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CORPORATE INFORMATION

AS OF SEPTEMBER 30, 2022

Board of Directors Riyadh S. A. A. Edrees Faisal A. A. A. Al-Nassar

Bader H. A. M. A. Al-Rabiah Mubashar Magbool Faisal Fahad Al-Muzaini Naveed Iftikhar Sherwani Mohamed Guermazi Mohammad Abdul Aleem Nausheen Ahmad Yousef S.M.A Al-Saad

President & CEO

Chairman

Vice Chairman

Shariah Board Justice (Retd.) Muhammad Tagi Usmani

Dr. Muhammad Imran Ashraf Usmani Sheikh Esam Mohamed Ishaq Mufti Muhammad Naveed Alam

Chairman Vice Chairman

President & CEO

Deputy CEO

Irfan Siddigui Management

Ariful Islam

Irfan Siddigui

Mohammad Abdul Aleem

Faisal A.A.A. Al-Nassar Mohamed Guermazi Mubashar Magbool

Board Risk

Management Committee

Board Audit Committee

Faisal A. A. A. Al-Nassar Mubashar Magbool Bader H. A. M. A. Al-Rabiah Yousef S.M.A Al-Saad

Board Human Resources, **Remuneration & Compensation**

Committee

Riyadh S. A. A. Edrees Mohammad Abdul Aleem Nausheen Ahmad

Board Information Technology Committee Mubashar Magbool Riyadh S. A. A. Edrees Faisal A. A. A. Al-Nassar

Irfan Siddiqui

Board IFRS 9 Implementation

Oversight Committee

Riyadh S. A. A. Edrees Faisal Fahad Al-Muzaini

Irfan Siddiqui

Resident Shariah Board Member

Mufti Muhammad Naveed Alam

Chief Financial Officer

Syed Imran Ali Shah

Company Secretary

A. F. Ferguson & Co., Chartered Accountants

Legal Adviser

Auditors

Haidermota & Co. Advocates

Muhammad Sohail Khan

Registered Office

and Head Office

Meezan House

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Shares Registrar

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Website: www.thk.com.pk

DIRECTORS' R E V I E W

ٱلْحَمَدُ لِللَّهِ رَبِّ ٱلْعَلَمِينَ

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, 2022.

Economy

After staging an impressive GDP growth of 6.0% in FY22, Pakistan's economy is expected to slow down in FY23 due to economic challenges – as the balance of payments pressures, fiscal slippages, high inflation, restrictions on non-essential imports, and resumption of IMF program have triggered sharp monetary and fiscal tightening. The tough global macro environment arising out of Russia–Ukraine conflict and commodity super cycle – particularly oil prices have added to economic imbalances. Domestic inflation rose substantially, which prompted the State Bank of Pakistan (SBP) to tighten monetary policy by raising the policy rate to 15 percent. The situation was further exacerbated by the unprecedented flooding in Pakistan during the 3rd Quarter resulting in more than 30 million people being rendered homeless and over eight hundred thousand heads of cattle washed away. Agriculture, especially in the province of Sind has also been very badly affected.

To fill the widening fiscal gap, the Federal Government has increased the income taxes on select corporate sectors, including the banking industry, through the Federal Budget 2022-23. The International Monetary Fund's (IMF) Executive Board also completed its combined seventh and eighth reviews of the Extended Arrangement under the Extended Fund Facility (EFF) for Pakistan and disbursed US\$1.1 billion which strengthened the country's foreign exchange reserves.

The Federal Board of Revenue's (FBR) budgeted revenue target for the first quarter of the current financial year has been surpassed. Pakistan Rupee–US Dollar parity has improved lately while commodity prices have started coming down. Pakistan's anticipated removal from the Financial Action Task Force (FATF) grey list should also bode well for the economy. We are hopeful that the Government's focus to address domestic and external imbalances and commitment to implementing fiscal discipline in the country will lay the foundation for inclusive and sustainable growth.

Our performance

By the grace of Allah, Meezan Bank continued to deliver strong financial results during the nine months ended September 30, 2022. Profit after tax registered a growth of 46% to Rs 28.6 billion from Rs 19.6 billion in corresponding period last year. This was achieved despite the higher taxation charge levied under the Finance Act 2022 by the Federal Government – the effective tax rate for the period ended September 30, 2022 increased to 49% versus 40% in September 2021.

Basic Earnings per Share for the nine months period, on enhanced share capital of Rs 17.9 billion, increased to Rs 15.98 per share from Rs 10.93 per share in September 2021. The Bank remains sufficiently capitalized with Capital Adequacy Ratio (CAR) of 19.19% – well above the minimum regulatory requirement. We are pleased to inform you that the Board has approved Rs 2.00 (2.00%) interim cash dividend for the third quarter. This brings the total dividend payout for the nine months period to Rs 5.50 (55%) as Rs 3.50 per share (35%) interim cash dividend was paid for the first half of 2022. This is in addition to the 10% bonus shares issued in the last quarter.

DIRECTORS' R E V I E W

The Financial Highlights of Meezan Bank are given below:

Rupees in millions

Statement of Financial Position	September 30, 2022	December 31, 2021	Growth %
Total Assets	2,446,915	1,902,971	29%
Investments	1,243,737	620,132	101%
Sovereign	1,220,117	594,101	105%
Others	23,620	26,031	(9%)
Islamic financing and related assets - Gross	872,628	777,295	12%
Deposits	1,657,916	1,455,886	14%
ADR (Gross Advances to Deposits)- %	53%	53%	
Equity	103,795	86,558	20%

Rupees in millions

Profit & Loss Account	Jan - Sep 2022	Jan - Sep 2021	Growth %
Profit / return earned on financing,			
investments and placements	153,879	77,615	98%
Profit on deposits and other dues expensed	(76,730)	(29,096)	164%
Net spread earned	77,149	48,519	59%
Fee, commission and other non -funded income	15,046	10,267	47%
Operating income	92,195	58,786	57%
Operating and other expenses	(34,077)	(25,583)	33%
Provision against NPLs and others - net	(1,735)	(553)	214%
Profit before tax	56,383	32,650	73%
Taxation	(27,787)	(13,084)	112%
Profit after tax	28,596	19,566	46%
Earnings per share - Rupees - on enhanced share capital	15.98	10.93	46%
Number of branches	940	849	11%

Return on financings, investments and placements increased by 98% to Rs 153.9 billion from Rs 77.6 billion in the corresponding period last year, contributed by both a higher volume of earning assets and a higher benchmark Policy Rate which, on average, increased from 7.01% in the corresponding period last year to 12.47% during the nine months ended September 2022. On the other hand, the return on deposits and other dues recorded an increase of 164% closing at Rs 76.7 billion from Rs 29.1 billion in the corresponding period last year.

DIRECTORS' REVIEW

The Bank's operating and other expenses also increased by 33% to Rs 34 billion from Rs 25.6 billion, primarily due to an increase in costs associated with the opening of 91 new branches since September 2021, a substantial rise in inflation, and a steep rupee devaluation. However, it is heartening to note that notwithstanding the increase in operating and other expenses, the Bank's income efficiency ratio improved to 37% from 44% in the corresponding period last year on the back of its continued focus on cost rationalization and efficient operating cycle.

The total assets of the Bank reached Rs 2.45 trillion, after registering a growth of 29% (Rs 544 billion), from December 2021 levels of Rs 1.91 trillion. The investment portfolio of the Bank doubled, growing to Rs 1.2 trillion from Rs 620 billion last year, after an investment of more than Rs 600 billion in GoP Ijarah Sukuk. The resumption of GoP Ijarah Sukuk has provided necessary liquidity deployment instruments for the Islamic Banking Industry and we are hopeful that this program will remain in place in line with SBP's 5 year strategic plan to grow the Islamic Banking Industry.

The Bank was able to grow its gross financings book to Rs 873 billion – a increase of 12% over Rs 777 billion in December 2021. The growth is well-distributed across all segments in line with the Bank's strategic objective to maintain a high-quality diversified asset portfolio spread across top-tier corporates, mid-tier commercials, small and medium-sized entities and consumer segments. The Bank is also actively extending Islamic financing under export refinance, long-term financing facility, financing for renewable energy, temporary economic refinance for plant and machinery, SME Asaan Finance, etc.

During the nine months ended 30th September 2022, the Bank made an additional general provision of Rs 1.75 billion against potential non-performing financings and decline in borrowers' repayment capacity given the current economic slowdown and the impact of the recent unprecedented floods. The Bank's non-performing financing ratio has slightly improved to 1.5% against an overall banking industry average of around 7%. The Bank maintains a comfortable level of provisions against its non-performing financings with a coverage ratio of 154% - one of the highest in the Banking industry. The Bank does not foresee any adverse impact as a result of its implementation of IFRS 9.

As part of its deposit management strategy, the Bank's current account deposit recorded a growth of 17% from the last year-end to close at Rs 781 billion. Current account deposits now represent 47% – a substantial part of its total deposit base. The Bank's saving accounts also crossed Rs 595 billion bringing its total CASA deposits to 83% of total deposits, amounting to Rs 1.37 trillion as of September 30, 2022 vs Rs 1.21 trillion last year. On an overall basis, the deposits of the Bank grew by 14% or Rs 202 billion closing at Rs 1.66 trillion as of 30th September 2022 from Rs 1.46 trillion last year. The Bank continues to maintain its leadership in Roshan Digital Accounts (RDA) with a market share of 25% in terms of total inflows through this channel, representing \$1.2 billion in foreign remittances.

The Bank continues to focus on a hybrid growth model underpinned by expanding its physical presence in underserved areas of the country whilst simultaneously augmenting its digital footprint through innovative offerings and smooth channel migration. The Bank has added 38 new branches to its network since December 2021, bringing its branch network size to 940 branches with a presence in more than 307 cities. 61 new ATMs were also added over the same period and the Bank now operates with an extensive network of 1,000 plus ATMs. Meezan recently launched Pakistan's first digital supply chain financing platform 'Wisaaq' that digitizes business payments to enable a cashless and digital supply chain for distributors, enabling them to avail Shariah-compliant financing facilities to meet their working capital requirements. The Bank's acquiring business has also expanded to 212 cities in the country which would foster and accelerate the digital payments landscape of the country.

DIRECTORS' R E V I E W

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

Outlook

The Bank remains committed to contributing to the economic growth and stability of the country by strengthening the Islamic Banking Industry (IBI) and assisting the government to shift toward Shariah-compliant banking solutions in line with the SBP's strategic vision to increase the market share of IBI to 30% by 2025 from its current level of around 20%. The Bank will continue to strengthen its equity base in line with its future growth plans while maintaining adequate buffers over regulatory requirements.

The Board would like to express its sincere thanks and gratitude to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, and the Ministry of Finance for their continuous commitment to establishing a viable Islamic financial system in the country. We would also like to thank our shareholders, Board members, Members of the Shariah Board, holders of Additional Tier I Sukuk and Sub-ordinated Sukuk (Tier II) and each one of our staff members for their hard work, commitment and support without which these results would not have been made possible. Most importantly, we are thankful to Allah Almighty for His blessings on our Bank which have enabled us to achieve this in a very short period. We pray that He gives us more strength and wisdom to further expand our Vision of establishing Islamic banking as banking of first choice in Pakistan.

On behalf of the Board

Irfan Siddiqui President & CEO

Riyadh S.A.A. Edrees Chairman

Karachi: October 19, 2022

ڈائریکٹرز کا تجزیہ

الْحَمْدُ يِنْهِ رَبِّ الْعَلَمِينَ

بورڈ آ ف ڈائر کیٹرزمسرت کے ساتھ 30 ستمبر، 2022 کوختم ہونے والے نوماہ کے لئے میزان بینک کمیٹڈ کے مختصر عبوری غیر جانچ شدہ مالیاتی حسابات اور انضامی مالیاتی حسابات بیش کرتا ہے۔

معيشت

مالی سال 2022 میں 6.0 فیصد کی متاثر کن جی ڈی ٹی نموظا ہر کرنے کے بعد پاکتان کو در پیش معاثی چیلنجز کی وجہ ہے 6.7 میں معیشت کی رفتار ست دہنے کی توقع ہے، جس کی وجہ سے 16.1 فیرا طرزر کی بلند ہوں اور آئی ایم الیف کی توقع ہے، جس کی وجہ سے ادائیگیوں کے توازن کے دباؤ، Fiscal Slippage ، افراط زر کی بلند ہونے والی مشکل صور تحال اور کموڈ ٹی سپر سائیکل ، خاص طور پروگرام کی بحالی نے فوری معاشی تحقیقوں کی راہ ہموار کی ۔ روس ۔ یو کر بین تنازعہ کے باعث عالمی سطح پر پیدا ہونے والی مشکل صور تحال اور کموڈ ٹی سپر سائیکل ، خاص طور پرتیل کی قیمتوں نے معاشی عدم استحکام میں اضافہ کیا جس کی وجہ سے اسٹیٹ بینک آف پاکستان (SBP) کو پالیسی شرح برط حاکر 15 فیصد کرنا پڑی ۔ صور تحال اس وقت مزید خراب ہوگئی جب تیسری سہ ماہی میں پاکستان کو اپنی تاریخ کے بدترین سیلا ب کا سامنا کرنا پڑا جس سے تین کروڑ سے زائد افراد ہے گھر اور آٹھ لاکھ سے زائد مور گھر اور آٹھ لاکھ سے نزائد مورک شعب ہائخصوص صوبیہ سندھ میں بری طرح متاثر ہوا۔

وفاقی حکومت نے بڑھتے ہوئے مالیاتی خلا کو پُرکرنے کے لئے وفاقی بجٹ2022ء زید یعنتی کارپوریٹ شعبوں بشمول بینکاری صنعت پرانگم ٹیکس میں اضافہ کر دیا۔عالمی مالیاتی فنڈ (IMF) کے ایگزیکٹو بورڈنے پاکستان کے لئے توسیعی فنڈفیسلٹی (EFF) کے تحت توسیعی انتظام کے ساتویں اورآ ٹھویں جائزے کو بھی مکمل کیا اور 1.1 ارب امریکی ڈالرجاری کئے جن کی وجہ سے ملک کے زرمبادلہ کے ذخائر کواستخکام حاصل ہوا۔

موجودہ مالی سال کی پہلی سہ ماہی کے لئے فیڈرل بورڈ آف ریونیو (FBR) کا مقرر کردہ ریونیو کا ہدف حاصل کیا جاچکا ہے۔ پاکستانی روپے اور امریکی ڈالر کا توازن حاصل میں بہتر ہوا ہے جبکہ اشیائے ضرور یہ کی قیشیں بھی نیچ آنا شروع ہوگئی ہیں۔ پاکستان کا فنانشل ایکشن ٹاسک فورس (FATF) کی گرے اسٹ سے متوقع اخراج بھی خوش آئند ثابت ہوگا۔ جمیسی امید ہے کہ حکومت کی اندرونی اور بیرونی عدم توازن دور کرنے پر توجہ اور ملک میں مالیاتی نظم وضبط نافذ کرنے کے عزم کی بدولت جامع اور پائیدار ترقی کی راہ ہموار ہوگی۔

ہماری کارکردگی

الحمدلله، میزان بینک نے 30 سمبر، 2022 کوختم ہونے والے نو ماہ کے لئے متحکم مالیاتی نتائج بیش کرنے کا سلسلہ جاری رکھا ہے۔ بعداز ٹیکس منافع گزشتہ سال کی ای مدت کے 19.6 ارب روپے کے مقابلہ میں 46 فیصدا ضانے کے بعد 28.6 ارب روپے تک پہنچ گیا۔

اگرچہ وفاقی حکومت کی جانب سے فٹانس ایک 2022 کے تحت زیادہ نیکس وصولی گئی، اور 30 ستمبر، 2022 کو تھم ہونے والی مدت کے لئے مؤثر نیکس کی شرح ستمبر، 2021 کے 40 فیصد ہوگئی۔ 17.9 ارب روپ اضافہ شدہ قصص کے سرمائے پر بنیادی فی قصص آمدنی ستمبر 2021 کے 2021

ميزان بينك كاجم مالياتي نتائج درج ذيل بين:

روپے (ملین میں)

اضافه کی شرح%	31 د کبر، 2021	30 تبر ،2022	مالياتى حثيت كاجائزه
29%	1,902,971	2,446,915	كل افاث
101%	620,132	1,243,737	سرماميكاريال
105%	594,101	1,220,117	- خودمختار
(9%)	26,031	23,620	- دیگر
12%	777,295	872,628	اسلامی فنانسنگ اور متعلقه اخاثے _مجموعی
14%	1,455,886	1,657,916	جمع شده رقوم
	53%	53%	اےڈیآر (Gross advances to deposits)۔ فیصد
20%	86,558	103,795	ا يكو يڻي

اضافه کی شرح %	جنوری تاستبر 2021	جنوری تا تتبر 2022	نفع ونقصان کھا تە
98%	77,615	153,879	فنانسنگر: ،سر مامیکاری اور تعیناتی پرمنافغ
164%	(29,096)	(76,730)	جمع شده رقوم اور دیگر واجبات پرمنافع
59%	48,519	77,149	خالص آمدنی
47%	10,267	15,046	فىيس، كميشن اور ديگرنان _فنڈ ۋ آمدنی
57%	58,786	92,195	انظامی آمدنی
33%	(25,583)	(34,077)	انظامی اور دیگراخراجات
214%	(553)	(1,735)	NPLsاور دیگر کی مدمیس پر دو پژنز
73%	32,650	56,383	قبل از نیکس منافع
112%	(13,084)	(27,787)	فيکس
46%	19,566	28,596	بعدازتيس منافع
46%	10.93	15.98	فی حصص آیدنی _روپ میں _اضافہ شدہ حصص کے سرمائے پر
11%	849	940	برانچوں کی تعداد

فٹانسنگر ، سرماییکاریوں اور تعیناتی پر بینک کی آمدنی گزشتہ سال کی اس مدت کے 77.6 ارب روپے کے مقابلہ میں 98 فیصد اضافہ کے بعد 153.9 ارب روپے ہو گئی ، جس میں آمدنی والے اٹا ثوں کے بڑے جم کا بھی حصہ تھا اور زیادہ نٹی مارک پالیسی شرح نے بھی اپنا کردار ادا کیا ، جوگزشتہ سال کی اس مدت کے اوسطا 2011 فیصد سے بڑھ کر تمبر 2022 کو ختم ہونے والے نوماہ میں 12.47 فیصد ہوگئی۔ دوسری جانب ڈپازٹس اور دیگر واجب الا دارتوم پر آمدنی میں بھی اضافہ ریکارڈ کیا گیا جوگزشتہ سال کی اس مدت کے 29.11رب روپے کے مقابلہ میں 164 فیصد بڑھ کر 76.7 ارب روپے ہوگئی۔

بینک کے آپریٹنگ اور دیگر اخراجات بھی 25.6 ارب روپے ہے 33 فیصد بڑھ کر 34 ارب روپے ہو گئے، جس کی بنیادی وجوہات میں تتبر 2021 کے بعد ہے 91 نئی برانچیں کھولنے ہے اخراجات میں ہونے والا اضافہ، افراط زر کی بڑھتی شرح اور روپے کی قدر میں تیزی ہے کی شامل ہیں۔ تاہم یہ بات خوش آئند ہے کہ بینک کے آپریٹنگ اور دیگر اخراجات میں اضافے کے باوجود بینک کا انکم ایفیشنسی ریشوگز شتہ سال کے 44 فیصد کے مقابلہ میں بہتر ہوکر 37 فیصد ہوگیا، جس کی وجہ cost rationalization پر بینک کی مسلس تو جداور مؤثر آپریٹنگ سائنگل تھی۔

بینک کے کل اٹا توں نے دیمبر 2021 کے 1.91 ٹریلین روپے کے مقابلہ میں 29 فیصد (544 ملین روپ) اضافہ کے بعد 2.45 ٹریلین روپے کا ہدف عبور
کرلیا۔ حکومت پاکستان کے اجارہ صکوک میں 600 ملین روپے سے زائد کی سرمائیکاری کے بعد بینک کا سرمائیکاری پورٹ فولیوگز شتہ سال کے 620 ملین روپ ہے مقابلہ میں دوگئے اضافہ کے ساتھ 2.1 ٹریلین روپے ہوگیا۔ حکومت پاکستان کے اجارہ صکوک کے اجرائے مل کی بحالی نے اسلامی بینکاری کی صنعت کو ضروری
لکویڈ پی ڈپلائمنٹ انسٹر ومنٹس فراہم کئے اور ہمیں امید ہے کہ اسٹیٹ بینک آف پاکستان کے اسلامی بینکاری کی صنعت کو فروغ دینے کے 5 سالہ تزویر اتی
منصوبے کے مطابق میہ پروگرام آئندہ بھی جاری رہے گا۔

بینک نے اپنی مجموعی فنانسکار میں اضافہ بھی جاری رکھااور بینک کی فنانسکار دسمبر، 2021 کے 777 ملین روپے کے مقابلہ میں 12 فیصد اضافہ کے بعد 873 ملین روپے پر پہنچ گئیں۔ فنانسکار میں اضافہ کو تمام شعبہ جات پر تقسیم کیا گیا جواعلی درجہ کے کارپوریٹ، اوسط درجہ کے کمرشلز، اسال اور میڈیم سائز اداروں اور کنز پومر شعبوں پر مشتمل اعلی معیار کا متنوع ایسٹ پورٹ فولیو برقر ارر کھنے کے بینک کے مقصد سے ہم آ ہنگ ہے۔ بینک ایکسپورٹ ری فنانس ، طویل مدتی فنانسگ فراہم کرنے کے قابل تجدید توانائی کے لئے فنانسگ فراہم کرنے کے تعارضی اکنا مک ری فنانس و تا میں موجہ کے اسلامک فنانسگ فراہم کرنے کے لئے سرگرم ہے۔

30 ستمبر، 2022 کوختم ہونے والے نو ماہ کے دوران بینک نے مکن غیر فعال فانسگر کی مدیس اور موجودہ معاشی ست روی اور حالیہ غیر معمولی سیاب کے اثرات کی وجہ سے صارفین کی فنانسگر کی واپسی کی گفیائش میں کمی کے پیش نظر 1.75 ملین روپ کی اضافی عمومی پروویژنز کی منظوری دی ہے۔ بینک کی غیر فعال فانسٹگر کی شرح قدر سے بہتر ہوکر 1.5 فیصد ہوگئی ہے جبکہ مجموعی بینکاری صنعت کی اوسط شرح تقریبا آ فیصد ہے۔ بینک نے 154 فیصد کورت کر لیٹو کے ساتھا پنی غیر فعال فنانسٹگر کی مدیس پروویژنز کی سلی بخش شرح بر قرار رکھی ہے جو بینکاری صنعت کی سب سے زیادہ شرح ہے۔ بینک کو IFRS-9 کے نفاذ سے کوئی بڑے اثرات مرتب مونے کا امکان نظر نہیں آتا۔

جیسا کہ بینک کی ڈپازٹ کے انتظام کی حکمت عملی کا حصہ ہے، بینک کے کرنٹ اکاؤنٹ ڈپازٹس میں گزشتہ سال کے اختتام ہے 17 فیصد اضافہ ریکارڈ کیا گیا جو 178 ارب روپے پر بند ہوئے۔ کرنٹ اکاؤنٹ را بھی ہے۔ بینک کے سیونگز اکاؤنٹس بھی 178 ارب روپے پر بند ہوئے۔ کرنٹ اکاؤنٹس اب 47 فیصد حصہ پر مشتمل ہیں جو بینک کے کل ڈپازٹس کا ایک بڑا حصہ 82 فیصد ہوگیا، جو گزشتہ سال کے 1.21 ٹریلین روپے ہے۔ مجموئی طور پر بینک کے ڈپازٹس میں 30 سمبر، 2022 تک 1.37 ٹریلین روپے ہے۔ مجموئی طور پر بینک کے ڈپازٹس میں 30 سمبر، 2022 تک 14 فیصد یا 202 ارب روپے کا اضافہ ہوا اور گزشتہ سال کے 1.46 ٹریلین روپے کے مقابلہ میں 1.66 ٹریلین روپے پر بند ہوئے۔ بینک نے روش ڈ بھیٹل اکاؤنٹ 202 ارب روپے کا اضافہ ہوا اور گزشتہ سال کے 1.46 ٹریلین روپے کے مقابلہ میں 1.66 ٹریلین روپے پر بند ہوئے۔ بینک نے روش ڈ بھیٹل اکاؤنٹ کے ذریعے کل جمع شدہ رقوم میں بینک کا مارکیٹ شیئر 25 فیصد (RDA) میں اپنی برتری برقر اررکھی ہے اور پاکستان کی بینکاری صنعت میں روش ڈ بھیٹل اکاؤنٹ کے ذریعے کل جمع شدہ رقوم میں بینک کا مارکیٹ شیئر 25 فیصد ہوغیر ملکی ترسیا تریش 1.20 ارب امریکی ڈالر کے برابر ہے۔

VIS کریڈٹ ریڈنگ کمپنی کمبیٹڈ کی جانب ہے بینک کو +1-AAAA (ٹرپل اے/اے دن پلس)ریڈنگر دی گئی ہیں جونہ ہونے کے برابررسک فیکٹرز کے ساتھ کریڈٹ کے ممکنہ حد تک اعلیٰ ترین معیار کی نشاند ہی کرتی ہیں ۔ تفویض کردہ ریڈنگر کے آثار 'مستخلم' ہیں ۔

متقبل کے امکانات

بینک اسلامی بینکاری کومتخکم بنیادوں پر استوار کر کے ملکی معاثی ترقی اور استحکام میں اپنا کردار ادا کرنے اور شریعہ کمپلائنٹ بینکاری پر منتقلی کے لئے حکومت کی معاونت جاری رکھنے کے لئے پُرعزم ہے، جو اسٹیٹ بینک آف پاکستان کے اسلامی بینکاری صنعت (IBI) کے حصہ کو 2025 تک موجودہ سطح یعنی 20 فیصد سے بڑھا کر 30 فیصد کرنے کے عزم سے ہم آ ہنگ ہے۔ بینک ریگو لیٹری تقاضوں سے مناسب تحفظ برقر اررکھتے ہوئے اپنی ایکو پی ہیں کو متحکم کرنے کا سلسلہ بھی جاری رکھے گا، جواس کے آئندہ ترقی کے منصوبوں سے ہم آ ہنگ ہے۔

(منجانب بورڈ)

عرفان صدیق صدر اور CEO ریاض ایس.اہ.اہ.ادریس چیئر مین

> کراچی: 19اکتوبر،2022

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

	Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		Rupee	s in '000 ———
Cash and balances with treasury banks Balances with other banks Due from financial institutions - net Investments - net Islamic financing and related assets - net Fixed assets Intangible assets Deferred tax assetsS Other assets - net	6 7 8 9 10 11 12 13	152,413,160 13,187,682 35,964,299 1,243,737,014 852,338,939 39,259,109 1,791,544 3,797,659 104,425,184 2,446,914,590	170,500,698 16,420,036 238,401,637 620,132,043 758,086,120 33,957,947 1,495,810 175,555 63,801,554
LIABILITIES			
Bills payable Due to financial institutions Deposits and other accounts Sub-ordinated Sukuk Other liabilities	15 16 17 18 19	42,638,472 505,307,507 1,657,916,371 20,990,000 116,267,060 2,343,119,410	36,141,378 220,414,234 1,455,886,468 20,990,000 82,981,545 1,816,413,625
NET ASSETS		103,795,180	86,557,775
REPRESENTED BY			
Share capital Reserves Unappropriated profit Surplus on revaluation of assets - net of tax	20	17,896,243 26,461,434 58,806,861 630,642 103,795,180	16,269,312 23,393,198 42,831,655 4,063,610 86,557,775
CONTINGENCIES AND COMMITMENTS	21		

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

PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Note	Quarter ended September 30, 2022	Nine months period ended September 30, 2022	Quarter ended September 30, 2021	Nine months period ended September 30, 2021
			Rupee	s in '000 ———	
			_		
Profit / return earned on Islamic financing and	22	65 502 250	152 070 006	27 400 562	77.615.000
related assets, investments and placements Profit on deposits and other dues expensed	22 23	65,582,358 33,855,422	153,878,806 76,729,876	27,498,562 10,185,340	77,615,000 29,096,456
Net spread earned	23	31,726,936	77,148,930	17,313,222	48,518,544
OTHER INCOME					
OTHER INCOME Fee and commission income	24	3,438,653	9,600,144	2,506,984	6,608,816
Dividend income		128,466	552,119	160,527	573,269
Foreign exchange income		734,743	3,866,649	543,966	2,149,005
(Loss) / Gain on securities - net	25	(104,612)	76,999	80,938	339,009
Other income	26	190,759	950,300	164,579	597,772
		4,388,009	15,046,211	3,456,994	10,267,871
Total income		36,114,945	92,195,141	20,770,216	58,786,415
OTHER EXPENSES			1	1	1
Operating expenses	27	12,279,116	32,744,892	8,587,719	24,847,146
Workers Welfare Fund		506,021	1,242,851	245,231	729,344
Other charges	28	83,091	89,024	1,608	6,524
Total other expenses		12,868,228	34,076,767	8,834,558	25,583,014
Profit before provisions		23,246,717	58,118,374	11,935,658	33,203,401
Provisions and write offs - net	29	545,866	1,735,254	120,527	553,418
Extra ordinary/ unusual items		-	-	-	-
Profit before taxation		22,700,851	56,383,120	11,815,131	32,649,983
Taxation	30	11,223,605	27,786,725	4,856,713	13,083,633
Profit after taxation		11,477,246	28,596,395	6,958,418	19,566,350
			Ru	pees —	
				Rest	ated
Basic earnings per share	31	6.41	15.98	3.89	10.93
Diluted earnings per share	31	6.41	15.97	3.89	10.93

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

Riyadh S. A. A. Edrees Chairman **Irfan Siddiqui**President& Chief Executive

Faisal A. A. A. AlNassar Director Mohammad Abdul Aleem Director

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Note	Quarter ended September 30, 2022	Nine months period ended September 30, 2022	Quarter ended September 30, 2021	Nine months period ended September 30, 2021
			Rupees	in '000 ———	
Profit after taxation for the period		11,477,246	28,596,395	6,958,418	19,566,350
Other comprehensive income					
Items that may be reclassified to					
profit and loss account in subsequent periods:					
Surplus / (deficit) on revaluation of investments	20	2,515,957	(5,555,197)	(391,688)	927,290
Deferred tax on revaluation of investments	20	(1,081,862)	2,123,812	144,821	(739,120)
		1,434,095	(3,431,385)	(246,867)	188,170
Items that will not be reclassified to profit and					
loss account in subsequent periods:			1	1	
Surplus on revaluation of non - banking assets		-	-	-	-
Deferred tax on revaluation of non - banking assets	20	-	(1,544)	-	(1,227)
		-	(1,544)	-	(1,227)
Other Comprehensive income/ (loss) for the perio	d	1,434,095	(3,432,929)	(246,867)	186,943
Total Comprehensive Income for the period		12,911,341	25,163,466	6,711,551	19,753,293

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

Riyadh S. A. A. Edrees Chairman

Irfan Siddiqui President& Chief Executive

Faisal A. A. A. AlNassar Director Mohammad Abdul Aleem Director

STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

		Capital reserves			Revenue reserve	Unappro- priated	· · I C V a l u t l O l I O l		Total	
	Share capital	Share premium	Statutory reserve *	Non - Distributable Capital Reserve - Gain on Bargain Purchase	Employee share option compensation reserve	General reserve	profit	Investments	Non- banking Assets	iotai
Balance as at January 01, 2021	14,147,228	2 406 571	14,833,341	3,117,547	Rupees		29,021,521	5,542,351	10 0/1	69,155,266
Profit after taxation for the nine months period	14,147,220	2,400,371	14,033,341	3,117,347	-	00,700	29,021,321	3,342,331	17,741	09,133,200
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
Other appropriations Transfer to statutory reserve	_	_	1,956,635	_	_	_	(1,956,635)	_	_	_
Issue of bonus shares @ 15%	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 Second Interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	-	(2,122,085) (2,122,085)	-	-	(2,122,085) (2,122,085)
Balance as at September 30, 2021	16,269,312	2,406,571	16,789,976	3,117,547		66,766	37,435,536	5,730,521	18 714	81,834,943
Profit after taxation for the quarter ended December 31, 2021	10,209,312	2,400,371	10,703,370	5,117,547	_	00,700	8,788,807	5,750,521	10,714	8,788,807
	-	_	- I	-	-	-	0,700,007	-	-	0,700,007
Other Comprehensive loss for the quarter ended December 31, 2021 - net of tax	-	-	-	-	-	-	(73,503) 8,715,304	(1,690,444)	4,912 4,912	(1,759,035) 7,029,772
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	93	(1,090, 444) -	(93)	-
Other appropriations Transfer to statutory reserve	-	-	878,881	-	-	-	(878,881)	-	-	-
Recognition of share based compensation	-	-	-	-	133,457	-	-	-	-	133,457
Transactions with owners recognised directly in equity										
Third Interim cash dividend for the year 2021@ Rs 1.5 per share	-	-	-	-	-	-	(2,440,397)	-	-	(2,440,397)
Balance as at December 31, 2021	16,269,312	2,406,571	17,668,857	3,117,547	133,457	66,766	42,831,655	4,040,077	23,533	86,557,775
Profit after taxation for the nine months period ended September 30, 2022	-	-	-	_	-	-	28,596,395	-	-	28,596,395
Other Comprehensive income for the nine months period								(2.421.205)	(1.544)	
ended September 30, 2022 - net of tax			-	_		-	28,596,395	(3,431,385)	(1,544)	(3,432,929)
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	39	-	(39)	-
Other appropriations Transfer to statutory reserve	_		2,859,640	_	_	_	(2,859,640)	_	_	
Recognition of share based compensation	_	-	-	_	208,596	_	-	_	-	208,596
Issue of bonus shares @ 10%	1,626,931	-	-	-	-	-	(1,626,931)	-	-	-
Final cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	-	(2,440,397)	-	-	(2,440,397)
First Interim cash dividend for the year 2022 @ Rs 1.75 per share	-	-	-	-	-	-	(2,847,130)	-	-	(2,847,130)
Second Interim cash dividend for the year 2022 @ Rs 1.75 per share	-	-	-	-	-	-	(2,847,130)	-	-	(2,847,130)
Balance as at September 30, 2022	17,896,243	2,406,571	20,528,497	3,117,547	342,053	66,766	58,806,861	608,692	21,950	103,795,180

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

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

Riyadh S. A. A. Edrees Chairman

Irfan Siddiqui President& Chief Executive

Faisal A. A. A. AlNassar Director Mohammad Abdul Aleem Director

CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Note	Nine months period ended September 30, 2022	Nine months period ended September 30, 2021
		——— Rupees	in '000 ———
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation Less: Dividend income		56,383,120 (552,119) 55,831,001	32,649,983 (573,269) 32,076,714
Adjustments for non-cash charges and other items: Depreciation Amortization Non cash items related to right of use assets Provisions and write offs - net Recognition of share based compensation Gain on sale of fixed assets		2,219,330 328,697 3,230,394 1,735,254 208,596 (170,862)	1,786,173 262,331 2,371,360 553,418 - (77,210)
Decrease / (increase) in operating assets Due from financial institutions		7,551,409 63,382,410 202,437,338	4,896,072 36,972,786 (26,405,391)
Islamic financings and related assets Other assets		(95,327,620) (40,675,142) 66,434,576	(92,038,055) (21,016,688) (139,460,134)
Increase / (decrease) in operating liabilities Bills payable Due to financial institutions Deposits and other accounts Other liabilities		6,497,094 284,893,273 202,029,903 21,208,229 514,628,499 644,445,485	13,322,937 44,749,695 89,726,084 13,636,049 161,434,765 58,947,417
Income tax paid Net cash flow from operating activities		(18,861,458) 625,584,027	(11,276,513) 47,670,904
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities Dividends received Investments in fixed assets Investments in intangible assets Proceeds from sale of fixed assets Net cash used in investing activities		(629,723,862) 506,872 (8,968,183) (624,431) 296,573 (638,513,031)	(41,259,212) 491,834 (4,199,642) (759,031) 132,778 (45,593,273)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets Dividend paid Net cash used in financing activities		(2,598,286) (5,792,602) (8,390,888)	(2,248,191) (5,998,353) (8,246,544)
Decrease in cash and cash equivalents		(21,319,892)	(6,168,913)
Cash and cash equivalents at the beginning of the period	32	186,920,734	155,688,374
Cash and cash equivalents at the end of the period	32	165,600,842	149,519,461

Riyadh S. A. A. Edrees Chairman **Irfan Siddiqui** President& Chief Executive

Faisal A. A. A. AlNassar Director Mohammad Abdul Aleem Director

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Bank Limited (the Bank) was incorporated in Pakistan on January 27, 1997, as a public limited company under the Companies Act, 2017 (previously Companies Ordinance, 1984), and its shares are quoted on the Pakistan Stock Exchange Limited. The Bank was registered as an 'Investment Finance Company' on August 8, 1997, and carried on the business of investment banking as permitted under SRO 585(I)/87 dated July 13, 1987, in accordance and in conformity with the principles of Islamic Shariah. A 'Certificate of Commencement of Business' was issued to the Bank on September 29, 1997.
- 1.2 The Bank was granted a 'Scheduled Islamic Commercial Bank' license on January 31, 2002 and formally commenced operations as a Scheduled Islamic Commercial Bank with effect from March 20, 2002, on receiving notification in this regard from the State Bank of Pakistan (the SBP) under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, investment and retail banking activities.
- **1.3** The Bank was operating through nine hundred and forty branches as at September 30, 2022 (December 31, 2021: nine hundred and two branches). Its registered office is at Meezan House, C-25, Estate Avenue, SITE, Karachi, Pakistan.
- **1.4** Based on the financial statements of the Bank for the year ended December 31, 2021, the VIS Credit Rating Company Limited has reaffirmed the Bank's medium to long-term as 'AAA' and the short-term rating as "A1+".

2 BASIS OF PRESENTATION

The Bank provides Islamic financing and related assets mainly through Murabaha, Istisna, Tijarah, Ijarah, Diminishing Musharakah, Running Musharakah, Bai Muajjal, Musawammah, Service Ijarah, Wakalah, Wakalah Tul Istithmar, and Export Refinance under Islamic Export Refinance Scheme and various long term refinancing facility of the State Bank of Pakistan.

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

3 STATEMENT OF COMPLIANCE

- **3.1** This condensed interim financial statements (here-in-after referred to as "financial statements") has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
 - Directives issued by the State Bank of Pakistan (SBP) and the Securities Exchange Commission of Pakistan (SECP).

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

3.2 Significant accounting policies and financial risk management

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

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

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

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

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

As referred to in note 3.5 to the annual financial statements of the Bank for the year ended December 31, 2021, there are certain amendments to the financial reporting standards which would become effective from the next financial year, however such amendments are not expected to have a material effect on the Bank's financial statements of the period of initial application.

IFRS 9 'Financial Instruments' - IFRS 9 replaced the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments and a new expected credit loss model for calculating impairment on financial assets. The SBP vide its BPRD Circular Letter No. 03 of 2022 dated July 05, 2022 extended the implementation date of IFRS 9 to January 01, 2023 from an earlier implementation date of January 01, 2022. Moreover, SBP has also issued application instructions on IFRS 9 for banks in Pakistan along with the requirements to conduct quarterly parallel run reporting for the year 2022 and the Bank is in the process of complying the same.

4 BASIS OF MEASUREMENT

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

4.2 Functional and presentation currency

This condensed interim unconsolidated financial statements 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 statements are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2021.

6	CASH AND BALANCES WITH TREASURY BANKS	Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	In hand		— Rupees	in '000 ——
	local currencyforeign currencies		38,511,530 2,006,704	36,028,760 2,821,769
	With the State Bank of Pakistan in - local currency current accounts	6.1	40,518,234 69,761,486	38,850,529 70,308,704
	- foreign currency current accounts	6.1	6,224,539 75,986,025	10,259,746 80,568,450
	With the National Bank of Pakistan in - local currency current accounts		35,878,400	50,668,296
	National Prize Bonds	6.2	30,501 152,413,160	413,423 170,500,698

- **6.1** These include local and foreign currency amounts required to be maintained by the Bank with the SBP as stipulated by the SBP. These accounts are non-remunerative in nature.
- **6.2** These represent the national prize bonds received from customers for onward surrendering to SBP. The Bank, as a matter of Shariah principle, does not deal in prize bonds.

		Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
7	BALANCES WITH OTHER BANKS		Rupees	in '000 ———
	In Pakistan - in current accounts		10,842,464	14,901,943
	Outside Pakistan - in current accounts - in deposit accounts	7.1	2,024,566 320,652 2,345,218	1,275,566 242,527 1,518,093
			13,187,682	16,420,036

7.1 It represent the balance in the remunerative account maintained with financial institutions outside Pakistan. The return on this balance is 1.75% (December 31, 2021: 0.0001%) per annum.

		Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
8	DUE FROM FINANCIAL INSTITUTIONS - NET		——— Rupees	in '000 ———
	Bai Muajjal:			
	With scheduled banks / financial institution - Secured With other financial institution	8.1	34,964,299 15,500	238,401,637 15,500
			34,979,799	238,417,137
	Musharakah - Unsecured Commodity Murabaha	8.2	1,000,000 26,066	- 26,066
			36,005,865	238,443,203
	Provision against non-performing amounts due from financial institutions	8.3	(41,566)	(41,566)
			35,964,299	238,401,637

- **8.1** The average return on this product is 11.14% (December 31, 2021: 8.10%) per annum. These balances have maturities in July 2025 (December 31, 2021: ranging between January 2022 to July 2025).
- **8.2** The average return on this product is 15.95% (December 31, 2021: Nil) per annum. This balance has matured in October 2022.

		September 30, 20	022 (Unaudited)	December 31, 2	021 (Audited)
		Non- performing due from financial institutions	Provision held	Non- performing due from financial institutions	Provision held
8.3	Category of classification		Rupees	in '000 ———	
	Loss	41,566	41,566	41,566	41,566

FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

9	INVESTMENTS - NET	Note	September 30, 2022 (Unaudited)		December 31, 2021 (Audited)					
			Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
9.1	Investments by types					Rupees	in '000 –			
	Available for sale securities									
	Federal Government Securities - Ijarah Sukuk		852,234,577		(4,971,381)	847,263,196	322,169,774	-	(1,300,655)	320,869,119
	- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)		23,224,694	-		23,224,694	64,443,192	-	-	64,443,192
	- Islamic Naya Pakistan Certificate		5,594,488	-	-	5,594,488	1,285,426	-	-	1,285,426
	Non Government Sukuk - Pakistan Energy Sukuk guaranteed by the Government of Pakistan - Other Sukuk guaranteed by the Government of Pakistan		114,390,553 7,252,810	-	5,119,155 -	119,509,708 7,252,810	114,404,511 10,786,560	-	5,624,000 -	120,028,511 10,786,560
	- Other Non Government Sukuk		4,390,010	75,892	-	4,314,118	5,216,319	75,892	-	5,140,427
	Foreign Securities		9,941,389	-	(183,128)	9,758,261	10,343,243	-	370,768	10,714,011
	Shares		10,421,127	2,885,818	1,103,235	8,638,544	9,662,370	2,322,124	1,928,965	9,269,211
			1,027,449,648	2,961,710	1,067,881	1,025,555,819	538,311,395	2,398,016	6,623,078	542,536,457
	Held to maturity securities - Ijarah Sukuk		217,272,893	-	-	217,272,893	76,687,798	-	-	76,687,798
	In related parties									
	Subsidiary (unlisted) - Shares		63,050	-		63,050	63,050	-	-	63,050
	Associates (listed) - Units of funds		845,252		-	845,252	844,738		-	844,738
	Total Investments		1,245,630,843	2,961,710	1,067,881	1,243,737,014	615,906,981	2,398,016	6,623,078	620,132,043

FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

9.2	Investments given as collateral	September 30, 20	022 (Unaudited)	December 31,	2021 (Audited)
		Face Value	Market / Carrying Value	Face Value	Market / Carrying Value
			Rupee	s in '000 ———	
	Federal Government Securities - Sukuk	379,007,000	378,027,592	30,000,000	30,054,000
	 Bai Muajjal with Government of Pakistan (through State Bank of Pakistan) 	-	-	28,150,000	28,150,000
		379,007,000	378,027,592	58,150,000	58,204,000
				September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
9.3	Provision against diminution in value of inve	estments		Rupees	-
	Opening balance			2,398,016	2,183,393
	Charge / (reversals) for the period / year			2,390,010	2,103,393
	On available for sale securities				
	- charge for the period / year on equity investm - reversals for the period / year on recovery of c			652,948	305,016 (3,456)
	- reversals for the period / year on disposals of			(89,254)	(86,937)
				563,694	214,623
	Closing balance			2,961,710	2,398,016
		September 30, 202	22 (Unaudited)	December 31, 2	2021 (Audited)
		Non- performing investment	Provision held	Non- performing investment	Provision held
9.4	Particulars of provision against Sukuk		Rupees	in '000 ———	
	Category of classification Loss	75,892	75,892	75,892	75,892

FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

		Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
10	ISLAMIC FINANCING AND RELATED ASSETS		Rupees	-
	In Pakistan:		nupees	
	Murabaha financing and related assets - Murabaha financing - Advances against Murabaha - Murabaha inventory - Financing under Islamic Export Refinance - Murabaha - Financing against Islamic SME Asaan Finance - Inventory under Islamic Export Refinance - Murabaha - Advance against Islamic SME Asaan Finance - Advance against Islamic Export Refinance - Murabaha	10.1 10.2 10.3	56,113,701 3,245,808 1,249,678 1,056,855 116,100 10,000 41,000 488,498 62,321,640	6,195,161 2,224,908 2,085,908 1,048,988 10,000 35,000 40,000 460,014
	Running Musharakah financing - Running Musharakah financing - Financing under Islamic Export Refinance - Running Musharakah		157,127,738 55,082,113 212,209,851	193,218,603 37,235,077 230,453,680
	Istisna financing and related assets - Istisna financing - Advances against Istisna - Istisna inventory - Financing under Islamic Export Refinance - Istisna - Advances under Islamic Export Refinance - Istisna - Inventory under Islamic Export Refinance - Istisna		33,411,078 34,395,854 30,543,414 155,113 10,367,932 3,274,923 112,148,314	6,534,664 68,370,720 5,574,727 266,800 7,985,372 2,866,783 91,599,066
	Tijarah financing and related assets - Tijarah financing - Tijarah inventory - Financing under Islamic Export Refinance - Tijarah - Financing under Islamic SME Asaan Finance - Tijarah - Inventory under Islamic Export Refinance - Tijarah		1,511,986 6,273,370 1,268,251 9,977 393,255 9,456,839	1,715,312 10,959,567 1,549,127 2,738 413,901 14,640,645
	Musawammah financing and related assets - Musawammah financing - Musawammah Inventory - Advances against Musawammah - Financing under Islamic Export Refinance - Musawammah - Financing under SBP's IFRE - Musawammah - Inventory under Islamic Export Refinance - Musawammah - Advances under Islamic Export Refinance - Musawammah	10.4 10.5 10.6	18,036,959 10,155,073 7,384,326 970,885 288,063 186,000 177,000 37,198,306	33,362,530 8,621,219 15,944,490 2,313,610 90,260 647,638 1,215,492 62,195,239
	Salam Financing and related assets - Salam Financing - Salam Inventory - Advances against Salam - Advances under Islamic Export Refinance - Salam		1,505,653 1,626,748 8,255,661 - 11,388,062	990,223 11,204,294 1,230,270 449,206 13,873,993
	Financing against bills - Financing against bills - Salam - Advances against bills - Salam		7,549,738 16,716 7,566,454	9,827,325 1,947 9,829,272
	- Bai Muajjal financing	10.7	50,998,101	39,429,724

FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
		——— Rupees	in '000 ———
Ijarah financing and related assets - Net investment in Ijarah - Net book value of assets/investment in Ijarah under IFAS 2 - Net book value of assets/investment in Ijarah under IFAS 2 under SBP's ILTFF		75,042 61,719,013 1,157	75,042 54,013,622 11,030
·	10.8	61,795,212	54,099,694
- Advances against Ijarah		7,341,496	8,865,508
		69,136,708	62,965,202
Diminishing Musharakah financing and related assets - Diminishing Musharakah financing - others - Diminishing Musharakah financing - housing - Diminishing Musharakah financing - SBP's ILTFF - Diminishing Musharakah financing - SBP's IRSPWS - Diminishing Musharakah financing - SBP's IFRE - Diminishing Musharakah financing - SBP's ITERF - Diminishing Musharakah financing - SBP's IFFSAP - Diminishing Musharakah financing - SBP's IFFSAP - Diminishing Musharakah financing - SBP's ISAAF - Advances against Diminishing Musharakah - Advances against Diminishing Musharakah under SBP's IFFSAP - Advances against Diminishing Musharakah under SBP's IRFCC - Advances against Diminishing Musharakah under SBP's ISAAF - Advances against Diminishing Musharakah under SBP's ISAAF - Advances against Diminishing Musharakah under SBP's ITERF - Advances against Diminishing Musharakah under SBP's ITERF		139,628,661 20,125,601 13,665,624 626,289 14,121,657 8,709,513 193,705 181,157 59,181 23,356,377 125,661 3,193,990 278,781 32,828 10,649,711 12,616,890 247,565,626	110,857,954 16,670,211 12,881,740 2,321,293 952,704 1,507,883 402,751 62,913 9,900 11,302,256 83,939 15,188,412 327,087 - 12,148,592 4,963,408 189,681,043
- Wakalah Tul Istithmar financing		20,025,067	10,625,000
- Advance against Wakalah Tul Istithmar financing		8,500,000	23,714,700
- Advance against Service Ijarah		14,899,103	7,749,103
- Qard financing under SBP's IRSPWS		11,566	28,914
- Qard financing under SBP's IRFCC		286,435	528,791
- Labbaik (Qard for Hajj and Umrah)		3,810	274
- Staff financing		7,314,431	6,237,617
- Other financing		1,597,461	1,642,884
Gross Islamic financing and related assets		872,627,774	777,295,126
Less: Provision against non-performing Islamic financing and related assets - Specific Less: Provision against non-performing Islamic financing	10.10	(12,538,994)	(13,338,988)
and related assets - General Islamic financing and related assets - net of provision	10.10	(7,749,841) 852,338,939	(5,870,018) 758,086,120

FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

		Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
			——— Rupees	in '000 ———
10.1	Murabaha receivable - gross Less: Deferred murabaha income Profit receivable shown in other assets Murabaha financing	10.1.1 10.1.3	61,356,816 (4,978,587) (264,528) 56,113,701	6,944,861 (117,597) (632,103) 6,195,161
10.1.1	Murabaha Sale Price Murabaha Purchase Price		61,356,816 (56,113,701) 5,243,115	6,944,861 (6,195,161) 749,700
10.1.2	The movement in Murabaha financing during the period / year is as follows: Opening balance Sales during the period / year Adjusted during the period / year Closing balance		6,195,161 58,514,238 (8,595,698) 56,113,701	7,292,120 72,951,570 (74,048,529) 6,195,161
10.1.3	Deferred Murabaha Income Opening balance Deferred during the period / year Recognised during the period / year Closing balance		117,597 5,700,802 (839,812) 4,978,587	112,171 2,621,586 (2,616,160) 117,597
10.2	Financing under Islamic Export Refinance - Murabaha - gross Less: Deferred income Profit receivable shown in other assets Financing under Islamic Export Refinance - Murabaha		1,092,592 (11,953) (23,784) 1,056,855	1,068,203 (5,937) (13,278) 1,048,988
10.2.1	The movement in Islamic Export Refinance Murabaha financing during the period / year is as follows: Opening balance Sales during the period / year Adjusted during the period / year Closing balance		1,048,988 1,726,476 (1,718,609) 1,056,855	873,321 3,159,707 (2,984,040) 1,048,988
10.2.2	Deferred Islamic Export Refinance Murabaha Income Opening balance Deferred during the period / year Recognised during the period / year Closing balance		5,937 55,007 (48,991) 11,953	5,106 51,534 (50,703) 5,937
10.3	Financing against Islamic SME Asaan Finance - Murabaha - gross Less: Deferred income Profit receivable shown in other assets Financing against Islamic SME Asaan Finance - Murabaha		128,363 (11,096) (1,167) 116,100	11,526 (1,506) (20) 10,000
10.3.1	The movement in Islamic SME Asaan Finance (Murabaha financing during the year is as follows: Opening balance Sales during the period / year Adjusted during the period / year Closing balance)	10,000 155,626 (49,526) 116,100	10,000
10.3.2	Deferred Islamic SME Asaan Finance Murabaha income Opening balance Arising during the period / year Recognised during the period / year Closing balance		1,506 17,220 (7,630) 11,096	1,526 (20) 1,506

FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

		2022 (Unaudited)	2021 (Audited)
		——— Rupees	in '000 ———
10.4	Musawammah financing - gross	19,212,131	34,477,153
	Less: Deferred income	(637,900)	(468,449)
	Profit receivable shown in other assets	(537,272)	(646,174)
	Musawammah financing	18,036,959	33,362,530
10.5	Financing under Islamic Export Refinance - Musawammah - gross	1,006,419	2,346,068
	Less: Deferred income	(18,066)	(13,048)
	Profit receivable shown in other assets	(17,468)	(19,410)
	Financing under Islamic Export Refinance - Musawammah	970,885	2,313,610
10.6	Financing under SBP's IFRE - Musawammah - gross	323,729	101,406
	Less: Deferred income	(33,196)	(10,925)
	Profit receivable shown in other assets	(2,470)	(221)
	Financing under SBP's IFRE - Musawammah	288,063	90,260
10.7	Bai Muajjal financing - gross	54,077,438	40,373,453
	Less: Deferred income	(1,027,371)	(300,831)
	Profit receivable shown in other assets	(2,051,966)	(642,898)
	Bai Muajjal financing	50,998,101	39,429,724

Sentember 30

December 31

- **10.8** Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs 44,713 million (December 31, 2021: Rs 41,547 million).
- **10.9** Islamic financing and related assets include Rs. 13,181 million (December 31, 2021: Rs. 14,450 million) which have been placed under non-performing status as detailed below:

	September 30, 20)22 (Unaudited)	December 31, 2	021 (Audited)
	Non- performing amount	Provision held	Non- performing amount	Provision held
Category of classification		Rupees	in '000 ———	
Domestic				
Other Assets Especially Mentioned	3,998	11	41,771	358
Substandard	312,125	64,157	409,772	82,151
Doubtful	297,390	130,113	1,000,601	356,314
Loss	12,567,851	12,344,713	12,997,394	12,900,165
	13,181,364	12,538,994	14,449,538	13,338,988

FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

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

	September 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Specific	General	Total	Specific	General	Total
			— Rupees	in '000 —		
Opening balance	13,338,988	5,870,018	19,209,006	13,602,974	5,452,711	19,055,685
Charge for the period / year	379,853	1,879,823	2,259,676	2,186,594	417,307	2,603,901
Less: Reversals	(1,179,847)	-	(1,179,847)	(1,859,091)	-	(1,859,091)
	(799,994)	1,879,823	1,079,829	327,503	417,307	744,810
Amount written off	-		-	(591,489)	-	(591,489)
Closing balance	12,538,994	7,749,841	20,288,835	13,338,988	5,870,018	19,209,006

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

In addition, the Bank has also maintained a general provision of Rs 7,100 million (December 31, 2021: Rs 5,350 million) against financing made on prudent basis, in view of prevailing economic conditions. This general provision is in addition to the requirements of Prudential Regulations.

10.10.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sales Value (FSV) of collaterals against the non-performing financing. The accumulated benefit availed as at September 30, 2022 amounts to Rs 294.9 million (December 31, 2021: Rs 176.6 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs 150.4 million as at September 30, 2022 (December 31, 2021: Rs 107.7 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

11	FIXED ASSETS	Note	September 30, 2022 (Unaudited) ———— Rupees	December 31, 2021 (Audited) s in '000
	Capital work-in-progress	11.1	7,294,137	5,117,821
	Property and equipment		20,751,469	16,304,643
	Right-of-use assets		11,213,503 39,259,109	12,535,483 33,957,947
11.1	Capital work-in-progress Advances to suppliers and contractors for: - civil works		4,612,435	3,600,313
	- computer hardware		938,175	583,704
	- purchase of vehicles		747,749	346,210
	- office machines		950,146	472,467
	- furniture and fixtures		45,632 7,294,137	<u>115,127</u> 5,117,821
			September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
			2022 (Unaudited)	2021
11.2	2 Additions to fixed assets		2022 (Unaudited)	2021 (Unaudited)
11.2	2 Additions to fixed assets The following additions (net) have been made to fixed assets during the period:		2022 (Unaudited)	2021 (Unaudited)
11.2	The following additions (net) have been made		2022 (Unaudited)	2021 (Unaudited)
11.2	The following additions (net) have been made to fixed assets during the period:		2022 (Unaudited) ———— Rupees	2021 (Unaudited) s in '000 ———
11.2	The following additions (net) have been made to fixed assets during the period: Capital work-in-progress Property and equipment Leasehold land		2022 (Unaudited) Rupees 2,176,316	2021 (Unaudited) s in '000 —————————————————————————————————
11.2	The following additions (net) have been made to fixed assets during the period: Capital work-in-progress Property and equipment Leasehold land Buidling on leasehold land		2022 (Unaudited) ————————————————————————————————————	2021 (Unaudited) s in '000 —————————————————————————————————
11.2	The following additions (net) have been made to fixed assets during the period: Capital work-in-progress Property and equipment Leasehold land Buidling on leasehold land Leasehold improvements		2022 (Unaudited) ————————————————————————————————————	2021 (Unaudited) s in '000 —————————————————————————————————
11.2	The following additions (net) have been made to fixed assets during the period: Capital work-in-progress Property and equipment Leasehold land Buidling on leasehold land Leasehold improvements Furniture and fixture		2022 (Unaudited) ————————————————————————————————————	2021 (Unaudited) s in '000 —————————————————————————————————
11.2	The following additions (net) have been made to fixed assets during the period: Capital work-in-progress Property and equipment Leasehold land Buidling on leasehold land Leasehold improvements		2022 (Unaudited) ————————————————————————————————————	2021 (Unaudited) s in '000 —————————————————————————————————
11.2	The following additions (net) have been made to fixed assets during the period: Capital work-in-progress Property and equipment Leasehold land Buidling on leasehold land Leasehold improvements Furniture and fixture Electrical, office and computer equipment Vehicles		2022 (Unaudited) Rupees 2,176,316 408,334 1,116,802 1,308,414 282,239 2,956,725 719,353 6,791,867	2021 (Unaudited) s in '000 —————————————————————————————————
11.2	The following additions (net) have been made to fixed assets during the period: Capital work-in-progress Property and equipment Leasehold land Buidling on leasehold land Leasehold improvements Furniture and fixture Electrical, office and computer equipment		2022 (Unaudited) Rupees 2,176,316 408,334 1,116,802 1,308,414 282,239 2,956,725 719,353	2021 (Unaudited) s in '000 —————————————————————————————————

11.3	3 Disposal of fixed assets		September 30, 2022 (Unaudited) ——— Rupees	September 30, 2021 (Unaudited) s in '000 ———
	The net book value of fixed assets disposed off during the period is as follows:			
	Leasehold improvements Furniture and fixture Electrical, office and computer equipment Vehicles		25,372 961 4,096 95,282 125,711	- 11 28 55,529 55,568
		Note	September 30, 2022 (Unaudited) ——— Rupees	December 31, 2021 (Audited) s in '000 ———
12	INTANGIBLE ASSETS			
	Computer Software Advance against computer software	12.1	1,323,939 467,605 1,791,544	1,235,876 259,934 1,495,810
			September 30, 2022 (Unaudited) ——— Rupees	September 30, 2021 (Unaudited) s in '000
12.	I Additions to intangible assets		624,431	759,031

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

September 30,	December 31,
2022	2021
(Unaudited)	(Audited)
Rupee:	s in '000 ———

13 DEFERRED TAX ASSETS

Taxable temporary differences due to:

Excess of accounting book values over tax written down values of owned assets

Surplus on revaluation of available for sale investments

Surplus on revaluation of Non-banking assets acquired in satisfaction of claims

Deductible temporary differences due to:

Provision for diminution / impairment in value of investments Provision against non-performing Islamic financing and related assets

Income not accrued due to non-culmination of financing Provision against non-banking assets acquired in satisfaction of claims and others

(324,719) (459,189)	(136,865) (2,583,001)
(16,552)	(15,045)
(800,460)	(2,734,911)
1,575,449	1,209,055
2,774	125,678
2,835,012	1,365,823
184,884	209,910
4,598,119	2,910,466
3,797,659	175,555
· · · · · · · · · · · · · · · · · · ·	·

14 OTHER ASSETS Rupees in Voor Profit / return accrued in local currency - net of provisions Profit / return accrued in foreign currencies - net of provisions 609,594 109,199 Acceptances 13,827,383 10,925,144 Advances, deposits, advance rent and other prepayments 2,754,942 2,075,376 Non-banking assets acquired in satisfaction of claims 115,193 115,269 Unrealised gain on forward foreign exchange contracts - net 1,420,962 976,644 Receivables on account of sale of securities 146,262 - 1,25,020 2,274,21 25,020 2,274,21			Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Profit / return accrued in foreign currencies - net of provisions 609,594 109,199 Acceptances 13,827,383 10,925,144 Advances, deposits, advance rent and other prepayments 2,754,942 2,075,376 Non-banking assets acquired in satisfaction of claims 115,193 115,269 Unrealised gain on forward foreign exchange contracts - net 1,420,962 976,644 Receivables on account of sale of securities 146,262 - Dividends receivable 49,340 4,093 Stamps 27,421 25,020 Security deposits 365,909 234,949 Advance for Investments - 882 Other 1,110,839 436,175 Provision against other assets 14.1 (107,922) (39,854) Other Assets (Net of Provision) 104,386,453 63,762,823 Surplus on revaluation of non-banking assets acquired in satisfaction of claims 20 38,731 38,731 Other Assets - total 104,425,184 63,801,554 104,425,184 63,801,554 14.1 Provision held against other assets 10	14	OTHER ASSETS		Rupees	in '000 ———
Profit / return accrued in foreign currencies - net of provisions 609,594 109,199 Acceptances 13,827,383 10,925,144 Advances, deposits, advance rent and other prepayments 2,754,942 2,075,376 Non-banking assets acquired in satisfaction of claims 115,193 115,269 Unrealised gain on forward foreign exchange contracts - net 1,420,962 976,644 Receivables on account of sale of securities 146,262 - Dividends receivable 49,340 4,093 Stamps 27,421 25,020 Security deposits 365,909 234,949 Advance for Investments - 882 Other 1,110,839 436,175 Provision against other assets 14.1 (107,922) (39,854) Other Assets (Net of Provision) 104,386,453 63,762,823 Surplus on revaluation of non-banking assets acquired in satisfaction of claims 20 38,731 38,731 Other Assets - total 104,425,184 63,801,554 104,425,184 63,801,554 14.1 Provision held against other assets 10		Profit / return accrued in local currency - net of provisions		84,066,530	48,899,926
Acceptances 13,827,383 10,925,144 Advances, deposits, advance rent and other prepayments 2,754,942 2,075,376 Non-banking assets acquired in satisfaction of claims 115,193 115,269 Unrealised gain on forward foreign exchange contracts - net 1,420,962 976,644 Receivables on account of sale of securities 146,262 - Dividends receivable 49,340 4,093 Stamps 27,421 25,020 Security deposits 365,909 234,949 Advance for Investments - 882 Other 1,110,839 436,175 Provision against other assets 14.1 (107,922) (39,854) Other Assets (Net of Provision) 104,494,375 63,802,677 Provision revaluation of non-banking assets 20 38,731 38,731 Other Assets - total 104,425,184 63,801,554 14.1 Provision held against other assets 104,425,184 63,801,554 14.1.1 Movement in provision held against other assets 107,922 39,854 14.1.1 Movement in provision held against other assets 39,854 53,923 <td></td> <td>·</td> <td></td> <td>609,594</td> <td>109,199</td>		·		609,594	109,199
Non-banking assets acquired in satisfaction of claims 115,193 115,269 Unrealised gain on forward foreign exchange contracts - net 1,420,962 976,644 Receivables on account of sale of securities 146,262 - Dividends receivable 49,340 4,093 Stamps 27,421 25,020 Security deposits 365,909 234,949 Advance for Investments - 882 Other 1,110,839 436,175 Provision against other assets 14.1 (107,922) (39,854) Other Assets (Net of Provision) 104,386,453 63,762,823 Surplus on revaluation of non-banking assets acquired in satisfaction of claims 20 38,731 38,731 Other Assets - total 104,425,184 63,801,554 14.1 Provision held against other assets 107,922 39,854 Others 107,922 39,854 14.1.1 Movement in provision held against other assets 39,854 53,923 Charge for the period / year 104,815 61,004 Reversals during the period /				13,827,383	10,925,144
Unrealised gain on forward foreign exchange contracts - net 1,420,962 976,644 Receivables on account of sale of securities 146,262 - Dividends receivable 49,340 4,093 Stamps 27,421 25,020 Security deposits 365,909 234,949 Advance for Investments - 882 Other 1,110,839 436,175 Provision against other assets 14.1 (107,922) (39,854) Other Assets (Net of Provision) 104,386,453 63,762,823 Surplus on revaluation of non-banking assets		Advances, deposits, advance rent and other prepayments		2,754,942	2,075,376
Receivables on account of sale of securities 146,262 -				115,193	115,269
Receivables on account of sale of securities 146,262 -		· · · · · · · · · · · · · · · · · · ·		1,420,962	976,644
Stamps 27,421 25,020 Security deposits 365,999 234,949 Advance for Investments - 882 Other 1,110,839 436,175 Provision against other assets 14.1 (107,922) (39,854) Other Assets (Net of Provision) 104,386,453 63,762,823 Surplus on revaluation of non-banking assets acquired in satisfaction of claims 20 38,731 38,731 Other Assets - total 104,425,184 63,801,554 14.1 Provision held against other assets 107,922 39,854 Others 107,922 39,854 14.1.1 Movement in provision held against other assets 39,854 53,923 Charge for the period / year 104,815 61,004 Reversals during the period / year (8,056) (36,518) Amount adjusted / written off during the period / year (28,691) (38,555)				146,262	-
Security deposits 365,909 234,949 Advance for Investments - 882 Other 1,110,839 436,175 Provision against other assets 14.1 (107,922) (39,854) Other Assets (Net of Provision) 104,386,453 63,762,823 Surplus on revaluation of non-banking assets acquired in satisfaction of claims 20 38,731 38,731 Other Assets - total 104,425,184 63,801,554 14.1 Provision held against other assets Others 107,922 39,854 107,922 39,854 107,922 39,854 107,922 39,854 107,922 39,854 107,922 39,854 20 pening balance 39,854 53,923 Charge for the period / year 104,815 61,004 Reversals during the period / year (8,056) (36,518) Amount adjusted / written off during the period / year (28,691) (38,555)		Dividends receivable		49,340	4,093
Advance for Investments		Stamps		27,421	25,020
Other 1,110,839 436,175 Provision against other assets 14.1 104,494,375 63,802,677 Provision against other assets 14.1 107,922 (39,854) Other Assets (Net of Provision) 104,386,453 63,762,823 Surplus on revaluation of non-banking assets 20 38,731 38,731 Other Assets - total 104,425,184 63,801,554 Provision held against other assets Others 107,922 39,854 14.1.1 Movement in provision held against other assets 107,922 39,854 14.1.1 Movement in provision held against other assets 39,854 53,923 Charge for the period / year 104,815 61,004 Reversals during the period / year (8,056) (36,518) Amount adjusted / written off during the period / year (28,691) (38,555)		Security deposits		365,909	234,949
104,494,375 63,802,677		Advance for Investments		-	882
Provision against other assets 14.1 (107,922) (39,854) Other Assets (Net of Provision) 104,386,453 63,762,823 Surplus on revaluation of non-banking assets acquired in satisfaction of claims 20 38,731 38,731 Other Assets - total 104,425,184 63,801,554 14.1 Provision held against other assets Others 107,922 39,854 107,922		Other		1,110,839	436,175
Other Assets (Net of Provision) 104,386,453 63,762,823 Surplus on revaluation of non-banking assets acquired in satisfaction of claims 20 38,731 38,731 Other Assets - total 104,425,184 63,801,554 14.1.1 Provision held against other assets Others 107,922 39,854 107,922 39,854 107,922 39,854 107,922 39,854 53,923 Charge for the period / year 104,815 61,004 Reversals during the period / year (8,056) (36,518) Amount adjusted / written off during the period / year (28,691) (38,555)				104,494,375	63,802,677
Surplus on revaluation of non-banking assets acquired in satisfaction of claims 20 38,731 38,731 Other Assets - total 104,425,184 63,801,554 14.1 Provision held against other assets Others 107,922 39,854 107,922 39,854 14.1.1 Movement in provision held against other assets Opening balance 39,854 53,923 Charge for the period / year 104,815 61,004 Reversals during the period / year (8,056) (36,518) Amount adjusted / written off during the period / year (28,691) (38,555)		Provision against other assets	14.1	(107,922)	(39,854)
acquired in satisfaction of claims 20 38,731 38,731 Other Assets - total 104,425,184 63,801,554 14.1 Provision held against other assets 107,922 39,854 Others 107,922 39,854 107,922 39,854 107,922 39,854 107,922 39,854 Sopening balance 39,854 53,923 Charge for the period / year 104,815 61,004 Reversals during the period / year (8,056) (36,518) Amount adjusted / written off during the period / year (28,691) (38,555)		Other Assets (Net of Provision)		104,386,453	63,762,823
Other Assets - total 104,425,184 63,801,554 14.1.1 Provision held against other assets Others 107,922 39,854 107,922 39,854 107,922 39,854 53,923 Charge for the period / year 104,815 61,004 Reversals during the period / year (8,056) (36,518) Amount adjusted / written off during the period / year (28,691) (38,555)		Surplus on revaluation of non-banking assets			
14.1 Provision held against other assets Others 107,922 39,854 107,922 39,854 107,922 39,854 107,922 39,854 53,923 Charge for the period / year 104,815 61,004 Reversals during the period / year (8,056) (36,518) Amount adjusted / written off during the period / year (28,691) (38,555)		acquired in satisfaction of claims	20	38,731	38,731
Others 107,922 39,854 107,922 39,854 14.1.1 Movement in provision held against other assets Opening balance 39,854 53,923 Charge for the period / year 104,815 61,004 Reversals during the period / year (8,056) (36,518) Amount adjusted / written off during the period / year (28,691) (38,555)		Other Assets - total		104,425,184	63,801,554
14.1.1 Movement in provision held against other assets Opening balance Charge for the period / year Reversals during the period / year Amount adjusted / written off during the period / year (28,691) 107,922 39,854 53,923 61,004 (8,056) (36,518) (36,518) (38,555)	14.1	Provision held against other assets			
14.1.1 Movement in provision held against other assets Opening balance Charge for the period / year Reversals during the period / year Amount adjusted / written off during the period / year (28,691) (38,555)		Others		107,922	39,854
Opening balance 39,854 53,923 Charge for the period / year 104,815 61,004 Reversals during the period / year (8,056) (36,518) Amount adjusted / written off during the period / year (28,691) (38,555)				107,922	39,854
Charge for the period / year 104,815 61,004 Reversals during the period / year (8,056) (36,518) Amount adjusted / written off during the period / year (28,691) (38,555)	14.1.1	Movement in provision held against other assets			
Reversals during the period / year (8,056) (36,518) Amount adjusted / written off during the period / year (28,691) (38,555)		·		39,854	53,923
Amount adjusted / written off during the period / year (28,691) (38,555)		· · · · · · · · · · · · · · · · · · ·		-	
· · · · · · · · · · · · · · · · · · ·				(8,056)	(36,518)
Closing balance 107,922 39,854					
		Closing balance		107,922	39,854

FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

		Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited) in '000
			nupees	000
15	BILLS PAYABLE			
	In Pakistan Outside Pakistan		42,638,472	36,141 <u>,</u> 378
	Outside Fakistan		42,638,472	36,141,378
16	DUE TO FINANCIAL INSTITUTIONS			
	In Pakistan Outside Pakistan		505,307,507	220,414,234
	Outside rakistali		505,307,507	220,414,234
16.1	Details of due to financial institutions secured / unsecured			
	Secured			
	With State Bank of Pakistan Musharakah under Islamic Export Refinance Scheme Investment under Islamic Long Term Financing Facility Investment under Islamic Refinance Facility for Combating COVID-19		67,048,769 25,990,575 1,032,149	55,181,621 17,490,047 1,244,792
	Investment under Islamic Financing for Renewal Energy Investment under Islamic Temporary Economic		17,593,777	12,967,880
	Refinance Facility for Plant and Machinery Investment under Islamic Refinance Scheme for storage		19,199,776	13,230,968
	of agriculture produce		230,018	40,677
	Investment under Islamic Refinance Scheme for payment of wages and salaries Investment under Islamic Refinance Scheme for SME Asaan Finance Investment under Shariah Compliant Open Market Operations	16.1.1	540,079 303,579 351,556,064	2,177,385
	Investment under Shariah Compliant Standing Ceiling Facility		483,494,786	39,993,944 142,327,314
	With Scheduled Bank	16.1.2	17,000,000	30,000,000
		10.1.2		, ,
	Other financial institutions		683,324	693,096
	Unsecured Overdrawn nostro accounts Other Musharakah	16.1.3	429,397 3,700,000 505,307,507	443,824 46,950,000 220,414,234

- **16.1.1** These represents acceptance of funds by the Bank on Mudarabah basis which has been invested in special pools of the Bank and are secured against lien of the Bank's investment in Federal Government securities. The expected average return on Open market operations is 15.20% (December 31, 2021: Nil) per annum.
- **16.1.2** These represents acceptance of funds by the Bank on Musharakah basis which are secured against pledge of the Bank's investment in Government Ijarah Sukuk. The actual return on these Musharakah is around 15.36% (December 31, 2021: 10.65%) per annum. These balances have matured in October 2022 (December 31, 2021: January 2022).
- **16.1.3** These Musharakah are on profit and loss sharing basis with banks. The actual return on these Musharakah is around 15.26% (December 2021: 10.37%) per annum. These balances have matured in October 2022 (December 2021: January 2022).

FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

17 DEPOSITS AND OTHER ACCOUNTS

		September 30, 2022 (Unaudited)		December 31, 2021 (Audited)			
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
				— Rupees	s in '000 —		
	Customers						
	- Current accounts - non-remunerative	716,520,576	36,774,060	753,294,636	622,823,894	30,848,040	653,671,934
	- Savings deposits	537,120,392	53,685,147	590,805,539	492,095,194	43,166,844	535,262,038
	- Fixed deposits	262,296,116	17,583,100	279,879,216	231,366,955	14,454,313	245,821,268
	- Margin	23,845,925	1,997,114	25,843,039	12,003,635	6,566	12,010,201
		1,539,783,009	110,039,421	1,649,822,430	1,358,289,678	88,475,763	1,446,765,441
	Financial institutions						
	- Current accounts - non-remunerative	1,327,542	362,225	1,689,767	1,829,027	308,877	2,137,904
	- Savings deposits	4,480,164	910	4,481,074	6,096,621	702	6,097,323
	- Fixed deposits	1,923,100	-	1,923,100	885,800	-	885,800
		7,730,806	363,135	8,093,941	8,811,448	309,579	9,121,027
		1,547,513,815	110,402,556	1,657,916,371	1,367,101,126	88,785,342	1,455,886,468
				Note	Septeml 202 (Unauc	22	ecember 31, 2021 (Audited)
						Rupees in 'C	000 ———
18	SUB-ORDINATED SUKUK						
	Additional Tier I Sukuk			18.1	7,00	00,000	7,000,000
	Tier II Sukuk			18.2	13,99	90,000	13,990,000
					20,99		20,990,000

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

Credit Rating	AA+ (Double A plus) by VIS Credit Rating Company Limited
Issue Date	August 01, 2018
Tenor	Perpetual
Profit payment frequency	Monthly in arrears
Redemption	Perpetual. However, the Bank has call option which can be exercised with prior approval of SBP.
Expected Periodic Profit Amount (Mudaraba Profit Amount) - Non discretionary subject to profit of the pool	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk is 17.01% per annum.
Call Option	The Bank may call Additional Tier I Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Additional Tier I Sukuk, at the option of the SBP, will be fully and permanently converted into common shares (variable) upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Additional Tier I Sukuk, upon directive of the SBP, if such payment will result in a shortfall in the Bank's minimum capital requirement, capital adequacy ratio requirement or leverage ratio requirement.

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

Credit Rating	AAA (Triple A) by VIS Credit Rating Company Limited
Issue Date	January 09, 2020 and December 16, 2021
Tenor	10 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the tenth year
Expected Periodic Profit Amount (Mudaraba Profit Amount) - Non discretionary subject to profit of the pool	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk are 16.17% and 15.17% per annum respectively.
Call Option	The Bank may call Tier II Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Tier II Sukuk, at the option of the SBP, will be fully and permanently converted into common shares (variable) upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Tier II Sukuk upon directive of the SBP, if such payment will result in a shortfall in the Bank's minimum capital requirement, capital adequacy ratio requirement or leverage ratio requirement.

		Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
			Rupees	in '000 ———
19	OTHER LIABILITIES			
	Return on deposits and other dues - payable in local currency - payable in foreign currencies Unearned income Accrued expenses Current taxation (provision less payments) Acceptances Dividends payable Payable to defined benefit plan Charity payable Provision against off-balance sheet obligations Security deposits against ljarah Payable on account of credit murabaha / ijarah Security deposits against lockers Advance against future Diminishing Musharakah Withholding taxes payable Lease liability against right-of-use assets Workers Welfare Fund payable Others	19.1	13,672,769 114,918 1,773,443 15,762,554 23,924,075 13,827,383 2,361,545 736,450 12,369 55,167 22,174,932 35,713 177,195 23,316 624,182 12,417,305 4,953,105 3,620,639 116,267,060	4,643,447 49,414 1,449,591 12,187,304 13,498,972 10,925,144 19,490 941,589 3,932 55,167 20,370,305 24,819 160,555 490,951 275,530 13,107,177 3,710,254 1,067,904 82,981,545
19.1	Provision against off-balance sheet obligations			
	Opening balance		55,167	36,489
	Charge for the period / year		-	18,678
	Closing balance		55,167	55,167
20	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX Available for sale securities			
	- Listed shares		1,103,235	1,928,965
	- Sukuk		(35,354)	4,694,113
			1,067,881	6,623,078
	Non-banking assets acquired in satisfaction of claims		38,502	38,578
			1,106,383	6,661,656
	Less: Deferred tax liability on - Available for sale securities		(AEO 100)	(2.502.001)
	- Available for sale securities - Non-banking assets acquired in satisfaction of claims		(459,189) (16,552)	(2,583,001) (15,045)
	Salling assets acquired in satisfaction of claims		(475,741)	(2,598,046)
			630,642	4,063,610

FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

		Note	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
21	CONTINGENCIES AND COMMITMENTS		Rupees	in '000 ———
	- Guarantees	21.1	56,505,297	45,072,765
	- Commitments - Other contingent liabilities	21.2 21.3	1,105,883,327 1,802,000	887,366,094 1,802,000
		21.3	1,164,190,624	934,240,859
21.1	Guarantees:			
	Financial guarantees		586,619	930,441
	Performance guarantees		33,958,461	23,651,964
	Other guarantees		21,960,217	20,490,360
21.2	Commitments:		56,505,297	45,072,765
	5 III			
	Documentary letters of credit		214,232,056	175,227,624
	Commitments in respect of: - forward foreign exchange contracts	21.2.1	251,297,795	200,615,279
	Commitments for acquisition of: - fixed assets - intangible assets		854,940 327,244	389,225 309,824
	Other commitments	21.2.2	639,171,292 1,105,883,327	510,824,142 887,366,094
21.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase Sale		148,135,040 103,162,755 251,297,795	114,757,851 85,857,428 200,615,279
21.2.2	Other Commitments Commitments in respect of financing		639,171,292	510,824,142

21.3 Other contingencies

The Income Tax Department has amended the deemed assessment orders of the Bank for prior years including the tax year 2021. The additions / disallowances were mainly due to allocation of expenses relating to dividends and capital gain, allowability of provision against loans and advances, provision against investments and provision against other assets. In the amended order for tax year 2015, additional issues with respect to the taxability of gain on bargain purchase and non-adjustment of loss pertaining to HSBC Bank Middle East – Pakistan Branches have also been raised. The Bank has obtained stay order from the High Court of Sindh against the demands raised through the amended order for the tax year 2015. Both the Bank and the department have filed appeals with the Appellate Authorities in respect of the aforementioned matters.

The management of the Bank, in consultation with its tax advisors, is confident that the decision in respect of the above matters would be in Bank's favour and accordingly no provision has been made in this financial 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 STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

22	PROFIT / RETURN EARNED ON FINANCING,	Note	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
	AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS		Kupees	in '000 ———
	On financing	22.1	56,980,570	29,112,730
	On investments in - Available for sale securities - Held for trading securities		71,351,381 433	28,828,936
	- Held to maturity securities		17,296,120 88,647,934	834,651 29,663,587
	On deposits / placements with financial institutions		8,250,302 153,878,806	18,838,683 77,615,000
22.1	The income on Ijarah under IFAS 2 is net of takaful of Rs 1,667 million from customers.	(Septem	ber 30, 2021: Rs 1,234	1 million) recovered
		Note	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
22	PROFIT ON DEPOCITE AND OTHER DUES EVERNOED			
23	PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		Rupees	in '000 ———
	Deposits and other accounts Sub-ordinated Sukuk Shariah Compliant Open Market Operations and Standing	23.1	42,752,874 2,166,668	25,047,630 1,155,820
	Ceiling Facility from the State Bank of Pakistan		22,406,084	- 2 206 717
	Other Musharakahs / Mudarabas Amortisation of lease liability against right-of-use assets		8,233,138 1,171,112 76,729,876	2,296,717 596,289 29,096,456
23.1	This includes conversion cost of Rs 1,857 million (September 30, 2021: Rs	s 1,594 mi		
		Note	September 30, 2022	September 30, 2021
			(Unaudited)	(Unaudited)
24	FEE AND COMMISSION INCOME		Rupees	in '000 ———
	Trade related fees and commissions		2,804,826	2,440,973
	Commission on guarantees Branch banking customer fees Credit processing related fees (including consumer		132,149 1,669,705	133,342 1,206,978
	processing fees of Rs 39.123 million (September 30, 2021: Rs 50.454 million) Debit card related fees and others		77,935 4,032,074	92,645 2,085,797
	Investment banking related fees		269,019	205,329
	Cash management fees Home remittance related fees		208,329 213,740	118,863 198,600
	Others		<u>192,367</u> 9,600,144	<u>126,289</u> 6,608,816
25	GAIN ON SECURITIES - NET			
	Realised	25.1	76,999	339,009
25.1	Realised gain / (loss) on:			202,002
	Listed Shares		180,641	297,251
	Federal Government Securities		22,540	9,024
	Pakistan Energy Sukuk Foreign Securities		(126,182)	32,734
			76,999	339,009

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FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

		September 30, 2022	September 30, 2021
		(Unaudited)	(Unaudited)
26	OTHER INCOME	Rupees	s in '000 ———
26	OTHER INCOME		
	Gain on termination of islamic financing	425,838	518,713
	Gain on sale of fixed assets	170,862	77,210
	Liabilities written back Others	350,000	1 040
	Others	<u>3,600</u> 950,300	1,849 597,772
27	OPERATING EXPENSES	750,500	331,112
	Total compensation expense	18,232,749	13,957,880
	Property expense		
	Depreciation on right-of-use assets	2,059,282	1,775,071
	Rent and taxes	34,653	75,271
	Utilities cost (including electricity and diesel)	1,530,869	883,519
	Security (including guards) Repair and maintenance (including janitorial charges)	825,627 566,839	609,948 407,895
	Depreciation	647,423	629,693
	Others	47,760	56,821
		5,712,453	4,438,218
	Information technology expenses Software maintenance	676,328	445,098
	Hardware maintenance	223,824	232,104
	Depreciation	507,724	372,658
	Amortisation	328,697	262,331
	Network charges	235,896	183,307
	Other enerating evpences	1,972,469	1,495,498
	Other operating expenses Stationery and printing (including debit card related costs)	1,326,891	704,858
	Repairs and maintenance	324,329	218,944
	Local transportation and car running	863,566	459,069
	Depreciation on vehicles, equipment etc.	1,064,183	783,822
	Marketing, advertisement and publicity	823,446	776,034
	Security charges - cash transportation Communication (including courier)	500,685 435,688	440,079 358,664
	Legal and professional charges	100,843	114,201
	NIFT and other clearing charges	152,478	142,969
	Travelling and conveyance	109,951	30,922
	Training and Development	71,157	14,802
	Donation	5,000	512
	Fees, subscription and other charges	318,776	214,636
	Brokerage and bank charges Office supplies	204,721 285,582	244,972 218,542
	Entertainment	51,788	49,630
	Takaful expense	79,069	68,652
	Outsourced services costs	14,877	19,778
	Auditors' Remuneration	10,706	10,506
	Shariah Board fees	26,925	14,863
	Non-executive Directors' fee Others	54,680	50,030
	Others	1,880 6,827,221	19,065 4,955,550
		32,744,892	24,847,146

		Note	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
			Rupees	s in '000 ———
28	OTHER CHARGES Penalties imposed by the State Bank of Pakistan		89,024	6,524
29	PROVISIONS AND WRITE OFFS - NET			
	Provision against non-performing islamic financing related assets - net Provision against diminution in the value of investments Provision against off-balance sheet obligations Other provision Recovery against written off financing	10.10 9.3	1,079,829 563,694 - 96,759 (5,028) 1,735,254	499,120 38,212 18,679 5,021 (7,614) 553,418
30	TAXATION Current - for the period	30.1	29,286,561	12,971,894
	Deferred - for the period		(1,499,836) 27,786,725	111,739 13,083,633
30.1	Through Finance Act 2022, the effective tax rate on banking for the year 2022, tax rates has been enhanced to 49% (inclusive of 4% Super Tax). Accordingly, the Bank has re (September 30, 2021: Rs 1,261 million) in the current period	(inclusive of ecognized s	f 10% Super Tax) uper tax charge c	from 39% in 2021 of Rs 5,930 million
		Note	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
31	BASIC AND DILUTED EARNINGS PER SHARE		Rupees	s in '000 ———
31.1	Basic Earnings per share			
	Profit for the period		28,596,395	19,566,350
			(Nur	nber) ———
	Weighted average number of ordinary shares		1,789,624,321	1,789,624,321
			(Rug	pees)
			·	Restated
	Basic earnings per share	31.4	15.98	10.93

FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

31.2	Diluted Earnings per share	Note	September 30, 2022 (Unaudited) ——— Rupees	September 30, 2021 (Unaudited) in '000
	Profit for the period		28,596,395	19,566,350
	Weighted average number of ordinary shares	31.3	(Num	1,789,624,321
	Diluted earnings per share	31.4	(Rup	Restated 10.93
31.3	Reconciliation of basic and diluted earning per share		(Num	ber) ———
	Weighted average number of ordinary shares Add: Employee stock option scheme Dilutive potential ordinary shares		1,789,624,321 682,174 1,790,306,495	1,789,624,321 - 1,789,624,321
31.4	The Bank issued bonus shares last year and accordingly the e has been restated.	earnings p	per share for the co	mparative period

		Note	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
32	CASH AND CASH EQUIVALENTS	——— Rupees in '000 ———		
	Cash and balances with treasury banks	6	152,413,160	135,845,315

33 FAIR VALUE OF FINANCIAL INSTRUMENT

Balances with other banks

- **33.1** The table below analyses financial and non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:
 - Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

13,187,682

165,600,842

- 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).

13,674,146

149,519,461

FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

September	30	, 2022	(Unaudited)	į
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Level 1	Level 2	Level 3	Total
	— Rupees	in '000	

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

INVESTMENTS - NET Financial Assets

Available for cale cocuritie

Available for sale securities				
Ordinary shares - listed	8,087,615	-	-	8,087,615
Pakistan Energy Sukuk - listed	119,509,708	-	-	119,509,708
GOP Sukuk	-	847,263,196	-	847,263,196
Foreign Sukuk	9,747,872	-	-	9,747,872
OFF BALANCE SHEET FINANCIAL INSTRUMENTS				
Forward purchase of foreign exchange contracts	-	149,146,246	-	149,146,246
Forward sale of foreign exchange contracts	-	103,664,018	-	103,664,018

December 31, 2021 (Audited)

Level 1	Level 2	Level 3	Total
	Runees	in '000 —	

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

INVESTMENTS - NET

Financial Assets

Available for sale securities
Ordinary shares - listed
Pakistan Energy Sukuk - listed
GOP Sukuk

Foreign Sukuk

OFF BALANCE SHEET FINANCIAL INSTRUMENTS

Forward purchase of foreign exchange contracts

Forward sale of foreign exchange contracts

8,718,285 - - 8,718,285 120,028,511 - 120,028,511 - 320,869,119 - 320,869,119 10,703,622 - 10,703,622

> 116,360,987 - 116,360,987 86,873,922 - 86,873,922

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

Investment in associates (listed - mutual funds) have market value of Rs 1,603 million (December 31, 2021: Rs 1,711 million) which is being valued under level 1. Investment in GoP sukuk classified as Held to Maturity have market value of Rs 206,577 million (December 31, 2021: Rs 76,651 million) which is being valued under level 2. These investments are carried at cost in the financial statements in accordance with the bank's accounting policy.

FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

Valuation techniques used in determination of fair values

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

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

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

Fair value of Islamic financing and related assets, unquoted sukuk, other assets, other liabilities and fixed term deposits and other accounts and due to financial institutions cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of Islamic financing and related assets has been made in accordance with the Bank's accounting policy as as stated in note 6.3.2 to the 2021 annual financial statements.

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

		Carryin	g Value
33.2	Financial assets not measured at fair value	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
		——— Rupees	s in '000 ———
	Cash and balances with treasury banks Balances with other banks Due from financial institutions - net Investments - net Islamic financings and related assets - net Other assets - net	152,413,160 13,187,682 35,964,299 259,128,623 852,338,939 101,596,819	170,500,698 16,420,036 238,401,637 159,812,506 758,086,120 61,587,012

33.3 Fair value of non-financial assets

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

34 34.1	SEGMENT ANALYSIS Segment Details with respect to Business Activities	Corporate and Commercial banking	Retail Banking	Trading & Sales	Otners	Inter-segment Eliminations	Total
	Contambar 20, 2022 (Unavidited)			- Rupees	in '000 —		
	September 30, 2022 (Unaudited)						
	Profit and Loss Account						
	External Funded Revenue External Non funded Revenue Inter segment revenue - net Total Income	52,888,068 3,637,303 - 56,525,371	5,424,042 2,391,541 130,316,007 138,131,590	95,566,696 4,794,453 - 100,361,149	4,222,914 90,097 4,313,011	(130,406,104) (130,406,104)	153,878,806 15,046,211 - 168,925,017
	External Cost of funds Segment direct expenses Inter segment expense allocation Total expenses	4,207,022 1,006,924 46,160,269 51,374,215	43,994,888 31,363,306 - 75,358,194	28,527,968 161,076 84,245,835 112,934,879	1,545,459 - 1,545,459	(130,406,104) (130,406,104)	76,729,878 34,076,765 - 110,806,643
	Provision and write offs - net	1,073,322	74,718	563,694	23,520	•	1,735,254
	Profit before tax	4,077,834	62,698,678	(13,137,424)	2,744,032		56,383,120
	Statement of Financial Position	4,077,034	02,030,070	(13,137,124)	2/177/032	· 	30,303,120
	Cash and Bank balances Due from financial institutions - net Investments - net Net inter segment lending	- 11,566,928	156,756,129 - - 1,503,451,935	2,345,218 35,964,299 1,232,170,086	6,499,495 - - -	- - - (1,503,451,935)	165,600,842 35,964,299 1,243,737,014
	Islamic financings and related assets - net Others Total Assets	763,491,644 28,499,450 803,558,022	88,847,295 50,760,802 1,799,816,161	69,859,527 1,340,339,130	153,717 6,653,212	(1,503,451,935)	852,338,939 149,273,496 2,446,914,590
	Due to financial institutions Deposits and other accounts Subordinated Sukuk Net inter segment borrowing Others Total liabilities Equity	131,305,090 20,990,000 595,693,628 21,483,337 769,472,055 34,085,967	1,316,955 1,657,916,371 - - 128,011,420 1,787,244,746 12,571,415	372,685,462 	4,032,158 2,338,833 6,370,991 282,221	(1,503,451,935) (1,503,451,935)	505,307,507 1,657,916,371 20,990,000 158,905,532 2,343,119,410 103,795,180
	Total Equity and liabilities Contingencies and Commitments	803,558,022 829,448,662	1,799,816,161	1,340,339,130	6,653,212	(1,503,451,935)	2,446,914,590
	September 30, 2021 (Unaudited)	027,440,002	83,444,167	251,297,795		·	1,164,190,624
	Profit and Loss Account						
	External Funded Revenue External Non funded Revenue Inter segment revenue - net Total Income	25,125,155 2,930,095 - 28,055,250	4,968,168 1,808,267 63,006,636 69,783,071	47,521,677 3,317,459 - 50,839,136	2,212,050 204,070 2,416,120	(63,210,706) (63,210,706)	77,615,000 10,267,871 - 87,882,871
	External Cost of funds Segment direct expenses Inter segment expense allocation Total expenses	2,345,748 768,052 19,830,556 22,944,356	25,693,882 23,258,389 - 48,952,271	1,056,826 493,983 43,380,150 44,930,959	1,062,590 - 1,062,590	- (63,210,706) (63,210,706)	29,096,456 25,583,014 - 54,679,470
	Provision and write offs - net	426,174	85,576	41,668		-	553,418
	Profit before tax	4,684,720	20,745,224	5,866,509	1,353,530		32,649,983
	Statement of Financial Position						
	Cash and Bank balances Due from financial institutions - net Investments - net Net inter segment lending Islamic financings and related assets - net Others Total Assets	16,603,118 511,776,748 14,920,308 543,300,174	148,411,421 - 1,180,355,055 92,301,731 31,932,675 1,453,000,882	1,108,040 368,474,190 459,753,512 - - 52,446,965 881,782,707	632,343 - 632,343	(1,180,987,398) - (1,180,987,398)	149,519,461 368,474,190 476,356,630 604,078,479 99,299,948 1,697,728,708
	Due to financial institutions Deposits and other accounts Subordinated Sukuk Net inter segment borrowing	88,838,833 - 18,000,000 391,560,665	753,923 1,344,156,618 - -	49,657,579 - - 789,426,733		- - - (1,180,987,398)	139,250,335 1,344,156,618 18,000,000
	Others Total liabilities Equity Total Equity and liabilities	18,712,194 517,111,692 26,188,482 543,300,174	94,948,102 1,439,858,643 13,142,239 1,453,000,882	194,173 839,278,485 42,504,222 881,782,707	632,343	(1,180,987,398) - (1,180,987,398)	114,486,812 1,615,893,765 81,834,943 1,697,728,708
	Contingencies and Commitments	625,864,816	87,201,462	171,599,566	632,343	-	884,665,844

FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

35 **RELATED PARTY TRANSACTIONS**

- 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. 35.1
- 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 personnelPresident and Chief Executive OfficerDeputy 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		Asso	Associates		Directors		Key management personnel		Other related parties	
	Sep 30, 2022	Dec 31, 2021	Sep 30, 2022	Dec 31, 2021									
	(Unaudited)	(Audited)	(Unaudited)	(Audited)									
						Rupees	in '000 -						
Investments													
At January 1, Addition during the	907,788	908,669	63,050	63,050	844,738	845,619	ē	-	•	-	•	-	
period / year Deletion during the	514	-	•	-	514	-	-	-	•	-	-	-	
period / year At September 30 /	-	(881)	-	-	-	(881)	•	-	•	-	-	-	
December 31	908,302	907,788	63,050	63,050	845,252	844,738	-	-	-	-	-	-	
Due from financial institutions													
At January 1, Addition during the	21,858,348	36,671,288	-	-	21,858,348	36,671,288		-	-	-	-	-	
period / year Deletion during the	-	76,546,772	-	-	-	76,546,772	ü	-	•	-	-	-	
period / year At September 30 /	(21,858,348)	(91,359,712)	-	-	(21,858,348)	(91,359,712)	-	-		-	-	-	
December 31	-	21,858,348		-		21,858,348		-	-	-	-	-	

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

	To	otal	Subs	idiary	Asso	ciates	Direct	tors	Key managemen personnel		Other related parties	
	Sep 30, 2022 (Unaudited)	Dec 31, 2021 (Audited)										
						Rupees	in '000 -					
Deposits	2,150,821	7,236,303	25,361	15,388	1,497,780	2,386,870	140,027	131,435	119,929	188,427	367,724	4,514,183
Other Assets Profit receivable on financing /												
investments Fee and Other		725,460	-	-	-	725,460	-	-	-	-	-	-
Receivable	34,385	59,573	20,104	22,111	14,281	9,037	-	-	-	=	-	28,425
Sub-ordinated												
Sukuk (Tier II) At January 1, Addition during the	200,000	578,000	-	-	200,000	578,000	-	-	-	-	-	-
period / year Deletion during the	-	10,000	-	-	-	10,000	-	-	-	-	-	-
period / year At September 30 /	-	(388,000)	-	-	-	(388,000)	-	-	-	-	-	-
December 31	200,000	200,000	-	-	200,000	200,000	-	-	-	-	-	-
Other Liabilities Payable to defined												
benefit plan	736,450	941,589	-	- 2.074	•	-	-	-	434,138	403,874	302,312	537,715
Accrued Expenses Unearned Income	1,621 15,068	353,974 16,648	1,621 -	3,974 -	15,068	- 16,648	-	-	-	-		350,000 -
Contingencies and Commitments Letters of Guarantee												
(unfunded)	2,387,177	2,491,377	100	100	2,387,077	2,491,277	-	-	-	-	-	-

	Total		Subsidiary		Asso	Associates		Directors		Key management personnel		Other related parties	
	Sep 30, 2022	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021									
	(Unaudited)	(Unaudited)	(Unaudited)										
						Rupees	in '000 -						
Profit earned on financing / investments / placements	68,184	2,206,406	-	-	68,184	2,206,406	-	-	-	-	-	-	
Fees and other income earned	527,327	119,846	60,492	70,094	116,529	49,603	10	20	265	44	350,031	85	
Dividend income earned	130,556	214,500	130,000	214,500	556	-	-	-		-	-	-	
Gain on securities	2,028	280	-	-	-	280	-	-	-	-	2,028	-	
Return on deposits / borrowing expensed	477,350	448,465	2,207	1,092	319,111	203,994	1,348	568	5,663	6,312	149,021	236,499	
Charge for defined benefit plan	322,312	276,329		-		-		-		-	322,312	276,329	
Contribution to defined contribution plan	401,913	347,023		-		-		-		-	401,913	347,023	
Contribution to staff benevolent fund	51,314	42,204		-		-	-	-		-	51,314	42,204	
Fees expensed	16,401	22,262	14,877	19,778	1,092	2,484	-	-	-	-	432	-	
(Reversals) / Provision against investments	-	(527)		-		(527)	-	-		-		-	
Charity Paid	30,000	38,000	-	-	-	-	-	-	-	-	30,000	38,000	
Purchase of fixed assets	164,549	367,927	-	-	164,549	367,927	-	-	-	-	-	-	
Remuneration to the directors and key management personnel including fee to non-executive directors and end of service benefit charge for the founding President	205,514	184,580	-	-	-	-	54,680	50,030	150,834	134,550	-	-	
Proceeds from sale of fixed assets	526	-	-	-	-	-	-	-	526	-		-	

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	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	——— Rupees	in '000 ———
Minimum Capital Requirement Paid-up capital (net of losses)	17,896,243	16,269,312
Capital Adequacy Ratio Eligible Common Equity Tier 1 Capital Eligible Additional Tier 1 Capital Total Eligible Tier 1 Capital	101,245,591 7,000,000 108,245,591	80,903,080 7,000,000 87,903,080
Eligible Tier 2 Capital	21,084,250	23,900,095
Total Eligible Capital (Tier 1 + Tier 2)	129,329,841	111,803,175
Risk Weighted Assets Credit Risk Market Risk Operational Risk Total	518,844,604 21,198,655 133,736,815 673,780,074	471,179,745 22,956,751 133,736,815 627,873,311
Common Equity Tier 1 Capital Adequacy ratio Tier 1 Capital Adequacy Ratio Total Capital Adequacy Ratio	15.03% 16.07% 19.19%	12.89% 14.00% 17.81%
Leverage Ratio Tier-1 Capital Total Exposures Leverage Ratio	108,245,591 2,852,108,315 3.80%	87,903,080 2,244,744,326 3,92%
Liquidity Coverage Ratio Total High Quality Liquid Assets Total Net Cash Outflow Liquidity Coverage Ratio	641,638,021 221,364,197 290%	464,998,495 209,348,310 222%
Net Stable Funding Ratio Total Available Stable Funding Total Required Stable Funding Net Stable Funding Ratio	1,623,027,848 980,564,095 166%	1,370,517,865 829,111,476 165%

37 DATE OF AUTHORISATION AND NON-ADJUSTING EVENT

- **37.1** This condensed interim financial information was authorised for issue on October 19, 2022 by the Board of Directors of the Bank.
- **37.2** The Board of Directors in their meeting held on October 19, 2022 has announced an interim cash dividend @ 20%. This condensed interim unconsolidated financial statements does not include the effect of this appropriation which will be accounted for subsequent to the period end.

Riyadh S. A. A. Edrees	Irfan Siddiqui	Faisal A. A. A. AlNassar	Mohammad Abdul Aleem	Syed Imran Ali Shah
Chairman	President& Chief Executive	Director	Director	Chief Financial Officer

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

	2022 (Unaudited)	2021 (Audited)
ASSETS	——— Rupees	in '000 ———
Cash and balances with treasury banks Balances with other banks Due from financial institutions - net Investments - net Islamic financing and related assets - net Fixed assets Intangible assets Deferred tax asset Other assets - net	152,477,478 13,162,321 35,964,299 1,247,936,888 852,338,939 39,470,858 1,813,240 3,591,323 104,838,804	170,501,306 16,465,169 238,401,637 624,332,881 758,086,120 34,185,975 1,505,581
LIABILITIES	2,451,594,150	1,907,659,047
Bills payable Due to financial institutions Deposits and other accounts Sub-ordinated Sukuk Deferred tax liabilities Other liabilities NET ASSETS	42,638,472 505,307,507 1,657,891,010 20,990,000 - 117,010,289 2,343,837,278 107,756,872	36,141,378 220,414,234 1,455,871,080 20,990,000 72,189 83,728,554 1,817,217,435 90,441,612
REPRESENTED BY		
Share capital Reserves Unappropriated profit Surplus on revaluation of assets - net of tax	17,896,243 26,485,750 61,487,098 630,642 106,499,733	16,269,312 23,417,514 45,494,657 4,063,610 89,245,093
NON-CONTROLLING INTEREST	1,257,139 107,756,872	1,196,519 90,441,612

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

Riyadh S. A. A. Edrees Chairman

Irfan SiddiquiPresident& Chief Executive

Faisal A. A. A. AlNassar Director Mohammad Abdul Aleem Director

September 30,

December 31,

PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Quarter ended September 30, 2022	Nine months period ended September 30, 2022	Quarter ended September 30, 2021	Nine months period ended September 30, 2021
		——— Rupees	in '000 ———	
Profit / return earned on Islamic financing and related assets, investments and placements Profit on deposits and other dues expensed Net spread earned	65,609,619 33,858,093 31,751,526	153,971,541 76,735,665 77,235,876	27,498,837 10,189,538 17,309,299	77,616,220 29,112,818 48,503,402
OTHER INCOME				
Fee and commission income Dividend income Foreign exchange income	3,805,903 128,467 734,743	10,620,348 421,564 3,866,649	2,899,008 160,527 543,966	7,759,021 358,769 2,149,005
(Loss) / gain on securities - net Other income	(89,129) 191,300 4,771,284	27,320 951,235 15,887,116	89,539 164,629 3,857,669	535,452 598,376 11,400,623
Total income	36,522,810	93,122,992	21,166,968	59,904,025
OTHER EXPENSES				
Operating expenses Workers Welfare Fund	12,436,789 511,288	33,177,242 1,255,173	8,724,745 250,625	25,303,760 747,321
Other charges Total other expenses	83,091 13,031,168	89,024 34,521,439	1,608 8,976,978	6,524 26,057,605
•	23,491,642	58,601,553	12,189,990	33,846,420
Share of results of associates before taxation Profit before provisions	<u>(23,554)</u> 23,468,088	(130,129) 58,471,424	(81,628) 12,108,362	23,243 33,869,663
Provisions and write offs - net	545,866	1,735,254	120,527	553,418
Extraordinary / unusual items				
Profit before taxation	22,922,222	56,736,170	11,987,835	33,316,245
Taxation	11,303,042	27,979,938	4,920,590	13,347,120
Profit after taxation	11,619,180	28,756,232	7,067,245	19,969,125
Attributable to: Shareholders of the Holding company	11,568,768	28,621,418	7,019,649	19,752,150
Non-controlling interest	50,412 11,619,180	<u>134,814</u> 28,756,232	47,596 7,067,245	216,975 19,969,125
	11,015,100	20,730,232	7,007,243	12,202,123
		Rupo	ees ———	
			Resta	ited
Basic earnings per share	6.46	15.99	3.92	11.04
Diluted earnings per share	6.46	15.99	3.92	11.04

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

Riyadh S. A. A. Edrees Chairman

Irfan SiddiquiPresident& Chief Executive

Faisal A. A. A. AlNassar Director Mohammad Abdul Aleem
Director

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Quarter ended September 30, 2022	Nine months period ended September 30, 2022	Quarter ended September 30, 2021	Nine months period ended September 30, 2021
		Rupees	in '000 ———	
Profit after taxation for the period attributable to: Shareholders of the Holding company Non-controlling interest	11,568,768 50,412	28,621,418 134,814	7,019,649 47,596 7,067,245	19,752,150 216,975
Other Comprehensive income	11,619,180	28,756,232	7,067,245	19,969,125
Item that may be reclassified to profit and loss account in subsequent periods:				
Surplus / (deficit) on revaluation of investments	2,515,957	(5,555,197)	(391,688)	927,290
Deferred tax on revaluation of investments	(1,081,862)	2,123,812	144,821	(739,120)
	1,434,095	(3,431,385)	(246,867)	188,170
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurements of defined benefit plan - net of tax	-	(11,982)	-	5,654
Surplus on revaluation of non - banking assets	-	-	-	-
Deferred tax on revaluation of non - banking assets	_	(1,544)	-	(1,227)
Other Comprehensive income / (loss) for the period	1,434,095	(13,526) (3,444,911)	(246,867)	<u>4,427</u> 192,597
Total Comprehensive Income for the period	13,053,275	25,311,321	6,820,378	20,161,722
Attributable to: Shareholders of the Holding company Non-controlling interest	13,002,863 50,412 13,053,275	25,180,701 130,620 25,311,321	6,772,782 47,596 6,820,378	19,942,768 218,954 20,161,722

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

Riyadh S. A. A. Edrees Chairman

Irfan Siddiqui President& Chief Executive

Faisal A. A. A. AlNassar Director Mohammad Abdul Aleem Director

STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Share		Canital recerves		Revenue reserve	Unappro-	Surplus / (deficit) on revalution of		Non controlling	Total	
	capital	Share premium	Statutory reserve *	Non - Distributable Capital Reserve Gain on Bargain Purchase	Employee share option compensation reserve	General reserve	priated profit	Invest- ments	Non- banking assets	interest	iotai
					— Ru	pees in 'C	000 —				
Balance as at January 1, 2021	14,147,228	2,406,571	14,833,341	3,117,547	-	91,082	31,808,445	5,542,351	19,941	1,264,512	73,231,018
Profit after taxation for the nine months period ended September 30, 2021 Other Comprehensive income for the nine months period ended September 30, 2021 - net of tax			-		-	-	19,752,150 3,675	- 188,170	- (1,227)	216,975 1,979	19,969,125 192,597
Other appropriations Transfer to statutory reserve	-	-	- 1,956,635	-	-	-	19,755,825 (1,956,635)	188,170 <u>-</u>	(1,227) <u>-</u>	218,954	20,161,722
Transactions with owners recognised directly in equity such as some states are some states.	2,122,084	-	-	-	-	-	(2,122,084)	-	-	-	-
Final cash dividend for the year 2020 First Interim cash dividend for the year 2021 @ Rs. 1.5 per share Second Interim cash dividend for the year 2021 @ Rs. 1.5 per share	-	-	-	-	-	-	(2,829,446) (2,122,085) (2,122,085)	-	-		(2,829,446) (2,122,085) (2,122,085)
,	_	_	-	_	_	-	(7,073,616)	_	_	_	(7,073,616)
Dividend payout by Subsidiary Balance as at September 30, 2021	16,269,312	2.406.571	16,789,976	3,117,547		91,082	40,411,935	5.730.521	18,714	(115,500) 1,367,966	(115,500) 86,203,624
Profit after taxation for the quarter ended December 31, 2021 Other Comprehensive (loss) / income for the quarter ended	-	-	-	-	-	-	8,475,410	-	-	63,053	8,538,463
December 31, 2021 - net of tax							(73,503) 8,401,907	(1,690,444)	4,912 4,912	63,053	(1,759,035) 6,779,428
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	93	-	(93)	-	-
Other appropriations Transfer to statutory reserve	-	-	878,881	-	- 122.457	-	(878,881)	-	-	-	-
Recognition of share based compensation Transactions with owners recognised directly in equity	-	-	-	-	133,457	-	-	-	-	-	133,457
Third interim cash dividend for the year 2021 @ Rs 1.5 per share	-	-	-	-	-	-	(2,440,397)	-	-	-	(2,440,397)
Dividend payout by Subsidiary Balance as at December 31, 2021	16,269,312	2,406,571	17,668,857	3,117,547	133,457	91,082	45,494,657	4,040,077	23,533	(234,500) 1,196,519	(234,500) 90,441,612
Profit after taxation for the nine months period ended September 30, 2022	-	-	-	-	-	-	28,621,418	-	-	134,814	28,756,232
Other Comprehensive loss for the nine months period ended September 30, 2022 - net of tax		-	-	-	-	-	(7,788) 28,613,630	(3,431,385) (3,431,385)	(1,544) (1,544)	(4,194) 130,620	(3,444,911) 25,311,321
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	39	-	(39)	-	-
Other appropriations Transfer to statutory reserve	-	-	2,859,640	-	-	-	(2,859,640)	-	-	-	-
Recognition of share based compensation Issue of bonus shares @ 10%	- 1,626,931	-	-	-	208,596	-	(1,626,931)	-	-	-	208,596
Final cash dividend for the year 2021 @ Rs 1.5 per share First Interim cash dividend for the year 2022 @ Rs 1.75 per share Second Interim cash dividend for the year 2022 @ Rs 1.75 per share	- - -	- - -	- - -	- - -			(2,440,397) (2,847,130) (2,847,130)	- - -	- - -	- - -	(2,440,397) (2,847,130) (2,847,130)
Dividend payout by Subsidiary	-	-	-	-			(8,134,657)	-	-	(70,000)	(8,134,657) (70,000)
Balance as at September 30, 2022	17,896,243	2,406,571	20,528,497	3,117,547	342,053	91,082	61,487,098	608,692	21,950	1,257,139	107,756,872

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

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

Riyadh S. A. A. Edrees Chairman

Irfan SiddiquiPresident& Chief Executive

Faisal A. A. A. AlNassar Director Mohammad Abdul Aleem Director

CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Nine months period ended September 30, 2022	Nine months period ended September 30, 2021
CACH ELOW EDOM ODEDATING ACTIVITIES	——— Rupees	in '000 ———
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation Less: Dividend income	56,736,170 (421,564)	33,316,245 (358,769)
Adjustments for non-cash charges and other items: Depreciation Amortization Non cash items related to right of use assets Provisions and write offs - net Recognition of share based compensation Gain on sale of fixed assets Share of results of associates (Increase) / decrease in operating assets Due from financial institutions Islamic financing and related assets Other assets Increase / (decrease) in operating liabilities Bills payable Due to financial institutions Deposits and other accounts	56,314,606 2,261,005 336,450 3,289,270 1,735,254 208,596 (171,797) 130,129 7,788,907 64,103,513 202,437,338 (95,327,620) (40,709,938) 66,399,780 6,497,094 284,893,273 202,019,930	32,957,476 1,828,391 271,824 553,418 2,437,822 (77,867) (23,243) 4,990,345 37,947,821 (26,405,391) (92,038,055) (21,216,280) (139,659,726) 13,322,937 44,749,695 89,695,447
Other liabilities Income tax paid	21,247,380 514,657,677 645,160,970 (19,109,716)	13,527,579 161,295,658 59,583,753 (11,529,555)
Net cash flow from operating activities	626,051,254	48,054,198
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities Dividends received Investments in fixed assets Investments in intangible assets Proceeds from sale of fixed assets Net cash used in investing activities	(629,853,027) 376,317 (9,012,487) (644,109) 299,137 (638,834,169)	(41,225,947) 277,334 (4,232,202) (768,848) 133,711 (45,815,952)
CASH FLOW FROM FINANCING ACTIVITIES Payment of lease liability against right-of-use assets Dividend paid to equity shareholders of the Bank Dividend paid to non controlling interest Net cash used in financing activities Decrease in cash and cash equivalents	(2,681,159) (5,792,602) (70,000) (8,543,761) (21,326,676)	(2,311,062) (5,998,353) (115,500) (8,424,915) (6,186,669)
Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the end of the period	186,966,475 165,639,799	155,722,310 149,535,641

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

Riyadh S. A. A. Edrees Chairman President & Chief Executive Chairman President & Chief Executive Chief Executi

FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

1 BASIS OF PRESENTATION

- 1.1 This condensed interim consolidated financial statements include the unaudited financial statements of Meezan Bank Limited (MBL) (the holding company) and Al-Meezan Investment Management Limited (AMIML) (the subsidiary) collectively referred as the 'Group' and associates namely, Al-Meezan Mutual Fund, Meezan Islamic Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund, KSE Meezan Index Fund, Meezan Balanced Fund, Meezan Financial Planning Fund of Funds, Meezan Strategic Allocation Fund II, Meezan Gold Fund, Meezan Energy Fund, Meezan Strategic Allocation Fund III, Meezan Rozana Amdani Fund, Meezan Pakistan Exchange Traded Fund, Meezan Daily Income Fund and Meezan Paidar Munafa Plan.
- **1.2** This condensed interim consolidated financial statements has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting'.
- 1.3 This condensed interim consolidated financial statements comprise of the statement of financial position as at September 30, 2022 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, 2022.

2 ACCOUNTING POLICIES

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

3 DATE OF AUTHORISATION

This condensed interim consolidated financial statements was authorised for issue on October 19, 2022 by the Board of Directors of the Holding company.



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