

**MCB ISLAMIC BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2022**

		(Unaudited) September 30, 2022	(Audited) December 31, 2021
	Note	Rupees in thousands	
<b>ASSETS</b>			
Cash and balances with treasury banks	8	12,832,791	11,309,285
Balances with other banks	9	2,016,287	3,696,073
Due from financial institutions	10	300,000	1,650,000
Investments - net	11	59,930,820	33,475,816
Islamic financing and related assets - net	12	96,569,580	96,308,562
Fixed assets	13	4,594,991	4,932,122
Intangible assets	14	590,738	579,767
Deferred tax assets - net	15	511,510	1,006,958
Other assets - net	16	11,452,368	8,308,810
		188,799,085	161,267,393
<b>LIABILITIES</b>			
Bills payable	18	1,332,314	1,896,801
Due to financial institutions	19	18,310,445	16,472,906
Deposits and other accounts	20	143,629,198	122,747,778
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debts		-	-
Deferred tax liabilities - net		-	-
Other liabilities	21	10,048,898	9,545,353
		173,320,855	150,662,838
<b>NET ASSETS</b>		<u>15,478,230</u>	<u>10,604,555</u>
<b>REPRESENTED BY</b>			
Share capital	22	15,550,000	11,550,000
Reserves	23	257,597	88,193
Surplus on revaluation of assets - net of tax	24	273,922	248,364
Accumulated loss		(603,289)	(1,282,002)
		<u>15,478,230</u>	<u>10,604,555</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	25		

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

Chief Financial Officer

President / Chief Executive

Director

Director

Director

# MCB ISLAMIC BANK LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Note	Quarter Ended		Nine Months Ended	
		July 01, 2022 to September 30, 2022	July 01, 2021 to September 30, 2021	January 01, 2022 to September 30, 2022	January 01, 2021 to September 30, 2021
<b>Rupees in thousands</b>					
Profit / return earned	26	5,339,387	2,273,265	12,316,734	6,736,867
Profit / return expensed	27	2,949,677	1,203,227	6,788,326	3,566,133
Net Profit / return		2,389,710	1,070,038	5,528,408	3,170,734
<b>OTHER INCOME</b>					
Fee and commission income	28	123,705	92,912	366,965	285,809
Dividend income		38	16,573	26,648	54,129
Foreign exchange income		238,652	19,114	361,916	47,982
Gain / (loss) on securities	29	-	7,743	(251,196)	11,345
Other income	30	36,151	48,417	93,373	160,099
Total other income		398,546	184,759	597,706	559,364
Total income		2,788,256	1,254,797	6,126,114	3,730,098
<b>OTHER EXPENSES</b>					
Operating expenses	31	1,543,659	1,188,000	4,390,207	3,499,415
Workers welfare fund		25,244	2,316	39,008	7,745
Other charges	32	1,348	5	2,928	37,100
Total other expenses		1,570,251	1,190,321	4,432,143	3,544,260
Profit before provisions		1,218,005	64,476	1,693,971	185,838
Provisions and write offs - net	33	137,975	24,024	18,801	1,331
Extra ordinary / unusual items		-	-	-	-
<b>PROFIT BEFORE TAXATION</b>		1,080,030	40,452	1,675,170	184,507
Taxation	34	596,342	18,656	828,148	103,043
<b>PROFIT AFTER TAXATION</b>		483,688	21,796	847,022	81,464
-----Rupees-----					
<b>Basic and diluted earnings per share</b>	35	0.296	Restated 0.013	Restated 0.644	Restated 0.062

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

Chief Financial Officer

President / Chief Executive

Director

Director

Director

**MCB ISLAMIC BANK LIMITED****CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	<b>Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>July 01, 2022 to September 30, 2022</b>	<b>July 01, 2021 to September 30, 2021</b>	<b>January 01, 2022 to September 30, 2022</b>	<b>January 01, 2021 to September 30, 2021</b>
	<b>Rupees in thousands</b>			
<b>Profit after taxation for the period</b>	483,688	21,796	847,022	81,464
<b>Other comprehensive income / (loss)</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in surplus / (deficit) on revaluation of investments	25,731	(92,212)	48,624	(77,360)
Related deferred tax (liability) / assets	(11,064)	14,460	(17,150)	20,252
	14,667	(77,752)	31,474	(57,108)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Movement in surplus on revaluation of fixed assets - net of tax	-	-	(4,821)	(5,183)
<b>Total comprehensive income / (loss) for the period</b>	<u>498,355</u>	<u>(55,956)</u>	<u>873,675</u>	<u>19,173</u>

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

**Chief Financial Officer****President / Chief Executive****Director****Director****Director**

**MCB ISLAMIC BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	Share Capital	Statutory Reserve	Surplus / (deficit) on revaluation of		Accumulated loss	Total
			Investments	Fixed Assets		
	Rupees in thousands					
Balance as at January 01, 2021	11,550,000	68,107	161,159	312,157	(1,363,651)	10,727,772
<b>Total comprehensive income / (loss) for the nine months period ended September 30, 2021</b>						
Profit after taxation for the nine month ended September 30, 2021	-	-	-	-	81,464	81,464
Other comprehensive loss - net of tax	-	-	(57,108)	(5,183)	-	(62,291)
	-	-	(57,108)	(5,183)	81,464	19,173
Transfer to statutory reserve	-	16,293	-	-	(16,293)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(913)	913	-
<b>Balance as at September 30, 2021 (Unaudited)</b>	<b>11,550,000</b>	<b>84,400</b>	<b>104,051</b>	<b>306,061</b>	<b>(1,297,567)</b>	<b>10,746,945</b>
<b>Total comprehensive income / (loss) for the three months period ended December 31, 2021</b>						
Profit after taxation for the three months period ended December 31, 2021	-	-	-	-	18,968	18,968
Other comprehensive loss - net of tax	-	-	(161,358)	-	-	(161,358)
	-	-	(161,358)	-	18,968	(142,390)
Transfer to statutory reserve	-	3,793	-	-	(3,793)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(390)	390	-
<b>Balance as at December 31, 2021 (Audited)</b>	<b>11,550,000</b>	<b>88,193</b>	<b>(57,307)</b>	<b>305,671</b>	<b>(1,282,002)</b>	<b>10,604,555</b>
<b>Total comprehensive income / (loss) for the nine months period ended September 30, 2022</b>						
Profit after taxation for the nine month ended September 30, 2022	-	-	-	-	847,022	847,022
Other comprehensive income - net of tax	-	-	31,474	(4,821)	-	26,653
	-	-	31,474	(4,821)	847,022	873,675
Issue of right shares	4,000,000	-	-	-	-	4,000,000
Transfer to statutory reserve	-	169,404	-	-	(169,404)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(1,095)	1,095	-
<b>Balance as at September 30, 2022 (Unaudited)</b>	<b>15,550,000</b>	<b>257,597</b>	<b>(25,833)</b>	<b>299,755</b>	<b>(603,289)</b>	<b>15,478,230</b>

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

Chief Financial Officer

President / Chief Executive

Director

Director

Director

**MCB ISLAMIC BANK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	September 30	September 30
Note	2022	2021
	Rupees in thousands	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,675,170	184,507
Less: Dividend income	(26,648)	(54,129)
	1,648,522	130,378
<b>Adjustments</b>		
Depreciation on fixed assets	31 292,039	288,561
Depreciation on right-of-use asset	31 349,501	355,709
Depreciation on Ijarah assets under IFAS 2	31 521,248	616,254
Amortization	31 130,172	113,759
Unwinding of liability against right of use assets	224,880	262,594
Reversals and write offs - net	33 18,801	1,331
Unrealized gain on forward exchange contracts - net	(8,218)	(141,132)
Gain on sale of fixed assets - net	30 (2,245)	(945)
Gain on termination of lease liability against right-of-use asset	(3,833)	(83,893)
Loss / (gain) on sale of securities - net	29 251,196	(11,345)
	1,773,541	1,400,893
	3,422,063	1,531,271
<b>(Increase) / decrease in operating assets</b>		
Due from financial institutions	1,350,000	(2,986,210)
Islamic financing and related assets	(1,063,261)	(6,132,742)
Other assets (excluding advance taxation)	(3,144,022)	(269,811)
	(2,857,283)	(9,388,763)
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(564,487)	(761,382)
Due to financial institutions	1,882,571	(9,577,079)
Deposits and other accounts	20,881,420	17,069,603
Other liabilities (excluding current taxation)	453,618	(363,956)
	22,653,122	6,367,186
	23,217,902	(1,490,306)
Income tax paid	(143,223)	(103,108)
<b>Net cash flow generated from / (used in) operating activities</b>	23,074,679	(1,593,414)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(17,856,551)	165,391
Net divestments in held-to-maturity securities	(8,538,832)	172,500
Dividends received	26,648	54,975
Investments in operating fixed assets	(200,539)	(278,072)
Proceeds from sale of fixed assets	5,027	1,074
Investments in intangible assets	(141,143)	(42,699)
<b>Net cash flow (used in) / generated from investing activities</b>	(26,705,390)	73,169
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	4,000,000	-
Payment of lease liability against right-of-use asset	(480,537)	(484,606)
<b>Net cash flow from / (used in) financing activities</b>	3,519,463	(484,606)
<b>Decrease in cash and cash equivalents during the period</b>	(111,248)	(2,004,851)
Cash and cash equivalents at the beginning of the period	14,960,326	14,868,799
<b>Cash and cash equivalents at the end of the period</b>	14,849,078	12,863,948

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

Chief Financial Officer

President / Chief Executive

Director

Director

Director

# **MCB ISLAMIC BANK LIMITED**

## **NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

### **FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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) September 30, 2022	(Audited) December 31, 2021
	Rupees in thousands	
<b>8 CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand		
- local currency	3,386,120	2,686,329
- foreign currencies	883,389	421,080
	<u>4,269,509</u>	<u>3,107,409</u>
With the State Bank of Pakistan in		
- local currency current account	7,532,068	7,045,642
- foreign currency current accounts		
cash reserve account	273,914	258,416
special cash reserve account	304,298	296,013
USD clearing account	76,822	67,511
	655,034	621,940
With National Bank of Pakistan in		
- local currency current account	376,150	494,941
Prize bonds	30	39,353
	<u>12,832,791</u>	<u>11,309,285</u>
<b>9 BALANCES WITH OTHER BANKS</b>		
In Pakistan		
- deposit account	1,508	66,742
Outside Pakistan		
- current account	2,014,779	3,629,331
	<u>2,016,287</u>	<u>3,696,073</u>
<b>10 DUE FROM FINANCIAL INSTITUTIONS</b>		
<b>Unsecured</b>		
Musharaka arrangements	300,000	1,650,000
	<u>300,000</u>	<u>1,650,000</u>
<b>10.1 Particulars of due from financial institutions</b>		
- local currency	300,000	1,650,000
- foreign currencies	-	-
	<u>300,000</u>	<u>1,650,000</u>



11 INVESTMENTS

September 30, 2022 (Unaudited)

11.1 Investments by type:

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

**Available-for-sale securities**

Federal Government securities	48,825,068	-	(52,759)	48,772,309
Shares and units	57,352	-	3,114	60,466
Non Government securities	899,000	-	4,322	903,322
	49,781,420	-	(45,323)	49,736,097

**Held-to-maturity securities**

Federal Government securities	10,194,723	-	-	10,194,723
Non Government securities	-	-	-	-
	10,194,723	-	-	10,194,723

**Total Investments**

	59,976,143	-	(45,323)	59,930,820
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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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<b>September 30, 2022 (Unaudited)</b>				
	<b>Cost / Amortised cost</b>	<b>Provision for diminution</b>	<b>Surplus / (Deficit)</b>	<b>Carrying Value</b>
<b>Rupees in thousands</b>				
<b>11.1.1 Investments by segments:</b>				
<b>Federal Government securities</b>				
GOP Ijarah Sukuks	59,019,791	-	(52,759)	58,967,032
WAPDA Sukuks	-	-	-	-
Bai Mu'ajjal	-	-	-	-
<b>Shares and units</b>				
Listed companies	57,352	-	3,114	60,466
Un - listed companies	-	-	-	-
<b>Non Government securities</b>				
Listed	-	-	-	-
Un listed	899,000	-	4,322	903,322
<b>Total Investments</b>	<b>59,976,143</b>	<b>-</b>	<b>(45,323)</b>	<b>59,930,820</b>
<b>December 31, 2021 (Audited)</b>				
	<b>Cost / Amortised cost</b>	<b>Provision for diminution</b>	<b>Surplus / (Deficit)</b>	<b>Carrying Value</b>
<b>Rupees in thousands</b>				
<b>Federal Government securities</b>				
GOP Ijarah Sukuks	30,637,273	-	(105,708)	30,531,565
WAPDA Sukuks	-	-	-	-
Bai Mu'ajjal	1,540,891	-	-	1,540,891
<b>Shares and units</b>				
Listed companies	639,792	262,194	(171)	377,427
Un listed companies	-	-	-	-
<b>Non Government securities</b>				
Listed	115,000	-	-	115,000
Un listed	899,000	-	11,933	910,933
<b>Total Investments</b>	<b>33,831,956</b>	<b>262,194</b>	<b>(93,946)</b>	<b>33,475,816</b>

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

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

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

**12 ISLAMIC FINANCING AND RELATED ASSETS - NET**

	Note	Performing		Non performing		Total	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
		September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
		Rupees in thousands					
Murabaha	12.1	13,475,131	13,668,585	1,733	5,604	13,476,864	13,674,189
Istisna	12.2	4,364,543	4,764,233	-	-	4,364,543	4,764,233
Salam		-	19,927	-	-	-	19,927
Ijarah	12.3	1,789,211	2,094,689	3,298	1,963	1,792,509	2,096,652
Running Musharaka	12.4	46,465,611	47,811,823	-	-	46,465,611	47,811,823
Diminishing Musharaka	12.5	28,829,356	26,123,577	705,360	694,203	29,534,716	26,817,780
Staff finance	12.6	1,398,469	1,310,558	-	-	1,398,469	1,310,558
<b>Islamic financing and related assets - gross</b>		<b>96,322,321</b>	<b>95,793,392</b>	<b>710,391</b>	<b>701,770</b>	<b>97,032,712</b>	<b>96,495,162</b>
Less: Provision against non-performing Islamic financing and related assets							
- Specific		-	-	(255,169)	(124,718)	(255,169)	(124,718)
- General		(207,963)	(61,882)	-	-	(207,963)	(61,882)
	12.9	(207,963)	(61,882)	(255,169)	(124,718)	(463,132)	(186,600)
<b>Islamic financing and related assets - net of provisions</b>		<b>96,114,358</b>	<b>95,731,510</b>	<b>455,222</b>	<b>577,052</b>	<b>96,569,580</b>	<b>96,308,562</b>

	(Unaudited)	(Audited)
	September 30, 2022	December 31, 2021
	Rupees in thousands	
<b>12.1 Murabaha</b>		
- Murabaha financing	6,049,872	7,592,733
- Murabaha inventory	7,022,302	5,392,634
- Advances against Murabaha financing	284,223	654,078
- Advances against Murabaha financing - Islamic Export Refinance Scheme	70,000	-
- Murabaha financing - Prime Minister Kamyab Jawan	46,204	20,059
- Murabaha inventory - Islamic Refinancing Scheme for payment of Wages and Salaries	4,263	14,685
	<b>13,476,864</b>	<b>13,674,189</b>
<b>12.2 Istisna</b>		
- Istisna financing	582,870	1,139,556
- Istisna financing under Islamic Refinance Scheme for payment of Wages and Salaries	9,375	-
- Istisna inventory	307,227	534,487
- Advances against Istisna financing	2,843,847	2,579,121
- Istisna financing - Islamic Export Refinance Scheme	29,669	56,572
- Advances against Istisna financing - Islamic Export Refinance Scheme	591,555	416,997
- Advances against Istisna financing - Islamic Refinancing Scheme for payment of Wages and Salaries	-	37,500
	<b>4,364,543</b>	<b>4,764,233</b>
<b>12.3 Ijarah financing and related assets</b>		
- Net book value of assets in Ijarah under IFAS 2	1,591,032	2,025,690
- Advances against Ijarah	201,477	70,962
	<b>1,792,509</b>	<b>2,096,652</b>
<b>12.4 Running Musharaka</b>		
- Running Musharaka financing	43,297,611	45,098,823
- Running Musharaka financing - Islamic Export Refinance Scheme	3,168,000	2,713,000
	<b>46,465,611</b>	<b>47,811,823</b>
<b>12.5 Diminishing Musharaka</b>		
- Diminishing Musharaka financing	25,086,979	21,721,143
- Diminishing Musharaka financing - Islamic Refinancing Scheme for payment of Wages and Salaries	368,383	935,708
- Advances against Diminishing Musharaka financing	2,239,234	1,770,095
- Advances against Diminishing Musharaka - Islamic Long Term Financing Facility	849,473	402,292
- Advances against Diminishing Musharaka under Islamic Temporary Economic Refinancing Facility for Plant and Machinery	990,647	1,988,542
	<b>29,534,716</b>	<b>26,817,780</b>
<b>12.6 Staff finance</b>		
- Staff vehicle finance under Diminishing Musharaka	357,656	296,527
- Staff housing finance under Diminishing Musharaka	1,040,813	1,014,031
	<b>1,398,469</b>	<b>1,310,558</b>
<b>12.7 Particulars of Islamic financing and related assets - gross</b>		
In local currency	96,718,338	95,635,585
In foreign currency	314,374	859,577
	<b>97,032,712</b>	<b>96,495,162</b>

- 12.8 Islamic financing and related assets include Rs. 710.391 million (December 31,2021: Rs. 701.770 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Unaudited) September 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			
<b>Domestic</b>				
Other Assets Especially Mentioned	8,267	5	592	-
Substandard	10,561	2,628	14,960	2,720
Doubtful	44,477	3,892	632,043	110,152
Loss	647,086	248,644	54,175	11,846
	<u>710,391</u>	<u>255,169</u>	<u>701,770</u>	<u>124,718</u>

12.9 Particulars of provision against Islamic financing and related assets

	September 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)	140,589	146,165	286,754	116,278	51,035	167,313
Reversals	(5,675)	(84)	(5,759)	(7,192)	(30,000)	(37,192)
	134,914	146,081	280,995	109,086	21,035	130,121
Amounts written off	(4,463)	-	(4,463)	(9,763)	-	(9,763)
Closing balance	<u>255,169</u>	<u>207,963</u>	<u>463,132</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. 417.470 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. 212.910 million as at September 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. 130 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

	September 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in thousands					
In local currency	255,169	207,963	463,132	124,718	61,882	186,600
In foreign currency	-	-	-	-	-	-
	<u>255,169</u>	<u>207,963</u>	<u>463,132</u>	<u>124,718</u>	<u>61,882</u>	<u>186,600</u>

13	FIXED ASSETS	Note	(Unaudited)	(Audited)
			September 30, 2022	December 31, 2021
			Rupees in thousands	
	Capital work-in-progress	13.1	58,400	90,809
	Property and equipment		2,649,201	2,711,074
	Right-of-use asset		1,887,390	2,130,239
			<u>4,594,991</u>	<u>4,932,122</u>
13.1	Capital work-in-progress			
	Civil works		15,015	52,604
	Advance to suppliers and contractors		30,616	24,947
	Electrical and computer equipment		12,769	13,258
			<u>58,400</u>	<u>90,809</u>

(Unaudited)  
For the period ended  
September 30  
2022                      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	52,715	93,102
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**Property and equipment**

Building on freehold land	2,319	836
Leasehold improvements	23,887	28,120
Furniture and fixtures	19,028	19,835
Electrical, office and computer equipment	103,299	136,179
	148,533	184,970
	201,248	278,072
	201,248	278,072

**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	292	123
Vehicles	2,488	-
	2,782	129
	2,782	129

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

**14 INTANGIBLE ASSETS**

Advance against purchase of software	71,088	39,226
Computer software	519,650	540,541
	590,738	579,767
	590,738	579,767

(Unaudited)  
For the period ended  
September 30  
2022                      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	96,867	33,243
Directly purchased	43,566	9,456
	140,433	42,699
	140,433	42,699

15 DEFERRED TAX ASSETS / (LIABILITY) - NET

September 30, 2022 (Unaudited)

	At Dec 31, 2021	Recognised in P&L A/C	Recognised in OCI	At Sep 30, 2022
<b>Rupees in thousands</b>				
<b>Deductible temporary difference</b>				
Tax losses carried forward	594,182	(594,182)	-	-
Minimum tax	480,565	61,076	-	541,641
Surplus / (Deficit) on revaluation of investments - net	36,639	-	(17,150)	19,489
Provision against Islamic financing and related assets	41,821	7,224	-	49,045
Workers Welfare Fund	8,675	17,663	-	26,338
	1,161,882	(508,219)	(17,150)	636,513
<b>Taxable temporary difference</b>				
Surplus on revaluation of fixed assets	(47,021)	825	(4,821)	(51,017)
Accelerated tax depreciation	(107,903)	33,917	-	(73,986)
	(154,924)	34,742	(4,821)	(125,003)
	1,006,958	(473,477)	(21,971)	511,510

December 31, 2021 (Audited)

	At Dec 31, 2020	Recognised in P&L A/C	Recognised in OCI	At Dec 31, 2021
<b>Rupees in thousands</b>				
<b>Deductible temporary difference</b>				
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
<b>Taxable temporary difference</b>				
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) September 30, 2022	(Audited) December 31, 2021
	Note	Rupees in thousands	
<b>16 OTHER ASSETS</b>			
Profit / return accrued in local currency		6,600,112	2,662,439
Dividend receivable		-	-
Advances, deposits, advance rent and other prepayments		378,220	278,707
Receivable against ATM transactions		724,010	758,903
Receivable under home remittances		14,956	12,274
Un-realized mark to market gain on forward foreign exchange contracts		16,077	16,543
Acceptances	21	3,612,401	4,488,672
Others		106,592	91,272
		<u>11,452,368</u>	<u>8,308,810</u>

#### 17 CONTINGENT ASSETS

There were no contingent assets of the Bank as at September 30, 2022 (December 31, 2021: Nil).

		(Unaudited) September 30, 2022	(Audited) December 31, 2021
		Rupees in thousands	
<b>18 BILLS PAYABLE</b>			
In Pakistan		1,332,314	1,896,801
Outside Pakistan		-	-
		<u>1,332,314</u>	<u>1,896,801</u>

#### 19 DUE TO FINANCIAL INSTITUTIONS

In Pakistan	18,310,445	16,427,874
Outside Pakistan	-	45,032
	<u>18,310,445</u>	<u>16,472,906</u>

#### 19.1 Particulars of due to financial institutions with respect to currencies

In local currency	18,310,445	16,427,874
In foreign currencies	-	45,032
	<u>18,310,445</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		2,665,771	3,027,572
Investment under - Islamic Long Term Financing Facility		1,952,523	1,045,099
Investment under - Islamic			
Temporary Economic Refinancing Facility for Plant and Machinery		4,504,757	3,892,419
Investment under - Islamic			
Refinancing Scheme for payment of Wages and Salaries		331,502	976,304
Investment under - Islamic			
Refinancing facility for combating COVID-19		19,874	24,460
Investment under - Islamic			
Financing Facility for Renewable Energy (IFRE)		393,885	93,138
Investment under Shariah Compliant Open Market Operations		2,451,695	-

##### Unsecured

Musharaka arrangements with financial institutions		5,000,000	7,100,000
Musharaka arrangements with other institution		990,438	268,882
Overdrawn nostro accounts		-	45,032
		<u>18,310,445</u>	<u>16,472,906</u>

20 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
<b>Rupees in thousands</b>						
<b>Customers</b>						
Current deposits - non-remunerative	39,488,970	2,830,983	42,319,953	34,666,966	2,729,931	37,396,897
Savings deposits	55,663,627	1,996,456	57,660,083	46,014,828	1,978,082	47,992,910
Term deposits	32,259,126	-	32,259,126	28,774,330	-	28,774,330
Others	3,650,751	-	3,650,751	4,877,521	-	4,877,521
	131,062,474	4,827,439	135,889,913	114,333,645	4,708,013	119,041,658
<b>Financial Institutions</b>						
Current deposits - non-remunerative	143,768	164	143,932	260,021	127	260,148
Savings deposits	3,840,353	-	3,840,353	919,672	-	919,672
Term deposits	3,755,000	-	3,755,000	2,526,300	-	2,526,300
	7,739,121	164	7,739,285	3,705,993	127	3,706,120
	138,801,595	4,827,603	143,629,198	118,039,638	4,708,140	122,747,778

	Note	(Unaudited)	(Audited)
		September 30, 2022	December 31, 2021
<b>21 OTHER LIABILITIES</b>			
<b>Rupees in thousands</b>			
Profit / return payable in local currency	21.1	1,436,581	814,469
Profit / return payable in foreign currencies		975	1,864
Accrued expenses		653,001	323,648
Current taxation (provision less payments)		219,785	8,336
Unearned income		79,651	54,705
Acceptances	16	3,612,401	4,488,672
Branch adjustment account		296,493	160,072
Advance receipt against Islamic financing and related assets		37,623	22,578
Charity fund balance		5,332	8,823
Security deposits against Ijarah financing		716,639	706,910
Withholding tax, Federal excise duty and other payable		48,952	23,240
Un-realized mark to market loss on forward foreign exchange contracts		-	8,684
Lease liability against right-of-use asset		2,427,188	2,580,026
Others		514,277	343,326
		<u>10,048,898</u>	<u>9,545,353</u>

21.1 It includes Rs. 51.985 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)	(Audited)		(Unaudited)	(Audited)
September 30, 2022	December 31, 2021		September 30, 2022	December 31, 2021
<b>Number of shares</b>				
<u>2,000,000,000</u>	<u>1,500,000,000</u>	Ordinary shares of Rs. 10/- each	<u>20,000,000</u>	<u>15,000,000</u>

Issued, subscribed and paid up capital

(Unaudited)	(Audited)		(Unaudited)	(Audited)
September 30, 2022	December 31, 2021		September 30, 2022	December 31, 2021
<b>Number of shares</b>				
<b>Rupees in thousands</b>				
		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	-
<u>1,555,000,000</u>	<u>1,155,000,000</u>	Balance at end of the period / year	<u>15,550,000</u>	<u>11,550,000</u>

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) September 30, 2022	(Audited) December 31, 2021
		Rupees in thousands	
<b>23</b>	<b>RESERVES</b>		
	Statutory reserves	<u>257,597</u>	<u>88,193</u>
<b>23.1</b>	Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.		
		(Unaudited) September 30, 2022	(Audited) December 31, 2021
		Rupees in thousands	
<b>24</b>	<b>SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX</b>		
	Surplus / (deficit) arising on revaluation of:		
	- Fixed assets	350,773	352,692
	- Available for sale securities	(45,323)	(93,946)
		305,450	258,746
	Deferred tax on surplus / (deficit) on revaluation of:		
	- Fixed assets	(51,017)	(47,021)
	- Available for sale securities	19,489	36,639
		(31,528)	(10,382)
		<u>273,922</u>	<u>248,364</u>
<b>25</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	Guarantees	11,935,373	7,787,920
	Commitments	26,715,110	16,115,126
	Other contingent liabilities	503,159	450,782
		<u>39,153,642</u>	<u>24,353,828</u>
<b>25.1</b>	<b>Guarantees</b>		
	Performance guarantees	5,096,452	3,501,067
	Other guarantees	6,838,921	4,286,853
		<u>11,935,373</u>	<u>7,787,920</u>
<b>25.2</b>	<b>Commitments</b>		
	Documentary credits and short-term trade-related transactions		
	Letters of credit	17,299,588	13,821,410
	Commitments in respect of:		
	Forward foreign exchange contracts	8,766,434	1,499,325
	Commitments for acquisition of:		
	Intangible assets	61,492	55,401
	Fixed assets	112,011	30,036
	Other commitments	475,585	708,954
		<u>26,715,110</u>	<u>16,115,126</u>
<b>25.2.1</b>	<b>Commitments in respect of forward foreign exchange contracts</b>		
	Purchase	4,697,359	489,060
	Sale	4,069,075	1,010,265
		<u>8,766,434</u>	<u>1,499,325</u>

		(Unaudited) September 30, 2022	(Audited) December 31, 2021
	Note	Rupees in thousands	
<b>25.2.2</b>	<b>Other commitments</b>		
	Commitments to extend financing	25.2.2.1 <u>475,585</u>	<u>708,954</u>

**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) September 30, 2022	(Audited) December 31, 2021
		Rupees in thousands	
<b>25.3</b>	<b>Other contingent liabilities</b>		
	Claims against the Bank not acknowledged as debt	<u>503,159</u>	<u>450,782</u>

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.

		(Unaudited) Period ended September 30, 2022	(Unaudited) Period ended September 30, 2021
		Rupees in thousands	
<b>26</b>	<b>PROFIT / RETURN EARNED</b>		
	Financing	8,429,082	5,024,918
	Investments in		
	- Available For Sale securities	<u>3,370,878</u>	<u>1,359,019</u>
	- Held To Maturity securities	<u>225,943</u>	<u>283,599</u>
		3,596,821	1,642,618
	Musharaka arrangements	133,756	62,412
	Deposits with financial institutions	<u>157,075</u>	<u>6,919</u>
		<u>12,316,734</u>	<u>6,736,867</u>

		(Unaudited) Period ended September 30, 2022	(Unaudited) Period ended September 30, 2021
		Rupees in thousands	
<b>27</b>	<b>PROFIT / RETURN EXPENSED</b>		
	Deposits and other accounts	5,708,701	2,815,379
	Musharaka arrangements with the State Bank of Pakistan	213,490	63,595
	Musharaka arrangements with other financial institutions	588,409	413,657
	Musharaka arrangements with other institutions	52,846	10,908
	Unwinding of lease liability against right-of-use asset	224,880	262,594
		<u>6,788,326</u>	<u>3,566,133</u>
<b>28</b>	<b>FEE &amp; COMMISSION INCOME</b>		
	Branch banking customer fees	11,864	10,476
	Consumer finance related fees	14,754	14,884
	Card related fees	113,141	76,644
	Credit related fees	18,682	10,377
	Digital banking fees	18,580	12,156
	Commission on trade	90,410	63,569
	Commission on guarantees	39,959	36,240
	Commission on cash management	3,724	1,169
	Commission on remittances including home remittances	12,331	5,142
	Commission on banca takaful	30,546	43,540
	Locker rent	12,483	11,474
	Others	491	138
		<u>366,965</u>	<u>285,809</u>
<b>29</b>	<b>(LOSS) / GAIN ON SECURITIES</b>		
	Realised	29.1 <u>(251,196)</u>	<u>11,345</u>
<b>29.1</b>	Realised gain / (loss) - net on:		
	Shares	<u>(251,196)</u>	<u>11,345</u>
		<u>(251,196)</u>	<u>11,345</u>
<b>30</b>	<b>OTHER INCOME</b>		
	Rental income	6,324	8,624
	Gain on sale of fixed assets	2,245	945
	Fees and charges recovered	1,176	2,025
	Commission on arrangement with financial institutions	68,191	49,454
	Gain on termination of lease liability against right of use assets	3,833	83,893
	Gain on conversion of Ijarah agreements	11,604	15,158
		<u>93,373</u>	<u>160,099</u>

**OPERATING EXPENSES**

(Unaudited) Period ended September 30, 2022	(Unaudited) Period ended September 30, 2021
<b>Rupees in thousands</b>	
<b>Note</b>	
<b>Total compensation expense</b>	2,000,827
	1,560,299
<b>Property expense</b>	
Rent and taxes	17,084
Takaful expenses	24,924
Utilities cost	160,608
Security (including guards)	232,894
Repairs and maintenance (including janitorial charges)	117,442
Depreciation on right-of-use assets	349,501
Depreciation	191,598
	1,094,051
	932,746
<b>Information technology expenses</b>	
Software maintenance	197,339
Hardware maintenance	82,467
Takaful expenses	1,301
Depreciation	90,561
Amortization	130,172
Network charges	113,867
	615,707
	509,396
<b>Other operating expenses</b>	
Directors' fees and allowances	496
Fees and allowances to Shari'ah Board	8,993
Legal and professional charges	34,761
Takaful expenses	87,941
Fee and subscription	4,009
Outsourced services costs	85,088
Travelling and conveyance	90,231
Repairs and maintenance of vehicles	2,373
NIFT clearing charges	17,749
Brokerage, commission and bank charges	32,733
Depreciation	9,880
Training and development	7,755
Postage and courier charges	30,972
Communication	23,477
Stationery and printing	73,239
Marketing, advertisement and publicity	78,836
Auditors' remuneration	8,933
Entertainment	41,826
Others	40,330
	679,622
	496,974
	4,390,207
	3,499,415

		(Unaudited) Period ended September 30, 2022	(Unaudited) Period ended September 30, 2021
	<b>Note</b>	<b>Rupees in thousands</b>	
<b>32</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by the State Bank of Pakistan	2,928	37,100
		<u>2,928</u>	<u>37,100</u>
<b>33</b>	<b>PROVISIONS / (REVERSALS) AND WRITE OFFS - NET</b>		
	Reversal in provision for diminution in value of investments	(262,194)	(78,005)
	Provision against non-performing Islamic financing and related assets	280,995	79,336
		<u>18,801</u>	<u>1,331</u>
<b>34</b>	<b>TAXATION</b>		
	Current	354,672	106,692
	Deferred	473,476	(3,649)
		<u>828,148</u>	<u>103,043</u>
<b>35</b>	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Profit after taxation	<u>847,022</u>	<u>81,464</u>
		<b>Number of shares - in thousands</b>	
	Weighted average number of ordinary shares	<u>1,316,172</u>	<u>1,316,172</u>
		<b>Rupees Restated</b>	
	Basic and diluted earnings per share	<u>0.644</u>	<u>0.062</u>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>September 30,</b>	<b>September 30,</b>
		<b>2022</b>	<b>2021</b>
		<b>Rupees in thousands</b>	
<b>36</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and balances with treasury banks	12,832,791	9,331,648
	Balances with other banks	2,016,287	3,532,300
		<u>14,849,078</u>	<u>12,863,948</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.

<b>September 30, 2022 (Unaudited)</b>					
<b>Carrying value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	
<b>Rupees in thousands</b>					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets measured at fair value</b>					
Investments					
Federal Government Securities	48,772,309	-	48,772,309	-	48,772,309
Shares	60,466	60,466	-	-	60,466
Non-Government Securities	903,322	-	903,322	-	903,322
	49,736,097	60,466	49,675,631	-	49,736,097
<b>Fair value of non-financial assets</b>					
Operating fixed assets					
(land and building)	1,312,144	-	1,312,144	-	1,312,144
<b>Off-balance sheet financial instruments</b>					
Foreign exchange					
contracts purchase	4,697,359	-	4,692,509	-	4,692,509
Foreign exchange contracts sale	4,069,075	-	4,048,148	-	4,048,148
<b>December 31, 2021 (Audited)</b>					
<b>Carrying value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	
<b>Rupees in thousands</b>					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets measured at fair value</b>					
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
<b>Fair value of non-financial assets</b>					
Operating fixed assets					
(land and building)	1,314,657	-	1,314,657	-	1,314,657
<b>Off-balance sheet financial instruments</b>					
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**

September 30, 2022 (Unaudited)

	Retail Banking Group	Corporate Banking	Consumer Banking	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
Rupees in thousands									
<b>Profit and Loss</b>									
Net Profit / return	(4,885,175)	6,458,798	881,146	16,986	3,226,779	(170,126)	5,528,408	-	5,528,408
Inter segment revenue - net	10,232,791	(6,453,875)	(719,924)	(11,218)	(3,423,720)	375,946	-	-	-
Other income	235,702	143,524	20,568	593	409,811	(212,492)	597,706	-	597,706
Total Income	5,583,318	148,447	181,790	6,361	212,870	(6,672)	6,126,114	-	6,126,114
Segment direct expenses	(2,249,672)	(115,183)	(172,648)	(4,865)	(19,056)	(1,870,719)	(4,432,143)	-	(4,432,143)
Inter segment expense allocation	(475,515)	(4,961)	(13,773)	(738)	(758)	495,745	-	-	-
Total expenses	(2,725,187)	(120,144)	(186,421)	(5,603)	(19,814)	(1,374,974)	(4,432,143)	-	(4,432,143)
Provisions / (reversals) and write offs - net	170	(121,458)	(15,126)	(7,892)	-	125,505	(18,801)	-	(18,801)
Profit / (loss) before tax	2,858,301	(93,155)	(19,757)	(7,134)	193,056	(1,256,141)	1,675,170	-	1,675,170
<b>Balance Sheet</b>									
Cash and bank balances	4,645,690	-	-	-	10,801,389	(598,001)	14,849,078	-	14,849,078
Investments	-	-	-	-	59,870,353	60,467	59,930,820	-	59,930,820
Net inter segment lending	132,924,294	-	-	-	-	9,278,832	142,203,126	(142,203,126)	-
Due from financial institutions	-	-	-	-	300,000	-	300,000	-	300,000
Financing - performing	12,366,797	73,288,091	9,013,467	164,147	-	1,281,857	96,114,359	-	96,114,359
- non-performing	78,716	357,100	8,334	672	-	10,399	455,221	-	455,221
Others	592,127	6,554,048	430,505	8,662	2,919,260	6,645,005	17,149,607	-	17,149,607
<b>Total Assets</b>	150,607,624	80,199,239	9,452,306	173,481	73,891,002	16,678,559	331,002,211	(142,203,126)	188,799,085
Bills payable	1,332,314	-	-	-	-	-	1,332,314	-	1,332,314
Due to financial institutions	2,155,827	7,984,187	718,750	-	7,451,695	(14)	18,310,445	-	18,310,445
Deposits & other accounts	143,175,142	454,056	-	-	-	-	143,629,198	-	143,629,198
Net inter segment borrowing	-	67,676,555	8,093,410	179,944	66,253,217	-	142,203,126	(142,203,126)	-
Others	1,086,040	4,177,596	659,904	670	28,612	4,096,076	10,048,898	-	10,048,898
<b>Total liabilities</b>	147,749,323	80,292,394	9,472,064	180,614	73,733,524	4,096,062	315,523,981	(142,203,126)	173,320,855
Equity	2,858,301	(93,155)	(19,758)	(7,133)	157,478	12,582,497	15,478,230	-	15,478,230
<b>Total Equity &amp; liabilities</b>	150,607,624	80,199,239	9,452,306	173,481	73,891,002	16,678,559	331,002,211	(142,203,126)	188,799,085
<b>Contingencies &amp; Commitments</b>	8,256,456	21,852,045	76,885	-	8,791,434	176,822	39,153,642	-	39,153,642

## September 30, 2021 (Unaudited)

	Retail Banking Group	Corporate Banking	Consumer Banking	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
Rupees in thousands									
<b>Profit &amp; Loss</b>									
Net Profit / return	(2,451,798)	4,073,810	454,750	8,126	1,298,291	(212,445)	3,170,734	-	3,170,734
Inter segment revenue - net	4,607,258	(3,425,988)	(270,745)	(6,192)	(1,025,377)	121,044	-	-	-
Other income	227,048	113,071	23,560	671	36,052	158,962	559,364	-	559,364
<b>Total Income</b>	<b>2,382,508</b>	<b>760,893</b>	<b>207,565</b>	<b>2,605</b>	<b>308,966</b>	<b>67,561</b>	<b>3,730,098</b>	<b>-</b>	<b>3,730,098</b>
Segment direct expenses	(1,634,392)	(78,968)	(114,314)	(18,739)	(18,346)	(1,679,501)	(3,544,260)	-	(3,544,260)
Inter segment expense allocation	(671,511)	(8,041)	(18,656)	(5,291)	(1,519)	705,018	-	-	-
<b>Total expenses</b>	<b>(2,305,903)</b>	<b>(87,009)</b>	<b>(132,970)</b>	<b>(24,030)</b>	<b>(19,865)</b>	<b>(974,483)</b>	<b>(3,544,260)</b>	<b>-</b>	<b>(3,544,260)</b>
Provisions / (reversals) and write offs - net	92	(48,885)	(15,120)	(12,977)	-	75,559	(1,331)	-	(1,331)
<b>Profit / (loss) before tax</b>	<b>76,697</b>	<b>624,999</b>	<b>59,475</b>	<b>(34,402)</b>	<b>289,101</b>	<b>(831,363)</b>	<b>184,507</b>	<b>-</b>	<b>184,507</b>

## December 31, 2021 (Audited)

	Retail Banking Group	Corporate Banking	Consumer Banking	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
Rupees in thousands									
<b>Balance Sheet</b>									
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
<b>Total Assets</b>	<b>127,840,016</b>	<b>82,187,982</b>	<b>7,621,358</b>	<b>191,139</b>	<b>47,333,519</b>	<b>12,464,134</b>	<b>277,638,148</b>	<b>(116,370,755)</b>	<b>161,267,393</b>
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
<b>Total liabilities</b>	<b>127,401,257</b>	<b>81,694,786</b>	<b>7,562,853</b>	<b>224,788</b>	<b>47,054,383</b>	<b>3,095,526</b>	<b>267,033,593</b>	<b>(116,370,755)</b>	<b>150,662,838</b>
Equity	438,759	493,196	58,505	(33,649)	279,136	9,368,608	10,604,555	-	10,604,555
<b>Total Equity &amp; liabilities</b>	<b>127,840,016</b>	<b>82,187,982</b>	<b>7,621,358</b>	<b>191,139</b>	<b>47,333,519</b>	<b>12,464,134</b>	<b>277,638,148</b>	<b>(116,370,755)</b>	<b>161,267,393</b>
<b>Contingencies &amp; Commitments</b>	<b>6,934,600</b>	<b>15,598,923</b>	<b>185,542</b>	<b>-</b>	<b>1,549,326</b>	<b>85,437</b>	<b>24,353,828</b>	<b>-</b>	<b>24,353,828</b>

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 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:

	September 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			
<b>Balances with other banks</b>								
In current accounts	19,447	-	-	-	22,487	-	-	-
	<u>19,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,487</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Islamic financing and related assets</b>								
Opening balance	-	6,376	91,750	2,274,692	-	8,290	81,703	1,110,848
Addition during the period / year	-	-	43,435	3,296,834	-	8,000	30,531	5,654,668
Repaid during the period / year	-	(1,389)	(27,172)	(3,468,453)	-	(9,914)	(19,762)	(5,188,824)
Transfer in / (out) - net	-	(4,987)	501	-	-	-	(722)	698,000
Closing balance	-	-	108,514	2,103,073	-	6,376	91,750	2,274,692
<b>Fixed assets - Capital work in progress</b>								
Advance paid against purchase of property	20,000	-	-	-	20,000	-	-	-
Right-of-use asset	74,705	-	-	-	56,901	-	-	-
	<u>94,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,901</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other assets</b>								
Profit receivable	-	-	3,146	23,122	-	248	2,716	26,804
Prepaid expenses	-	-	5,037	16,935	-	506	2,814	23,756
Receivable under scheme of merger	11,282	-	-	-	11,282	-	-	-
Receivable under home remittance	14,997	-	-	-	12,274	-	-	-
	<u>26,279</u>	<u>-</u>	<u>8,183</u>	<u>40,057</u>	<u>23,556</u>	<u>754</u>	<u>5,530</u>	<u>50,560</u>
<b>Due to financial institutions</b>								
Opening balance	3,500,000	-	-	-	-	-	-	-
Addition during the period / year	113,946,765	-	-	-	103,400,000	-	-	-
Repaid during the period / year	(117,446,765)	-	-	-	(99,900,000)	-	-	-
Closing balance	-	-	-	-	3,500,000	-	-	-
<b>Deposits</b>								
Opening balance	-	526,091	31,609	1,568,472	-	576,527	21,655	1,548,037
Addition during the period / year	-	1,839,257	211,334	24,472,674	-	3,646,952	261,775	33,993,053
Withdrawn during the period / year	-	(1,436,259)	(214,045)	(25,205,168)	-	(3,697,388)	(251,821)	(34,004,836)
Transfer in / (out) - net	-	(6,484)	(3,853)	1,419	-	-	-	32,218
Closing balance	-	922,605	25,045	837,397	-	526,091	31,609	1,568,472
<b>Other liabilities</b>								
Profit payable	-	9,347	26	8,463	17,849	2,867	44	5,672
Accrued expenses	400	-	-	11,202	-	-	-	10,238
Acceptances	587,037	-	-	-	587,036	-	-	-
Unearned Income	-	-	-	4,972	-	-	-	1,776
Unrealized mark to market loss on forward exchange contracts	-	-	-	-	-	-	-	-
Other liabilities	200,000	-	-	-	-	370	-	-
Lease liability against right-of-use asset	89,906	380	-	-	72,512	-	-	-
	<u>877,343</u>	<u>9,727</u>	<u>26</u>	<u>24,637</u>	<u>677,397</u>	<u>3,237</u>	<u>44</u>	<u>17,686</u>
<b>Contingencies and Commitments</b>								
Letter of Credit	-	-	-	54,399	-	-	-	357,728
Letter of Guarantee	69,377	-	-	1,205,784	24,388	-	-	944,182
Forward exchange contract								
Purchase	-	-	-	-	-	-	-	-
Sale	-	-	-	-	-	-	-	-
Unrealized gain on forward exchange contracts	-	-	-	-	-	-	-	-
<b>September 30, 2022 (Unaudited)</b>								
<b>September 30, 2021 (Unaudited)</b>								
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	Rupees in thousands				Rupees in thousands			
	<b>Transactions during the period</b>							
<b>Income</b>								
Profit / return earned	-	62	4,134	106,416	-	481	3,351	76,768
Commission income	-	-	-	27,753	-	-	-	39,232
Rental income	6,324	-	-	-	8,624	-	-	-
Other income	-	4	66	-	-	-	9	-
	<u>6,324</u>	<u>66</u>	<u>4,200</u>	<u>134,169</u>	<u>8,624</u>	<u>481</u>	<u>3,360</u>	<u>116,000</u>
<b>Expense</b>								
Profit / return expensed	265,581	39,489	1,155	32,836	24,182	16,635	362	47,532
Depreciation on right-of-use assets	27,672	-	-	-	20,134	-	-	-
Takaful expense	-	-	-	62,012	-	-	-	69,221
Security expense	-	-	-	28,528	-	-	-	37,979
Unwinding of lease liability against right-of-use asset	7,087	-	-	-	6,621	-	-	-
Other expense	7,429	550	-	161	3,861	520	-	-
	<u>307,769</u>	<u>40,039</u>	<u>1,155</u>	<u>123,537</u>	<u>54,798</u>	<u>17,155</u>	<u>362</u>	<u>154,732</u>
<b>Other transactions during the period</b>								
Fee paid	-	-	-	-	-	360	-	-
Managerial remuneration paid	-	43,416	161,209	-	-	33,226	131,790	-
Contribution paid to provident fund	-	-	-	46,940	-	-	-	94,533
Re-imbursment under home remittance payments	3,634,916	-	-	-	3,664,907	-	-	-
Proceeds from issue of share capital	4,000,000	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	1,872	114	-	-	-	9	-
Purchase of fixed assets	-	-	-	-	-	-	-	5,008
Disbursement made against advance salary	-	-	1,400	-	-	-	1,700	-
Repayment made against advance salary	-	-	2,567	-	-	-	1,033	-
Payment made against expenses (including lease liabilities)	37,274	-	-	81,597	23,318	-	-	97,617
Foreign currency purchase	15,656,988	-	-	-	18,306,676	-	-	-
Foreign currency sale	9,762,961	-	-	-	11,008,298	-	-	-
Letter of Credit issued	-	-	-	2,015,181	-	-	-	2,857,002
Letter of Guarantee issued	49,415	-	-	62,240	10,228	-	-	167,458

(Unaudited)      (Audited)  
September 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)	14,946,711	10,267,998
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##### Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	14,071,929	8,701,677
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	14,071,929	8,701,677
Eligible Tier 2 Capital	481,885	310,246
Total Eligible Capital (Tier 1 + Tier 2)	14,553,814	9,011,923

##### Risk Weighted Assets (RWAs):

Credit Risk	66,507,039	63,073,624
Market Risk	1,861,885	2,400,232
Operational Risk	9,074,540	9,074,540
Total	77,443,464	74,548,396

Common Equity Tier 1 Capital Adequacy ratio	18.17%	11.67%
Tier 1 Capital Adequacy Ratio	18.17%	11.67%
Total Capital Adequacy Ratio	18.79%	12.09%

##### Leverage Ratio (LR):

Eligible Tier-1 Capital	14,071,929	8,701,677
Total Exposures	217,589,764	184,200,849
Leverage Ratio	6.47%	4.72%

##### Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	49,244,648	34,199,441
Total Net Cash Outflow	33,081,552	29,734,237
Liquidity Coverage Ratio	148.86%	115.02%

##### Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	124,453,488	106,421,668
Total Required Stable Funding	102,679,464	89,002,051
Net Stable Funding Ratio	121.21%	119.57%

#### 41 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

#### 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 October 25, 2022 by the Board of Directors of the Bank.

Chief Financial Officer

President / Chief Executive

Director

Director

Director