596	216,975	121,328	165,848
	7,067,245	19,969,125	6,877,130	18,460,220

Rupees

Restated

<b>Basic and diluted earnings per share</b>	<u>4.31</u>	<u>12.14</u>	<u>4.15</u>	<u>11.24</u>
---	-------------	--------------	-------------	--------------

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

<b>Riyadh S. A. A. Edrees</b> Chairman	<b>Irfan Siddiqui</b> President & Chief Executive	<b>Faisal A. A. A. AlNassar</b> Director	<b>Mubashar Maqbool</b> Director	<b>Shabbir Hamza Khandwala</b> Chief Financial Officer
---	--	---	-------------------------------------	---

## CONDENSED INTERIM CONSOLIDATED

### STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Quarter ended September 30, 2021	Nine months period ended September 30, 2021	Quarter ended September 30, 2020	Nine months period ended September 30, 2020
Rupees in '000				
<b>Profit after taxation for the period attributable to:</b>				
Shareholders of the Holding company	7,019,649	19,752,150	6,755,802	18,294,372
Non-controlling interest	47,596	216,975	121,328	165,848
	<u>7,067,245</u>	<u>19,969,125</u>	<u>6,877,130</u>	<u>18,460,220</u>
<b>Other Comprehensive income</b>				
<b>Item that may be reclassified to profit and loss account in subsequent periods:</b>				
(Deficit) / surplus on revaluation of investments	(391,688)	927,290	2,437,094	(4,657,704)
Deferred tax on revaluation of investments	144,821	(739,120)	(852,983)	1,630,196
	<u>(246,867)</u>	<u>188,170</u>	<u>1,584,111</u>	<u>(3,027,508)</u>
<b>Item that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurements of defined benefit plan - net of tax	-	5,654	-	(24,040)
Surplus on revaluation of non - banking assets	-	-	-	-
Deferred tax on revaluation of non - banking assets	-	(1,227)	-	-
	<u>-</u>	<u>4,427</u>	<u>-</u>	<u>(24,040)</u>
<b>Other comprehensive (loss) / income for the period</b>	<u>(246,867)</u>	<u>192,597</u>	<u>1,584,111</u>	<u>(3,051,548)</u>
<b>Total comprehensive Income for the period</b>	<u><u>6,820,378</u></u>	<u><u>20,161,722</u></u>	<u><u>8,461,241</u></u>	<u><u>15,408,672</u></u>
<b>Attributable to:</b>				
Shareholders of the Holding company	6,772,782	19,942,768	8,339,913	15,251,238
Non-controlling interest	47,596	218,954	121,328	157,434
	<u>6,820,378</u>	<u>20,161,722</u>	<u>8,461,241</u>	<u>15,408,672</u>

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

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

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Share capital	Capital reserves			Revenue reserve	Unappropriated profit	Surplus / (deficit) on revaluation of		Non controlling interest	Total
		Share premium	Statutory reserve *	Non-Distributable Capital Reserve Gain on Bargain Purchase	General reserve		Investments	Non-banking assets		
<b>Rupees in '000</b>										
<b>Balance as at January 1, 2020</b>	12,861,116	2,406,571	12,616,780	3,117,547	91,082	21,117,202	9,387,715	13,120	1,169,813	62,780,946
Profit after taxation for the nine months period ended September 30, 2020	-	-	-	-	-	18,294,372	-	-	165,848	18,460,220
Other Comprehensive loss for the nine months period ended September 30, 2020 - net of tax	-	-	-	-	-	(15,626)	(3,027,508)	-	(8,414)	(3,051,548)
<b>Other appropriations</b>	-	-	-	-	-	18,278,746	(3,027,508)	-	157,434	15,408,672
Transfer to statutory reserve	-	-	1,807,876	-	-	(1,807,876)	-	-	-	-
<b>Transactions with owners recognised directly in equity</b>										
Issue of bonus shares	1,286,112	-	-	-	-	(1,286,112)	-	-	-	-
Final cash dividend for the year 2019	-	-	-	-	-	(2,572,224)	-	-	-	(2,572,224)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	(35,000)	(35,000)
<b>Balance as at September 30, 2020</b>	<b>14,147,228</b>	<b>2,406,571</b>	<b>14,424,656</b>	<b>3,117,547</b>	<b>91,082</b>	<b>33,729,736</b>	<b>6,360,207</b>	<b>13,120</b>	<b>1,292,247</b>	<b>75,582,394</b>
Profit after taxation for the quarter ended December 31, 2020	-	-	-	-	-	4,102,378	-	-	112,265	4,214,643
Other Comprehensive loss for the quarter ended December 31, 2020 - net of tax	-	-	-	-	-	43,907	(817,856)	6,821	-	(767,128)
<b>Other appropriations</b>	-	-	-	-	-	4,146,285	(817,856)	6,821	112,265	3,447,515
Transfer to statutory reserve	-	-	408,685	-	-	(408,685)	-	-	-	-
<b>Transactions with owners recognised directly in equity</b>										
Interim cash dividend for the year 2020	-	-	-	-	-	(5,658,891)	-	-	-	(5,658,891)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	(140,000)	(140,000)
<b>Balance as at December 31, 2020</b>	<b>14,147,228</b>	<b>2,406,571</b>	<b>14,833,341</b>	<b>3,117,547</b>	<b>91,082</b>	<b>31,808,445</b>	<b>5,542,351</b>	<b>19,941</b>	<b>1,264,512</b>	<b>73,231,018</b>
Profit after taxation for the nine months period ended September 30, 2021	-	-	-	-	-	19,752,150	-	-	216,975	19,969,125
Other Comprehensive income for the nine months period ended September 30, 2021 - net of tax	-	-	-	-	-	3,675	188,170	(1,227)	1,979	192,597
<b>Other appropriations</b>	-	-	-	-	-	19,755,825	188,170	(1,227)	218,954	20,161,722
Transfer to statutory reserve	-	-	1,956,635	-	-	(1,956,635)	-	-	-	-
<b>Transactions with owners recognised directly in equity</b>										
Issue of bonus shares	2,122,084	-	-	-	-	(2,122,084)	-	-	-	-
Final cash dividend for the year 2020	-	-	-	-	-	(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)
Second interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	(2,122,085)	-	-	-	(2,122,085)
	-	-	-	-	-	(7,073,616)	-	-	-	(7,073,616)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	(115,500)	(115,500)
<b>Balance as at September 30, 2021</b>	<b>16,269,312</b>	<b>2,406,571</b>	<b>16,789,976</b>	<b>3,117,547</b>	<b>91,082</b>	<b>40,411,935</b>	<b>5,730,521</b>	<b>18,714</b>	<b>1,367,966</b>	<b>86,203,624</b>

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

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

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

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED**  
**CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

	Nine months period ended September 30, 2021	Nine months period ended September 30, 2020
	Rupees in '000	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	33,316,245	30,650,090
Less: Dividend income	(358,769)	(163,648)
	<b>32,957,476</b>	<b>30,486,442</b>
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	1,828,391	1,588,680
Amortization	271,824	173,865
Provisions and write offs - net	553,418	4,188,165
Non cash items related to right of use assets	2,437,822	2,547,438
Gain on sale of fixed assets	(77,867)	(82,306)
Share of results of associates	(23,243)	(89,293)
	<b>4,990,345</b>	<b>8,326,549</b>
	<b>37,947,821</b>	<b>38,812,991</b>
<b>Decrease / (increase) in operating assets</b>		
Due from financial institutions	(26,405,391)	(58,963,514)
Islamic financing and related assets	(92,038,055)	(313,768)
Other assets	(21,216,280)	550,356
	<b>(139,659,726)</b>	<b>(58,726,926)</b>
<b>(Decrease) / increase in operating liabilities</b>		
Bills payable	13,322,937	7,295,196
Due to financial institutions	44,749,695	19,549,059
Deposits and other accounts	89,695,447	157,957,241
Other liabilities	13,527,579	(178,471)
	<b>161,295,658</b>	<b>184,623,025</b>
	<b>59,583,753</b>	<b>164,709,090</b>
Income tax paid	(11,529,555)	(8,691,549)
<b>Net cash flow from operating activities</b>	<b>48,054,198</b>	<b>156,017,541</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in securities	(41,225,947)	(142,091,578)
Dividends received	277,334	152,367
Investments in fixed assets	(4,232,202)	(2,747,931)
Investments in intangible assets	(768,848)	(423,924)
Proceeds from sale of fixed assets	133,711	116,054
<b>Net cash used in investing activities</b>	<b>(45,815,952)</b>	<b>(144,995,012)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of Sub-ordinated Sukuk - Tier II	-	4,000,000
Payment of lease liability against right-of-use assets	(2,311,062)	(2,072,987)
Dividend paid to equity shareholders of the Bank	(5,998,353)	(2,573,299)
Dividend paid to non controlling interest	(115,500)	(35,000)
<b>Net cash used in financing activities</b>	<b>(8,424,915)</b>	<b>(681,286)</b>
(Decrease) / increase in cash and cash equivalents	<b>(6,186,669)</b>	<b>10,341,243</b>
Cash and cash equivalents at the beginning of the period	<b>155,722,310</b>	<b>107,608,710</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>149,535,641</b>	<b>117,949,953</b>

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

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

---

**1 BASIS OF PRESENTATION**

- 1.1** This condensed interim consolidated financial information include the unaudited financial statements of Meezan Bank Limited (MBL) (the holding company) and Al-Meezan Investment Management Limited (AMIML) (the subsidiary) collectively referred as the 'Group' and associates namely, Al-Meezan Mutual Fund, Meezan Islamic Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, KSE Meezan Index Fund, Meezan Balanced Fund, Meezan Financial Planning Fund of Funds, Meezan Strategic Allocation Fund II, Meezan Gold Fund, Meezan Energy Fund, Meezan Strategic Allocation Fund III, Meezan Rozana Amdani Fund, Meezan Pakistan Exchange Traded Fund and Meezan Daily Income Fund.
- 1.2** This condensed interim consolidated financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting'.
- 1.3** This condensed interim consolidated financial information comprise of the statement of financial position as at September 30, 2021 and the profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the nine months period ended September 30, 2021.

**2 ACCOUNTING POLICIES**

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

**3 DATE OF AUTHORISATION**

This condensed interim consolidated financial information was authorised for issue on October 14, 2021 by the Board of Directors of the Holding company.

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

**Irfan Siddiqui**  
President & Chief Executive

**Faisal A. A. AlNassar**  
Director

**Mubashar Maqbool**  
Director

**Shabbir Hamza Khandwala**  
Chief Financial Officer





# Meezan Bank

The Premier Islamic Bank

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

 [www.facebook.com/MeezanBank](http://www.facebook.com/MeezanBank)  [www.twitter.com/MeezanBankLtd](http://www.twitter.com/MeezanBankLtd)  [www.linkedin.com/company/meezan-bank-ltd](http://www.linkedin.com/company/meezan-bank-ltd)

 [www.youtube.com/c/MeezanBankLtd1](http://www.youtube.com/c/MeezanBankLtd1)  [www.instagram.com/meezanbanklimited](http://www.instagram.com/meezanbanklimited)