



MCB Islamic Bank Ltd.

بابرکتے بینکارے، ہمارے ذمہ داری

HALF
YEARLY
REPORT

2022

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ABOUT MCB ISLAMIC BANK

MCB Islamic Bank Limited (the “Bank”) is the wholly owned subsidiary of MCB Bank Limited and commenced its operations in 2015 with a nation-wide network of branches.

The aim of MCB Islamic Bank Limited is to be the first choice Shari’ah compliant financial services provider for the customers and to carry out business purely in accordance with Shari’ah principles with full conviction and devotion.

MISSION STATEMENT

- To provide innovative Shari’ah compliant financial solutions and quality services to our customers.
- To maximize returns in Halal manners for our shareholders.
- To nurture an internal environment of qualified professionals and cutting-edge technology

VISION STATEMENT

To be the leading provider of Shari’ah Compliant Innovative financial products with a focus on service quality and providing superior value for our customers, shareholders, employees and the community.

OUR VALUES

We are Shari’ah driven

Following the Shari’ah we will conduct our activity in a fair, ethical and socially responsible manner.

Dedicated and Dependable

We will build strong, enduring relationships, delivering an experience that delights our customers.

Aspirational

We will be professional and fulfil our commitments, delivering high quality products and services.

CREDIT RATING

Long Term

A

Short Term

A - 1

CORPORATE INFORMATION

Board of Directors

Mr. Raza Mansha (Chairman)	Non-Executive Director
Mr. Jawaid Iqbal	Independent Director
Ms. Seema Aziz	Independent Director
Mr. Ahmed Ebrahim Hasham	Non-Executive Director
Mr. Ibrahim Shamsi	Non-Executive Director
Mr. Hammad Khalid	Non-Executive Director
Mr. Omair Safdar	Non-Executive Director
Mr. Muhammad Afaq Khan	President / CEO

Board Audit Committee

Mr. Jawaid Iqbal	Chairman
Ms. Seema Aziz	Member
Mr. Ibrahim Shamsi	Member
Mr. Omair Safdar	Member

Human Resource & Remuneration Committee

Mr. Jawaid Iqbal	Chairman
Ms. Seema Aziz	Member
Mr. Raza Mansha	Member
Mr. Omair Safdar	Member

Risk Management & Portfolio Review Committee

Mr. Omair Safdar	Chairman
Mr. Ahmed Ebrahim Hasham	Member
Mr. Ibrahim Shamsi	Member
Mr. Jawaid Iqbal	Member
Mr. Muhammad Afaq Khan	Member

Board Evaluation Committee

Ms. Seema Aziz	Chairman
Mr. Hammad Khalid	Member

Business Strategy & Service Quality Review Committee

Mr. Ahmed Ebrahim Hasham	Chairman
Mr. Hammad Khalid	Member
Mr. Omair Safdar	Member
Mr. Muhammad Afaq Khan	Member

Board I.T. Committee

Mr. Ibrahim Shamsi	Chairman
Mr. Jawaid Iqbal	Member
Mr. Hammad Khalid	Member
Mr. Muhammad Afaq Khan	Member

Shari'ah Board

Prof. Mufti Munib-ur-Rehman	Chairman
Mufti Syed Sabir Hussain	Resident Shari'ah Board Member
Mufti Nadeem Iqbal	Shari'ah Board Member

Chief Financial Officer

Syed Iftikhar Hussain Rizvi

Company Secretary

Ms. Maimoona Cheema

Head of Internal Audit

Mr. Muhammad Imran Siddique

Legal Advisor

M/s Imtiaz Siddiqui & Associates,
Advocates & Solicitor

Auditors

M/s A.F. Ferguson & Co., Chartered
Accountants

Registered Office

59-T Block, Phase-II, DHA, Lahore

Website

www.mcbislamicbank.com

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors of MCB Islamic Bank Ltd. (the Bank), we are pleased to present the financial results for the Half Year Ended June 30, 2022

Rs.in Million			
Statement of Financial Position	30-Jun-22	31-Dec-21	Growth
Deposits	142,508	122,748	16%
Total Assets	180,832	161,267	12%
Investments – <i>net</i>	33,524	33,476	0%
Islamic Financing – <i>net</i>	97,094	96,309	1%
Shareholders' Equity <i>(including revaluations)</i>	14,980	10,605	41%

Profit & Loss Account	Jan – Jun 2022	Jan – Jun 2021	Growth
Operating income	3,338	2,475	35%
Operating and other expenses	2,862	2,354	22%
Reversal of provisions against financing and investments	119	23	417%
Profit before taxation	595	144	313%
Profit after taxation	363	60	505%
Basic / diluted earnings per share - Rs.	0.304	0.050	508%

Performance Review

Pakistan's Banking industry steered through the challenging economic conditions prevailing due to the macroeconomic bottlenecks, rising inflationary pressures, uncertain interest rate scenarios, evolving disruptions from non-conventional payment channels and changing business models, however remained resilient and performed well.

Despite these challenges our Bank remained fully aware of the high downside risks to the economic and operating environment and pursued its strategy of consistent growth through low cost deposit mobilization and prudent financing practices, supported by an optimal organizational structure, robust risk management framework and effective compliance with regulatory instructions, helping the Bank to attain **a profit before tax of Rs.595 million for the Half Year ended June 30, 2022, Alhamdulillah.**

The Bank's Deposit base reached at Rs.142.51 billion as of June 30, 2022 as compared to Rs.122.75 billion as at December 31, 2021, registering a growth of 16% while accumulation of no and low-cost deposits remained a key objective of the Bank during the period under review. The Bank's Current and Saving Account (CASA) mix stands at a healthy rate of 72% with non-remunerative Deposits constituting 38% of total deposit mix of the Bank as of June 30, 2022. The bank achieved a significant growth of Rs.12.26 billion (29%) in Current Accounts during the period. The Bank continues to emphasize on promoting Islamic Banking amongst potential non-banked customers through offering a variety of Islamic Banking products and ensuring service excellence.

Total assets of the Bank increased by 12% to reach at Rs.180.83 billion as of June 30, 2022 as compared to Rs.161.27 billion as at December 31, 2021. The net Financing was closed at Rs.97.09 billion against the December 31, 2021 position of Rs.96.31 billion. Fresh capital injected of Rs. 04 billion in June 2022, consequently the Capital Adequacy closed at 16.49% against the 12.09% of December 31, 2022.

During the period under review, Bank earned a total income of Rs.3.34 billion, while return on earning assets stood at a level of 10.50% with the cost of funds at 5.36% resulting in a net spread of 5.14% for the period under review. On the other side due to the exorbitant rise in the general price level and the Rupee devaluation, the operating and other expenses were increased by 22% as compared to the corresponding period of last year, being monitored closely to be contained through effective management controls in order to sustain profitability levels.

In view of the above developments, gradually increasing Balance Sheet spreads through effective portfolio mix, management enabled the Bank's P&L to maintain an after-tax profit of Rs.363 million for the period under review against Rs.60 million for the corresponding period of last year. The improvement in the Bank's profitability is also evident from earnings per share after tax of Rs.0.304 for the period under review, against Rs.0.050 for the same period last year.

Credit Rating

Pakistan Credit Rating Agency (PACRA) has maintained the Bank's medium to long term rating as "A" and the short-term rating as 'A-1' with stable outlook.

Economic Review

In year 2022, uncertain recovery process of last year has been followed by increasingly depressed developments as the risks began to emerge. The world economy which was already weakened by the pandemic, continues to suffer from a series of disrupting shocks. The worse than expected slowdown in China and Russia due to Covid-19 impacts and war in Ukraine respectively, have globally affected the commodity markets especially related to the agriculture, supply chains, inflation, and financial conditions which have resultantly steepened the slowdown in global growth. The risk of stubbornly high global inflation accompanied by tepid growth will ultimately result in sharp tightening of monetary policies to restrain the inflation. Consequently, International Monetary Fund (IMF) expects growth of 3.2% globally in 2022.

Owing to demand-easing monetary measures, Pakistan's economy continued to demonstrate cycles of boom and bust. The real GDP posted a growth of 5.97% for the Fiscal Year (FY) 2022 on account of 4.40%, 7.19% and 6.19% growth in agriculture, industry and services respectively. Still the economy is facing underlying macroeconomic imbalances and associated domestic and international risks, making growth outlook indistinct. The government is taking various policy, administrative and relief measures to counter the downside risks for the economy. However, the gradual withdrawal of subsidies in order to comply with the IMF commitments, concerns related to renewed political volatility and delay in reaching agreement with IMF resulting in stagflation. Fitch downgraded Pakistan's outlook from stable to negative reflecting the substantial deterioration in external liquidity position and financing conditions. For FY 2023, the World Bank and IMF have projected the growth at 4% and 3.5% respectively.

Both headline and core inflation increased significantly in June 2022, rising to a 14-year high, after the recent reversal of energy subsidies and massive depreciation of rupee against dollar. Inflation expectations increased significantly for both the consumers and businesses. National Consumer Price Index (CPI) was recorded at 21.3% on year-on-year basis in June 2022 as against 9.7% during the same period last year. These developments necessitated a strong and proactive policy response.

Accordingly, State Bank of Pakistan (SBP) raised policy rate by 525 basis points from December 2021 to bring it to 15% on July 07, 2022, aiming towards mildly positive real interest rates on a forward-looking basis and to protect the longevity of growth, keep inflation expectations anchored, and slow the growth in the current account deficit. Further, SBP continuing to incentivize exports by presently offering a discount of 500 basis points relative to the policy rate and widening the set of import items subject to cash margin requirements. However, on a positive side, FBR tax collection has maintained its growth momentum by posting 28.4% increase during current FY till May 2022.

During July-April FY 2022, Large-Scale Manufacturing (LSM) have seen the growth of 10.7% against 8.5% last year with the outstanding performance in sub sectors especially the automobile, wearing apparel, iron & steel products, paper & board, furniture, wood products, and sports. In agriculture, credit disbursement for July-May FY 2022 increased by 2.3%. Furthermore, recent incentives to agriculture sector in Budget FY 2023 will boost the productivity.

On the external front, the Current Account posted a deficit of USD 15.2 billion for the period Jul-May of FY 2022 as 1.2 billion during the same period last year. The current account deficit widened due to the lower exports and constantly growing import volume of energy mainly due to rising trend in the global prices of oil. However, the non-energy imports have continued to be moderate in the last three months on the back of curtailment measures by the government and SBP to offset the increase in energy imports. Exports on fob grew by 26.7% during the period July-May of FY 2022 and reached USD 29.3 billion (USD 23.1 billion last year). Imports on fob grew by 36.5% during the period July-May of FY 2022 and reached USD 65.5 billion (USD 47.9 billion last year). Resultantly the trade deficit reached USD 36.1 billion as against USD 24.8 billion last year. The workers' remittances stood at USD 31.2 billion during the FY 2022 against the USD 29.4 billion during the corresponding period of last year, growing by 6.1%. FX reserves stood at USD 15.5 billion as at June 2022 closing, with exchange rate depreciated by more than 30% year-on-year basis.

On the fiscal front, the overall deficit during the period July-April of FY 2022 is recorded at 4.9% of GDP (Rs.3,275 billion) against 3.6% of GDP (Rs.2,020 billion) last year.

The KSE-100 Index closed at 41,541 points on June 30, 2022 a downward shift by 3,055 points from December 31, 2021, mainly attributable to uncertainty on both the economic and political fronts.

Islamic banking industry continues to grow significantly, and has further strengthened its base by growing its total assets and deposits by 14.2% and 10.2% closing at Rs.5,577 billion (market share of 18.6%) and Rs.4,211 billion (market share of 19.4%) respectively, whereas the Branch network closed at 3,956 branches by the end of December 2021.

Future Outlook

Looking ahead risks to the global baseline are tilted to the downside. The supply chain disruptions, energy and commodity prices hikes, and localized wage pressures mean uncertainty around inflation which will continue to squeeze living standards worldwide. Taming inflation should be the first priority for policymakers resulting in tighter monetary policies globally which will inevitably have real economic costs, but delay will only aggravate them. Relatedly, measures of economic uncertainty and concerns regarding an oncoming recession have increased in recent months. Other global risks may develop as geopolitical tensions remain high and the ongoing climate emergency remains elevated. Whereas the pandemic continues, vaccination rates must rise to guard against future variants. These implications translate a drop in growth projected by IMF to 2.9% in 2023.

A vigorous and extensive policy response is required especially by the emerging market and developing economies to boost growth, strengthen macroeconomic frameworks, reduce financial vulnerabilities, provide support to exposed population groups and reduce the long-term impacts of the global shocks of recent years.

Pakistan's economy is facing various uncertainties on account of on-going political situation in the country, rising international inflationary pressures, developments on the IMF program, massive corrosion of rupee against dollar and the upward shift in policy rate. As per SBP, inflation is likely to remain high around current levels for much of FY 2023, around 18-20% before declining sharply during FY 2024. The current account deficit is projected to narrow to around 3% of GDP as imports moderate with cooling growth, while exports and remittances remain relatively resilient.

The Banking industry will continue to be critically challenged by credit, operation and information security risks in coming days. Now is the time to shift the business models strategically from traditional banking service provider towards technology driven dynamic banks.

The Bank is determined to continue with its strategy of long-term sustainable growth especially after the recent fresh capital injection which will pave ways for new business avenues and boost the future profitability in line with its objective to become the Relevant Player in the Islamic industry. The key focus will be on generating no and low-cost deposits, high earning assets and containment of operating costs along with the investment in automation of processes, building new product platforms and digitization.

Acknowledgment

On behalf of the Board of Directors and management, we wish to express our sincere gratitude to our customers, business partners and shareholders for their continued patronage and trust. We would also like to thank SBP, Securities & Exchange Commission of Pakistan and other regulatory authorities for their continuous guidance and support. The Board of Directors sincerely appreciates the significant contribution by all its staff members to the growth of this franchise under challenging business conditions.

For and on behalf of the Board of Directors



Muhammad Afaq Khan
President / CEO

August 16, 2022



Raza Mansha
Chairman

اپنی نمو میں اضافے، اپنے کلاں معاشی فریم ورک (نظام) کو مضبوط بنانے، معاشی کمزوریوں میں کمی کرنے، آبادی کے متاثر حصے کی مدد فراہم کرنے اور حالیہ سالوں میں ہونے والے عالمی دھچکوں کے طویل المدتی اثرات میں کمی لانے کے لیے ابھرتی منڈیوں خاص طور پر ترقی پذیر معیشتوں کو ایک مضبوط اور وسیع البیاد پالیسی بنانیہ اختیار و عمل کرنے کی ضرورت ہے۔

پاکستان کی معیشت، ملک میں جاری سیاسی غیر یقینی کی صورتحال، عالمی افراط زر کے بڑھتے دباؤ، آئی ایم ایف کے پروگرام میں ہونے والی تبدیلیوں اور اس کے ساتھ طلب پر منحصر افراط زر کے دباؤ، ڈالر کے مقابلے میں روپے کی قدر میں بڑے پیمانے پر ہونے والی فرسودگی اور پالیسی ریٹ میں ہونے والا اضافہ جیسے کثیر الجہت عوامل کا سامنا کر رہی ہے۔

اسٹیٹ بینک آف پاکستان کے مطابق افراط زر کے سال 2024ء کے لیے تیزی سے کم ہونے سے پہلے، سال 2023ء کے زیادہ تر عرصہ میں حالیہ سطح، یعنی 18 سے 20 فیصد تک برقرار رہنے کی توقع ہے۔ کرنٹ اکاؤنٹ کے خسارہ کی شرح کم ہوتے ہوئے جی ڈی پی کے 3 فیصد کے قریب رہنے کی توقع ہے۔ جیسا کہ درآمدات کے نسبتاً معتدل اور برآمدات اور ترسیلات زر میں چلک اور ابھرنے کی تحریک موجود ہے۔

بینکاری کی صنعت، آنیوالے دنوں میں، قرضہ جات، کاروبار اور انفارمیشن سکیورٹی سے متعلقہ اہم خدشات کا سامنا کرتی رہے گی۔ یہی وقت ہے کہ کاروباری ماڈلز کو دانشمندی کے ساتھ روایتی بینکاری کی خدمات فراہم کر نیوالے اسلوب سے ٹیکنالوجی سے مزین جدید بینک کی شکل میں ڈھالا جائے۔


بینک اپنی طویل المدت اور پائیدار نمو کی حکمت عملی کو جاری رکھنے کے لیے پرعزم ہے۔ خاص طور پر سرمائے میں ہونے والے حالیہ اضافے کے بعد جس کی بدولت نئے کاروباری مواقع کا حصول ممکن ہو سکے گا اور اسلامک انڈسٹری میں نمایاں کردار برقرار رکھنے کے بنیادی مقصد کے حصول کی مطابقت میں مستقبل میں زیادہ منافع بھی حاصل ہوگا۔ اس وقت توجہ کا محور اور مرکز کم یا بغیر لاگت کے ڈیپازٹس، بلند شرح آمدنی کے پیداواری اثاثہ جات اور خود کاریت کے عمل میں سرمایہ کاری، نئی اشیاء کے پلیٹ فارمز اور ڈیجیٹلائزیشن کے ساتھ ساتھ کاروباری لاگت کو محدود رکھنے پر ہے۔

تسلیم و تحسین :

بورڈ آف ڈائریکٹرز اور مینجمنٹ کی جانب سے ہم اپنے صارفین، کاروباری شراکت دار اور شیئر ہولڈرز کا اسکے مسلسل اعتماد اور تعاون پر تہہ دل سے مشکور ہیں۔ ہم اسٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر انضباطی اداروں کا انکی جاری معاونت اور رہنمائی پر بھی بے حد مشکور ہیں۔ بورڈ آف ڈائریکٹرز اپنے تمام ملازمین کی خدمات کا پُر خلوص اعتراف کرتے ہیں جنکی بدولت ادارے نے مشکل ماحول میں بھی شاندار ترقی کی ہے۔

منجانب و برائے بورڈ آف ڈائریکٹرز:


رضامنشاء
چیئرمین


محمد آفاق خان
پریزیڈنٹ/سی ای او
تاریخ: اگست ۱۶، ۲۰۲۲

میں زراعت کے شعبے کو دی گئی مراعات اس کی پیداوار کو بڑھانے کا سبب بنیں گی۔

بیرونی محاذ پر، کرنٹ اکاؤنٹ میں گزشتہ سال کے مماثل عرصے کے 1.2 بلین امریکی ڈالر کے زائد الحاصل حجم کی نسبت مالی سال 2022ء کے جولائی تا مئی کے عرصے کے دوران 15.2 بلین امریکی ڈالر کا خسارہ درج کیا گیا۔ کرنٹ اکاؤنٹ خسارے میں اس وسعت کی وجوہات میں کم برآمدات، توانائی کی اشیاء کی درآمدات، حکومت اور اسٹیٹ بینک آف پاکستان کی جانب سے توانائی کی درآمدات کے اثرات رجحان ہے۔ تاہم، غیر توانائی کی اشیاء کی درآمدات، حکومت اور اسٹیٹ بینک آف پاکستان کی جانب سے توانائی کی درآمدات کے اثرات کو زائل کرنے کے اقدامات کی بدولت، گزشتہ تین ماہ کے دوران قدرے معتدل رہیں۔ فریٹ آن بورڈ (ایف او بی) برآمدات، مالی سال 2022ء کے جولائی تا مئی کے عرصے میں 26.7 فیصد کی نمو کے اندراج کے ساتھ 29.3 بلین امریکی ڈالر پر پہنچ گئیں (گزشتہ سال - 23.1 بلین امریکی ڈالر)۔ ایف او بی درآمدات مالی سال 2022ء کے جولائی تا مئی کے عرصے میں 36.5 فیصد کے اضافے کے ساتھ 65.5 بلین امریکی ڈالر پر پہنچ گئیں (گزشتہ سال - 47.9 بلین امریکی ڈالر)۔ جس کے نتیجے میں تجارتی خسارہ گزشتہ سال کے 24.8 بلین امریکی ڈالر کے مقابلے میں 36.1 بلین امریکی ڈالر پر ریکارڈ کیا گیا۔ افرادی ترسیلات زرمالی سال 2022ء کے عرصے میں پچھلے سال کی مماثلہ مدت کے دوران وصول شدہ 29.4 بلین امریکی ڈالر کی نسبت 6.1 فیصد کی نمو کے ساتھ 31.2 بلین امریکی ڈالر پر پہنچ گئیں۔ غیر ملکی زرمبادلہ کے ذخائر جون 2022ء کے اختتام تک 15.5 بلین امریکی ڈالر پر درج ہوئے جبکہ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی شرح تبادلہ میں، سال بہ سال کی بنیاد پر، 30 فیصد کی فرسودگی ہوئی۔

مالیاتی محاذ پر، مالی خسارہ گزشتہ سال کی جی ڈی پی کی 3.6 فیصد کی شرح (2,020 بلین روپے) کی نسبت مالی سال 2022ء کے جولائی تا اپریل کے عرصے میں جی ڈی پی کی 4.9 فیصد کی شرح پر ریکارڈ کیا گیا (3,275 بلین روپے)۔

کے ایس ای - 100 انڈیکس 31 دسمبر 2021ء تک کی سطح سے 3,055 پوائنٹس کے اضافے کے ساتھ 30 جون 2022ء کو 41,541 پوائنٹس پر بند ہوا، جس کی بنیادی وجوہات میں ملک میں جاری شدید معاشی اور سیاسی غیر یقینی کی فضاء ہے۔

اسلامی بینکاری کی صنعت اپنے کل اثاثہ جات اور ڈیپازٹس میں 14.2 فیصد اور 10.2 فیصد کی نمو کے ساتھ بالترتیب 5,577 بلین روپے (مارکیٹ شیئر 18.6 فیصد) اور 4,211 بلین روپے (مارکیٹ شیئر 19.4 فیصد) کی سطح تک جاتے ہوئے، اپنی ترقی کے سفر کو جاری اور اپنی بنیاد کو مزید مضبوط بناتی ہے۔ جبکہ برانچوں کا نیٹ ورک دسمبر 2021ء کے اختتام تک 3,956 برانچوں پر بند ہوا۔

مستقبل کی پیش بینی :

مستقبل میں، عالمی اساس کو لاحق خدشات میں قدرے کمی ہونے کی توقع ہے۔ رسد کے حوالے رکاوٹوں، توانائی اور اشیاء کی بڑھتی قیمتوں اور دروں خانہ اجروں کے دباؤ کا مطلب ہے کہ افراط زر کے حوالے سے غیر یقینی صورتحال کا برقرار رہنا، جس سے دنیا بھر میں لوگوں کے رہن سہن کے اسلوب میں سکڑاؤ کی کیفیت جاری رہے گی۔ افراط زر کو تابع اور قابو کرنا پالیسی تشکیل دینے والوں کے لیے اولین ترجیح ہوگی، جس کے نتیجے میں عالمی طور پر کڑی مالیاتی پالیسیوں کی ترویج ہوگی، اور جسکی ایک حقیقی و معاشی ناگزیر لاگت بھی ہو سکتی ہے۔ لیکن تاخیر سے صرف ان مسائل میں مزید اضافہ ہوگا۔ اسی مماثلت میں، حالیہ مہینوں میں معاشی غیر یقینی کے تدارک کے لیے اٹھائے گئے اقدامات کی بدولت آنیوالے دنوں میں کساد بازاری کے خدشات اور فکر بھی لاحق ہے۔ دیگر عالمی خدشات بھی درپیش ہو سکتے ہیں جیسا کہ سیاسی و جغرافیائی تناؤ میں اضافے کا اندیشہ برقرار ہے اور جاری ماحولیاتی اور موسمیاتی ہنگامی صورتحال بھی عروج پر ہے۔ جبکہ عالمگیر دہاء کے جاری رہتے ہوئے ویکسین کی تعداد میں اضافہ ناگزیر ہے تاکہ مستقبل میں آنیوالی اسکی نئی شکلوں سے محفوظ رہا جاسکے۔ ان درپیش خطرات کے تناظر میں آئی ایم ایف نے سال 2023ء کے لیے شرح نمو میں تخفیف کرتے ہوئے اسکو 2.9 فیصد پر تخمینہ کیا ہے۔

رہی ہے۔ چین اور روس میں بالترتیب کووڈ - 19 کے اثرات سے ہونے والی سست روی کے توقع سے زیادہ منفی رد عمل اور یوکرین کی جنگ نے اشیاء کی منڈیوں خاص طور پر زراعت، رسد فراہم کرنے والے، افراط زر اور مالیاتی حالات کو عالمی طور پر متاثر کیا ہے جن سے عالمی نمو میں سست روی کی خلیج مزید گہری ہو رہی ہے۔ غیر متزلزل افراط زر کے خطرات اور اس کے ساتھ ترقی کی نہایت معمولی شرح، اس صورتحال پر قابو پانے کے لیے یقینی طور پر کڑی مالیاتی پالیسیوں کو اختیار کرنے کا باعث بنے گی۔ چنانچہ، عالمی مالیاتی فنڈ (آئی ایم ایف) نے سال 2022ء کے لیے عالمی نمو کی شرح کو 3.2 فیصد پر تخمینہ کیا ہے۔

طلب میں آسانی پیدا کرنے کے مالیاتی اقدامات کی بدولت، پاکستان کی معیشت گرم اور کساد بازاری دونوں طرح کی روش کو ظاہر کر رہی ہے۔ مالی سال 2022ء کے لیے جی ڈی پی کی حقیقی نمو زراعت، صنعت اور خدمات میں ہونے والی بالترتیب 4.4 فیصد، 7.19 فیصد اور 6.19 فیصد کی ترقی کی بنیاد پر 5.97 فیصد کی شرح پر درج ہوئی۔ تاہم، معیشت کو ابھی بھی کلاں معاشی عدم توازن اور اس سے جڑے داخلی و بین الاقوامی خدشات کا سامنا ہے جس کے باعث معاشی پیش بینی میں ابہام موجود ہے۔ حکومت نے کئی پالیسی، انتظامی اور امدادی اقدامات اٹھائے ہیں تاکہ معیشت کو لاحق تیزی کے خدشات کا تدارک کیا جاسکے۔ تاہم، آئی ایم ایف کے ساتھ کیے گئے اقرار کی پاسداری کے لیے سبسڈیز کے بتدریج خاتمے، حالیہ سیاسی کشیدگی اور اتری کی صورتحال سے متعلقہ معاملات اور آئی ایم ایف کے ساتھ ہو نے والے معاہدے میں تاخیر سے جمود کی کیفیت طاری ہے۔ فٹچ (Fitch) نے پاکستان کی پیش بینی کی شرح کو مثبت سے کم کرتے ہوئے منفی میں تبدیل کر دیا ہے جو کہ بیرونی سیالیات اور قرضوں کی صورتحال میں نمایاں تنزلی کا مظہر ہے۔ مالی سال 2023ء کے لیے عالمی بینک اور آئی ایم ایف نے معاشی نمو کی شرح کو بالترتیب 4 فیصد اور 3.5 فیصد پر تخمینہ کیا ہے۔

توانائی میں دی گئی سب سڈیز کی واپسی اور ڈالر کے مقابلے میں پاکستانی روپے میں ناقابل بیان فرسودگی کے باعث سرخیلی اور خالص افراط زر دونوں میں جون 2022ء تک بے حد اضافہ ہوا۔ جو کہ گزشتہ 14 سال کی بلند ترین شرح ہے۔ صارفین اور کاروباری حضرات دونوں کے لیے افراط زر میں نمایاں اضافہ کی توقعات ہیں۔ صارفین کی قیمتوں کے جدول (Consumer Price Index - CPI) گزشتہ سال کے تقابلی عرصہ کی 9.7 فیصد کی سطح سے جون 2022ء تک، سال بہ سال کی بنیاد پر، بڑھتے ہوئے 21.3 فیصد کی سطح پر پہنچ گیا تھا۔ یہ تبدیلیاں مضبوط اور پیش قدم ناگزیر معاشی رد عمل کی متقاضی ہیں۔

لہذا، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں دسمبر 2021ء سے 525 پیسز پوائنٹس کے اضافے کے ساتھ اسے 07 جولائی 2022ء تک 15 فیصد کی شرح پر مقرر کر دیا۔ جس کا مقصد پیش قدمی کی بنیاد اور پائیدار نمو کے تحفظ، افراط زر کی توقعات میں ٹھہراؤ اور کرنٹ اکاؤنٹ خسارے میں اضافے کی رفتار کو سست کرنے کے لیے قدرے معتدل مثبت حقیقی انٹرنل ریٹ کا حصول ہے۔ اسٹیٹ بینک آف پاکستان برآمدات میں پالیسی ریٹ سے متعلقہ 500 پیسز پوائنٹس کے ڈسکاؤنٹ کی پیشکش سے اسکے فروغ اور افادیت میں اضافے اور اس کے برعکس درآمدات میں کیش مارجن کے مطلوبات میں اضافے کے ذریعے اس کی حوصلہ شکنی کے عمل کو جاری رکھنے کی راہ پر گامزن ہے۔ تاہم مثبت زاویے پر، ایف بی آر نے ٹیکس کی وصولیوں میں رواں مالی سال کے مئی 2022ء تک کے عرصے میں اپنی جاری تحریک کو برقرار رکھتے ہوئے 28.4 فیصد کے اضافے کا اندراج کیا ہے۔

مالی سال 2022ء کے جولائی تا اپریل کے عرصے میں بڑے پیمانے کی صنعت میں گزشتہ سال کی 8.5 فیصد کی شرح کے مقابلے میں 10.7 فیصد کی نمو دیکھی گئی۔ جبکہ اس کے کئی ذیلی شعبوں جن میں آٹو موٹیل، ملبوسات کی صنعت، لوہے اور اسٹیل کی اشیاء، کاغذ اور گتے کی صنعت، فرنیچر، لکڑی کی اشیاء اور کھیل کے شعبے شامل ہیں، میں نہایت شاندار کارکردگی دیکھی گئی۔ زراعت کے شعبہ میں مالی سال 2022ء کے جولائی تا مئی کے دوران جاری کیے قرضہ جات میں 2.3 فیصد کا اضافہ ہوا۔ علاوہ ازیں، مالی سال 2023ء کے بجٹ

بینک کے ڈیپازٹس کی اساس 31 دسمبر 2021ء کے 122.75 بلین روپے کے حجم کے مقابلے میں 16 فیصد کی نمو کے ساتھ 30 جون 2022ء تک 142.51 بلین روپے پر جا پہنچی جبکہ اس زیر تجزیہ عرصہ میں کم یا بغیر لاگت کے ڈیپازٹس کا حصول بینک کے بنیادی مقاصد میں نمایاں حیثیت کا حامل رہا۔ بینک کے کرنٹ اور سیونگ اکاؤنٹ (کاسا - CASA) کی ترکیب 72 فیصد کی توانا شرح پر درج ہوئی جبکہ غیر پیداواری ڈیپازٹس، بینک کے کل ڈیپازٹس کی 30 جون 2022ء تک کی ترکیب کا 38 فیصد پر شمار ہوئے۔ بینک نے اپنے کرنٹ ڈیپازٹس میں، اس عرصہ کے دوران، 12.26 بلین روپے (29%) کی قابل قدر نمو حاصل کی۔ بینک اسلامی بینکاری کی نئی اور مختلف پراڈکٹس کی باقاعدگی سے اجراء اور خدمات کے اعلیٰ معیار کو یقینی بناتے ہوئے بینکاری سے محروم صارفین کے حوالے سے موجود مواقع سے استفادہ حاصل کرنے کے لیے اسلامی بینکنگ کے فروغ پر اپنی مسلسل توجہ برقرار رکھے ہوئے ہے۔

بینک کے کل اثاثہ جات 31 دسمبر 2021ء کی 161.27 بلین روپے کی سطح کی نسبت 30 جون 2022ء تک 12 فیصد کے اضافے کے ساتھ 180.83 بلین روپے پر جا پہنچے۔ خالص قرضہ جات کا حجم 31 دسمبر 2021ء کی 96.31 بلین روپے کی سطح کے مقابلے میں 97.09 بلین روپے پر درج ہوا۔ جون 2022ء میں بینک میں 04 بلین روپے کا اضافی سرمایہ داخل کیا گیا جس کے باعث سرمائے کی معقولیت (کیپٹل ایڈیکویسی)، کی شرح 31 دسمبر 2021ء کی 12.09 فیصد کی سطح کی نسبت 16.49 فیصد پر پہنچ گئی۔ اس زیر نظر مدت کے دوران، بینک نے 3.34 بلین روپے کی کل آمدنی حاصل کی جبکہ پیداواری اثاثہ جات کی آمدنی کی شرح 10.50 فیصد کی سطح پر رہی۔ جس کے ساتھ سرمائے کی لاگت کی شرح 5.36 فیصد پر درج ہوئی۔ چنانچہ، اس زیر جائزہ عرصہ میں 5.14 فیصد کا خالص سپریڈ حاصل ہوا۔ دوسری طرف، قیمتوں کی عام سطح میں غیر معمولی اضافے اور پاکستانی روپے میں فرسودگی کی وجہ سے کاروباری اور دیگر اخراجات گزشتہ سال کے مماثل عرصے کے حجم سے 22 فیصد زیادہ رہے۔ جن کو محدود رکھنے کے لیے ایک موزوں انتظامی کنٹرول کے تحت موثر نگرانی کی جا رہی ہے تاکہ منافع کی پائیدار سطح کا حصول ممکن ہو سکے۔

مندرجہ بالا عوامل کے تناظر میں، اپنی بیلنس شیٹ کے سپریڈز میں پورٹ فولیو کے موثر انتظام کے ذریعے بتدریج اضافے کے باعث بینک گزشتہ سال کے تقابلی عرصہ میں حاصل شدہ 60 بلین روپے کے مقابلے میں اس زیر تجزیہ مدت کے لیے 363 بلین روپے کا بعد از ٹیکس منافع حاصل کرنے کے قابل ہوا۔ بینک کے منافع میں ہونے والی بہتری کا اظہار اس زیر تجزیہ مدت میں بینک کی فی حصص بعد از ٹیکس سے بھی ہوتا ہے جو کہ گزشتہ سال کے مماثل عرصے کی 0.050 روپے فی حصص کی سطح سے 0.304 روپے فی حصص بعد از ٹیکس پر درج ہوئی۔

کریڈٹ ریٹنگ :

پاکستان کریڈٹ ریٹنگ ایجنسی (پاکرا) نے بینک کی درمیانی سے طویل المدت ریٹنگ کو "A" (اے) اور قلیل المدت ریٹنگ کو "A-1" (اے دن) کی سطح پر مستحکم پیش بینی کے ساتھ برقرار رکھا ہے۔

معاشی جائزہ :

سال 2022ء میں، بحالی کے عمل کو گزشتہ سال سے لاحق غیر یقینی کی صورتحال میں تسلسل جاری رہا اور صحت عامہ سے جڑے خدشات کے دوبارہ ظہور پذیر ہونے کے باعث ترقی کے عمل میں مایوسی نمایاں رہی۔ دنیا کی معیشت، جو کہ عالمگیر وباء کی بدولت پہلے سے ہی خاصی تھپیر کا شکار ہو چکی تھی ان تواتر سے پیدا ہونے والی رکاوٹوں کے خدشات سے مسلسل متاثر ہو

ممبران کیلئے ڈائریکٹرز کی رپورٹ :

ہم انتہائی مسرت کے ساتھ، ایم سی بی اسلامک بینک لمیٹڈ (بینک) کے بورڈ آف ڈائریکٹرز کی جانب سے، 30 جون 2022ء کو ختم ہونے والی ششماہی کے مالیاتی نتائج پیش کر رہے ہیں۔

مالیاتی پوزیشن کی اسٹیٹمنٹ	30 جون 2022	31 دسمبر 2021	نمو (%)
	ملین روپے		
ڈیپازٹس	142,508	122,748	16%
کل اثاثہ جات	180,832	161,267	12%
سرمایہ کاری - خالص	33,524	33,476	0%
اسلامک فنانسنگ - خالص	97,094	96,309	1%
حصص یافتگان کی ایکویٹی (سرمایہ) بشمول تخمینہ نو	14,980	10,605	41%

نفع و نقصان کا اکاؤنٹ	جنوری - جون 2022	جنوری - جون 2021	نمو (%)
	ملین روپے		
کاروباری آمدنی	3,338	2,475	35%
کاروباری و دیگر اخراجات	2,862	2,354	22%
سرمایہ کاری اور فنانسنگ کے عوض پروویژن کی رپورٹ	119	23	417%
نفع قبل از ٹیکس	595	144	313%
نفع بعد از ٹیکس	363	60	505%
بنیادی / تحلیل شدہ نفع فی شیئر (حصص) - روپے	0.304	0.050	508%

کارکردگی کا جائزہ :

پاکستان میں بینکاری کا شعبہ، کلاں معاشی رکاوٹوں، افراط زر کے بڑھتے دباؤ، انٹرسٹ ریٹ کی صورتحال میں غیر یقینی، ادائیگی کے غیر روایتی طریقوں میں پیدا ہونے والی مشکلات اور بدلتے برنس ماڈلز سے اُبھرنے والی پیچیدہ معاشی صورتحال کا سامنا کرتے ہوئے بھرپور چلک اور بہتر کارکردگی کا مسلسل مظاہرہ کر رہا ہے۔

ان مشکلات کے باوجود، بینک کو ان معاشی اور کاروباری ماحول کو درپیش تنزلی کے بڑھتے خدشات کا مکمل ادراک ہے اور یہ کم لاگت کے ڈیپازٹس کی ترویج، قرضہ جات کے دانشمندانہ طریقہ کار اور اس کے ساتھ موزوں انتظامی ڈھانچے، خدشات کے تدارک کے مضبوط نظام اور ضوابطی ہدایات کی مستعد قبیلات کے ذریعے اپنی حکمت عملی کو جاری رکھے ہوئے ہے، جس کی بدولت بینک کو الحمد للہ، 30 جون 2022ء کو ختم ہونے والی ششماہی کے دوران 595 ملین روپے کا منافع قبل از ٹیکس حاصل ہوا۔

INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF MCB ISLAMIC BANK LIMITED****REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of MCB Islamic Bank Limited ("the Bank") as at June 30, 2022 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim cash flow statement, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures for the quarters ended June 30, 2022 and June 30, 2021 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Scope of Review

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

Conclusion

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

The engagement partner on the review resulting in this independent auditor's review report is Hammad Ali Ahmad.



A. F. Ferguson & Co.
Chartered Accountants

Lahore

Dated: August 29, 2022

UDIN: RR202210092VBPN15TdQ

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
23-C, Aziz Avenue, Canal Bank, Gulberg-V, P.O.Box 39, Lahore-54660, Pakistan
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■KARACHI ■LAHORE ■ISLAMABAD



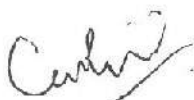
MCB Islamic Bank Ltd.

CONDENSED INTERIM FINANCIAL STATEMENTS


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

		(Unaudited) June 30, 2022	(Audited) December 31, 2021
	Note	Rupees in thousands	
ASSETS			
Cash and balances with treasury banks	8	12,457,747	11,309,285
Balances with other banks	9	16,254,441	3,696,073
Due from financial institutions	10	7,490,000	1,650,000
Investments - net	11	33,524,069	33,475,816
Islamic financing and related assets - net	12	97,094,452	96,308,562
Fixed assets	13	4,729,943	4,932,122
Intangible assets	14	562,728	579,767
Deferred tax assets - net	15	924,426	1,006,958
Other assets - net	16	7,794,374	8,308,810
		180,832,180	161,267,393
LIABILITIES			
Bills payable	18	1,777,025	1,896,801
Due to financial institutions	19	12,489,399	16,472,906
Deposits and other accounts	20	142,508,288	122,747,778
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debts		-	-
Deferred tax liabilities - net		-	-
Other liabilities	21	9,077,593	9,545,353
		165,852,305	150,662,838
NET ASSETS		14,979,875	10,604,555
REPRESENTED BY			
Share capital	22	15,550,000	11,550,000
Reserves	23	160,860	88,193
Surplus on revaluation of assets - net of tax	24	259,620	248,364
Accumulated loss		(990,605)	(1,282,002)
		14,979,875	10,604,555
CONTINGENCIES AND COMMITMENTS		25	

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.



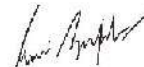
Syed Iftikhar Hussain Rizvi
Chief Financial Officer



Muhammad Afaq Khan
President / Chief Executive



Raza Mansha
Director



Omair Safdar
Director

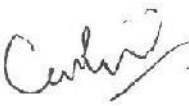



Hammad Khalid
Director

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

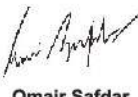
	Note	Quarter Ended		Half Year Ended	
		April 01, 2022 to June 30, 2022	April 01, 2021 to June 30, 2021	January 01, 2022 to June 30, 2022	January 01, 2021 to June 30, 2021
		Rupees in thousands			
Profit / return earned	26	3,927,768	2,231,150	6,977,347	4,463,602
Profit / return expensed	27	1,980,805	1,151,547	3,838,649	2,362,906
Net Profit / return		1,946,963	1,079,603	3,138,698	2,100,696
OTHER INCOME					
Fee and commission income	28	130,215	100,331	243,260	192,897
Dividend income		10,864	25,141	26,610	37,556
Foreign exchange income		48,695	47,504	123,264	28,868
(Loss) / gain on securities	29	(116,973)	-	(251,196)	3,602
Other income	30	30,510	89,278	57,222	111,682
Total other income		103,311	262,254	199,160	374,605
Total income		2,050,274	1,341,857	3,337,858	2,475,301
OTHER EXPENSES					
Operating expenses	31	1,647,892	1,236,755	2,846,548	2,311,415
Workers welfare fund		7,764	2,692	13,764	5,429
Other charges	32	-	37,095	1,580	37,095
Total other expenses		1,655,656	1,276,542	2,861,892	2,353,939
Profit before provisions		394,618	65,315	475,966	121,362
Provisions / (reversals) and write offs - net	33	9,607	12,869	(119,174)	(22,693)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		385,011	52,446	595,140	144,055
Taxation	34	149,241	47,548	231,806	84,387
PROFIT AFTER TAXATION		235,770	4,898	363,334	59,668
-----Rupees-----					
Basic and diluted earnings per share	35	0.191	Restated 0.004	Restated 0.304	Restated 0.050

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.


Syed Iftikhar Hussain Rizvi
Chief Financial Officer


Muhammad Afaq Khan
President / Chief Executive


Raza Mansha
Director

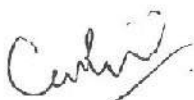

Omair Safdar
Director


Hammad Khalid
Director

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

	Quarter Ended		Half Year Ended	
	April 01, 2022 to June 30, 2022	April 01, 2021 to June 30, 2021	January 01, 2022 to June 30, 2022	January 01, 2021 to June 30, 2021
	Rupees in thousands			
Profit after taxation for the period	235,770	4,898	363,334	59,668
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments	(42,530)	116,046	22,893	14,842
Related deferred tax (liability) / assets	19,429	(51,128)	(6,086)	(15,706)
	(23,101)	64,918	16,807	(864)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of fixed assets - net of tax	(4,821)	(5,183)	(4,821)	(5,183)
Total comprehensive income for the period	<u>207,848</u>	<u>64,633</u>	<u>375,320</u>	<u>53,621</u>

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.



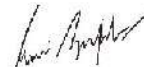
Syed Iftikhar Hussain Rizvi
Chief Financial Officer



Muhammad Afaq Khan
President / Chief Executive



Raza Mansha
Director



Omair Safdar
Director



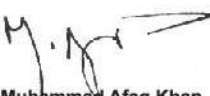
Hammad Khalid
Director

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

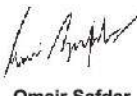
	Share Capital	Statutory Reserve	Surplus / (deficit) on revaluation of Investments Fixed Assets Rupees in thousands		Accumulated loss	Total
Balance as at January 01, 2021	11,550,000	68,107	161,159	312,157	(1,363,651)	10,727,772
Total comprehensive income / (loss) for the half year ended June 30, 2021						
Profit after taxation for the half year ended June 30, 2021	-	-	-	-	59,668	59,668
Other comprehensive loss - net of tax	-	-	(864)	(5,183)	-	(6,047)
	-	-	(864)	(5,183)	59,668	53,621
Transfer to statutory reserve	-	11,934	-	-	(11,934)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(522)	522	-
Balance as at June 30, 2021 (Unaudited)	11,550,000	80,041	160,295	306,452	(1,315,395)	10,781,393
Total comprehensive income / (loss) for the six months period ended December 31, 2021						
Profit after taxation for the six months period ended December 31, 2021	-	-	-	-	40,764	40,764
Other comprehensive loss - net of tax	-	-	(217,602)	-	-	(217,602)
	-	-	(217,602)	-	40,764	(176,838)
Transfer to statutory reserve	-	8,152	-	-	(8,152)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(781)	781	-
Balance as at December 31, 2021 (Audited)	11,550,000	88,193	(57,307)	305,671	(1,282,002)	10,604,555
Total comprehensive income / (loss) for the half year ended June 30, 2022						
Profit after taxation for the half year ended June 30, 2022	-	-	-	-	363,334	363,334
Other comprehensive income - net of tax	-	-	16,807	(4,821)	-	11,986
	-	-	16,807	(4,821)	363,334	375,320
Issue of right shares	4,000,000	-	-	-	-	4,000,000
Transfer to statutory reserve	-	72,667	-	-	(72,667)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(730)	730	-
Balance as at June 30, 2022 (Unaudited)	15,550,000	160,860	(40,500)	300,120	(990,605)	14,979,875

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.


Syed Iftikhar Hussain Rizvi
Chief Financial Officer


Muhammad Afaq Khan
President / Chief Executive


Raza Mansha
Director


Omair Safdar
Director



Hammad Khalid
Director

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

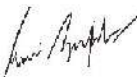
	Note	June 30 2022	June 30 2021
		Rupees in thousands	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		595,140	144,055
Less: Dividend income		(26,610)	(37,556)
		<u>568,530</u>	<u>106,499</u>
Adjustments			
Depreciation on fixed assets	31	194,707	189,703
Depreciation on right-of-use asset	31	230,808	237,514
Depreciation on Ijarah assets under IFAS 2	31	360,717	414,552
Amortization	31	85,699	75,194
Unwinding of liability against right of use assets		150,669	180,524
Reversals and write offs - net	33	(119,174)	(22,693)
Unrealized gain on forward exchange contracts - net		(32,973)	(155,729)
Gain on sale of fixed assets - net	30	(402)	(545)
Gain on termination of lease liability against right-of-use asset		-	(62,362)
Loss / (gain) on sale of securities - net	29	251,196	(3,602)
		<u>1,121,247</u>	<u>852,556</u>
		<u>1,689,777</u>	<u>959,055</u>
(Increase) / decrease in operating assets			
Due from financial institutions		(5,840,000)	(171,210)
Islamic financing and related assets		(1,289,627)	2,100,548
Other assets (excluding advance taxation)		<u>538,725</u>	<u>(176,593)</u>
		<u>(6,590,902)</u>	<u>1,752,745</u>
Increase / (decrease) in operating liabilities			
Bills payable		(119,776)	(890,870)
Due to financial institutions		(3,938,475)	(13,027,931)
Deposits and other accounts		19,760,510	15,718,037
Other liabilities (excluding current taxation)		<u>(432,709)</u>	<u>(284,163)</u>
		<u>15,269,550</u>	<u>1,515,073</u>
		<u>10,368,425</u>	<u>4,226,873</u>
Income tax paid		<u>(94,702)</u>	<u>(67,768)</u>
Net cash flow generated from operating activities		<u>10,273,723</u>	<u>4,159,105</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(1,670,254)	(2,191,225)
Net divestments in held-to-maturity securities		1,655,891	115,000
Dividends received		26,610	37,711
Investments in operating fixed assets		(151,554)	(173,908)
Proceeds from sale of fixed assets		2,382	589
Investments in intangible assets		(67,951)	(27,247)
Net cash flow used in investing activities		<u>(204,876)</u>	<u>(2,239,080)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		4,000,000	-
Payment of lease liability against right-of-use asset		(316,985)	(328,381)
Net cash flow generated from / (used in) financing activities		<u>3,683,015</u>	<u>(328,381)</u>
Increase in cash and cash equivalents during the period		<u>13,751,862</u>	<u>1,591,644</u>
Cash and cash equivalents at the beginning of the period		14,960,326	14,868,799
Cash and cash equivalents at the end of the period	36	<u>28,712,188</u>	<u>16,460,443</u>

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.


Syed Iftikhar Hussain Rizvi
Chief Financial Officer


Muhammad Afaq Khan
President / Chief Executive


Raza Mansha
Director


Omair Safdar
Director


Hammad Khalid
Director

NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2022

1 STATUS AND NATURE OF BUSINESS

- 1.1 MCB Islamic Bank Limited (the Bank) was incorporated in Pakistan as an unlisted public limited company on May 15, 2014 under the Companies Ordinance, 1984 (repealed after the enactment of the Companies Act, 2017) to carry out the business of an Islamic Commercial Bank in accordance and in conformity with the principles of Islamic Shari'ah and in accordance with regulations and guidelines of the State Bank of Pakistan. The Securities and Exchange Commission of Pakistan granted "Certificate of Commencement of Business" to the Bank on January 30, 2015. The Bank is a wholly owned subsidiary of MCB Bank Limited (MCB).
- 1.2 The State Bank of Pakistan (SBP) granted a "Certificate of Commencement of Banking Business" to the Bank on September 14, 2015 under Section 27 of the Banking Companies Ordinance, 1962. The Bank formally commenced operations as a Scheduled Islamic Commercial Bank with effect from October 15, 2015 upon receiving notification in this regard from SBP under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, micro finance, investment and retail banking activities.
- 1.3 The Bank is operating through 180 branches including one sub branch in Pakistan (December 31, 2021: 177 branches including one sub branch). The Registered Office of the Bank is situated at 59 Block T, Phase II, DHA, Lahore Cantt and Principal Office is situated at 14-A Main Jail Road, Gulberg, Lahore.
- 1.4 Pakistan Credit Rating Agency (PACRA) has maintained the Bank's medium to long-term rating as "A" and the short-term rating as 'A-1' with stable outlook.

2 BASIS OF PRESENTATION

- 2.1 The Bank provides financing through Shari'ah compliant financing products mainly through Murabaha, Istisna, Salam, Ijarah, Diminishing Musharaka and Running Musharaka. The Bank also provides refinance facilities under various refinance schemes of the State Bank of Pakistan including Islamic Export Refinance Scheme.
- 2.2 The purchases and sales arising under these arrangements are not reflected in these condensed interim 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 Islamic financing is recognised in accordance with the principles of Islamic Shari'ah and in accordance with regulations and guidelines of the State Bank of Pakistan. However, income, if any, received which does not comply with the principles of Islamic Shari'ah is recognised as charity payable if so directed by the Shari'ah Board of the Bank.
- 2.3 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan through BPRD Circular Letter No. 5 dated March 22, 2019 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for a full set of annual financial statements and these condensed interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2021.

3 STATEMENT OF COMPLIANCE

- 3.1 These condensed interim financial statements have 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 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;
 - Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Wherever the requirements of the Banking Companies Ordinance, 1962, Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', through BPRD Circular No.04 dated February 25, 2015.

The State Bank of Pakistan has deferred the applicability of International Accounting Standards 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS-7 "Financial Instruments: Disclosures" on Banks through S.R.O 411(1) /2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

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

There are certain new interpretations of and amendments to existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2022. These are considered either to not be relevant or not to have any significant impact on the Bank's condensed interim financial statements.

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

The following new standard and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard or amendment:

	Effective date (annual periods beginning on or after)
Amended Definition of Accounting Estimates – Amendments to IAS 8	January 1, 2023
Deferred tax related to assets and liabilities arising from a single transaction – Amendment to IAS 12	January 1, 2023
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024

IFRS 9, Financial Instruments: Classification and Measurement, addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on an 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk.

As per the SBP's BPRD Circular Letter no. 03 dated July 5, 2022, the effective implementation of IFRS 9 to Banks in Pakistan has been deferred to accounting periods beginning on or after January 1, 2023 and January 1, 2024. Therefore, these condensed interim financial statements have been prepared in accordance with the existing prudential regime. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

There are other new and amended standards and interpretations that are mandatory for the annual periods beginning on or after January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these condensed interim financial statements.

4 BASIS OF MEASUREMENT

- 4.1 These condensed interim financial statements have been prepared under the historical cost convention, except that certain classes of fixed assets are stated at revalued amounts and certain investments, foreign currency balances 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.

- 4.2 Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Bank operates. These condensed interim financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

7 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements for the year ended December 31, 2021. These risk management policies continue to remain robust and the Bank is reviewing its portfolio regularly in line with emerging risks.

	(Unaudited) June 30, 2022	(Audited) December 31, 2021
	Rupees in thousands	
8 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
- local currency	3,493,202	2,686,329
- foreign currencies	952,177	421,080
	4,445,379	3,107,409
With the State Bank of Pakistan in		
- local currency current account	6,512,247	7,045,642
- foreign currency current accounts		
cash reserve account	272,241	258,416
special cash reserve account	305,631	296,013
USD clearing account	71,380	67,511
	649,252	621,940
With National Bank of Pakistan in		
- local currency current account	830,904	494,941
Prize bonds	19,965	39,353
	12,457,747	11,309,285
9 BALANCES WITH OTHER BANKS		
In Pakistan		
- deposit account	14,001,214	66,742
Outside Pakistan		
- current account	2,253,227	3,629,331
	16,254,441	3,696,073
10 DUE FROM FINANCIAL INSTITUTIONS		
Unsecured		
Musharaka arrangements	7,490,000	1,650,000
	7,490,000	1,650,000
10.1 Particulars of due from financial institutions		
- local currency	7,490,000	1,650,000
- foreign currencies	-	-
	7,490,000	1,650,000

11 INVESTMENTS

11.1 Investments by type:

June 30, 2022 (Unaudited)

Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
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Rupees in thousands

Available-for-sale securities

Federal Government securities	32,638,771	-	(88,783)	32,549,988
Shares and units	57,352	-	11,345	68,697
Non Government securities	899,000	-	6,384	905,384
	33,595,123	-	(71,054)	33,524,069

Held-to-maturity securities

Federal Government securities	-	-	-	-
Non Government securities	-	-	-	-
	-	-	-	-

Total Investments

33,595,123	-	(71,054)	33,524,069
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December 31, 2021 (Audited)

Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
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Rupees in thousands

Available-for-sale securities

Federal Government securities	30,637,273	-	(105,708)	30,531,565
Shares and units	639,792	262,194	(171)	377,427
Non Government securities	899,000	-	11,933	910,933
	32,176,065	262,194	(93,946)	31,819,925

Held-to-maturity securities

Federal Government securities	1,540,891	-	-	1,540,891
Non Government securities	115,000	-	-	115,000
	1,655,891	-	-	1,655,891

Total Investments

33,831,956	262,194	(93,946)	33,475,816
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June 30, 2022 (Unaudited)				
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
11.1.1 Investments by segments:	Rupees in thousands			
Federal Government securities				
GOP Ijarah Sukuks	32,638,771	-	(88,783)	32,549,988
WAPDA Sukuks	-	-	-	-
Bai Mu'ajjal	-	-	-	-
Shares and units				
Listed companies	57,352	-	11,345	68,697
Un - listed companies	-	-	-	-
Non Government securities				
Listed	-	-	-	-
Un listed	899,000	-	6,384	905,384
Total Investments	33,595,123	-	(71,054)	33,524,069

December 31, 2021 (Audited)				
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Federal Government securities	Rupees in thousands			
GOP Ijarah Sukuks	30,637,273	-	(105,708)	30,531,565
WAPDA Sukuks	-	-	-	-
Bai Mu'ajjal	1,540,891	-	-	1,540,891
Shares and units				
Listed companies	639,792	262,194	(171)	377,427
Un listed companies	-	-	-	-
Non Government securities				
Listed	115,000	-	-	115,000
Un listed	899,000	-	11,933	910,933
Total Investments	33,831,956	262,194	(93,946)	33,475,816

11.1.2 There were no investments given as collateral as at June 30, 2022 (December 31, 2021: Nil).

	(Unaudited) June 30, 2022	(Audited) December 31, 2021
11.2 Provision for diminution in value of investments	Rupees in thousands	
On available for sale securities		
Opening balance	262,194	1,039,436
Charge for the period / year	-	50,072
Reversal on disposals	(262,194)	(827,314)
Closing balance	-	262,194

11.3 The market value of non Government securities classified as held-to-maturity as at June 30, 2022 amounted to Rs. Nil (December 31, 2021: Rs. 116.036 million).

12 ISLAMIC FINANCING AND RELATED ASSETS - NET

		Performing		Non performing		Total	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
		June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
Note		2022	2021	2022	2021	2022	2021
		Rupees in thousands					
Murabaha	12.1	14,580,941	13,668,585	2,907	5,604	14,583,848	13,674,189
Istisna	12.2	4,078,754	4,764,233	-	-	4,078,754	4,764,233
Salam		10,783	19,927	-	-	10,783	19,927
Ijarah	12.3	1,764,642	2,094,689	1,083	1,963	1,765,725	2,096,652
Running Musharaka	12.4	45,356,339	47,811,823	-	-	45,356,339	47,811,823
Diminishing Musharaka	12.5	29,558,167	26,123,577	704,499	694,203	30,262,666	26,817,780
Staff finance	12.6	1,362,645	1,310,558	-	-	1,362,645	1,310,558
Islamic financing and related assets - gross		96,712,271	95,793,392	708,489	701,770	97,420,760	96,495,162
Less: Provision against non-performing							
Islamic financing and related assets							
- Specific		-	-	(250,070)	(124,718)	(250,070)	(124,718)
- General		(76,238)	(61,882)	-	-	(76,238)	(61,882)
	12.9	(76,238)	(61,882)	(250,070)	(124,718)	(326,308)	(186,600)
Islamic financing and related assets							
- net of provisions		96,636,033	95,731,510	458,419	577,052	97,094,452	96,308,562

	(Unaudited)	(Audited)
	June 30,	December 31,
	2022	2021
Rupees in thousands		
12.1 Murabaha		
- Murabaha financing	5,739,376	7,592,733
- Murabaha inventory	7,912,949	5,392,634
- Advances against Murabaha financing	799,126	654,078
- Advances against Murabaha financing - Islamic Export Refinance Scheme	70,000	-
- Murabaha financing - Prime Minister Kamyab Jawan	54,642	20,059
- Murabaha inventory -SBPIslamic Refinancing Scheme for payment of Wages and Salaries	7,755	14,685
	14,583,848	13,674,189
12.2 Istisna		
- Istisna financing	1,098,142	1,139,556
- Istisna inventory	641,987	534,487
- Advances against Istisna financing	1,386,812	2,579,121
- Istisna financing - Islamic Export Refinance Scheme	87,402	56,572
- Advances against Istisna financing - Islamic Export Refinance Scheme	864,411	416,997
- Advances against Istisna financing - SBP Islamic Refinancing Scheme for payment of Wages and Salaries	-	37,500
	4,078,754	4,764,233
12.3 Ijarah financing and related assets		
- Net book value of assets in Ijarah under IFAS 2	1,683,282	2,025,690
- Advances against Ijarah	82,443	70,962
	1,765,725	2,096,652
12.4 Running Musharaka		
- Running Musharaka financing	42,295,339	45,098,823
- Running Musharaka financing - Islamic Export Refinance Scheme	3,061,000	2,713,000
	45,356,339	47,811,823
12.5 Diminishing Musharaka		
- Diminishing Musharaka financing	25,413,653	21,721,143
- Diminishing Musharaka financing - SBP Islamic Refinancing Scheme for payment of Wages and Salaries	562,013	935,708
- Advances against Diminishing Musharaka financing	2,780,697	1,770,095
- Advances against Diminishing Musharaka - SBPIslamic Long Term Financing Facility	553,570	402,292
- Advances against Diminishing Musharaka under SBPIslamic Temporary Economic Refinancing Facility for Plant and Machinery	952,733	1,988,542
	30,262,666	26,817,780
12.6 Staff finance		
- Staff vehicle finance under Diminishing Musharaka	347,001	296,527
- Staff housing finance under Diminishing Musharaka	1,015,644	1,014,031
	1,362,645	1,310,558
12.7 Particulars of Islamic financing and related assets - gross		
In local currency	97,106,386	95,635,585
In foreign currency	314,374	859,577
	97,420,760	96,495,162

- 12.8 Islamic financing and related assets include Rs. 708,489 million (December 31, 2021: Rs. 701,770 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Unaudited) June 30, 2022		(Audited) December 31, 2021	
	Non-performing Islamic financing and related assets	Provision	Non-performing Islamic financing and related assets	Provision
Rupees in thousands				
Domestic				
Other Assets Especially Mentioned	1,303	20	592	-
Substandard	16,749	4,187	14,960	2,720
Doubtful	417,385	14,259	632,043	110,152
Loss	273,052	231,604	54,175	11,846
	<u>708,489</u>	<u>250,070</u>	<u>701,770</u>	<u>124,718</u>

- 12.9 Particulars of provision against Islamic financing and related assets

	June 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
Rupees in thousands						
Opening balance	124,718	61,882	186,600	25,395	40,847	66,242
Charge for the period /year	132,475	14,929	147,404	116,278	51,035	167,313
Reversals	(3,811)	(573)	(4,384)	(7,192)	(30,000)	(37,192)
	128,664	14,356	143,020	109,086	21,035	130,121
Amounts written off	(3,312)	-	(3,312)	(9,763)	-	(9,763)
Closing balance	<u>250,070</u>	<u>76,238</u>	<u>326,308</u>	<u>124,718</u>	<u>61,882</u>	<u>186,600</u>

- 12.10 State Bank of Pakistan vide BSD Circular No. 2 dated January 27, 2009, BSD Circular No. 10 dated October 20, 2009, BSD Circular No. 02 of 2010 dated June 03, 2010 and BSD Circular No.1 of 2011 dated October 21, 2011 has allowed benefit of forced sale value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial & industrial properties (land and building only) held as collateral against NPLs for five years from the date of classification. Had the benefit not been taken by the Bank, the specific provision against non-performing Islamic financing and related assets would have been higher by Rs. 239,324 million (December 31, 2021 : Rs. 249,750 million). The additional benefit on the Bank's profit and loss account arising from availing the FSV benefit - net of tax amounts to Rs. 122,055 million as at June 30, 2022 (December 31, 2021: Rs. 152,378 million). However, the additional impact on profitability arising from availing the benefit of forced sales value is not available for payment of cash or stock dividends to shareholders.

- 12.11 The Bank has maintained general provision at an amount equal to 1% of the fully secured performing portfolio of consumer auto finance and unsecured performing portfolio of micro financing as required by the Prudential Regulations issued by the SBP. Further, general provision on consumer house finance is maintained as per the criteria defined in relevant Prudential Regulations issued by SBP.

- 12.12 In addition, the Bank has also maintained an un-encumbered general provision of Rs. 5 million (December 31, 2021: Nil) against financing made on prudent basis. This general provision is in addition to the requirements of Prudential Regulations.

- 12.13 Particulars of provision against Islamic financing and related assets

	June 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
Rupees in thousands						
In local currency	250,070	76,238	326,308	124,718	61,882	186,600
In foreign currency	-	-	-	-	-	-
	<u>250,070</u>	<u>76,238</u>	<u>326,308</u>	<u>124,718</u>	<u>61,882</u>	<u>186,600</u>

	Note	(Unaudited) June 30, 2022	(Audited) December 31, 2021
		Rupees in thousands	
13 FIXED ASSETS			
Capital work-in-progress	13.1	42,284	90,809
Property and equipment		2,713,758	2,711,074
Right-of-use asset		1,973,901	2,130,239
		<u>4,729,943</u>	<u>4,932,122</u>
13.1 Capital work-in-progress			
Civil works		1,016	52,604
Advance to suppliers and contractors		32,745	24,947
Electrical and computer equipment		8,523	13,258
		<u>42,284</u>	<u>90,809</u>

(Unaudited) (Unaudited)
Half Year Half Year
ended ended
June 30, 2022 June 30, 2021
Rupees in thousands

13.2 Additions to fixed assets - at cost

The following additions have been made to fixed assets during the period:

Capital work-in-progress - net	30,945	60,602
Property and equipment		
Building on freehold land	1,662	436
Leasehold improvements	18,537	21,184
Furniture and fixtures	17,798	12,315
Electrical, office and computer equipment	82,612	79,371
	120,609	113,306
	151,554	173,908

13.3 Disposal of fixed assets - at net book value (NBV)

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

Furniture and fixtures	2	6
Electrical, office and computer equipment	290	38
Vehicles	1,688	-
	1,980	44

(Unaudited) (Audited)
June 30, December 31,
2022 2021
Rupees in thousands

14 INTANGIBLE ASSETS

Advance against purchase of software	42,518	39,226
Computer software	520,210	540,541
	562,728	579,767

(Unaudited) (Unaudited)
Half Year Half Year
ended ended
June 30, 2022 June 30, 2021
Rupees in thousands

14.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Capital work-in-progress	14,996	21,157
Directly purchased	52,955	6,090
	67,951	27,247

15 DEFERRED TAX ASSETS / (LIABILITY) - NET

June 30, 2022 (Unaudited)

	At Jan 01, 2022	Recognised in P&L A/C	Recognised in OCI	At June 30, 2022
Rupees in thousands				
Deductible temporary difference				
Tax losses carried forward	594,182	(202,311)	-	391,871
Minimum tax	480,565	90,894	-	571,459
Surplus / (Deficit) on revaluation of investments - net	36,639	-	(6,086)	30,553
Provision against Islamic financing and related assets	41,821	9,554	-	51,375
Workers Welfare Fund	8,675	6,808	-	15,483
	1,161,882	(95,055)	(6,086)	1,060,741
Taxable temporary difference				
Surplus on revaluation of fixed assets	(47,021)	549	(4,821)	(51,293)
Accelerated tax depreciation	(107,903)	22,881	-	(85,022)
	(154,924)	23,430	(4,821)	(136,315)
	1,006,958	(71,625)	(10,907)	924,426

December 31, 2021 (Audited)

	At Jan 01, 2021	Recognised in P&L A/C	Recognised in OCI	At Dec 31, 2021
Rupees in thousands				
Deductible temporary difference				
Tax losses carried forward	771,019	(176,837)	-	594,182
Minimum tax	362,309	118,256	-	480,565
Deficit on revaluation of investments - net	-	-	123,417	123,417
Provision against Islamic financing and related assets	4,326	37,495	-	41,821
Workers Welfare Fund	4,238	4,437	-	8,675
	1,141,892	(16,649)	123,417	1,248,660
Taxable temporary difference				
Surplus on revaluation of fixed assets	(43,095)	1,257	(5,183)	(47,021)
Surplus on revaluation of investments	(86,778)	-	-	(86,778)
Accelerated tax depreciation	(137,141)	29,238	-	(107,903)
	(267,014)	30,495	(5,183)	(241,702)
	874,878	13,846	118,234	1,006,958

The management, based on their internal projections / assessment of future taxable profits, believes that the Bank will be able to achieve sufficient taxable profits and tax liability in future to adjust unused tax losses and minimum tax before their expiry and accordingly has recorded the deferred tax asset on such basis at the reporting dates.

		(Unaudited) June 30, 2022	(Audited) December 31, 2021
	Note	Rupees in thousands	
16 OTHER ASSETS			
Profit / return accrued in local currency		3,221,634	2,662,439
Advances, deposits, advance rent and other prepayments		340,667	278,707
Receivable against ATM transactions		626,420	758,903
Receivable under home remittances		22,336	12,274
Un-realized mark to market gain on forward foreign exchange contracts		40,832	16,543
Acceptances	21	3,445,420	4,488,672
Others		97,065	91,272
		<u>7,794,374</u>	<u>8,308,810</u>
17 CONTINGENT ASSETS			
There were no contingent assets of the Bank as at June 30, 2022 (December 31, 2021: Nil).			
		(Unaudited) June 30, 2022	(Audited) December 31, 2021
		Rupees in thousands	
18 BILLS PAYABLE			
In Pakistan		1,777,025	1,896,801
Outside Pakistan		-	-
		<u>1,777,025</u>	<u>1,896,801</u>
19 DUE TO FINANCIAL INSTITUTIONS			
In Pakistan		12,489,399	16,427,874
Outside Pakistan		-	45,032
		<u>12,489,399</u>	<u>16,472,906</u>
19.1 Particulars of due to financial institutions with respect to currencies			
In local currency		12,489,399	16,427,874
In foreign currencies		-	45,032
		<u>12,489,399</u>	<u>16,472,906</u>
19.2 Details of due to financial institutions - Secured / Unsecured			
Secured			
Musharaka with the State Bank of Pakistan -			
Islamic Export Refinance Scheme		3,753,740	3,027,572
Investment under - Islamic Long Term Financing Facility		1,583,392	1,045,099
Investment under - Islamic			
Temporary Economic Refinancing Facility for Plant and Machinery		4,256,330	3,892,419
Investment under - Islamic			
Refinancing Scheme for payment of Wages and Salaries		547,351	976,304
Investment under - Islamic			
Refinancing facility for combating COVID-19		21,403	24,460
Investment under - Islamic			
Financing Facility for Renewable Energy (IFRE)		395,817	93,138
Unsecured			
Musharaka arrangements with financial institutions		879,872	7,100,000
Musharaka arrangements with other institution		1,051,494	268,882
Overdrawn nostro accounts		-	45,032
		<u>12,489,399</u>	<u>16,472,906</u>

20 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in thousands						
Customers						
Current deposits - non-remunerative	45,002,105	2,627,314	47,629,419	34,666,966	2,729,931	37,396,897
Savings deposits	44,730,046	1,986,809	46,716,855	46,014,828	1,978,082	47,992,910
Term deposits	37,641,707	74,807	37,716,514	28,774,330	-	28,774,330
Others	7,033,427	-	7,033,427	4,877,521	-	4,877,521
	134,407,285	4,688,930	139,096,215	114,333,645	4,708,013	119,041,658
Financial Institutions						
Current deposits - non-remunerative	138,768	147	138,915	260,021	127	260,148
Savings deposits	669,158	-	669,158	919,672	-	919,672
Term deposits	2,604,000	-	2,604,000	2,526,300	-	2,526,300
	3,411,926	147	3,412,073	3,705,993	127	3,706,120
	137,819,211	4,689,077	142,508,288	118,039,638	4,708,140	122,747,778

	Note	(Unaudited) June 30, 2022	(Audited) December 31, 2021
		Rupees in thousands	
21 OTHER LIABILITIES			
Profit / return payable in local currency	21.1	1,023,645	814,469
Profit / return payable in foreign currencies		1,893	1,864
Accrued expenses		520,983	323,648
Current taxation (provision less payments)		73,815	8,336
Unearned income		68,852	54,705
Acceptances	16	3,445,420	4,488,672
Branch adjustment account		202,835	160,072
Advance receipt against Islamic financing and related assets		23,870	22,578
Charity fund balance		1,681	8,823
Security deposits against ijarah financing		655,870	706,910
Withholding tax, Federal excise duty and other payable		30,752	23,240
Un-realized mark to market loss on forward foreign exchange contracts		-	8,684
Lease liability against right-of-use asset		2,488,180	2,580,026
Others		539,797	343,326
		9,077,593	9,545,353

21.1 It includes Rs. 25,014 million (December 31, 2021: Rs. 14,519 million) in respect of profit / return accrued on Musharaka with SBP under Islamic Export Refinance Scheme.

22 SHARE CAPITAL

Authorised capital

(Unaudited) June 30, 2022	(Audited) December 31, 2021		(Unaudited) June 30, 2022	(Audited) December 31, 2021
Number of shares			Rupees in thousands	
2,000,000,000	1,500,000,000	Ordinary shares of Rs. 10/- each	20,000,000	15,000,000

Issued, subscribed and paid up capital

(Unaudited) June 30, 2022	(Audited) December 31, 2021		(Unaudited) June 30, 2022	(Audited) December 31, 2021
Number of shares			Rupees in thousands	
		Fully paid in cash		
1,155,000,000	1,155,000,000	Balance at beginning of the period / year	11,550,000	11,550,000
400,000,000	-	Issued during the period / year	4,000,000	-
1,555,000,000	1,155,000,000	Balance at end of the period / year	15,550,000	11,550,000

22.1 The Bank's shares are 100 percent held by MCB Bank Limited (MCB) - the parent company and its nominee directors.

22.2 The Shareholders of the Bank in their Extra-Ordinary General Meeting, dated April 12, 2022 by special resolution approved to increase the authorized share capital of the Bank from Rs 15,000,000,000 divided into 1,500,000,000 ordinary shares of Rs 10 each to 20,000,000,000 divided into 2,000,000,000 ordinary shares of Rs 10 each.

Whereas, the Board of Directors in their meeting held on April 26, 2022 approved to raise the further capital by issuance of right shares at a value of Rs. 10 per share to its existing shareholders in the proportion of 0.34632034632 right share for every 10 existing ordinary share held. The process of rights issue was completed during the period and a total of 400,000,000 shares were issued. Through this issue, an amount of Rs. 4,000,000,000 was raised in ordinary share capital.

			(Unaudited) June 30, 2022	(Audited) December 31, 2021
			Rupees in thousands	
23	RESERVES			
	Statutory reserves		160,860	88,193
23.1	Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.			
			(Unaudited) June 30, 2022	(Audited) December 31, 2021
			Rupees in thousands	
24	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX	Note		
	Surplus / (deficit) arising on revaluation of:			
	- Fixed assets		351,414	352,692
	- Available for sale securities	11.1	(71,054)	(93,946)
			280,360	258,746
	Deferred tax on surplus / (deficit) on revaluation of:			
	- Fixed assets		(51,293)	(47,021)
	- Available for sale securities		30,553	36,639
			(20,740)	(10,382)
			259,620	248,364
25	CONTINGENCIES AND COMMITMENTS			
	Guarantees	25.1	11,046,729	7,787,920
	Commitments	25.2	24,643,998	16,115,126
	Other contingent liabilities	25.3	497,870	450,782
			36,188,597	24,353,828
25.1	Guarantees			
	Performance guarantees		4,024,259	3,501,067
	Other guarantees		7,022,470	4,286,853
			11,046,729	7,787,920
25.2	Commitments			
	Documentary credits and short-term trade-related transactions			
	Letters of credit		15,873,295	13,821,410
	Commitments in respect of:			
	Forward foreign exchange contracts	25.2.1	7,922,836	1,499,325
	Commitments for acquisition of:			
	Intangible assets		110,633	55,401
	Fixed assets		62,888	30,036
	Other commitments	25.2.2	674,346	708,954
			24,643,998	16,115,126
25.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		4,215,230	489,060
	Sale		3,707,606	1,010,265
			7,922,836	1,499,325

		(Unaudited) June 30, 2022	(Audited) December 31, 2021
	Note	Rupees in thousands	
25.2.2 Other commitments			
Commitments to extend financing	25.2.2.1	674,346	708,954

25.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.

25.2.2.2 Other than those stated above, the Bank makes commitment(s) to extend credit in the normal course of business including related parties but these being revocable commitments do not attract any penalty or expense if the facility is unilaterally withdrawn.

		(Unaudited) June 30, 2022	(Audited) December 31, 2021
		Rupees in thousands	
25.3 Other contingent liabilities			
Claims against the Bank not acknowledged as debt		497,870	450,782

This includes claim by a third party against the Bank, amounting to Rs. 425.820 million (December 31, 2021: Rs. 425.820 million) which is being contested in the Court of law. The suit has been disposed off by the Court vide Order dated May 10, 2019 wherein the status quo has been ordered to be maintained with respect to Bank guarantee and the matter has been referred to arbitration with the consent of the parties. However the Bank has not received any official notice to attend the arbitration proceedings till date.

In addition to the above, this includes claim by different parties against the bank amounting to Rs. 72.050 million (December 31, 2021: Rs. 24.962 million) which is pending before the court. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these condensed interim financial statements.

25.4 The Sindh Revenue Board (SRB) has issued order under "Sindh Sales Tax on Services Act, 2011", for the year 2018 thereby raising demand of Rs.1.775 million (December 31, 2021: Rs.1.775 million). The Bank has filed appeal before Commissioner of Inland Revenue Appeals which is pending adjudication. The management of the Bank, in consultation with its tax advisor, is confident that the decision in respect of the above matter would be in the Bank's favor and accordingly no provision has been made in these condensed financial statements with respect thereto.

		(Unaudited) Half Year ended June 30, 2022	(Unaudited) Half Year ended June 30, 2021
		Rupees in thousands	
26 PROFIT / RETURN EARNED			
Financings		5,093,860	3,336,989
Investments in			
- Available For Sale securities		1,694,077	894,110
- Held To Maturity securities		51,683	189,218
		1,745,760	1,083,328
Musharaka arrangements		56,421	40,426
Deposits with financial institutions		81,306	2,859
		6,977,347	4,463,602

		(Unaudited) Half Year ended June 30, 2022	(Unaudited) Half Year ended June 30, 2021
		Rupees in thousands	
27	PROFIT / RETURN EXPENSED		
	Deposits and other accounts	3,121,473	1,762,323
	Musharaka arrangements with the State Bank of Pakistan	108,891	40,310
	Musharaka arrangements with other financial institutions	441,161	372,002
	Musharaka arrangements with other institutions	16,455	7,747
	Unwinding of lease liability against right-of-use asset	150,669	180,524
		<u>3,838,649</u>	<u>2,362,906</u>
28	FEE & COMMISSION INCOME		
	Branch banking customer fees	7,836	7,088
	Consumer finance related fees	11,134	8,903
	Card related fees	75,056	52,709
	Credit related fees	14,183	7,642
	Digital banking fees	12,642	8,330
	Commission on trade	60,050	44,413
	Commission on guarantees	24,331	23,402
	Commission on cash management	1,848	698
	Commission on remittances including home remittances	8,088	4,231
	Commission on banca takaful	20,508	28,621
	Locker rent	7,411	6,772
	Others	173	88
		<u>243,260</u>	<u>192,897</u>
29	(LOSS) / GAIN ON SECURITIES		
	Realised	29.1 (251,196)	3,602
29.1	Realised gain / (loss) - net on:		
	Shares	(251,196)	3,602
		<u>(251,196)</u>	<u>3,602</u>
30	OTHER INCOME		
	Rental income	6,324	5,750
	Gain on sale of fixed assets	402	545
	Fees and charges recovered	713	591
	Commission on arrangement with financial institutions	42,559	31,672
	Gain on termination of lease liability against right of use assets	-	62,362
	Gain on conversion of Ijarah agreements	7,224	10,762
		<u>57,222</u>	<u>111,682</u>

(Unaudited) (Unaudited)
Half Year Half Year
ended ended
June 30, 2022 June 30, 2021
Rupees in thousands

Total compensation expense	1,306,572	998,942
Property expense		
Rent and taxes	9,798	15,468
Takaful expenses	14,775	22,402
Utilities cost	84,216	61,669
Security (including guards)	147,083	108,652
Repairs and maintenance (including janitorial charges)	66,762	54,576
Depreciation on right-of-use assets	230,808	237,514
Depreciation	128,572	113,832
	682,014	614,113
Information technology expenses		
Software maintenance	140,783	134,592
Hardware maintenance	64,447	11,487
Takaful expenses	868	1,843
Depreciation	59,374	69,408
Amortization	85,699	75,194
Network charges	67,224	53,602
	418,395	346,126
Other operating expenses		
Directors' fees and allowances	286	360
Fees and allowances to Shari'ah Board	6,340	5,501
Legal and professional charges	26,898	14,101
Takaful expenses	58,605	54,075
Fee and subscription	2,698	425
Outsourced services costs	51,265	77,377
Travelling and conveyance	47,805	27,316
Repairs and maintenance of vehicles	1,169	1,037
NIFT clearing charges	11,206	12,419
Brokerage, commission and bank charges	20,798	17,905
Depreciation	6,761	6,463
Training and development	5,092	2,813
Postage and courier charges	21,278	22,153
Communication	15,440	17,482
Stationery and printing	42,010	30,214
Marketing, advertisement and publicity	63,066	14,558
Auditors' remuneration	6,386	5,489
Entertainment	26,093	20,882
Others	26,371	21,664
	439,567	352,234
	<u>2,846,548</u>	<u>2,311,415</u>

		(Unaudited) Half Year ended June 30, 2022	(Unaudited) Half Year ended June 30, 2021
	Note	Rupees in thousands	
32	OTHER CHARGES		
	Penalties imposed by the State Bank of Pakistan	1,580	37,095
		<u>1,580</u>	<u>37,095</u>
33	PROVISIONS / (REVERSALS) AND WRITE OFFS - NET		
	Reversal in provision for diminution in value of investments	11.2 (262,194)	(78,005)
	Provision against non-performing Islamic financing and related assets	12.9 <u>143,020</u>	<u>55,312</u>
		<u>(119,174)</u>	<u>(22,693)</u>
34	TAXATION		
	Current	160,181	71,337
	Deferred	<u>71,625</u>	<u>13,050</u>
		<u>231,806</u>	<u>84,387</u>
35	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit after taxation	<u>363,334</u>	<u>59,668</u>
		Number of shares - in thousands	
	Weighted average number of ordinary shares	<u>1,194,779</u>	<u>1,194,779</u>
		Rupee Restated	
	Basic and diluted earnings per share	<u>0.304</u>	<u>0.050</u>
		(Unaudited) June 30, 2022	(Unaudited) June 30, 2021
		Rupees in thousands	
36	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	12,457,747	10,055,928
	Balances with other banks	<u>16,254,441</u>	<u>6,404,515</u>
		<u>28,712,188</u>	<u>16,460,443</u>

37 FAIR VALUE MEASUREMENTS

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

In the opinion of the management, the fair value of the remaining financial assets and financial liabilities are not significantly different from their carrying values since these assets and liabilities are either short-term in nature or re-priced over short term.

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

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

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

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

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Bank essentially carries its investments in Sukuk and equity securities at fair values. Valuation of investments is carried out as per guidelines specified by the SBP. In case of non-financial assets, the Bank has adopted revaluation model (as per IAS 16) in respect of land and building.

June 30, 2022 (Unaudited)					
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in thousands				
On-balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
Federal Government Securities	32,549,988	-	32,549,988	-	32,549,988
Shares	68,697	68,697	-	-	68,697
Non-Government Securities	905,384	-	905,384	-	905,384
	33,524,069	68,697	33,455,372	-	33,524,069
Fair value of non-financial assets					
Operating fixed assets					
(land and building)	1,314,411	-	1,314,411	-	1,314,411
Off-balance sheet					
financial instruments					
Foreign exchange					
contracts purchase	4,215,230	-	4,360,270	-	4,360,270
Foreign exchange contracts sale	3,707,606	-	3,811,911	-	3,811,911
December 31, 2021 (Audited)					
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in thousands				
On-balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
Federal Government Securities	30,531,565	-	30,531,565	-	30,531,565
Shares	377,427	377,427	-	-	377,427
Non-Government Securities	910,933	-	910,933	-	910,933
	31,819,925	377,427	31,442,498	-	31,819,925
Fair value of non-financial assets					
Operating fixed assets					
(land and building)	1,314,657	-	1,314,657	-	1,314,657
Off-balance sheet financial instruments					
Foreign exchange contracts purchase	489,060	-	505,603	-	505,603
Foreign exchange contracts sale	1,010,265	-	1,018,949	-	1,018,949

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

- (a) **Financial instruments in level 1**
Financial instruments included in level 1 comprise of investments in listed ordinary shares and units of mutual funds.
- (b) **Financial instruments in level 2**
Financial instruments included in level 2 comprise of Sukuks and Forward Exchange Contracts.
- (c) **Financial instruments in level 3**
Currently, no financial instrument is classified in level 3.

Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Mutual Funds	The valuation has been determined based on Net asset values declared by respective funds.
Ijarah Sukuks (GOP Ijarah Sukuks and other Ijarah Sukuks)	Fair values of GoP Ijarah Sukuks and other Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by the State Bank of Pakistan.
Operating fixed assets (land and building)	Land and buildings are revalued every three years using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties.

38 SEGMENT INFORMATION

38.1 Segment details with respect to business activities

	June 30, 2022 (Unaudited)								
	Retail Banking Group	Corporate Banking	Consumer Banking	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
	Rupees in thousands								
Profit and Loss									
Net Profit / return	(2,596,227)	3,910,745	529,718	9,347	1,399,325	(114,210)	3,138,698	-	3,138,698
Inter segment revenue - net	5,780,347	(3,978,389)	(427,422)	(4,742)	(1,538,623)	168,829	-	-	-
Other income	174,189	90,317	15,463	447	136,791	(218,047)	199,160	-	199,160
Total Income	3,358,309	22,673	117,759	5,052	(2,507)	(163,428)	3,337,858	-	3,337,858
Segment direct expenses	(1,251,402)	(70,667)	(108,639)	(3,739)	(11,032)	(1,416,413)	(2,861,892)	-	(2,861,892)
Inter segment expense allocation	(475,515)	(4,961)	(13,773)	(738)	(758)	495,745	-	-	-
Total expenses	(1,726,917)	(75,628)	(122,412)	(4,477)	(11,790)	(920,668)	(2,861,892)	-	(2,861,892)
Provisions / (reversals) and write offs - net	120	(121,458)	(9,221)	(6,782)	-	256,515	119,174	-	119,174
Profit / (loss) before tax	1,631,512	(174,413)	(13,874)	(6,207)	(14,297)	(827,581)	595,140	-	595,140
Balance Sheet									
Cash and bank balances	5,296,248	-	-	-	23,415,940	-	28,712,188	-	28,712,188
Investments	-	-	-	-	33,455,371	68,698	33,524,069	-	33,524,069
Net inter segment lending	130,271,531	-	-	-	-	8,562,044	138,833,575	(138,833,575)	-
Due from financial institutions	-	-	-	-	7,490,000	-	7,490,000	-	7,490,000
Financing - performing	11,944,875	74,442,044	8,766,734	115,482	-	1,366,898	96,636,033	-	96,636,033
- non-performing	79,524	357,100	11,814	1,266	-	8,715	458,419	-	458,419
Others	606,430	4,886,593	363,912	962	1,121,273	7,032,301	14,011,471	-	14,011,471
Total Assets	148,198,608	79,685,737	9,142,460	117,710	65,482,584	17,038,656	319,665,755	(138,833,575)	180,832,180
Bills payable	1,777,025	-	-	-	-	-	1,777,025	-	1,777,025
Due to financial institutions	2,563,743	8,295,784	750,000	-	879,872	-	12,489,399	-	12,489,399
Deposits & other accounts	140,586,185	1,922,103	-	-	-	-	142,508,288	-	142,508,288
Net inter segment borrowing	-	66,319,240	7,810,622	123,194	64,580,519	-	138,833,575	(138,833,575)	-
Others	1,640,143	3,323,023	595,712	723	106,028	3,411,964	9,077,593	-	9,077,593
Total liabilities	146,567,096	79,860,150	9,156,334	123,917	65,566,419	3,411,964	304,685,880	(138,833,575)	165,852,305
Equity	1,631,512	(174,413)	(13,874)	(6,207)	(83,835)	13,626,692	14,979,875	-	14,979,875
Total Equity & liabilities	148,198,608	79,685,737	9,142,460	117,710	65,482,584	17,038,656	319,665,755	-	180,832,180
Contingencies & Commitments	7,068,625	20,924,890	73,725	-	7,947,836	173,521	36,188,597	-	36,188,597

June 30, 2021 (Unaudited)

	Retail Banking Group	Corporate Banking	Consumer Banking	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
Rupees in thousands									
Profit and Loss									
Net Profit / return	(1,514,226)	2,719,637	284,664	3,496	754,611	(147,486)	2,100,696	-	2,100,696
Inter segment revenue - net	2,934,482	(2,294,057)	(170,352)	(2,676)	(590,424)	123,027	-	-	-
Other income	151,080	72,719	15,009	292	66,817	68,688	374,605	-	374,605
Total income	1,571,336	498,299	129,321	1,112	231,004	44,229	2,475,301	-	2,475,301
Segment direct expenses	(1,083,130)	(52,442)	(68,867)	(12,120)	(11,830)	(1,125,550)	(2,353,939)	-	(2,353,939)
Inter segment expense allocation	(462,155)	(5,357)	(15,843)	(4,275)	(1,051)	488,681	-	-	-
Total expenses	(1,545,285)	(57,799)	(84,710)	(16,395)	(12,881)	(636,869)	(2,353,939)	-	(2,353,939)
Provisions / (reversals) and write offs - net	72	(29,558)	(15,670)	(10,156)	78,005	-	22,693	-	22,693
Profit / (loss) before tax	26,123	410,942	28,941	(25,439)	296,128	(592,640)	144,055	-	144,055

December 31, 2021 (Audited)

	Retail Banking Group	Corporate Banking	Consumer Banking	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
Rupees in thousands									
Balance Sheet									
Cash & Bank balances	3,641,702	-	-	-	11,363,656	-	15,005,358	-	15,005,358
Investments	-	-	-	-	33,098,389	377,427	33,475,816	-	33,475,816
Net inter segment lending	113,032,854	-	-	-	-	3,337,901	116,370,755	(116,370,755)	-
Due from financial institutions	-	-	-	-	1,650,000	-	1,650,000	-	1,650,000
Financing - performing	10,545,170	76,406,500	7,292,209	177,073	-	1,310,558	95,731,510	-	95,731,510
- non-performing	79,525	479,229	15,413	2,885	-	-	577,052	-	577,052
Others	540,765	5,302,253	313,736	11,181	1,221,474	7,438,248	14,827,657	-	14,827,657
Total Assets	127,840,016	82,187,982	7,621,358	191,139	47,333,519	12,464,134	277,638,148	(116,370,755)	161,267,393
Bills payable	1,896,801	-	-	-	-	-	1,896,801	-	1,896,801
Due to financial institutions	2,215,231	7,112,642	-	-	7,145,033	-	16,472,906	-	16,472,906
Deposits & other accounts	122,070,146	677,632	-	-	-	-	122,747,778	-	122,747,778
Net inter segment borrowing	-	69,352,895	6,922,076	224,761	39,871,023	-	116,370,755	(116,370,755)	-
Others	1,219,079	4,551,617	640,777	27	38,327	3,095,526	9,545,353	-	9,545,353
Total liabilities	127,401,257	81,694,786	7,562,853	224,788	47,054,383	3,095,526	267,033,593	(116,370,755)	150,662,838
Equity	438,759	493,196	58,505	(33,649)	279,136	9,368,608	10,604,555	-	10,604,555
Total Equity & liabilities	127,840,016	82,187,982	7,621,358	191,139	47,333,519	12,464,134	277,638,148	(116,370,755)	161,267,393
Contingencies & Commitments	6,934,600	15,598,923	185,542	-	1,549,326	85,437	24,353,828	-	24,353,828

38.2 Transactions between reportable segments are based on an appropriate transfer pricing mechanism using agreed rates. Furthermore, segment assets and liabilities include inter segment balances. Costs which are not allocated to segments are included in the Head office. Income taxes are managed at Bank level and are not allocated to operating segments.

38.3 Segment details with respect to geographical locations

The Bank operates in Pakistan only.

39 RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its parent company, associates, employee benefit plans and its directors and key management personnel and their close family members.

The Bank 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 staff retirement benefit plan are made in accordance with the terms of the contribution plan. Remuneration to the executives / officers including financing provided to them is determined in accordance with the terms of their appointment.

The Chief Executive and one key management personnel have been provided with the Bank's maintained cars. Further, Bank maintained accommodation has also been provided to the Chief Executive as per terms of employment.

39.1 The details of transactions with related parties and balances with them are given below:

	June 30, 2022 (Unaudited)				December 31, 2021 (Audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	Rupees in thousands				Rupees in thousands			
Balances with other banks								
In current accounts	24,094	-	-	-	22,487	-	-	-
	24,094	-	-	-	22,487	-	-	-
Islamic financing and related assets								
Opening balance	-	6,376	91,750	2,274,692	-	8,290	81,703	1,110,848
Addition during the period / year	-	-	25,935	2,524,866	-	8,000	30,531	5,654,688
Repaid during the period / year	-	(1,389)	(12,754)	(2,551,548)	-	(9,914)	(19,762)	(5,188,824)
Transfer in / (out) - net	-	(4,987)	-	-	-	-	(722)	698,000
Closing balance	-	-	104,931	2,248,010	-	6,376	91,750	2,274,692
Fixed assets - Capital work in progress								
Advance paid against purchase of property	20,000	-	-	-	20,000	-	-	-
Right-of-use asset	84,788	-	-	-	56,901	-	-	-
	104,788	-	-	-	76,901	-	-	-
Other assets								
Profit receivable	-	-	3,005	31,750	-	248	2,716	26,804
Prepaid expenses	-	-	5,840	32,990	-	506	2,814	23,756
Receivable under scheme of merger	11,282	-	-	-	11,282	-	-	-
Receivable under home remittance	22,337	-	-	-	12,274	-	-	-
	33,619	-	8,845	64,740	23,556	754	5,530	50,560
Due to financial institutions								
Opening balance	3,500,000	-	-	-	-	-	-	-
Addition during the period / year	88,246,765	-	-	-	103,400,000	-	-	-
Repaid during the period / year	(90,866,893)	-	-	-	(99,900,000)	-	-	-
Closing balance	879,872	-	-	-	3,500,000	-	-	-
Deposits								
Opening balance	-	526,091	31,609	1,568,472	-	576,527	21,655	1,548,037
Addition during the period / year	-	1,103,901	149,077	14,976,128	-	3,846,962	261,775	33,993,053
Withdrawn during the period / year	-	(1,015,228)	(138,455)	(15,695,511)	-	(3,697,388)	(251,821)	(34,004,836)
Transfer in / (out) - net	-	(6,484)	41	-	-	-	-	32,218
Closing balance	-	608,280	42,272	849,089	-	526,091	31,609	1,568,472
Other liabilities								
Profit payable	8,318	10	96	4,060	17,849	2,867	44	5,672
Accrued expenses	-	-	-	5,208	-	-	-	10,238
Acceptances	587,037	-	-	-	587,036	-	-	-
Unearned income	-	-	-	3,206	-	-	-	1,776
Unrealized mark to market loss on forward exchange contracts	13,901	-	-	-	-	-	-	-
Other liabilities	200,000	170	-	-	-	370	-	-
Lease liability against right-of-use asset	98,986	-	-	-	72,512	-	-	-
	908,242	180	96	12,474	677,397	3,237	44	17,686
Contingencies and Commitments								
Letter of Credit	-	-	-	170,550	-	-	-	357,728
Letter of Guarantee	20,472	-	-	1,206,804	24,388	-	-	944,182
Forward exchange contract								
Purchase	379,953	-	-	-	-	-	-	-
Sale	379,953	-	-	-	-	-	-	-
Unrealized gain on forward exchange contracts	(13,901)	-	-	-	-	-	-	-
	June 30, 2022 (Unaudited)				June 30, 2021 (Unaudited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	Rupees in thousands				Rupees in thousands			
Transactions during the period								
Income								
Profit / return earned	-	62	2,347	81,676	-	379	2,249	57,215
Commission income	-	-	-	19,609	-	-	-	26,970
Rental income	6,324	-	-	-	5,750	-	-	-
Other income	-	4	37	-	-	-	9	-
	6,324	66	2,384	101,285	5,750	379	2,258	84,185
Expense								
Profit / return expensed	229,634	15,412	416	16,636	23,782	10,903	198	31,215
Depreciation on right-of-use assets	17,589	-	-	-	13,422	-	-	-
Takaful expense	-	-	-	37,585	-	-	-	48,381
Security expense	-	-	-	18,757	-	-	-	25,533
Unwinding of lease liability against right-of-use asset	4,095	-	-	-	4,612	-	-	-
Other expense	4,582	340	-	161	60	360	-	-
	255,900	15,752	416	73,139	41,876	11,263	198	105,129
Other transactions during the period								
Fee paid	-	-	-	-	-	360	-	-
Managerial remuneration paid	-	27,610	114,991	-	-	26,525	98,474	-
Contribution paid to provident fund	-	-	-	30,617	-	-	-	63,473
Re-imbursement under home remittance payments	2,306,488	-	-	-	2,300,794	-	-	-
Proceeds from issue of share capital	4,000,000	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	1,872	86	-	-	-	9	-
Purchase of fixed assets	-	-	-	-	-	-	-	5,008
Disbursement made against advance salary	-	-	1,000	-	-	-	700	-
Repayment made against advance salary	-	-	1,833	-	-	-	583	-
Payment made against expenses (including lease liabilities)	21,255	-	-	69,449	15,189	-	-	83,583
Foreign currency purchase	11,416,626	-	-	-	11,044,337	-	-	-
Foreign currency sale	7,121,500	-	-	-	7,211,829	-	-	-
Letter of Credit issued	-	-	-	1,248,601	-	-	-	2,399,363
Letter of Guarantee issued	-	-	-	56,879	6,070	-	-	154,986

(Unaudited)	(Audited)
June 30,	December 31,
2022	2021
Rupees in thousands	

40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid - up capital (net of losses)	14,559,395	10,267,998
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	13,194,197	8,701,677
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	13,194,197	8,701,677
Eligible Tier 2 Capital	335,858	310,246
Total Eligible Capital (Tier 1 + Tier 2)	13,530,055	9,011,923

Risk Weighted Assets (RWAs):

Credit Risk	71,221,619	63,073,624
Market Risk	1,746,746	2,400,232
Operational Risk	9,074,540	9,074,540
Total	82,042,905	74,548,396

Common Equity Tier 1 Capital Adequacy ratio

16.08%	11.67%
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Tier 1 Capital Adequacy Ratio

16.08%	11.67%
--------	--------

Total Capital Adequacy Ratio

16.49%	12.09%
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Leverage Ratio (LR):

Eligible Tier-1 Capital	13,194,197	8,701,677
Total Exposures	198,255,569	184,200,849
Leverage Ratio	6.66%	4.72%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	43,227,762	34,199,441
Total Net Cash Outflow	29,216,550	29,734,237
Liquidity Coverage Ratio	147.96%	115.02%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	122,861,839	106,421,668
Total Required Stable Funding	90,275,881	89,002,051
Net Stable Funding Ratio	136.10%	119.57%

41 CORRESPONDING FIGURES

The following corresponding figures have been re-arranged for the purpose of comparison. However, no material re-arrangements have been made.

Description	2021 Rupees in thousands	From	To
Commission on arrangement with financial institutions	31,672	Profit / return earned	Other Income


42 GENERAL

Figures have been rounded off to the nearest thousand of Pakistani Rupees unless otherwise stated.

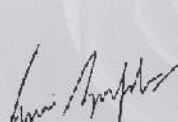
43 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 16, 2022 by the Board of Directors of the Bank.


Syed Iftikhar Hussain Rizvi
Chief Financial Officer


Muhammad Afaq Khan
President / Chief Executive


Raza Mansha
Director


Omair Safdar
Director


Hammad Khalid
Director

BRANCH NETWORK

Br.Code	Name of Branch	Address	City	Contact No.
001	Shahrah-e-Faisal Branch	Ground Floor, Nice Trade Orbit, Main Shahrah-e-Faisal Nursery, Karachi	Karachi	+92-21-34328469-72 +92-21-34328477
002	Liberty Market Branch, Gulberg	9-C, Commercial Liberty Market, Gulberg Lahore	Lahore	+92-42-35789831-34
003	Shah Rukn-e-Alam Colony Branch	17-F Chowk Shah Rukn e Alam Colony, Multan	Multan	+92-61-6560451-57
004	Thandi Sarak Branch	Ground Floor, Shop No.6 &7, River View Apartments, Thandi Sarak, Hyderabad	Hyderabad	+92-22-2785486 +92-22-2785632
005	Peoples Colony Branch	668-1, Block A, Peoples Colony No. 1, Faisalabad	Faisalabad	+92-41-8556601-05
006	Jinnah Avenue, Blue Area Branch	52 East, Dodhy Plaza, Jinnah Avenue Islamabad	Islamabad	+92-51-2875091 +92-51-2604677
007	Rashid Minhas Road Branch	Plot# LM-10, Block-10-A, Near Pizza Hut, main Rashid Minhas Road, Karachi	Karachi	+92-21-34817623 +92-21-34838077 +92-21-34817649
008	DHA Phase III, Z Block Branch	339-Z (Commercial) Ground Floor, Phase III, Defence Housing Authority, Lahore	Lahore	+92-42-35692901 +92-42-35746675
009	Bank Road, Saddar Branch	Shahbaz Plaza, Bank Road, Saddar, Rawalpindi	Rawalpindi	+92-51-5525277 +92-51-5700342 +92-51-5523474
010	Tasneem Plaza, Saddar Road Branch	Tasneem Plaza, 6 Saddar Road, Peshawar Cantt	Peshawar	+92-91-5272180-83
011	M.A Jinnah Road Branch	M.A. Jinnah Road, Quetta, Balochistan	Quetta	+92-81-2824977
012	Shahalam Market Branch	12-13-6 Block-A, Shah Alam Market, Lahore	Lahore	+92-42-37667813
014	New Chali Branch	Shop No G-2, Muhammadi Trade tower, Altaf Hussani road, New Chali, Karachi	Karachi	+92-21-32371192
015	S.I.T.E Branch	C 18-A, East Avenue, S.I.T.E, Karachi	Karachi	+92-21-32552192 +92-21-32552193
016	G.T. Road Branch, Sharifpura Chowk	Sharifpura Chowk G.T Road Gujranwala	Gujranwala	+92-55-3251915-17
017	Rahim Yar Khan Branch	29-Model Town, City Centre, City Park Chowk, Rahim Yar Khan	Rahim Yar Khan	+92-68-5876049
018	Club Road Branch	73, Club Road, Civil Line, Sargodha	Sargodha	+92-48-3768633
019	F-10 Markaz Branch	1-G Souk-Ul-Hashir Plaza, Double Road, F-10 Markaz, Islamabad	Islamabad	+92-51-2114307
021	Allama Iqbal Town Branch	132 Jahanzaib Block, Main Boulevard, Allama Iqbal Town, Lahore	Lahore	+92-42-37813681-84
022	Bunder Road Branch	Shop/ Plot/ Khasra/ Khatooni/ Khewat # Plot # B-1623, Bunder Road, Sukkur	Sukkur	+92-71-5620756
023	Khalid-Bin-Waleed Road Branch	Show Room No.9-11, Plot No.167-A, Block-3, Khalid Bin Waleed Road, Karachi	Karachi	+92-21-34323051-53
024	Maulana Shaukat Ali Road Branch, Johar Town	87-E, Madina Heights, Maulana Shaukat Ali Road, Johar Town, Lahore	Lahore	+92-42-35222674-79
025	Hyderabad Road Branch	Plot No.1, Survey No. 272-1 Deh Taluka Hyderabad Road, Tando Allah Yar	Tando Allahyar	+92-22-3891600 +92-22-3891567
028	Farid Town Branch	Plot # 23, Khewat # 7854, Khatooni # 7907, Khasra No. 776-23-j, Farid Town, Sahiwal, Tehsil & District Sahiwal	Sahiwal	+92-40-4270713-15
029	Bhimber Road Branch	Khewat # 143, Khatooni # 341, Bhimber Road, Gujrat, Tehsil & District Gujrat	Gujrat	+92-53-3601781-82
032	Korangi Industrial Area Sector 23 Branch	Plot # 1-A, Sector 23, Korangi Industrial Area, Karachi	Karachi	+92-21-35122311-12
033	North Nazimabad Branch	Shop # 1 & 2 Jasmine Heights Plot # SC-21-A Block H North Nazimabad, Karachi	Karachi	+92-21-36641761-63
034	Main Saddar Bazar Branch	Qasr-e-Fatima 90-1-2, Main Saddar Bazar, Hyderabad	Hyderabad	+92-22-27315646-48
035	Main Boulevard Branch, Gulberg	58 Main Boulevard Gulberg Lahore	Lahore	+92-42-35760954-58
037	F.B. Industrial Area Branch	Sector no 22, KDA Scheme 16, FB Industrial Area Karachi	Karachi	+92-21-36834440 +92-21-36834448
038	Taj Road Branch	Taj Road Chaman, Balochistan	Chaman	+92-82-6615429
039	Tehsil Road Branch, Loralai	Shop # 372, House # 425, Tehsil Road Loralai, Balochistan	Loralai	+92-82-4660400
040	Timergara Branch	Zeb plaza main balambat Road Timergara District Lower Dir	Timargara	+92-945-825571-73
041	Mingora Branch	Opposite Bank Square Main Bazar Mingora Swat	Mingora	+92-946-725373-74
042	Shamsi Road Branch	RS Plaza Shamsi Road, Tehsil and District Mardan	Mardan	+92-937-870751 +92-937-870753
043	New Garden Town Branch	Shop No 12, 13, 14, Shan Arcade, Civic Centre, Garden Town, Lahore	Lahore	+92-42-35941840-41
044	Cavalry Ground Branch	Plot No 7, Cavalry Ground Commercial Area, Walton Lahore Cantt	Lahore	+92-42-36672180 +92-42-36672183

Br.Code	Name of Branch	Address	City	Contact No.
046	Matta Branch	Khatooni No. 28-50, Khasra No.2309, Mehran Khan Plaza, Main Matta Khareni, Matta Swat	Matta	+92-94-6790612-15
047	Mall Godam Road Branch	Plot No. 359, Mall Godam Road, Toba Tek Singh	Toba Tek Singh	+92-46-2514427 +92-46-2515427 +92-46-2517327
048	Hazara Town Branch	Lilak Shopping Centre, Barma Road, Aliabad, Hazara Town, Quetta, Balochistan	Quetta	+92-81-2853127
049	Main Airport Road Branch	Main Airport Road, Gwadar, Balochistan	Gwadar	+92-86-4210290
050	Dream Gardens Branch	Shop No.08 & 09, Block C, Dream Garden Housing Society, 1.5 KM Defence Road, Off Raiwind Road, Lahore	Lahore	+92-42-35469652
051	Kabal Branch	Khasra No. 2262, Khata No. 901, Khatooni No. 1176, Hassan Plaza, Kabal Chowk, Kabal, District Swat	Kabal	+92-94-6755592-95
052	Sirki Road Branch	Plot No. 136-14-32, Akram Plaza, Sirki Road, Quetta, Balochistan	Quetta	+92-81-2836417
053	Pak Haider Market Branch	Shop No 1 to 6, Pak Haider Market, Near Zafar Park, next to Malakand CNG, GT Road, Batkhela District Malakand	Batkhela	+92-93-2410670-72
054	G-11 Markaz Branch	Shop No. 7,8,25,26, Plot No. 33, G-11 Markaz, Islamabad	Islamabad	+92-51-2360067
055	Chaklala Scheme III Branch	Plot No. 16, Commercial Area, Chaklala Scheme III, Rawalpindi Cantt.	Rawalpindi	+92-51-5766233
056	Nawan Shehar Branch	Plot No. 741-F, Ward No.9, Muslim Mouza Ismail, Chowk Nawan Shehar, Multan	Multan	+92-61-4573032
057	Gulshan-e-Iqbal Branch	Shop No. 1&2, Al- Sammad Tower 13- Gulshan-e-Iqbal, Main University Road, Karachi	Karachi	+92-21-34971513-15
058	Latifabad Branch	Shop No. 1, 2 & 3, United Plaza, Opposite American Hospital, Main Road, Unit # 7, Taluka Latifabad, District Hyderabad	Hyderabad	+92-22-3821861-65
062	Zainab Market, Saddar Branch	PB No. 272-1, Ground Floor State Life Building No.11, Abdullah Haroon Road, Saddar Karachi	Karachi	+92-21-35681851-60
063	Main Road Branch, Turbat	Main Road Turbat, Balochistan	Turbat	+92-85-2411153
064	G-1 Market, Johar Town Branch	435 G-1 Market, Johar Town, Lahore	Lahore	+92-42-35468417
065	PIA Housing Society Branch	Plot No. 8, Block D, Phase I, PIA Housing Scheme, Wapda Town, Lahore	Lahore	+92-42-35463995-96
067	Manshera Road Branch	GM Tower, near Sethi Masjid, Mansehra Road, Abbottabad	Abbottabad	+92-99-2408301-04
069	Main Boulevard Branch, Faisal Town	35-A, Main Boulevard, Faisal Town, Lahore.	Lahore	+92-42-35202200 +92-42-35202203 +92-42-35303304
070	Ataliq Bazar, Bypass Road Branch	Ataliq Bazar Bypass Road Near Bus Adda, Chitral	Chitral	+92-943-414389 +92-943-414316
071	Tehsil Bazar Branch, Sadiqabad	19/20-D, Tehsil Bazar, Sadiqabad	Sadiqabad	+92-68-5802242-43
072	JK Sugar Mills Branch	JK Sugar Mills, Chak No. 84/15L Mian Channu	Mian Channu	+92-42-34501000 Ext. 1972
073	Muhammad Ali Society Branch	12-C/B Muhammad Ali Society, Karachi	Karachi	+92-21-34320831 +92-21-34320834
075	Kacheri Road, DG Khan Branch	Ashraf Palaza, Block # 2, Kachehri Road, D. G. Khan	Dera Ghazi Khan	+92-64-2460258
077	Bahria Town Phase IV Branch	Shop No G-9-10, Bahria Heights II, Ext Bahria Town, Phase- IV, Islamabad	Islamabad	+92-51-5146025
078	Model Colony Branch	H.No. 4/95, Affandi House, Liaquat Ali Khan Road, Model Colony, Karachi	Karachi	+92-21-34110334-5 +92-21-34110338
079	DHA Rahbar Branch	Defence Road, DHA Rahbar, Lahore	Lahore	+92-42-34501000 Ext. 1979
081	Jutial Branch	Shahrah-e-Quaid-e-Azam, Near NHA Office, Jutial Gilgit	Gilgit	+92-581-1450754
082	Model Town Block A Branch	30 - Model Town-B, Block A Bahawalpur	Bahawalpur	+92-62-2888768
083	DHA Phase II - Tulip Road Branch	DHA Phase-II Branch, Plaza # 8, Street# A/62, Tulip Road, Sector A, DHA Phase-II, Islamabad	Islamabad	+92-51-5147159 +92-51-5147164
085	Madras Chowk Branch	Shop # S-8, S-9 & S-10, Pioneer Tower Survey No. 22 & 24, Deh Songal Gujro, Sector 16-A, Scheme,Karachi	Karachi	+92-21-34645751 +92-21-34645754-5
088	Faizan-e-Madina Branch	Shop No. 22, Alami Madani Markaz, Faizan-e-Madina, Mohalla Saudagran Old Sabzi Mandi Karachi	Karachi	+92-21-34910376 +92-21-34910378
089	M.A Jinnah Road Branch	Khewat No. 1519, Khatooni No. 1537, Khasra No. 4207/6-5-4 M.A. Jinnah Road, Okara	Okara	+92-44-2510124
090	Raza Garden Branch	Main Sillanwali Road, Raza Garden Sargodha	Sargodha	+92-48-3250682
091	Arabia Islamia Road Branch	Plot No.98 Block-A, Arabia Islamia Road, Burewala	Burewala	+92-67-3351281-85
092	Millat Chowk Branch	156-B, Millat Chowk, Gulistan Colony, Faisalabad	Faisalabad	+92-41-8782963-66 +92-41-8782968
093	Dalazak Road Branch	Malik Sardar Plaza, Near Yousafabad Canal, Dalazak Road, Peshawar	Peshawar	+92-91-2244041-42

Br.Code	Name of Branch	Address	City	Contact No.
094	Qasimabad Branch	Shop No. 6 & 7, Raheel Heights, 267/2, Deh Sari, Wadhu Wah Road, Qasimabad, Hyderabad	Hyderabad	+92-22-2675334
095	Korangi Industrial Area Sector 7-A Branch	Plot No.251, Sector 7-A, Korangi Industrial Area, Karachi	Karachi	+92-21-35151191-96
096	Sarwar Road Cantt. Branch	Plot No. 05, Survey No.52/C-5, Sarwar Road Cantt. Lahore	Lahore	+92-42-36682075-76
097	Malir Cantt Branch	Shop No. 75, 4 Dots Shopping Complex C/O HQ 4 Air Defence Division, 31 Bostan Lines, Malir Cantonment, Karachi	Karachi	+92-21-34901140
099	Muslim Bagh Branch	Station Road, Muslim Bagh, Balochistan	Muslim bagh	+92-823-669214-5
100	Samanabad Branch	Property 22-7-17/1 & 22-S-17/2, Main Samanabad, Lahore	Lahore	+92-42-37590152
102	G.T Road Branch, PAC Chowk	Shop No. 75, Mini Plaza, PAC Chowk, G.T Road, Kamra Cantt, District Attock	Kamra	+92-57-2642521
103	Burq Road Branch	Shop # B-III/37, C-152, Dr. Ghulam Gillani Burq Road, Attock City	Attock	+92-57-5700903
104	Talagang Road Branch, Chakwal	B1-1/1634/1, B-1-1635, Talagang Road, Chakwal	Chakwal	+92-54-3602050-51
105	Canal Road Branch	204 RB East, Canal Road Faisalabad	Faisalabad	+92-41-2421890-91
106	Kotwali Road Branch	P-64 Taj Plaza, Kotwali Road, Faisalabad	Faisalabad	+92-41-2604935
107	G.T Road Branch, Ghakhar	Khewat # 2414, Khatooni # 3600, Khasra # 3359, GT Road, Ghakkar	Ghakhar	+92-55-3886662 +92-55-3886665
108	Satellite Town Branch	Satellite Town Branch, 529-C Satellite Town, Gujranwala	Gujranwala	+92-55-3825781
109	G.T Road Branch, Kharian	Bilal Plaza, G.T.Road, Kharian	Kharian	+92-53-7601325 +92-53-7601358
110	Ghalla Mandi Branch	Plot # 7/211, Ward # 7, Ghalla Mandi, Mandi Bahauddin	Mandi Bahauddin	+92-546-509551 +92-546-509553
111	G.T Road Branch, Hussain Plaza	Khasra No. 625, Hussain Plaza, Chowk GTS, G.T Road, Gujrat	Gujrat	+92-53-3571542 +92-53-3530287
115	F-7 Markaz, Post Mall Branch	Plot # 3, F-7 Markaz, Post Office, Mall Building, Islamabad	Islamabad	+92-51-2608003 +92-51-2608018
116	F-8 Markaz Branch	Shop # 12 & 13, Al-Babar Center, F-8 Markaz, Islamabad	Islamabad	+92-51-2852653
117	F-11 Markaz Branch	Plot # 18, Trade Centre, Main Double Road, F-11 Markaz, Islamabad	Islamabad	+92-51-2107862
118	E-11/3 Branch	Commercial Plot No. 2, Sector E-11/3, Islamabad Garden, Islamabad	Islamabad	+92-51-2375345-6
119	I-8 Markaz Branch	MB City Mall, Plot No. 34, I-8 Markaz, Islamabad	Islamabad	+92-51-4862278-79
120	Aslam Market Branch, Wah Cantt	Shop # 1/37, Commercial Area, Civic Centre, Aslam Market, Wah Cantt	Wah Cantt	+92-51-4902231
121	Yousuf Shah Road Branch	Khewat # 698, Khatoon.i # 203, Yousuf Shah Road, District Jhang (Opposite District Courts Jhang)	Jhang	+92-47-7629591-94
122	G.T Road Branch, Sarai Alamgir	Al Awan Plaza, near Military College, Main GT Road, Sarai Alamgir	Sarai Alamgir	+92-544-654929 +92-544-654929
123	G.T Road Branch, Gujar Khan	Commercial Property # Bill 379 & Bill 377, G.T. Road (Near MCB), Gujar Khan	Gujar Khan	+92-51-3510156
124	Shandar Chowk Branch	Model Colony, Shandar Chowk, Jhelum	Jhelum	+92-544-627128 +92-544-628677
126	North Napier Road Branch	Marium Manzil, Plot # 161, Survey Sheet # MR-1, Market Quarters, North Napier Road, Karachi	Karachi	+92-21-32440583 +92-21-32473166
127	I.I. Chundrigar Road Branch	Gul Tower, Main I.I Chundrigar Road, Karachi	Karachi	+92-21-32426413
128	Cloth Market Branch	Plot # 21/1, Puri Building, Cloth Market, Karachi	Karachi	+92-21-32472148-49 +92-21-32471727
129	Jodia Bazar Branch	MR 6/2, Market Quarters, Virjee Street, Jodia Bazar, Karachi	Karachi	+92-21-32443758 +92-21-32443684
132	Javed Arcade Branch	Javed Arcade, Plot # SB-1, Block # 17, KDA Scheme # 36, Gulistan-e-Jauhar, Karachi	Karachi	+92-21-34632739 +92-21-34632745 +92-21-34636747
133	Shershah Branch	Plot # M-II-E-606, Shershah, Karachi	Karachi	+92-21-32587581-83
137	Shaheed-e-Millat Road Branch	Bismillah Blessings, Plot No. 7-A/228, SS No. 35-P/1, Block-3, DMCHS, Main Shaheed-e-Millat Road, Karachi	Karachi	+92-21-34145043 +92-21-34943888 +92-21-34943777
138	Business Arcade Branch	Plot # 27-A, Business Arcade, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi	Karachi	+92-21-34326570-73
141	EOBI House Branch	Plot No. ST-1/A-1, KDA Commercial Complex, Scheme 1, Shop No. G-01/B, Ground Floor, EOBI House, Shahrah-e-Faisal, Karachi	Karachi	+92-21-34330172 +92-21-34536732
143	Allama Iqbal Road Branch	Plot No.683-C Ground Floor & Mezzanine Floor, Block-2, PECHS, Allama Iqbal Road, Karachi	Karachi	+92-21-34301815 +92-21-34301817-18

Br.Code	Name of Branch	Address	City	Contact No.
148	DHA Phase V Ext., Saba Avenue Branch	Saba Avenue, Plot # 8-C, Badar Commercial, Street # 6, Phase V Ext, DHA,Karachi	Karachi	+92-21-35341673 +92-21-35341675 +92-21-35849782
150	DHA Phase V, Zamzama Lane Branch	17-E, 6th Commercial Lane, DHA Phase-V, Karachi	Karachi	+92-21-35295015 +92-21-35295210
151	Kulsoom Court Branch	Kulsoom Court, Shop # 2, 3, 5A & 6, Plot DC-3, KDA Scheme # 5, Block-9, Clifton, Karachi	Karachi	+92-21-35837012 +92-21-35837015 +92-21-35837018
152	DHA Phase IV Branch	Ground Floor, Plot # 99-E, 9th Commercial Street, Phase-IV, DHA, Karachi	Karachi	+92-21-35313001 +92-21-35885719
155	Paper Market Branch	Plot # 11/2, Sheet SR-9, Seraj Quarters, Anjarwala Bakery Sharah-e-Liaquat Karachi	Karachi	+92-21-32212610 +92-21-32212356
159	Gulshan-e-Ravi Branch	159-A, Main Boulevard, Gulshan Ravi, Lahore	Lahore	+92-42-37401870-74 +92-42-37401890
160	Nila Gumbad Branch	Plot # 12, McLagan Road, Nila Gumbad, Lahore	Lahore	+92-42-37210102
161	Shahrah-e-Aiwan-e-Tijarat, China Chowk Branch	14-A (Ground Floor), Shahrah-e-Aiwan-e-Tijarat, Old Race Course Road, Lahore	Lahore	+92-42-36282790-95
162	Davis Road Branch	Aftab Centre, 30-Davis Road, Lahore	Lahore	+92-42-36287029 +92-42-36286965
163	C Block, Model Town Branch	Shop No.10 and 11, Commercial Market, C-Block, Model Town, Lahore	Lahore	+92-42-35915403-6
165	DHA Phase II, Commercial Area Branch	Commercial Plot # 12, Block CCA, Phase II, DHA, Lahore	Lahore	+92-42-35749481 +92-42-35707033 +92-42-35749485
166	Bahria Town Sector C Branch	65-A, Sector-C,Bahria Town, Lahore	Lahore	+92-42-37861591-93
167	Thokar Niaz Baig Branch	171-A Ali Town, Main Raiwind Road, Lahore	Lahore	+92-42-35963291
168	Ichra Branch	Shop # 158, Mohalla Rasool Pura, Ichra, Main Ferozepura Road, Lahore.	Lahore	+92-42-37426801-05
169	Multan Road Branch	9-A Industrial Block, Scheme More, Allama Iqbal Town, Multan Road, Lahore	Lahore	+92-42-37803449
170	Muzaffarabad AJK Branch	Plot No. 26-1, Ghari Phan Chowk, Domel Syedan, Muzaffarabad, Azad Kashmir	Muzaffarabad	+92-5822-921137-38 +92-5822-920455
171	Mirpur AJK Branch	Bank Square, Allama Iqbal Road, Mirpur, Azad Kashmir	Mirpur A.K.	+92-5827-442840 +92-5827-447683 +92-5827-442118
172	Hayatabad Branch	B-1, Phase V,Hayatabad, Peshawar	Peshawar	+92-91-5825305
173	Gulbahar Branch	Malik Arcade, Anam Sanam Chowk, Gulbahar Road, Peshawar	Peshawar	+92-91-2580718 +92-91-2590762
174	Choharmal Road Branch	Choharmal Road, Quetta, Balochistan	Quetta	+92-81-2843640
175	Mannan Chowk Branch	2-11/6-303, Mannan Chowk, M.A. Jinnah Road, Quetta	Quetta	+92-81-2836204-05
176	Murree Road Branch	North Star Plaza, 20-B, Murree Road, Satellite Town, Rawalpindi	Rawalpindi	+92-51-4426972-76
177	PWD Employees Society Branch	40-B, Block-B, Commercial Area (Extension), PWD Employees Housing Society, Lohi Bhair, Islamabad Highway, Islamabad	Islamabad	+92-51-5194302
179	Mian Khan Road Branch	110 Mian Khan Road, Block 5, Sargodha	Sargodha	+92-48-3726609 +92-48-3729623
180	Sargodha Road Branch	Shop No. 1, Ground Floor, Al-Hamd Plaza, Batti Chowk, Sargodha Road , Sheikhpura	Sheikhpura	+92-56-3545724
181	Kashmir Road Branch	155/A, BIII-12S, Sublime Chowk, Kashmir Road, Sialkot	Sialkot	+92-523-241491 +92-523-241292
185	Bank Road Deh Garaho Branch	Plot No. 9, Block No. 263/4 Deh Garaho City, Bank Road, Kunri	Kunri	+92-238-558013-14
186	Shahdara Branch	Shahdara, Main Sheikhpura Road, Jiya Musa, Lahore	Lahore	+92-42-37919160
187	Baghbanpura Branch	266, G.T. Road, Baghbanpura, Lahore	Lahore	+92-42-36844011-12 +92-42-36844015
188	Ravi Road, Timber Market Branch	NWIII.R.78/5/A, Timber Market,Lahore	Lahore	+92-42-37722338-9
189	Babar Center, Circular Road Branch	Babar Center, 51-Circular Road, Outside Akbari Gate, Lahore	Lahore	+92-42-37379250
190	Badami Bagh Branch	93-Grain Market Badami Bagh, Lahore	Lahore	+92-42-37706366 +92-42-37706086 +92-42-37720696
192	Bahria Town Phase VII Branch	Plot No.6, Mini River View Commercial Mall Extension - II, Bahria Town Phase VII, Rawalpindi	Rawalpindi	+92-51-5400184
193	Tehsil Road Branch, Gojra	Tehsil Office Road, Gojra	Gojra	+92-46-3515426-28

Br.Code	Name of Branch	Address	City	Contact No.
194	Shahkas Branch	Spinzer Market, Wazir Dhand, Main Jamrud Road, Shahkas Jamrud, District Khyber Agency	Jamrud	+92-91-3021760-61
195	U.P. More Branch	Shop no. 1&2, Ground Floor, Plot Bearing No. A976, Sector 11-B, U.P More, North Karachi	Karachi	+92-21-36416681-84
196	Adda Khaliqabad Tulamba Branch	Adda Khaliqabad Tulamba, District Khanewal	Khanewal	-
198	DHA Phase II Ext. Branch	Plot No. 47-E, 21st Commercial Street, Phase II-Extension, D.H.A, Karachi	Karachi	+92-21-35392201-02 +92-21-35392204
199	SMCHS Branch	Plot # 21-22, Sub Block D, Block A, Sindhi Muslim Cooperative Housing Society, Karachi	Karachi	+92-21-34300712-14
200	DHA Phase VI Branch	Plot No. 12, Main Boulevard Phase VI, DHA Lahore	Lahore	+92-42-37180315-8
201	Jinnah Avenue, Bahria Town Branch	Dominion Business-1, Plot No: B-34, Jinnah Avenue Commercial, Bahria Town, Karachi	Karachi	+92-42-34501000 Ext: 2201
202	Railway Road Branch	Plot# 376/A, Railway Road, Bannu City, Bannu	Bannu	+92-928-660405-6
203	Dera Ismail Khan Branch	Plot # 3, Survey # 68, Circular Road, Dera Ismail Khan	Dera Ismail Khan	+92-966-719934-36
204	DHA EME Sector Branch	Plot# 408, Block-J, Commercial Area, DHA, EME Sector, Multan Road, Lahore	Lahore	+92-42-37512400-3 +92-42-37512407
205	Chowk Halalpur Noon Branch	Chowk Halalpur Noon, Tehsil Kot Momin, District Sargodha	Sargodha	+92-48-6873027-29
206	Jhang Road Branch	Shan Plaza, Opposite NADRA Office, Faisalabad Road, Chiniot	Chiniot	+92-47-6333566 +92-47-6333577
207	Kallar Sayedan Branch	Mouza kallar Sagwal, Tehsil Kallar Syedan, District Rawalpindi	Rawalpindi	+92-51-3570650-52
208	Bahria Town Phase VIII Branch	Plot No. 43/C, Business Junction, Circulation Strip, Bahria Town, Phase VIII, Rawalpindi	Rawalpindi	-
209	Attari Ferozepur Road Branch	Plot # S-86-R-800/C/Hall, Sobra Ferozepur Road, Lahore	Lahore	+92-42-35723687-88
210	G.T Road Branch, Kamoke	G.T Road Kamoke	Kamoke	-
211	Shahabpura Road Branch	BIII-85-322, Shahabpura Road, Sialkot	Sialkot	+92-52-3550103-04
212	F.B Industrial Area, Water Pump Branch	PMJ Square, Phase-1, Shop # 1 to 4, Block 14, Naseerabad, F.B Industrial Area, Karachi	Karachi	+92-21-36377051 +92-21-36377054
213	Sheikh Sultan Trust Branch	Survey No. 25, Survey Sheet No. CL-10, Building No. 1, Sheikh Sultan Trust, Beaumont Road, Civil Lines, Karachi	Karachi	-
214	Jaranwala Branch	Main Hassan Road, Jaranwala	Jaranwala	+92-414-310931-33
215	G.T Road Branch, Mian Channu	Amin Trade Center, GT Road, Mian Channu	Mian Channu	-
216	Model Town Branch, Multan	Plot # 1, 2 Block B, Model Town, Multan	Multan	-
217	Hajipura Branch	Hajipura, adjacent DoctorsHospital, Wazirabad	Wazirabad	-
218	Chobara Road Branch	Near MCB Bank, Chobara Road, Layyah	Layyah	-
219	I-10 Markaz Branch	I-10 Markaz Branch, Islamabad	Islamabad	-
220	Faisal Hills Branch	Plot No. 22, MB Square, MR-01, Executive Block, Faisal Hills, Main GT Road, Taxila	Taxila	+92-51-450037-39
901	Bahria Orchard (Sub Branch Bahria Town Sector C)	Plot No. 34, Low Cost Commercial Block-C, Category Boulevard, Bahria Orchard, Lahore	Lahore	+92-42-3545199 +92-42-5451509
221	Bannu Road Branch	Shop # T-663, 664, Bezari, Chakkar Kot, Main Bazaar, Bannu Road, Kohat	Kohat	+92-922-866155-56
222	Highway Road Branch, Chishtian	Highway Road, Chishtian	Chishtian	+92-63-2507634
223	Top City Branch	Orion Business Square, Top City, Rawalpindi	Rawalpindi	-
224	Main Bazaar Kumbar Branch	Old Adda, Main Bazaar, Kumbar, District Lower Dir	Lower Dir	+92-945-888007
225	Manshera Branch	Main Bazaar, near Fouji Foundation, Manshera	Manshera	+92-997-391801 +92-977-391801
226	Muridke Branch	Muhalla Bilal Park, GT Road, Muridke	Muridke	-
227	Hafizabad Branch	Royal Guest House, Gujranwala Road, Hafizabad	Hafizabad	-
228	Adda Chamb Morr Branch, Lodhran	M97 Highway Road (M-5) Adda Chamb Morr, Lodhran	Lodhran	-



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