

The Complete **Ring** of **Financial Possibilities**



BML **بنك مكرمه**
Bank Makramah Ltd.

QUARTERLY REPORT MARCH 2024

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Corporate *Information*

Board of Directors

Mr. Abdulla Nasser Abdulla Hussain Lootah
Chairman of the Board of Directors /
Non-Executive Director

Mr. Muhammad Salman Alam Fazli
Vice Chairman of the Board of Directors /
Non-Executive Director

Mr. Jawad Majid Khan
President & CEO / Executive Director

Mr. Waseem Mehdi Syed
Independent Director

Mr. Zafar Iqbal Siddiqi
Non-Executive Director

Mr. Wajahat Ahmed Baqai
Non-Executive Director

Ms. Fauzia Hasnain
Independent Director

Board Audit Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Muhammad Salman Alam Fazli
Member

Mr. Zafar Iqbal Siddiqi
Member

Mr. Wajahat Ahmed Baqai
Member

Board Risk Management Committee

Mr. Wajahat Ahmed Baqai
Chairman

Mr. Muhammad Salman Alam Fazli
Member

Mr. Zafar Iqbal Siddiqi
Member

Ms. Fauzia Hasnain
Member

Board Human Resource & Remuneration Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Abdulla Nasser Abdulla Hussain Lootah
Member

Mr. Muhammad Salman Alam Fazli
Member

Mr. Jawad Majid Khan
Member

Mr. Waseem Mehdi Syed
Member

Board Information Technology Committee

Mr. Zafar Iqbal Siddiqi
Chairman

Mr. Abdulla Nasser Abdulla Hussain Lootah
Member

Mr. Muhammad Salman Alam Fazli
Member

Mr. Jawad Majid Khan
Member

Mr. Waseem Mehdi Syed
Member

Board Compliance Committee

Mr. Waseem Mehdi Syed
Chairman

Mr. Abdulla Nasser Abdulla Hussain Lootah
Member

Mr. Muhammad Salman Alam Fazli
Member

Mr. Zafar Iqbal Siddiqi
Member

Mr. Wajahat Ahmed Baqai
Member

Board Special Assets Management Committee

Mr. Wajahat Ahmed Baqai
Chairman

Mr. Abdulla Nasser Abdulla Hussain Lootah
Member

Mr. Muhammad Salman Alam Fazli
Member

Mr. Jawad Majid Khan
Member

Mr. Waseem Mehdi Syed
Member

Ms. Fauzia Hasnain
Member

Shariah Board

Mufti Muhammad Najeeb Khan
Chairman

Mufti Irshad Ahmed Aijaz
Member

Dr. Noor Ahmed Shahtaz
Member

Mufti Bilal Ahmed Qazi
Member

Mufti Syed Zubair Hussain
Resident Shariah Board Member

Chief Financial Officer

Mr. Salman Zafar Siddiqi

Acting Company Secretary

Mr. Ghazanfar Ahsan

Auditors

M/s. Yousuf Adil Chartered Accountants

Legal Advisors

Haidermota & Co
Advocates

Share Registrar

THK Associates (Private) Limited
Plot No. 32-C, Jami Commercial Street-2,
D.H.A., Phase-VII, Karachi
Tel: 021-111-000-322
Ext: 107-111-115
Fax: 021-35310190
Email: secretariat@thk.com.pk
Website: www.thk.com.pk

Head Office

Head Office Building
Plot No. G-2, Block-2, Clifton, Karachi
UAN: 021-111-124-365
Fax: 021-32463553

Registered Office

Plot No. 9-C, F-6 Markaz, Supermarket,
Islamabad, Pakistan

Email: info@bankmakramah.com
companysecretary@bankmakramah.com
Website: www.bankmakramah.com

Purpose

BML aims for progressive and advanced banking in Pakistan, driven by values and innovation.





Vision

Our vision is to become the leading service provider in Pakistan, offering innovative and Shariah-compliant solutions.

Mission

Our mission is to synergise Islamic values with advanced banking solutions to provide customised services while nurturing the economic growth of Pakistan.



Results Driven
We create value and build relationships
with our customers by making things
happen for them.



Transparency
Our commitment to
transparency ensures that you
have full visibility into our
services, so you can trust us
with confidence.



Upliftment of the Society

We are committed to making a positive impact on communities through meaningful actions.



Sincerity to Customers

Building a trustworthy relationship with our customers is our topmost priority, achieved through ethical procedures and transparency.



Teamwork

We promote and support a diverse, yet unified team. We work as a team to meet our common goals.



DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the Directors' Review of the Bank along with the un-audited condensed interim financial statements for the first quarter ended March 31, 2024.

THE BANK'S PERFORMANCE

The highlights of the financial results for the quarter ended March 31, 2024 are as follows:

Financial Position	Rupees in Millions
Shareholders' Equity	(14,832)
Deposits	159,127
Total Assets	266,108
Advances – net	17,039
Investments – net	176,665
Financial Performance	
Net Interest Income and Non Mark-up Income (Total Income)	(335)
Non Mark-up Expenses	1,850
(Reversals) / provisions and write offs – net	(1,092)
Loss before tax	1,093
Loss after tax	812
Basic and diluted loss per share – Rupees	(0.15)

Despite the challenges posed by increasing trend in the policy rate since March 2023 coupled with deteriorating macroeconomic factors such as inflation and Rupee devaluation, we are pleased to report that the Bank has made significant progress in reducing its losses. For the quarter ended March 31, 2024, Bank's loss before tax stood at Rs 1.093 billion compared to Rs 1.427 billion and loss after tax stood at Rs. 0.812 billion, compared to Rs. 0.928 billion for the same period last year. As a result, loss per share reduced to Re. 0.15 as opposed to Re 0.35 in the comparative prior period.

On a quarter on quarter comparison, there is a significant improvement in average net investments attributed to increase in deposits and borrowings. Consequently, average net investments surged from Rs. 66.103 billion in the comparative prior period to Rs. 179.861 billion. This substantial increase in net average investments was complemented by enhanced net average investment yields, improving from 17.29% in the comparable prior period to 22.13% in the current period. This noteworthy growth in both volume and yields led to a substantial boost in the Bank's income from investments, reaching Rs. 9.897 billion for the current period, compared to Rs. 2.819 billion in comparable prior period.

Net yields on advances also improved, reaching 18.48% for the current quarter, compared to 15.07% for the same period last year. This improvement reflects the repricing effect of the continued gradual increase in policy rates by SBP. However, the Bank witnessed a decrease in average net advances, totalling Rs. 17.386 billion as at March 31, 2024, compared to Rs. 19.956 billion for the comparable period last year aligning with its strategy to reduce risk-weighted assets. Income from advances ended higher at Rs. 0.799 billion for the current period, compared to Rs. 0.742 billion for the comparable prior period.

Deposits amounted to Rs. 159.127 billion as of March 31, 2024, representing an increase of Rs. 27.410 billion or 20.81% compared to the same period last year. This marks the highest deposit level in the history of the Bank. In terms of averages, the portfolio grew by Rs. 29.104 billion, or 23.21% as compared to the same period last year. Amidst stiff competition for rates, the Bank's focus remained on CASA mix and retaining non-remunerative accounts. As of March 31, 2024, the Bank's CASA ratio improved to 89.45% (March 2023: 89.30%) despite the transfer of the amount earmarked for investment in the Bank by the Investor from his current account to the share subscription account. The average cost of deposits was managed at 13.76% for the current period despite the increase in policy rate to 22%.

As the Bank capitalized on arbitrage opportunities, average borrowings amounted to Rs. 111.566 billion as of March 2024, compared to Rs. 26.766 billion in the same period last year, indicating an increase of Rs. 84.800 billion. Meanwhile, the overall average cost of borrowing increased to 21.93% from 15.33% in the comparative prior period.

The Bank's non-funded income totalled Rs. 606,243 million, compared to Rs. 38,006 million in the prior period. The main contributors to this income were fee income and gain on sale of securities.

Despite challenges such as inflationary pressures, currency devaluation and rising commodity prices, the Bank successfully exhibited prudent control over its operating expenses by continuously monitoring and implementing cost control initiatives. While the average CPI inflation was 24.03% for Quarter 1, 2024, the Bank managed to restrict the increase in its operating expenses to 16.51%, compared to the same period last year. The Bank's total non-markup expenses amounted to Rs. 1.850 billion, compared to Rs. 1.588 billion for the same period last year.

In the current quarter, there were net provision reversals amounting to Rs. 1.092 billion, indicating a substantial improvement from Rs. 0.534 billion in the comparative prior period.

As of March 31, 2024, the Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) marginally decreased to 68.41%, compared to 68.50% recorded on December 31, 2023. This decrease is mainly attributed to a reduction in gross advances by Rs. 2.022 billion. Additionally, the coverage ratio as at March 2024 improved to 96.86%, compared to 94.31% on December 2023. The Bank's gross advances to deposits ratio (Gross Advances to Total Deposits) decreased to 32.01% in March 2024 from 33.74% as at December 2023, reflecting the risk averse strategic outlook.

As of March 31, 2024, the Bank's deferred tax assets (net) totalled Rs. 24.470 billion. In the current period, an additional Rs. 1.215 billion of deferred tax assets (net) was recognized.

CREDIT RATING

In 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B Minus) and its short-term rating of 'A-3' (A-Three). The Bank has initiated the rating process with VIS Credit Rating Company Limited and has requested the State Bank of Pakistan to allow the Bank to complete the credit rating exercise by September 30, 2024.

VIS Credit Rating Company Limited has issued a new rating scale for Tier-2 capital instruments. As a result, the Bank's TFC rating has been adjusted to 'B' (Single B) with a 'Rating Watch-Negative' outlook, as stated in their press release dated June 27, 2023. Previously, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in-clause invoked by the Bank under the applicable Regulations of the State Bank of Pakistan (SBP).

ECONOMIC REVIEW

Pakistan's economy has been on a path of recovery since the start of FY2024 as the improvement in the worldwide economy, combined with eased import restrictions, is helping to alleviate disruptions in the supply of raw materials and providing support to industries focused on exports. Pakistan has reached a staff level agreement in its final review successfully concluding the IMF's Stand by Arrangement (SBA) program and secured a disbursement of USD 1.1 billion.

The Current Account posted a deficit of USD 1.0 billion for the FY24 (Jul-Feb) against a deficit of USD 3.9 billion last year, indicating a substantial improvement in trade balance position. Exports increased by 10.2% and were recorded at USD 20.5 billion (USD 18.6 billion last year). The total imports declined by 8.8% reaching USD 34.1 billion (USD 37.4 billion last year). Resultantly, trade deficit recorded a decline of 27.8%.

Foreign Direct Investment (FDI) decreased by 17.1% in FY2024 (Jul-Feb). Further, workers remittances recorded at USD 18.1 billion (USD 18.3 billion last year).

Despite an increase in revenues, higher markup payments led to an increase in the fiscal deficit to 2.6% of GDP (Rs. 2,721 billion) as compared to 2.3% of GDP (Rs. 1,974 billion) last year. FBR net provisional tax collection maintained its momentum, increasing by 30% during Jul-Feb FY2024 to reach Rs 5,831 billion (Rs 4,494 billion last year). The increase in revenue is primarily due to an increase of 105% increase in non-tax revenues, reaching Rs 2,140 billion (Rs. 1,046 billion last year).

Headline inflation is on a declining trend; it dropped to 20.7% in March 2024 from 35.4% in March 2023. However, during July-Feb, Consumer Price Index (CPI) stood at 28% against 26.2% in the same period last year. However, in the last MPC meeting held on March 18, 2024, SBP maintained the policy rate at 22% based on: observed high inflation levels despite sharp deceleration in February and susceptibility to risks amidst elevated inflation expectations.

Pakistan's FX reserves stood at USD 13.421 billion on March 27, 2024 of which SBP's reserves were USD 8.084 billion.

The performance of PSX remained remarkable in the first quarter of 2024 as the KSE 100 index made its third consecutive positive monthly closing at 67,005 points at March end.

The ongoing regional conflict in the Middle East, and the Red Sea crisis are already taking a toll on global trade in the form of disruptions in supplies and higher cost of shipments. The biggest challenge for the new government will be to tackle internal as well as external pressures facing the economy. Careful economic management and deep structural reforms will be required to ensure macroeconomic stability going forward.

Despite substantial challenges, the overall economic outlook is optimistic. The twin deficit is on a downward trajectory, signifying better management to reduce economic imbalances. This lays the foundation for progressing towards higher and sustainable economic growth. It is therefore expected that if this positive momentum is maintained, it will further strengthen in the coming months.

ACKNOWLEDGEMENT

On behalf of the Board, we would once again like to thank the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, and other regulatory authorities for their continuous guidance and support. At the same time, we would like to express our gratitude to our shareholders, our customers and the Bank's staff for their continued support.

On behalf of the Board.

Jawad Majid Khan
President and Chief Executive Officer

Fauzia Hasnain
Director

Bank Makramah Limited
April 29, 2024
Karachi

مشرق وسطیٰ میں جاری علاقائی تنازعات اور بحیرہ احمر کا بحران پہلے ہی رسد میں خلل اور شیپمنٹس کی بلند لاگت کی شکل میں عالمی تجارت پر اثر انداز ہو رہا ہے۔ نئی حکومت کے لیے سب سے بڑا چیلنج معیشت کو درپیش اندرونی اور بیرونی دباؤ سے نمٹنا ہو گا۔ مستقبل میں کئی معاشی استحکام کو یقینی بنانے کے لیے محتاط معاشی انتظام اور گہری ساختی اصلاحات کی ضرورت ہو گی۔

نمایاں دشواریوں کے باوجود مجموعی معاشی منظر نامہ امید افزا ہے۔ بڑوں خسارہ کمی کی طرف گامزن ہے، جو معاشی عدم توازن کو کم کرنے کے لیے بہتر معاشی انتظام کی نشاندہی کرتا ہے۔ جس نے بلند اور پائیدار اقتصادی ترقی کی طرف پیش رفت کی بنیاد رکھی ہے۔ لہذا توقع ہے کہ اگر یہی مثبت رفتار برقرار رکھی گئی تو آئندہ مہینوں میں مزید استحکام آئے گا۔

تعریف و تشکر

بورڈ کی جانب سے، ہم ایک بار پھر اسٹیٹ بینک آف پاکستان، سیکوریٹیز اینڈ ایکسچینج کمیشن پاکستان، اور دیگر ضابطہ کاروں کی مسلسل رہنمائی اور معاونت پر شکر گزار ہیں۔ نیز ہم مسلسل معاونت پر ہمارے اسٹیک ہولڈرز، ہمارے صارفین اور بینک کے عملے کا شکر یہ ادا کرنا چاہیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے

فوزیہ حسین
ڈائریکٹر

جواد ماجد خان
صدر اور چیف ایگزیکٹو آفیسر

بینک کمرہ لمیٹڈ

29 اپریل 2024ء

کراچی

کریڈٹ ریٹنگ

2019ء کے دوران، وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کی درمیانی تا طویل مدتی ریٹنگ 'بی بی بی' (ٹرینڈی ملی سانس) اور قلیل مدتی ریٹنگ 'اے-3' (اے- تھری) میں تبدیل کر دی۔ بینک وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ کے ساتھ ریٹنگ کے عمل کا آغاز کر چکا ہے اور اسٹیٹ بینک سے درخواست کی گئی ہے کہ وہ کریڈٹ ریٹنگ کے پراسس کی تکمیل کے لیے 30 ستمبر 2024ء تک توسیع فراہم کر دے۔

وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے درجہ-2 سرمائے کے آلات کے لیے ایک نیارٹنگ اسکیل جاری کیا ہے۔ نتیجتاً، بینک کی ٹی ایف سی ریٹنگ کو ریٹنگ ڈائجسٹو منظر نامے کے ساتھ 'بی' (سنگل بی) میں ایڈجسٹ کیا گیا ہے، جیسا کہ 27 جون، 2023ء کی پریس ریلیز میں بیان کیا گیا۔ قبل ازیں، بینک کی ٹی ایف سی ریٹنگ ڈی (ڈیفایٹ) مقرر کی گئی تھی کیونکہ اسٹیٹ بینک آف پاکستان (ایس بی پی) کے قابل اطلاق ضوابط کے تحت بینک کی جانب سے لاک ان کلاز کی حوالے سے تازہ ترین مارک اپ بینٹ کی ادائیگی نہیں کی گئی تھی۔

اقتصادی جائزہ

مالی سال 2024ء کے آغاز سے ہی پاکستان کی معیشت بحالی کی راہ پر گامزن ہے کیونکہ درآمدی پابندیوں میں نرمی کے ساتھ عالمی معیشت میں بہتری سے خام مال کی رسد میں درپیش رکاوٹوں کو دور کرنے اور برآمدات پر صنعتوں کو معاونت کی فراہمی میں مدد مل رہی ہے۔ پاکستان نے آئی ایم ایف کے اسٹیبلشمنٹ انقذات (ایس بی اے) کے پروگرام کو کامیابی کے ساتھ مکمل کرتے ہوئے اسٹاف لیول معاہدے کا حتمی جائزے پر پہنچ چکا ہے اور 1.1 ارب ڈالر کے قرضے کے قسط حاصل کر چکا ہے۔

مالی سال 24ء (جولائی تا فروری) کے دوران جاری کھاتے میں 1.0 ارب ڈالر کا خسارہ درج کیا جبکہ گذشتہ برس 3.9 ارب ڈالر کا خسارہ ہوا تھا، اس سے تجارتی توازن کی صورت حال میں نمایاں بہتری کی نشاندہی ہوتی ہے۔ برآمدات 10.2 فیصد اضافے کے ساتھ 20.5 ارب ڈالر ریکارڈ کی گئیں (گذشتہ برس 18.6 ارب ڈالر تھیں)۔ مجموعی درآمدات 8.8 فیصد کمی سے 34.1 ارب ڈالر رہیں (گذشتہ برس 37.4 ارب ڈالر)۔ اس کے نتیجے میں تجارتی خسارے میں 27.8 فیصد کمی ریکارڈ کی گئی۔

مالی سال 2024ء (جولائی تا فروری) میں بیرون پر اور مست سرمایہ کاری (ایف ڈی آئی) میں 17.1 فیصد کمی واقع ہوئی۔ مزید برآں کلائنوں کی تریلیٹ زر 18.1 ارب ڈالر ریکارڈ کی گئیں (گذشتہ برس 18.3 ارب ڈالر)۔

محاصل میں اضافے کے باوجود بلند مارک اپ ادائیگیوں کی وجہ سے مالی خسارہ بڑھ کر بی بی ڈی کا 2.6 فیصد (2,721 ارب روپے) ہو گیا جو گذشتہ برس بی بی ڈی کا 2.3 فیصد (1,974 ارب روپے) تھا۔ جولائی تا فروری مالی سال 2024ء کے دوران ایف بی آر کی خالص عبوری ٹیکس وصولی 30 فیصد اضافے کے ساتھ 5,831 ارب روپے تک پہنچ گئی (گذشتہ برس 4,494 ارب روپے)۔ محاصل میں اضافے کی بنیادی وجہ نان ٹیکس محاصل میں 105 فیصد اضافہ ہے جو 2,140 ارب روپے تک پہنچ گیا ہے (گذشتہ برس 1,046 ارب روپے)۔

عبوری مہنگائی میں کمی کارخانہ ہے۔ یہ مارچ 2023ء کے 35.4 فیصد سے کم ہو کر مارچ 2024ء میں 20.7 فیصد رہ گئی۔ تاہم جولائی تا فروری کے دوران صارف اشاریہ قیمت (سی پی آئی) 28 فیصد رہی جو گذشتہ برس کی اسی مدت میں 26.2 فیصد تھی۔ تاہم، 18 مارچ، 2024ء کو منفقہ زری پالیسی کمیٹی کے آخری اجلاس میں، اسٹیٹ بینک نے پالیسی ریٹ کو 22 فیصد پر برقرار رکھا؛ فروری میں مہنگائی میں تیزی سے کمی کے باوجود مہنگائی کی سطح اور مہنگائی میں اضافے کی توقعات کے سبب سہولت کے خطرات میں اضافہ دیکھا گیا۔

27 مارچ 2024ء کو پاکستان کے زرمبادلہ کے ذخائر 13,421 ارب ڈالر تھے جبکہ اسٹیٹ بینک کے ذخائر 8,084 ارب ڈالر ریکارڈ کیے گئے تھے۔

2024ء کی پہلی سہ ماہی میں پاکستان اسٹاک ایکسچینج کی کارکردگی نمایاں طور پر بہتر رہی کیونکہ ایس ای 100 انڈیکس نے مارچ کے اختتام تک مسلسل تیسری مرتبہ 67,005 پوائنٹس پر مثبت ماہانہ گلوٹنگ کی۔

خالص ایڈوانسز پر یاقینتیں بھی بڑھ گئیں، جو کہ موجودہ سہ ماہی کے لیے 18.48 فیصد رہیں جبکہ گزشتہ برس کی اسی مدت کے دوران یہ 15.07 فیصد تھیں۔ یہ اضافہ اسٹیٹ بینک کی جانب سے پالیسی کی شرحوں میں ہونے والے بتدریج اضافے کے نوجہت بندی کے اثر کا عکاس تھا۔ تاہم 31 مارچ 2024ء کو ختم ہونے والی سہ ماہی کے لیے بینک کے اوسط خالص ایڈوانسز گزشتہ برس کی تقابلی مدت کے 19.956 ارب روپے سے کم ہو کر 17.386 ارب روپے رہ گئے، جو اس کے بہ وڈن خطرہ اثاثوں میں کی کمی کی حکمت عملی سے ہم آہنگ تھے۔ جبکہ ایڈوانسز سے حاصل ہونے والی آمدنی بلند رہی جو رواں مدت کے دوران 0.799 ارب روپے رہی جبکہ گزشتہ برس کی اسی مدت میں یہ 0.742 ارب روپے تھی۔

گزشتہ برس کی اسی مدت کے مقابلے میں 31 مارچ 2024ء تک، ڈپازٹس 27.410 ارب روپے یا 20.811 فیصد اضافے سے 159.127 ارب روپے تک پہنچ گئے۔ یہ بینک کی تاریخ میں ڈپازٹ کی بلند ترین سطح ہے۔ بلحاظ اوسط پورٹ فولیو میں 29.104 ارب روپے یا سال بسال 23.21 فیصد اضافہ ہوا۔ شرح ہائے سود کی سخت مسابقت کے سبب، بینک کی توجہ سی اے ایس اے کے اہمیزے اور غیر نفع بخش کھاتوں کو برقرار رکھنے پر مرکوز رہی۔ 31 مارچ 2024ء تک بینک کا سی اے ایس اے کا تناسب بڑھ کر 89.45 فیصد ہو گیا (مارچ 2023ء: 89.30 فیصد)، باوجود اس کے کہ سرمایہ کار کی جانب سے بینک میں سرمایہ کاری کے لیے مختص رقم کو اس کے جاری کھاتے سے شیئر سبسکرپشن اکاؤنٹ میں منتقل کیا گیا تھا۔ پالیسی ریٹ کو بڑھا کر 22 فیصد کیے جانے کے باوجود رواں سال ڈپازٹس کی لاگت 13.76 فیصد رہی۔

چونکہ بینک نے ٹائٹنی کے مواقع سے فائدہ اٹھایا، لہذا مارچ 2024ء کے دوران اوسط قرض گیری 84.800 ارب روپے اضافے سے بڑھ کر 111.566 ارب روپے ہو گئی جبکہ گزشتہ برس کی اسی مدت میں 26.766 ارب روپے تھی۔ دریں اثنا، مجموعی اوسط لاگت بڑھ کر 21.93 فیصد ہو گئی، جو گزشتہ برس کی اسی مدت کے دوران 15.33 فیصد تھی۔

بینک کی غیر مالی (نان فنڈڈ) آمدنی گزشتہ تقابلی مدت کے 38.006 ملین روپے کے مقابلے میں 606.243 ملین روپے رہی۔ اس کی بنیادی وجہ تسکات کی فروخت سے حاصل ہونے والے منافع اور فیس کی آمدن تھی۔

مہنگائی کے دباؤ، کرنسی کی قدر میں کمی، اجناس کی بڑھتی ہوئی قیمتوں کے باوجود بینک نے لاگت پر قابو پانے کے اقدامات کے نفاذ کے ساتھ اپنے آپریٹنگ اخراجات کا محتاط طور پر انتظام جاری رکھا۔ اگرچہ 2024ء کی پہلی سہ ماہی کے دوران اوسط پی آئی مہنگائی 24.03 فیصد تک پہنچ گئی، تاہم بینک گزشتہ برس کی اسی مدت کے مقابلے میں اپنے آپریٹنگ اخراجات میں اضافے کو 16.51 فیصد تک محدود رکھنے میں کامیاب رہا۔ بینک کے مجموعی نان مارک اپ اخراجات 1.850 ارب روپے درج کیے گئے جو گزشتہ برس کی اسی مدت میں 1.588 ارب روپے تھے۔

رواں سہ ماہی میں تھوہین کے خالص اسٹراڈا 1.092 ارب روپے تھے جو گزشتہ برس کی اسی مدت کے 0.534 ارب روپے کے نمایاں اضافے کو ظاہر کرتے ہیں۔

31 مارچ 2024ء تک بینک کا مجموعی غیر فعال قرضوں کا تناسب (مجموعی غیر فعال قرضے اور مجموعی ایڈوانسز) معمولی کمی سے 68.41 فیصد ہو گیا جبکہ 31 دسمبر 2023ء کو یہ 68.50 فیصد تھا۔ اس کی بنیادی وجہ مجموعی ایڈوانسز میں 2.022 ارب روپے کی کمی تھی۔ مزید برآں، مارچ 2024ء کے اختتام پر کوریج کا تناسب بہتر ہو کر 96.86 فیصد

ہو گیا جبکہ دسمبر 2023ء میں یہ 94.31 فیصد تھا۔ بینک کا مجموعی ایڈوانسز اور ڈپازٹس کا تناسب (مجموعی ایڈوانسز اور ٹیل ڈپازٹس) مارچ 2024ء میں گھٹ کر 32.01 فیصد رہ گیا جو دسمبر 2023ء میں 33.74 فیصد تھا، اس سے خطرے سے گریز کے اسٹریٹجک منظر نامے کی عکاسی ہوتی ہے۔

31 مارچ 2024ء تک بینک کے (خالص) مؤخر ٹیکس اٹالے 24.470 ارب روپے تھے۔ رواں مدت میں اضافی 1.215 ارب روپے کے مؤخر ٹیکس اثاثوں کی نشان دہی کی گئی۔

ڈائریکٹروں کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 مارچ 2024ء کو اختتام پذیر ہونے والی سہ ماہی کے لیے بینک کے ڈائریکٹرز کا جائزہ اور نمبر آڈٹ شدہ جامع عبوری مالی گوشوارے پیش کرتے ہوئے سرور ہیں۔

بینک کی کارکردگی

31 مارچ 2024ء کو ختم ہونے والی سہ ماہی کے مالی نتائج کی جھلکیاں حسب ذیل ہیں:

روپے ملین میں	مالی صورت حال
(14,832)	شیرتیز ہولڈرز کی ایکویٹی
159,127	امانتیں
266,108	مجموعی اثاثے
17,039	ایڈوائس - خالص
176,665	سرمایہ کاریاں - خالص
	مالی کارکردگی
(335)	خالص سودی آمدنی اور غیر سودی آمدنی (مجموعی آمدنی)
1,850	غیر سودی اخراجات
(1,092)	توہین کا اسٹز داد اور منتر وکات (خالص)
1,093	خسارہ قبل از ٹیکس
812	خسارہ بعد از ٹیکس
(0.15)	خسارہ فی شیرتیز بنیادی اور سیال (diluted) - روپے

پالیسی ریٹ میں مسلسل اضافے کے ساتھ بگڑتے ہوئے کلی معاشی عوامل جیسے بلند مہنگائی اور روپے کی قدر میں کمی سے پیدا ہونے والے درپیش چیلنجوں کے باوجود، ہم یہ بتاتے ہوئے خوشی محسوس کر رہے ہیں کہ بینک نے اپنے خساروں میں کمی کی جانب پیش رفت کی ہے۔ 31 مارچ 2024ء کو اختتام پذیر ہونے والی سہ ماہی کے دوران، بینک کا خسارہ قبل از ٹیکس 1.093 ارب روپے رہا جبکہ گذشتہ برس کی اسی مدت کے دوران یہ 1.427 ارب روپے تھا، نیز خسارہ بعد از ٹیکس 0.812 ارب روپے رہا جو گذشتہ برس کی اسی مدت میں 0.928 ارب روپے تھا۔ اس کے نتیجے میں خسارہ فی شیرتیز کم ہو کر 0.15 روپے رہ گیا جبکہ سابقہ تقابلی مدت کے دوران یہ 0.35 روپے تھا۔

سال ہمال موازنے کے لحاظ سے، اوسط خالص سرمایہ کاری میں نمایاں بہتری آئی ہے جس کی وجہ امانتوں اور قرضوں میں اضافے کو قرار دیا جاسکتا ہے۔ نتیجتاً اوسط خالص سرمایہ کاری گذشتہ تقابلی مدت کے 66.103 ارب روپے سے بڑھ کر 179.861 ارب روپے ہو گئی۔ خالص اوسط سرمایہ کاریوں میں اس نمایاں اضافے کو خالص سرمایہ کاری یا فنڈوں میں بہتری سے مدد ملی، جو گذشتہ تقابلی مدت کے 17.29 فیصد سے بڑھ کر موجودہ مدت میں 22.13 فیصد ہو گئیں۔ حجم اور یا فنڈوں دونوں میں اس قابل ذکر اضافے کے نتیجے میں بینک کی سرمایہ کاری آمدنی میں خاطر خواہ اضافہ ہوا جو گذشتہ تقابلی مدت کے 2.819 ارب روپے کے مقابلے میں رواں مدت میں 9.897 ارب روپے تک پہنچ گئی۔

**UNCONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

**FOR THE QUARTER ENDED
MARCH 31, 2024**

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	16,765,989	14,463,417
Balances with other banks	7	1,579,426	601,877
Lendings to financial institutions		-	-
Investments	8	176,664,707	179,899,952
Advances	9	17,038,635	18,735,149
Property and equipment	10	7,173,600	7,210,016
Right-of-use assets	11	2,615,198	2,721,205
Intangible assets	12	277,397	262,203
Deferred tax assets	13	24,469,768	23,255,236
Other assets	14	19,523,567	41,475,212
Total Assets		266,108,287	288,624,267
LIABILITIES			
Bills payable	16	1,662,015	2,162,537
Borrowings	17	108,467,997	130,369,330
Deposits and other accounts	18	159,126,936	156,960,280
Lease liabilities	19	3,330,466	3,348,737
Subordinated debt	20	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	21	6,857,779	7,100,434
Total Liabilities		280,940,708	301,436,833
NET ASSETS		<u>(14,832,421)</u>	<u>(12,812,566)</u>
REPRESENTED BY			
Share capital - net		30,500,208	30,500,208
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	22	3,258,420	3,970,837
Accumulated losses		(48,166,006)	(46,858,568)
		<u>(14,832,421)</u>	<u>(12,812,566)</u>
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2024

	March 31, 2024	March 31, 2023
	Note----- (Rupees in '000) -----	
Mark-up / return / interest earned	24 10,752,037	3,609,391
Mark-up / return / interest expensed	25 11,693,205	4,019,835
Net Mark-up / interest expense	(941,168)	(410,444)
NON MARK-UP / INTEREST INCOME		
Fee and commission income	26 268,122	135,307
Dividend income	-	-
Foreign exchange income	142,130	363,306
Income / (loss) from derivatives	-	-
Gain / (loss) on securities	27 174,468	(476,463)
Net gains / (loss) on derecognition of financial assets measured at amortised cost	-	-
Other income	28 21,523	15,856
Total non-markup / interest income	606,243	38,006
Total income	(334,925)	(372,438)
NON MARK-UP / INTEREST EXPENSES		
Operating expenses	29 1,850,225	1,587,991
Workers' welfare fund	-	-
Other charges	-	120
Total non-markup / interest expenses	1,850,225	1,588,111
Loss before credit loss allowance / provisions	(2,185,150)	(1,960,549)
Credit loss allowance / reversals and write offs - net Extra ordinary / unusual items	31 (1,092,292)	(533,855)
	-	-
LOSS BEFORE TAXATION	(1,092,858)	(1,426,694)
Taxation	32 (281,024)	(498,774)
LOSS AFTER TAXATION	(811,834)	(927,920)
	----- (Rupee) -----	
Basic loss per share	33 (0.15)	(0.35)
Diluted loss per share	33 (0.15)	(0.35)

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2024

	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
Loss after taxation for the period	(811,834)	(927,920)
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of investments - net of tax	-	(116,077)
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	(633,174)	-
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of operating fixed assets - net of tax	9,383	9,658
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	8	-
Movement in surplus on revaluation of non-banking assets - net of tax	2,321	2,313
	11,712	11,971
Total comprehensive loss	<u>(1,433,296)</u>	<u>(1,032,026)</u>

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

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Director

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2024

	Share capital		Capital reserves		Surplus / (deficit) on revaluation of		Property & equipment / Non-banking assets	Property held for sale	Accumulated losses	Total
	Issued, subscribed and paid up	Discount on shares	Share premium	Reserve arising on amalgamation	Statutory reserve	Investments				
Balance as at January 01, 2023 (Audited)	26,381,510	(5,881,316)	1,000,000	(1,579,205)	154,162	(6,149)	3,295,706	708,079	(41,721,679)	(17,649,892)
Loss after taxation for the quarter ended March 31, 2023	-	-	-	-	-	-	-	-	-	(927,920)
Other comprehensive income – net of tax	-	-	-	-	-	(116,077)	11,971	-	-	(104,106)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of property & equipment to accumulated losses	-	-	-	-	-	-	(24,765)	-	24,765	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	(5,928)	-	5,928	-
Balance as at April 01, 2023 (Un-audited)	26,381,510	(5,881,316)	1,000,000	(1,579,205)	154,162	(122,224)	3,276,984	708,079	(42,218,906)	(18,680,918)
Loss after taxation for the nine months period ended December 31, 2023	-	-	-	-	-	-	-	-	(4,390,696)	(4,390,696)
Other comprehensive income – net of tax	-	-	-	-	-	304,228	55,004	15,613	50,816	425,661
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of property & equipment to accumulated losses	-	-	-	-	-	-	(74,095)	-	74,095	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	(17,683)	-	17,683	-
Transfer from surplus on revaluation of property & equipment on sale to accumulated losses	-	-	-	-	-	-	(135,032)	-	135,032	-
Transfer from surplus on revaluation of property held for sale to accumulated losses	-	-	-	-	-	-	-	(40,035)	40,035	-
Transactions with owners, recorded directly in equity										
Issue of share capital	319,840,695	(29,840,661)	-	-	-	-	-	-	-	10,000,014
Share issuance cost	-	-	-	-	-	-	-	-	(1,662,647)	(1,662,647)
Balance as at January 01, 2024 (Audited)	66,222,205	(35,721,997)	1,000,000	(1,579,205)	154,162	182,002	3,105,178	683,657	(46,859,568)	(2,212,566)
Effect of reclassification on adoption of IFRS 9 - ECL (net of tax) - Note 4.1.2	-	-	-	-	-	(60,943)	-	-	60,943	(586,559)
Effect of adoption of IFRS 9 - ECL (net of tax) - Note 4.1.2	-	-	-	-	-	-	-	-	-	-
Loss after taxation for the quarter ended March 31, 2024	-	-	-	-	-	(653,166)	11,704	-	(61,834)	(61,834)
Other comprehensive income – net of tax	-	-	-	-	-	-	(24,089)	-	24,059	(621,462)
Transfer to statutory reserve	-	-	-	-	-	-	(6,983)	-	6,983	-
Transfer in respect of incremental depreciation from surplus on revaluation of property & equipment to accumulated losses	-	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024 (Un-audited)	66,222,205	(35,721,997)	1,000,000	(1,579,205)	154,162	(52,107)	3,086,870	683,657	(46,186,006)	(4,932,421)

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2024

	March 31, 2024	March 31, 2023
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,092,858)	(1,426,694)
Less: Dividend income	-	-
	<u>(1,092,858)</u>	<u>(1,426,694)</u>
Adjustments:		
Depreciation on property and equipment	105,293	106,838
Depreciation on right-of-use assets	136,699	148,509
Depreciation on non-banking assets	16,255	16,303
Finance charges on leased assets	111,531	105,528
Amortization	7,465	5,611
Credit loss allowance / reversals and write offs - net	(1,091,725)	(533,428)
Gain on forward exchange contracts	(29,238)	(29,343)
Charge for defined benefit plan	19,862	12,505
Charge for employees compensated absences	5,999	5,196
Gain on termination of lease contracts under IFRS 16	-	(8,650)
Gain on sale of property & equipment	(19,039)	(591)
	<u>(736,898)</u>	<u>(171,522)</u>
	<u>(1,829,756)</u>	<u>(1,598,216)</u>
Increase in operating assets		
Lendings to financial institutions	-	10,141,557
Advances	2,021,995	2,455,359
Others assets (excluding advance taxation)	21,961,714	(578,463)
	<u>23,983,709</u>	<u>12,018,453</u>
(Decrease) / increase in operating liabilities		
Bills payable	(500,522)	(319,277)
Borrowings from financial institutions	(21,901,216)	5,473,352
Deposits	2,166,656	9,797,622
Other liabilities (excluding current taxation)	(452,637)	102,319
	<u>(20,687,719)</u>	<u>15,054,016</u>
Payment on account of staff retirement benefits	(8,684)	99,279
Income tax paid	(139,681)	(42,826)
Net cash generated from operating activities	<u>1,317,869</u>	<u>25,530,706</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net Investments in securities classified as FVOCI	2,197,267	-
Net Investments in securities classified as available for sale securities	-	(23,723,814)
Investments in property and equipment	(69,752)	(18,625)
Investments in intangible assets	(22,659)	(4,235)
Proceeds from sale of property and equipment	19,914	1,273
Net cash generated from / (used in) investing activities	<u>2,124,770</u>	<u>(23,745,401)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligations against right-of-use assets	(160,494)	(169,293)
Net cash used in financing activities	<u>(160,494)</u>	<u>(169,293)</u>
Effect of exchange rate changes on cash and cash equivalents	(36,430)	521,382
Increase in cash and cash equivalents	<u>3,245,715</u>	<u>2,137,394</u>
Cash and cash equivalents at beginning of the year	15,095,329	13,482,793
Cash and cash equivalents at end of the period	<u>18,341,044</u>	<u>15,620,187</u>

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2024

1. STATUS AND NATURE OF BUSINESS

1.1 Bank Makramah Limited (the Bank), is a banking company incorporated in Pakistan on December 09, 2005 as a public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Bank's registered office is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan and its principal office is situated at Summit Tower, Plot No. G-2, Block 2, Scheme 5, Clifton, Karachi, Pakistan.

The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through its 164 Conventional Banking Branches and 13 Islamic Banking Branches (December 31, 2023: 164 Conventional Banking Branches and 13 Islamic Banking Branches) in Pakistan.

1.2 In 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B Minus) and its short-term rating of 'A-3' (A-Three). The Bank has initiated the rating process with VIS Credit Rating Company Limited and requested the State Bank of Pakistan (SBP) to allow completion of the credit rating exercise by September 30, 2024.

VIS Credit Rating Company Limited has issued a new rating scale for Tier-2 capital instruments. Consequently, the Bank's TFC rating has been adjusted to 'B' (Single B) with a 'Rating Watch-Negative' outlook, as stated in their press release dated June 27, 2023. Previously, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in clause invoked by the Bank under the applicable Regulations of SBP.

1.3 During the quarter ended, the Bank has incurred a net loss of Rs. 811.834 million resulting in accumulated losses of Rs. 48,166.006 million and negative equity of Rs. 14,832.421 million. As per the applicable laws and regulations, the Bank is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.50% (inclusive of Capital Conservation Buffer of 1.50%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of March 31, 2024. However, the paid up capital of the Bank (net of losses), CAR and LR are negative.

The aforementioned conditions indicate the existence of material uncertainty that may cast significant doubt on the Bank's ability to continue as a going concern and, therefore, the Bank may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Bank is making its best efforts to comply with the applicable capital requirements and has successfully increased its capital. To achieve this, the management has prepared a business plan, which has been approved by the Board. This plan aims to improve the Bank's capital base and risk absorption capacity, achieve compliance with applicable regulatory requirements and provide impetus to its future growth initiatives. The key assumptions considered in the business plan are as follows:

- Injection of capital;
- Sale of a portion of self-constructed property on the plot of land bearing No. G-2, Block2, Scheme No: 5;
- Reaping benefits from the expected growth of Islamic finance in Pakistan since the Bank will speed-up the implementation process of its earlier decision of conversion to a full-fledged Islamic bank;
- Recoveries from non-performing advances through strenuous and focused recovery efforts;
- Reduction in overall level of non-earning assets held by the Bank;

- Identifying opportunities for rationalization of the cost structure;
- Improvement in the risk management and technological infrastructure of the Bank to support the business plan;
- Investments / exposures in safe avenues for achieving solid growth in the core business income; and
- Income generation through avenues for mark up income and non-mark up income.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. 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 Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. Moreover, SBP vide BPRD Circular no. 4 of 2015, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP, through S.R.O. 411(1)/2008 dated April 28, 2008 has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures', to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

These unconsolidated condensed interim financial statements represent separate financial statements of Bank Makramah Limited in which investment in subsidiary are accounted for on the basis of direct equity interest rather on the basis of reported results. Accordingly, the consolidated condensed interim financial statements have been presented separately.

2.2 Key financial figures of the Islamic banking branches are disclosed in Note 39 to these unconsolidated condensed interim financial statements.

2.3 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2023.

2.4 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

IFRS 9 'Financial Instruments', became effective for annual reporting on or after January 01, 2024. The impact of adaptation of IFRS 9 on the Bank's condensed interim financial statements is disclosed in note 4.1.2.

In addition, there are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2024. These are considered either not to be relevant or not to have any significant impact on the Bank's operations and therefore are not detailed in these unconsolidated financial statements.

2.5 Standards, interpretations of and amendments to existing accounting and reporting standards that are not yet effective

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

<u>Standard, Interpretation or Amendment</u>	<u>Effective date (annual periods beginning on or after)</u>
Lack of Exchangeability - Amendments to IAS 21	January 01, 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised

2.6 Critical accounting estimates and judgments

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2023.

3. BASIS OF MEASUREMENT

3.1 Accounting convention

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention, except for:

- Certain property & equipment and non-banking assets acquired in satisfaction of claims are stated at revalued amounts less accumulated depreciation / impairment.
- Investments classified as FVTPL and FVOCI, which are measured at fair value.
- Commitments in respect of forward exchange contracts, which are measured at fair value.
- Right-of-use assets and their related lease liabilities, which are measured at their present value adjusted for depreciation, interest cost and lease repayments.
- Net obligation in respect of defined benefit scheme, which is measured at their present value.

3.2 Functional and Presentation Currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended December 31, 2023 except as disclosed in note 4.1.

4.1 Changes in accounting policies

4.1.1 Change in reporting format

The SBP, vide its BPRD Circular No. 02 dated February 09, 2023 and BPRD Circular Letter No. 07 dated April 13, 2023, issued the revised formats for the preparation of the annual and interim financial information of the banks which are applicable for quarterly / half yearly periods beginning on or after January 01, 2024 (previously January 01, 2023). The implementation of the revised formats has resulted in certain changes to the presentation and disclosures of various elements of the condensed interim financial information. Right of Use assets and corresponding Lease Liability are now presented separately on the face of statement of financial position. Previously they were presented under Property and Equipment (previously titled Fixed Assets) and Other Liabilities respectively. As a result of the this change, the Property and Equipment of the Bank decreased by Rs 2,615.198 million and Rs 2,721.205 million as of March 31, 2024 and December 31, 2023 respectively. Further, Other Liabilities of the Bank decreased by Rs 3,330.466 million and Rs 3,348.737 as of March 31, 2024 and December 31, 2023 respectively.

The Bank has adopted the above changes in the presentation and made additional disclosures to the extent applicable to its operations and corresponding figures have been rearranged / reclassified (Note 40).

4.1.2 Impact of IFRS 9 - Financial Instruments

The Bank has opted for modified retrospective approach and has not restated comparative figures as permitted by the transitional provisions of IFRS 9. The impacts of the IFRS - 9 to the carrying amounts of financial assets and liabilities at the date of transition are recognised in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative.

For disclosures in the notes to the condensed interim financial statements, the consequential amendments to IFRS 7 disclosures as a result of adoption of IFRS 9 have also been applied to the current period only. The comparative period disclosures are in line with the disclosures made in the prior period / year.

The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

The Bank has adopted IFRS 9 effective January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application is of Rs. 586.559 million has been recorded as an adjustment to equity at the beginning of the current accounting period. Details of impact of initial application are tabulated below:

	Balances as of	Impact due to:			Balances as of	IFRS 9 Category
	December 31, 2023	Recognition Expected Credit Losses	Adoption of revised classifications under IFRS 9	Taxation impact	January 1, 2024 Restated	
ASSETS						
Cash and balances with treasury banks	14,463,417	-	-	-	14,463,417	Amortized Cost
Balances with other banks	601,877	(502)	-	-	601,375	Amortized Cost
Lendings to financial institutions	-	-	-	-	-	Amortized Cost
Investments						
- Classified as Available for sale	179,668,201	-	(179,668,201)	-	-	
- Classified as FVOCI	-	-	179,668,201	-	179,668,201	FVOCI
- Subsidiary	231,751	-	-	-	231,751	Not applicable
Advances	18,735,149	(852,059)	-	-	17,883,090	Amortized Cost
Property and equipment	7,210,016	-	-	-	7,210,016	Outside scope of IFRS 9
Right-of-use assets	2,721,205	-	-	-	2,721,205	Outside scope of IFRS 9
Intangible assets	262,203	-	-	-	262,203	Outside scope of IFRS 9
Deferred tax assets	23,255,236	-	-	375,014	23,630,250	Outside scope of IFRS 9
Other assets - Financial Assets	33,507,356	-	-	-	33,507,356	Amortized Cost / FVOCI*
Other assets - Non Financial Assets	7,967,856	-	-	-	7,967,856	Outside scope of IFRS 9
Total Assets	288,624,267	(852,561)	-	375,014	288,146,720	
LIABILITIES						
Bills payable	2,162,537	-	-	-	2,162,537	Amortized Cost
Borrowings	130,369,330	-	-	-	130,369,330	Amortized Cost
Deposits and other accounts	156,960,280	-	-	-	156,960,280	Amortized Cost
Lease liabilities	3,348,737	-	-	-	3,348,737	Outside scope of IFRS 9
Subordinated debt	1,495,515	-	-	-	1,495,515	Amortized Cost
Deferred tax liabilities	-	-	-	-	-	Outside scope of IFRS 9
Other liabilities - Financial Liabilities	5,931,521	109,012	-	-	6,040,533	Amortized Cost
Other liabilities - Non-financial Liabilities	1,168,913	-	-	-	1,168,913	Outside scope of IFRS 9
Total Liabilities	301,436,833	109,012	-	-	301,545,845	
NET ASSETS	(12,812,566)	(961,573)	-	375,014	(13,399,125)	
REPRESENTED BY						
Share capital - net	30,500,208	-	-	-	30,500,208	Outside scope of IFRS 9
Reserves	(425,043)	-	-	-	(425,043)	Outside scope of IFRS 9
Surplus / (deficit) on revaluation of assets	3,970,837	-	(60,943)	-	3,909,894	Outside scope of IFRS 9
Accumulated losses	(46,858,568)	(961,573)	60,943	375,014	(47,384,184)	Outside scope of IFRS 9
	(12,812,566)	(961,573)	-	375,014	(13,399,125)	

* Profit / return accrued is based on classification of underlying financial assets. Remaining other assets are classified as Amortized cost.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2023.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	5,292,944	4,607,634
Foreign currency	479,423	473,765
	5,772,367	5,081,399
With State Bank of Pakistan in		
Local currency current account	9,381,735	7,809,752
Foreign currency current account	490,021	501,148
Foreign currency deposit account	615,303	645,616
	10,487,059	8,956,516
With National Bank of Pakistan in Local currency current account	488,724	400,275
Prize bonds	17,839	25,227
Less: Credit loss allowance held against cash and balances with treasury banks	-	-
Cash and balances with treasury banks - net of credit loss allowance	<u>16,765,989</u>	<u>14,463,417</u>

7. BALANCES WITH OTHER BANKS

In Pakistan		
In current account	19,024	12,830
In deposit account	-	-
	19,024	12,830
Outside Pakistan		
In current account	1,486,489	512,159
In deposit account	75,820	76,888
	1,562,309	589,047
Less: Credit loss allowance held against balances with other banks	(1,907)	-
Balances with other banks - net of credit loss allowance	<u>1,579,426</u>	<u>601,877</u>

8. INVESTMENTS

March 31, 2024 (Un-audited)

8.1 Investments by type:

	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
FVOCI				
Federal Government Securities				
- Market Treasury Bills	8,701,463	-	(15,288)	8,686,175
- Pakistan Investment Bonds	119,662,479	-	(746,635)	118,915,844
- GoP Ijarah Sukuks	46,515,115	-	64,694	46,579,809
Shares				
- Fully paid up ordinary shares - Listed	99,922	-	(99,895)	27
- Fully paid up ordinary shares - Unlisted	2,830	(1,000)	-	1,830
- Preference shares - Unlisted	46,035	(46,035)	-	-
Non Government Debt Securities				
- Term Finance Certificates	1,542,217	(1,542,217)	-	-
- Sukuk Bonds	2,491,667	(200,000)	(42,396)	2,249,271
	179,061,728	(1,789,252)	(839,520)	176,432,956
Subsidiary	396,942	(165,191)	-	231,751
Total Investments	179,458,670	(1,954,443)	(839,520)	176,664,707

December 31, 2023 (Audited)

Investments by type:

	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Available-for-sale securities				
Federal Government Securities				
- Market Treasury Bills	25,272,804	-	12,008	25,284,812
- Pakistan Investment Bonds	108,328,519	-	(10,996)	108,317,523
- GoP Ijarah Sukuks	43,396,876	-	341,195	43,738,071
Shares				
- Fully paid up ordinary shares - Listed	99,922	(99,906)	(2)	14
- Fully paid up ordinary shares - Unlisted	2,830	(1,000)	-	1,830
- Preference shares - Unlisted	46,035	(46,035)	-	-
Non Government Debt Securities				
- Term Finance Certificates	1,542,217	(1,542,217)	-	-
- Sukuk Bonds	2,569,792	(200,000)	(43,841)	2,325,951
	181,258,995	(1,889,158)	298,364	179,668,201
Subsidiary	396,942	(165,191)	-	231,751
Total Investments	181,655,937	(2,054,349)	298,364	179,899,952

(Un-audited) (Audited)
March 31, December 31,
2024 2023
----- (Rupees in '000) -----

8.1.1 Investments given as collateral - Market Value

Market Treasury Bills	-	19,453,473
Pakistan Investment Bonds	109,503,855	104,870,972
	<u>109,503,855</u>	<u>124,324,445</u>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----		
8.2 Credit loss allowance / provision for diminution in value of investments		
Opening balance	2,054,349	4,176,071
Impact of reclassification on adoption of IFRS 9	(99,906)	-
Charge / reversals		
Charge for the period / year	-	26,943
Reversals for the period / year	-	(23,569)
Reversal on disposals	-	(2,125,096)
	-	(2,121,722)
Closing balance	<u>1,954,443</u>	<u>2,054,349</u>

8.3 Particulars of credit loss allowance / provision against debt securities

Category of classification	March 31, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Outstanding amount	Credit loss allowance Held	Non performing investment	Provision
----- (Rupees in '000) -----				
Domestic				
Performing	Stage 1	-	-	-
Underperforming	Stage 2	-	-	-
Non-performing	Stage 3	-	-	-
Loss		<u>1,742,217</u>	<u>1,742,217</u>	<u>1,742,217</u>
		<u>1,742,217</u>	<u>1,742,217</u>	<u>1,742,217</u>

9. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note ----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.	13,392,193	13,596,524	34,516,737	35,952,899	47,908,930	49,549,423
Islamic financing and related assets	2,340,413	2,439,460	274,538	274,364	2,614,951	2,713,824
Bills discounted and purchased	358,400	641,308	47,089	47,089	405,489	688,397
Advances - gross	<u>16,091,006</u>	<u>16,677,292</u>	<u>34,838,364</u>	<u>36,274,352</u>	<u>50,929,370</u>	<u>52,951,644</u>
Credit loss allowance / provision against advances						
- Specific	-	-	-	(34,211,166)	-	(34,211,166)
- General	-	(5,329)	-	-	-	(5,329)
- Stage 1	(57,196)	-	-	-	(57,196)	-
- Stage 2	(89,286)	-	-	-	(89,286)	-
- Stage 3	-	-	(33,744,253)	-	(33,744,253)	-
	<u>(146,482)</u>	<u>(5,329)</u>	<u>(33,744,253)</u>	<u>(34,211,166)</u>	<u>(33,890,735)</u>	<u>(34,216,495)</u>
Advances - net of credit loss allowance / provision	<u>15,944,524</u>	<u>16,671,963</u>	<u>1,094,111</u>	<u>2,063,186</u>	<u>17,038,635</u>	<u>18,735,149</u>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
9.1 Particulars of advances (Gross)		
In local currency	50,631,506	52,311,597
In foreign currencies	297,864	640,047
	<u>50,929,370</u>	<u>52,951,644</u>

9.2 Advances include Rs. 34,838.364 million (December 31, 2023: Rs. 36,274.352 million) which have been placed under non-performing / Stag 3 status as detailed below:

Category of Classification	March 31, 2024 (Un-audited)	
	Non Performing Loans	Credit loss allowance
Domestic		
Other Assets Especially Mentioned	4,487	449
Substandard	919,393	417,336
Doubtful	99,653	45,676
Loss	33,814,831	33,280,792
	<u>34,838,364</u>	<u>33,744,253</u>

Category of Classification	December 31, 2023 (Audited)	
	Non Performing Loans	Provision
Domestic		
Other Assets Especially Mentioned	11,034	657
Substandard	25,438	1,092
Doubtful	102,297	6,397
Loss	36,135,583	34,203,020
	<u>36,274,352</u>	<u>34,211,166</u>

9.3 Particulars of credit loss allowance / provisions against advances

	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)		
	Stage 1	Stage 2	Stage 3	Total	Specific	General	Total
	(Rupees in '000)						
Opening balance	3,339	1,390	34,211,166	34,216,495	33,231,865	10,556	33,242,421
Impact of adoption of IFRS 9	39,060	92,134	720,866	852,060	-	-	-
Charge for the period / year	33,903	7,814	136,622	178,339	2,958,975	-	2,958,975
Reversals	(19,706)	(12,052)	(1,324,122)	(1,355,880)	(1,978,573)	(5,227)	(1,983,800)
	14,197	(4,238)	(1,187,500)	(1,177,541)	980,402	(5,227)	975,175
Amounts written off	-	-	(279)	(279)	(1,101)	-	(1,101)
Closing balance	<u>57,196</u>	<u>89,286</u>	<u>33,744,253</u>	<u>33,890,735</u>	34,211,166	5,329	34,216,495

- 9.3.1 The general provision against consumer financing is required to be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages ranges from 1% to 2.5% for secured and 4% to 7% for unsecured portfolio.

The Bank has maintained general provision against housing finance portfolio at the rate of 1.5% and against unsecured SE portfolio at the rate of 1%.

The Bank has availed the Forced Sale Value (FSV) benefit of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin / TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 1,824.538 million (December 31, 2023: Rs. 1,982.581 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 1,112.968 million (December 31, 2023: Rs. 1,209.374 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

9.4 Advances - Particulars of credit loss allowance

	March 31, 2024 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	----- (Rupees in '000) -----			
Opening balance	-	-	-	-
Impact of adoption of IFRS 9	42,999	93,524	34,932,032	35,068,555
New Advances	2,149	7,814	136,622	146,585
Advances derecognised or repaid	(19,663)	(10,493)	(396,171)	(426,327)
Transfer to stage 1	31,754	(598)	(198)	30,958
Transfer to stage 2	(43)	(460)	(303,330)	(303,833)
Transfer to stage 3	-	(501)	(624,423)	(624,924)
	14,197	(4,238)	(1,187,500)	(1,177,541)
Amounts written off	-	-	(279)	(279)
Closing balance	<u>57,196</u>	<u>89,286</u>	<u>33,744,253</u>	<u>33,890,735</u>

9.5 Advances - Category of classification

		March 31, 2024 (Un-audited)	
		Outstanding amount	Credit loss allowance
----- (Rupees in '000) -----			
Performing	Stage 1	12,489,445	57,196
Underperforming	Stage 2	3,601,561	89,286
Non-Performing	Stage 3		
Substandard		923,880	417,785
Doubtful		99,653	45,676
Loss		33,814,831	33,280,792
Total		<u>50,929,370</u>	<u>33,890,735</u>

10. PROPERTY AND EQUIPMENT	Note	(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
		----- (Rupees in '000) -----	
Capital work-in-progress	10.1	59,749	71,286
Property and equipment		7,113,851	7,138,730
		<u>7,173,600</u>	<u>7,210,016</u>

10.1 Capital work-in-progress

Civil works and related payments / progress billings	4,848	3,487
Advances and other payments to suppliers and contractors	54,901	67,799
Advances and other payments against capital work in progress considered doubtful	1,155,814	1,155,814
Less: Provision held there against	(1,155,814)	(1,155,814)
	<u>59,749</u>	<u>71,286</u>

10.2 Additions to property and equipment	(Un-audited)	
	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----		

The following additions have been made to property and equipment during the period:

Capital work-in-progress - net	(1,537)	(3,147)
Property and equipment		
Building improvements	20,804	9,209
Furniture and fixture	2,119	1,711
Electrical, office and computer equipment	58,366	10,852
	81,289	21,772
	<u>69,752</u>	<u>18,625</u>

10.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Building improvements	-	572
Furniture and fixture	194	-
Electrical, office and computer equipment	681	110
	<u>875</u>	<u>682</u>

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
11. RIGHT-OF-USE ASSETS	Note	----- (Rupees in '000) -----	
At January 01,			
Cost		5,553,456	5,195,266
Accumulated Depreciation		(2,832,251)	(2,241,870)
Net Carrying amount		2,721,205	2,953,396
Additions during the period / year		32,034	581,344
Modifications during the period / year		(1,342)	9,197
Deletions during the period / year		-	(232,351)
Depreciation Charge for the period / year		(136,699)	(590,381)
Net Carrying amount		2,615,198	2,721,205
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	174,934	194,998
Intangible assets in use	12.2	102,463	67,205
		277,397	262,203
12.1 Capital work-in-progress			
Advances to suppliers and contractors		174,934	194,998
Advances against capital work in progress considered doubtful		142,522	142,522
Less: Provision held there against		(142,522)	(142,522)
		-	-
		174,934	194,998
12.2 Intangible assets in use			
Computer softwares		102,463	67,205
		(Un-audited)	
		March 31,	March 31,
		2024	2023
12.3 Additions to intangible assets		----- (Rupees in '000) -----	
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		(20,064)	4,235
Directly purchased		42,723	-
		22,659	4,235
12.4			
There were no disposals in intangible assets during the current and prior period.			

13. DEFERRED TAX ASSETS

March 31, 2024 (Un-audited)

At January 01, 2024	IFRS - 9 transition impacts	Recognised in profit and loss account	Recognised in other comprehensive income	At March 31, 2024
----- (Rupees in '000) -----				
Deductible Temporary Differences on				
- Tax losses carried forward				
- Credit loss allowance against advances, off balance sheet etc.				
- Credit loss allowance against Investment				
- Provision against intangible assets				
- Staff compensated absences				
- Credit loss allowance against other assets				
25,583,796	336,051	423,481	-	26,343,328
Taxable Temporary Differences on				
- Surplus on revaluation of property & equipment				
- Surplus on revaluation of investments				
- Unrealized gain on forward exchange contracts				
- Surplus on revaluation of property - held for sale				
- Surplus on revaluation of non-banking assets				
- Accelerated tax depreciation				
(1,074,691)	-	-	9,382	(1,065,309)
(116,362)	38,963	-	404,812	327,413
(10,047)	-	(1,356)	-	(11,403)
(437,092)	-	-	-	(437,092)
(313,821)	-	-	2,321	(311,500)
(376,547)	-	878	-	(375,669)
(2,328,560)	38,963	(478)	416,515	(1,873,560)
23,255,236	375,014	423,003	416,515	24,469,768

December 31, 2023 (Audited)

At January 01, 2023	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2023
----- (Rupees in '000) -----			
Deductible Temporary Differences on			
- Tax losses carried forward			
- Provision against advances, off balance sheet etc.			
- Provision for impairment loss - Investment			
- Provision against intangible assets			
- Staff compensated absences			
- Provision against other assets			
13,103,981	2,407,221	-	15,511,202
8,121,244	881,683	-	9,002,927
1,628,668	(827,472)	-	801,196
48,034	-	-	48,034
51,077	2,601	-	53,678
166,759	-	-	166,759
23,119,763	2,464,033	-	25,583,796
Taxable Temporary Differences on			
- Surplus on revaluation of fixed assets			
- Surplus on revaluation of investments			
- Unrealized gain on forward exchange contracts			
- Surplus on revaluation of property - held for sale			
- Surplus on revaluation of non-banking assets			
- Accelerated tax depreciation			
(1,151,581)	-	76,890	(1,074,691)
3,932	-	(120,294)	(116,362)
(142)	(9,905)	-	(10,047)
(452,705)	-	15,613	(437,092)
(333,546)	-	19,725	(313,821)
(403,990)	27,443	-	(376,547)
(2,338,032)	17,538	(8,066)	(2,328,560)
20,781,731	2,481,571	(8,066)	23,255,236

- 13.1 The net deferred tax asset has been recognized in accordance with the Bank's accounting policy. The management, based on financial projections, estimates that sufficient taxable profits would be available in future against which the deferred tax asset could be realized. The projections includes certain key assumptions underlying management's estimation of profits. Any significant change in such assumptions may have effect on the recoverability of deferred tax asset. The management believes that it is probable that the Bank would be able to achieve the profits and consequently, the deferred tax amount will be fully realized in future.

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
14. OTHER ASSETS			
Income / mark-up accrued in local currency		10,484,760	7,915,376
Income / mark-up accrued in foreign currency		3,451	2,822
Advances, deposits, advance rent and other prepayments		366,071	370,131
Advance taxation (payments less provisions)		502,937	505,235
Non-banking assets acquired in satisfaction of claims		2,342,609	2,352,910
Branch adjustment account		34,888	-
Receivable from other banks against clearing and settlement		260,641	1,391,209
Receivable against Government Securities		-	23,000,000
Mark to market gain on forward foreign exchange contracts		29,525	27,833
Acceptances		167,976	409,685
Stationery and stamps on hand		7,015	6,792
Commission receivable on home remittance		-	184
Property - Held for sale	14.1	3,692,787	3,692,787
Others		545,602	709,558
		<u>18,438,262</u>	<u>40,384,522</u>
Less: Credit loss allowance / provision held against other assets	14.2	(834,161)	(834,729)
Other Assets (Net of credit loss allowance / provision)		<u>17,604,101</u>	<u>39,549,793</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		798,717	804,670
Surplus on revaluation of property - held for sale		1,120,749	1,120,749
Other assets - total		<u>19,523,567</u>	<u>41,475,212</u>

14.1 This represents a portion of the Bank's self constructed property which has been earmarked for selling in the near future. This property is carried at lower of market value / fair value less cost to sell and carrying amount.

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		----- (Rupees in '000) -----	
14.2 Credit loss allowance / provision held against other assets			
Income / mark-up accrued in local currency		1,389	1,389
Advances, deposits, advance rent and other prepayments		98,008	98,008
Non-banking assets acquired in satisfaction of claims		360,107	360,107
Commission receivable on guarantees		9,880	9,880
Receivable from Dewan Group		45,310	45,310
Account receivable - sundry claims		155,978	156,546
Receivable from Speedway Fondmetal (Pakistan) Limited		25,694	25,694
Others		137,795	137,795
		<u>834,161</u>	<u>834,729</u>

14.2.1 Movement in Credit loss allowance / provision held against other assets

Opening balance	834,729	832,810
Charge for the period / year	-	8,032
Reversals for the period / year	(568)	(6,000)
Amount written off	-	(113)
Closing balance	<u>834,161</u>	<u>834,729</u>

15. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

16. BILLS PAYABLE

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
In Pakistan	1,662,015	2,162,537
Outside Pakistan	-	-
	<u>1,662,015</u>	<u>2,162,537</u>

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

- Under export refinance scheme
- Under Islamic Export Refinance Scheme (IERF)
- Under long-term financing facility
- Refinance facility for modernization of SMEs
- Repurchase agreement borrowings

4,690,450	4,691,400
90,000	90,000
188,137	239,398
782	1,100
<u>102,000,000</u>	<u>123,027,721</u>
106,969,369	128,049,619

Repurchase agreement borrowings

1,492,350 2,313,316

Total secured

108,461,719 130,362,935

Unsecured

Overdrawn nostro accounts

6,278 6,395

108,467,997 130,369,330

18. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	38,551,364	1,242,765	39,794,129	43,315,999	1,722,463	45,038,462
Savings deposits	91,717,779	2,437,144	94,154,923	84,046,183	2,168,138	86,214,321
Term deposits	12,824,054	2,459,063	15,283,117	14,520,225	3,489,167	18,009,392
Others	4,065,513	43,711	4,109,224	4,110,091	44,326	4,154,417
	<u>147,158,710</u>	<u>6,182,683</u>	<u>153,341,393</u>	<u>145,992,498</u>	<u>7,424,094</u>	<u>153,416,592</u>
Financial institutions						
Current deposits	462,036	483,008	945,044	230,114	43,445	273,559
Savings deposits	3,116,657	211,761	3,328,418	2,494,955	8	2,494,963
Term deposits	997,549	514,532	1,512,081	668,059	107,107	775,166
Others	-	-	-	-	-	-
	<u>4,576,242</u>	<u>1,209,301</u>	<u>5,785,543</u>	<u>3,393,128</u>	<u>150,560</u>	<u>3,543,688</u>
	<u>151,734,952</u>	<u>7,391,984</u>	<u>159,126,936</u>	<u>149,385,626</u>	<u>7,574,654</u>	<u>156,960,280</u>

19. LEASE LIABILITIES

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Opening	3,348,737	3,494,834
Additions during the period / year	24,226	495,709
Deletion during the period / year	-	(311,302)
Lease payments including interest	(152,686)	(774,778)
Interest expense	111,531	435,077
Modifications	(1,342)	9,197
	<u>3,330,466</u>	<u>3,348,737</u>
Closing		
19.1 Liabilities Outstanding		
Not later than one year	810,593	778,144
Later than one year and upto five years	1,892,873	1,890,404
Over five years	627,000	680,189
	<u>3,330,466</u>	<u>3,348,737</u>
Total at the year end		

20. SUBORDINATED DEBT

Issue amount	Rs.1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2022 (December 31, 2023: October 27, 2022)

These TFCs were issued by the Bank on October 27, 2011 for an initial tenure of seven years and maturity date of October 27, 2018. In order to protect the interest of the TFC Holders, the tenure of the TFC together with the payment of applicable redemption amounts were extended for fourth time by the Bank to October 27, 2019, October 27, 2020, October 27, 2021 and October 27, 2022 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019, November 20, 2019, October 22, 2020 and October 26, 2021. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019, September 23, 2020, July 09, 2021 and August 01, 2022. The final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019, October 21, 2020, October 22, 2021 and October 24, 2022.

Subsequent to the approval granted by the TFC Holders (in their last meeting held on October 27, 2022) for extension in the maturity date and associated rescheduling of the coupon payments of the Term Finance Certificate upto October 27, 2023, the Bank after complying with all the applicable legal and regulatory requirements had furnished a formal request in SBP for seeking aforesaid extension which is currently under consideration and no formal SBP approval has been received.

Rating	'B' (Single B).
Security	Unsecured.
Redemption / profit payment frequency	The redemption / profit payment details are mentioned in the above maturity date clause.
Mark up	Base rate (6 months KIBOR - ask side) plus 325 bps.
Call option	The Bank had an option to call the TFC's subject to SBP's prior written approval, on any profit payment date after the 60th month from the last day of public subscription, with not less than 30 days prior notice to be given to the Trustee. The Call option once announced will not be revocable. Further, no premium will be paid to the TFC Holders in case the call option is exercised by the Bank.
Lock-in-clause	Neither interest nor principal can be paid (even at maturity) if such payments will result in a shortfall in the Bank's Minimum Capital Requirements (MCR) or Capital Adequacy Ratio (CAR) or increase in the existing shortfall in MCR and CAR.

21. OTHER LIABILITIES

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----
Mark-up / return / interest payable in local currency	3,458,043	4,236,243
Mark-up / return / interest payable in foreign currencies	5,551	1,625
Unearned income	74,081	71,476
Accrued expenses	127,959	110,084
Advance against sale of property	711,103	211,103
Acceptances	167,976	409,685
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	287	2,071
Payable to defined benefit plan	38,675	18,813
Charity fund balance	1,605	4,317
Branch adjustment account	-	29,074
Security deposits against lease	160,906	187,514
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	395,442	367,873
Provision for compensated absences	134,952	137,637
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	501,403	542,370
Workers' welfare fund	13,360	13,360
Withholding taxes and government levies payable	223,326	261,913
Federal excise duty and sales tax payable	9,575	10,724
Commission payable on home remittances	72	213
Credit loss allowance against off-balance sheet obligations	21.1 192,518	-
Others	560,887	404,281
	<u>6,857,779</u>	<u>7,100,434</u>

21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	-	-
Impact of adoption of IFRS 9	109,012	
Charge for the period / year	83,506	-
Reversals	-	-
	83,506	-
Amount written off	-	-
Closing balance	<u>192,518</u>	<u>-</u>

22. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of			
- Securities measured at FVOCI-Debt	8.1	(739,625)	-
- Securities measured at FVOCI-Equity	8.1	(99,895)	-
- Available for sale securities		-	298,364
- Fixed assets		3,664,962	3,689,020
- Non-banking assets acquired in satisfaction of claims		798,717	804,670
- Property - held for sale		1,120,749	1,120,749
		<u>4,744,908</u>	<u>5,912,803</u>
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI-Debt		288,454	-
- Securities measured at FVOCI-Equity		38,959	-
- Available for sale securities		-	(116,362)
- Fixed assets		(1,065,309)	(1,074,691)
- Non-banking assets acquired in satisfaction of claims		(311,500)	(313,821)
- Property - held for sale		(437,092)	(437,092)
		<u>(1,486,488)</u>	<u>(1,941,966)</u>
		<u>3,258,420</u>	<u>3,970,837</u>

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
23. CONTINGENCIES AND COMMITMENTS			
-Guarantees	23.1	13,941,712	13,557,375
-Commitments	23.2	123,074,357	147,372,771
-Other contingent liabilities	23.3	22,892,665	22,748,472
		<u>159,908,734</u>	<u>183,678,618</u>
23.1 Guarantees:			
Financial guarantees		20,470	20,470
Performance guarantees		9,505,629	9,761,374
Other guarantees		4,415,613	3,775,531
		<u>13,941,712</u>	<u>13,557,375</u>
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- Letters of credit		7,888,137	8,868,111
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	5,113,693	6,935,713
- forward lending	23.2.2	6,400,438	5,985,317
Commitments for acquisition of:			
- operating fixed assets		67,640	109,562
- intangible assets		112,099	133,031
Other commitments	23.2.3	103,492,350	125,341,037
		<u>123,074,357</u>	<u>147,372,771</u>
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		5,058,093	6,180,469
Sale		55,600	755,244
		<u>5,113,693</u>	<u>6,935,713</u>
23.2.2 Commitments in respect of forward lending			
Forward documentary bills		4,579,215	4,916,896
Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	1,821,223	1,068,421
		<u>6,400,438</u>	<u>5,985,317</u>
23.2.2.1 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.			
		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		----- (Rupees in '000) -----	
23.2.3 Other commitments			
Purchase (Repo)		<u>103,492,350</u>	<u>125,341,037</u>
23.3 Other contingent liabilities - claims against the Bank not acknowledged as debts		<u>22,892,665</u>	<u>22,748,472</u>
23.4 Contingency for tax payable			
Contingency related to tax payable is disclosed in note 32.2.			

	(Un-audited) Quarter ended	
	March 31, 2024	March 31, 2023
24. MARK-UP / RETURN / INTEREST EARNED	Note ----- (Rupees in '000) -----	
On:		
Loans and advances	798,811	741,566
Investments	9,896,884	2,818,870
Lendings to financial institutions	37,943	35,719
Balances with banks	18,399	13,236
	<u>10,752,037</u>	<u>3,609,391</u>
25. MARK-UP / RETURN / INTEREST EXPENSED		
On:		
Deposits	5,288,267	2,641,396
Borrowings	6,082,325	1,011,582
Subordinated debt	94,146	70,396
Cost of foreign currency swaps against foreign currency deposits / borrowings	116,936	190,933
Finance cost of lease liability	111,531	105,528
	<u>11,693,205</u>	<u>4,019,835</u>
26. FEE AND COMMISSION INCOME		
Branch banking customer fees	31,024	13,406
Consumer finance related fees	481	1,657
Card related fees (debit cards)	48,116	23,450
Credit related fees	411	686
Investment banking fees	-	1,322
Commission on trade	150,720	54,219
Commission on guarantees	28,746	27,918
Commission on cash management	5	14
Commission on remittances including home remittances	1,607	2,000
Commission on bancassurance	1,020	1,470
Alternate Delivery Channels	5,977	9,158
Others	15	7
	<u>268,122</u>	<u>135,307</u>
27. GAIN / (LOSS) ON SECURITIES		
Realised	27.1	174,468
Unrealised - Measured at FVPL		(476,463)
		<u>174,468</u>
		<u>(476,463)</u>
27.1 Realised gain / (loss) on:		
Federal Government Securities		174,468
Shares		8,774
		<u>(485,237)</u>
		<u>174,468</u>
		<u>(476,463)</u>
28. OTHER INCOME		
Rent on property	2,043	1,888
Gain on sale of property & equipment - net	19,039	591
Gain on sale of ijarah assets	441	211
Gain on termination of lease contracts under IFRS 16	-	8,650
Refund from Gratuity Fund	-	4,516
	<u>21,523</u>	<u>15,856</u>

		(Un-audited) Quarter ended	
		March 31, 2024	March 31, 2023
Note	-----	(Rupees in '000) -----	

29. OPERATING EXPENSES

Total compensation expense	29.1	653,421	533,899
Property expense			
Rent and taxes		26,172	23,264
Insurance - property		1,776	2,700
Insurance - non banking assets		230	196
Utilities cost		104,577	82,665
Security (including guards)		62,663	60,459
Repair and maintenance (including janitorial charges)		48,323	40,894
Depreciation on owned property & equipment		66,672	63,969
Depreciation on right-of-use assets		136,699	148,509
Depreciation on non banking assets		16,255	16,303
		463,367	438,959
Information technology expenses			
Software maintenance		40,120	34,773
Hardware maintenance		36,794	34,241
Depreciation on computer equipments		18,291	17,261
Amortisation of computer softwares		7,465	5,611
Network charges		23,748	22,880
Insurance		110	1,349
		126,528	116,115
Other operating expenses			
Directors' fees and allowances		9,300	5,700
Fees and allowances to Shariah Board		5,925	5,925
Legal and professional charges		17,691	19,264
Outsourced services costs		78,572	64,141
Travelling and conveyance		116,498	103,983
NIFT clearing charges		8,323	8,783
Depreciation		20,330	25,608
Training and development		1,925	1,905
Postage and courier charges		10,843	11,000
Communication		32,862	13,361
Stationery and printing		40,191	33,031
Marketing, advertisement and publicity		11,138	2,332
Brokerage and commission		9,658	8,461
Fee and subscription		58,677	37,325
Cash transportation and sorting charges		41,003	33,794
Entertainment		18,555	15,036
Insurance		42,247	34,122
Deposit insurance premium expense		45,561	33,869
Repair and maintenance		27,296	29,771
Auditors' remuneration		3,355	2,455
Others		6,959	9,152
		606,909	499,018
		1,850,225	1,587,991

	(Un-audited) Quarter ended	
	March 31, 2024	March 31, 2023
291 Total compensation expense	Note ----- (Rupees in '000) -----	
Fees and allowances etc.	6,037	3,335
Managerial remuneration		
i) Fixed	412,669	337,197
ii) Variable		
of which;		
a) Cash bonus / awards etc.	-	-
b) Incentives and commission	98	161
Charge for defined benefit plan	19,862	12,505
Contribution to defined contribution plan	21,837	17,545
Charge for employees compensated absences	5,999	5,196
Rent and house maintenance	128,909	108,199
Utilities	28,646	24,044
Medical	29,364	25,717
Total	653,421	533,899

30. OTHER CHARGES

Penalties imposed by State Bank of Pakistan	-	120
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31. CREDIT LOSS ALLOWANCE / REVERSALS AND WRITE OFFS - NET

Reversal of provision for diminution in value of investments	-	(508,298)
Credit loss allowance / reversal of provision against loans & advances	(1,177,541)	(33,472)
Credit loss allowance / provision against other assets	(568)	8,307
Operational loss	1,473	35
Recoveries against written off / charged off bad debts	(567)	(427)
Credit loss allowance against off-balance sheet obligations	83,506	-
Credit loss allowance on balance with other banks	1,405	-
	(1,092,292)	(533,855)

32. TAXATION

Current	32.1 & 32.2	141,979	45,592
Prior years		-	-
Deferred		(423,003)	(544,366)
		(281,024)	(498,774)

32.1 This represents the provision for minimum taxation made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and accounting profit / loss has not been disclosed.

32.2 The Income Tax Returns of the Bank have been submitted up to and including the Bank's financial year ended December 31, 2022 i.e. tax year 2023.

In respect of assessments of Bank Makramah Limited from tax years 2009 to tax year 2018 and 2022 the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand (net of rectification) of Rs. 418.48 million through amended assessment orders and the same have been paid / stayed / adjusted against available refunds.

In respect of assessments of Bank Makramah Limited AJK Region from tax year 2013 to tax year 2017, the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand of Rs. 57.96 million through amended assessment orders and the same have been paid / stayed / adjusted against advance tax paid.

In respect of assessments of ex-My Bank Limited (now Bank Makramah Limited) from tax year 2003 to tax year 2011, the tax authorities disputed the Bank's treatment on certain issues and created additional tax demand of Rs. 456.62 million through amended assessment orders and the same have been paid / adjusted against available refunds.

In respect of assessments of ex-Atlas Bank Limited (now Bank Makramah Limited) from tax year 2003 to tax year 2010, the tax authorities disputed the Bank's treatment on certain issues and created additional tax demand of Rs. 89.74 million through amended assessment orders and the same have been paid / adjusted against available refunds.

Such issues mainly include disallowances of mark up payable, taxation of mutual fund distribution at corporate tax rate, disallowance of provision against non-performing loans, disallowance of reversal of provisions, allocation of expenses against dividend income and capital gain, disallowances against non-banking assets, disallowances of certain HO expenses, addition to mark-up/interest earned in AJK region etc. The Bank has filed appeals before the various appellate forums against these amended assessment orders which are either pending for hearing or order.

In pursuance of SRO 1588(I)/2023 dated 21 November 2023, banking companies have been designated to be the 'sector' for the purpose of section 99D of the Income Tax Ordinance 2001, for the tax years 2022 and 2023. The Bank through its legal council has challenged the above levy, and the High Court of Sindh, has suspended the operation of the aforementioned SRO and granted stay to the Bank. Further, the Islamabad High court and the Lahore High court has suspended the operation in other similar petitions. The matter remains pending and the stay order still holds the field.

The management of the Bank is confident about the favourable outcome of the appeals hence, no provision / adjustment with respect to the above matters has been made in these unconsolidated financial statements.

		(Un-audited) Quarter ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
33. BASIC AND DILUTED LOSS PER SHARE	Note		
Loss for the period		(811,834)	(927,920)
		----- Number of shares -----	
Weighted average number of ordinary shares - Basic		5,334,220,021	2,638,151,060
		----- (Rupee) -----	
Basic loss per share		(0.15)	(0.35)
		----- Number of shares -----	
Weighted average number of ordinary shares - Diluted	33.1	5,334,220,021	2,638,151,060
		----- (Rupee) -----	
Diluted loss per share		(0.15)	(0.35)

33.1 There are no potential ordinary shares outstanding as of March 31, 2024.

		(Un-audited) Quarter ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
34. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks		16,765,989	14,821,811
Balances with other banks excluding credit loss allowance		1,581,333	2,274,101
Overdrawn nostro accounts		(6,278)	(1,475,725)
		<u>18,341,044</u>	<u>15,620,187</u>

35. 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 cost. The fair value of unquoted equity securities, other than investment in subsidiary, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

35.1 Fair value of financial assets

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).

35.2 The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	March 31, 2024 (Un-audited)			
	Level1	Level2	Level3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal Government Securities	-	174,181,828	-	174,181,828
- Shares - Listed	27	-	-	27
- Non Government Debt Securities	-	2,249,271	-	2,249,271
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	3,848	3,848
Non-Financial assets - measured at fair value				
Property & equipment	-	-	6,694,818	6,694,818
Non banking assets acquired in satisfaction of claims	-	-	2,781,219	2,781,219
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	5,087,404	-	5,087,404
Forward sale of foreign exchange	-	55,673	-	55,673

	December 31, 2023 (Audited)			
	Level1	Level2	Level3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal Government Securities	-	177,340,406	-	177,340,406
- Shares - Listed	14	-	-	14
- Non Government Debt Securities	-	2,325,951	-	2,325,951
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	3,848	3,848
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	6,740,687	6,740,687
Non banking assets acquired in satisfaction of claims	-	-	2,797,473	2,797,473
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	6,204,424	-	6,204,424
Forward sale of foreign exchange	-	753,437	-	753,437

Valuation techniques used in determination of fair value

Item	Valuation approach and input used
Federal Government Securities - Unlisted	The fair values of Market Treasury Bills (MTB) and Pakistan Investment Bonds (PIB) are determined using the PKRV rates. Floating rate PIBs are revalued using PKFRV rates. The fair values of GOP Ijarah Sukuks are derived using the PKISRVR rates.
Federal Government Securities - Listed	The fair value of investment in listed GOP Ijarah Sukuk are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - Listed	The fair value of investment in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - Unlisted	This represents breakup value of investments.
Non-Government Debt Securities	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Forward foreign exchange contracts	The valuation has been incorporated by interpolating the foreign exchange revaluation rates announced by the SBP.
Property & equipment (land and building) and non-banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties.

36. SEGMENT INFORMATION

36.1 Segment details with respect to business activities

For the quarter ended March 31, 2024 (Un-audited)

Corporate, SME & Commercial	Treasury	Retail Banking	Others	Total
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(Rupees in '000)

Profit and Loss

Net mark-up / return / profit	308,596	3,966,065	(5,027,806)	(88,023)	(941,168)
Inter segment revenue - net	(290,734)	(4,020,890)	6,915,615	(2,603,991)	-
Non mark-up / return / interest income	77,146	325,475	183,972	19,650	606,243
Total income	95,008	270,650	2,071,781	(2,772,364)	(334,925)

Segment direct expenses	55,367	25,058	1,229,382	540,418	1,850,225
Inter segment expense allocation	156,178	53,501	303,781	(513,460)	-
Total expenses	211,545	78,559	1,533,163	26,958	1,850,225

Provisions	(1,094,601)	1,405	-	904	(1,092,292)
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Profit / (loss) before tax	978,064	190,686	538,618	(2,800,226)	(1,092,858)
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As at March 31, 2024 (Un-audited)

Corporate, SME & Commercial	Treasury	Retail Banking	Others	Total
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(Rupees in '000)

Balance Sheet

Cash and bank balances	366,027	12,555,209	5,424,179	-	18,345,415
Investments	-	176,664,707	-	-	176,664,707
Net inter segment lending	45,620,378	101,004,048	157,198,796	191,859	304,015,081
Lendings to financial institutions	-	-	-	-	-
Advances - performing	14,077,179	-	313,246	1,554,099	15,944,524
Advances - non-performing	652,142	-	425,124	16,845	1,094,111
Others	618,789	9,789,602	2,593,073	41,058,066	54,059,530
Total assets	61,334,515	300,013,566	165,954,418	42,820,869	570,123,368

Borrowings	4,969,369	103,498,628	-	-	108,467,997
Subordinated debt	-	-	-	1,495,515	1,495,515
Deposits and other accounts	5,874,015	-	153,252,921	-	159,126,936
Net inter segment borrowing	50,046,841	195,903,886	8,803,446	49,260,908	304,015,081
Others	444,290	611,052	3,898,051	6,896,867	11,850,260
Total liabilities	61,334,515	300,013,566	165,954,418	57,653,290	584,955,789

Equity	-	-	-	(14,832,421)	(14,832,421)
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Total equity and liabilities	61,334,515	300,013,566	165,954,418	42,820,869	570,123,368
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Contingencies and Commitments	49,745,376	108,606,043	-	1,557,315	159,908,734
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For the quarter ended March 31, 2023 (Un-audited)

Corporate, SME & Commercial	Treasury	Retail Banking	Others	Total
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(Rupees in '000)

Profit and Loss

Net mark-up / return / profit	364,621	1,800,964	(2,486,842)	(89,187)	(410,444)
Inter segment revenue - net	(332,256)	(1,964,357)	4,521,666	(2,225,053)	-
Non mark-up / return / interest income	51,237	(95,708)	67,424	15,053	38,006
Total income	83,602	(259,101)	2,102,248	(2,299,187)	(372,438)

Segment direct expenses	36,449	20,581	1,083,958	447,123	1,588,111
Inter segment expense allocation	127,167	37,957	245,088	(410,212)	-
Total expenses	163,616	58,538	1,329,046	36,911	1,588,111

Provisions	(33,899)	(508,298)	35	8,307	(533,855)
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(Loss) / profit before tax	(46,115)	190,659	773,167	(2,344,405)	(1,426,694)
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As at December 31, 2023 (Audited)

Corporate, SME & Commercial	Treasury	Retail Banking	Others	Total
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(Rupees in '000)

Balance Sheet

Cash and Bank balances	197,817	9,958,667	4,908,810	-	15,065,294
Investments	-	179,899,952	-	-	179,899,952
Net inter segment lending	3,099,470	54,276,571	144,616,478	168,729	202,161,248
Lendings to financial institutions	-	-	-	-	-
Advances - performing	14,706,718	-	384,646	1,580,599	16,671,963
Advances - non-performing	1,582,648	-	472,592	7,946	2,063,186
Others	629,959	30,187,746	3,746,440	40,359,727	74,923,872
Total Assets	20,216,612	274,322,936	154,128,966	42,117,001	490,785,515

Borrowings	5,021,898	125,347,432	-	-	130,369,330
Subordinated debt	-	-	-	1,495,515	1,495,515
Deposits and other accounts	7,971,400	-	148,988,880	-	156,960,280
Net inter segment borrowing	6,971,002	147,416,551	903,968	46,869,727	202,161,248
Others	252,312	1,558,953	4,236,118	6,564,325	12,611,708
Total liabilities	20,216,612	274,322,936	154,128,966	54,929,567	503,598,081

Equity	-	-	-	(12,812,566)	(12,812,566)
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Total equity and liabilities	20,216,612	274,322,936	154,128,966	42,117,001	490,785,515
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Contingencies and Commitments	49,925,894	132,276,749	-	1,475,975	183,678,618
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3611 The Bank does not have any operations outside Pakistan.

37. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiary, employee benefit plans and its directors and Key Management Personnel.

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 and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the period / year, other than those which have been disclosed elsewhere in these financial statements are as follows:

	March 31, 2024 (Un-audited)					December 31, 2023 (Audited)				
	Parent company	Directors	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
	(Rupees in '000)									
Investments										
Opening balance	-	-	-	396,942	448,218	-	-	-	396,942	1,664,676
Investment made during the period / year	-	-	-	-	-	-	-	-	-	15
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	(1,216,472)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	396,942	448,218	-	-	-	396,942	448,218
Credit loss allowance / provision for diminution in value of investments										
Opening balance	-	-	-	165,191	448,203	-	-	-	165,191	448,203
Change during the period / year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	165,191	448,203	-	-	-	165,191	448,203
Advances										
Opening balance	-	-	303,505	82,400	671,901	-	-	-	162,705	-
Addition during the period / year	-	-	-	210,614	284	-	-	-	210,330	846,145
Repaid during the period / year	-	-	(4,859)	(243,837)	-	-	-	-	(73,085)	(763,745)
Transfer in / (out) - net	-	-	(86)	-	-	-	-	-	3,555	-
Closing balance	-	-	298,560	49,177	672,185	-	-	-	303,505	82,400
Credit loss allowance/ provision held against advances										
Opening balance	-	-	-	-	671,901	-	-	-	-	671,901
Change during the period / year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	671,901	-	-	-	-	671,901

	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)					
	Parent company	Directors	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
(Rupees in '000)										
Other Assets										
Interest / mark-up accrued	-	-	-	689	-	-	-	-	2,559	-
Advances, deposits, advance rent and other prepayments	-	-	2,769	-	-	-	-	4,022	-	-
Other receivable	-	-	-	-	2,949	-	-	-	-	2,949
Credit loss allowance / provision held against other assets	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	-	109,345	15,625	84,129	779,900	-	-	19,511	57,606	2,052,046
Received during the period / year	-	8,621	189,140	1,070,543	159,502	-	-	714,248	5,600,783	3,126,796
Withdrawn during the period / year	-	(1,808)	(182,788)	(1,054,614)	(212,033)	-	-	(718,348)	(5,574,260)	(4,400,329)
Transfer (out) / in - net	-	-	(313)	-	-	-	109,345	214	-	1,387
Closing balance	-	116,158	21,664	100,058	727,369	-	109,345	15,625	84,129	779,900
Other Liabilities										
Interest / mark-up payable	-	2,011	157	-	11,657	-	1,951	298	1,792	13,355
Payable to defined benefit plan	-	-	-	-	38,675	-	-	-	-	18,813
Unearned income	-	-	-	-	346	-	-	-	-	692
Brokerage payable	-	-	-	85	-	-	-	-	2,914	-
Contingencies and Commitments										
Guarantees, letters of credit and acceptances	-	-	-	-	86,500	-	-	-	-	86,500
Commitments to extend credit	-	-	-	138,520	-	-	-	-	131,389	-

For the quarter ended March 31, 2024 (Un-audited)

For the quarter ended March 31, 2023 (Un-audited)

	Parent company	Directors	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
(Rupees in '000)										
Income										
Mark-up / return / interest earned	-	-	5,521	3,524	-	-	-	1,777	448	29,821
Fee and commission income	-	2	-	65	346	-	-	3	3	346
Other income	-	-	-	1,099	-	-	-	-	1,030	-
Expense										
Mark-up / return / interest expensed	-	5,777	309	3,100	35,483	-	-	178	2,122	70,331
Operating expenses:	-	-	-	-	-	-	-	-	-	-
- Directors' fees and allowances	-	9,300	-	-	-	-	5,700	-	-	-
- Brokerage and commission	-	-	-	286	-	-	-	-	564	-
- Fee and subscription	-	-	442	-	-	-	-	400	-	-
- Managerial Remuneration	-	-	104,053	-	395	-	-	80,818	-	299
- Contribution to defined contribution plan	-	-	-	-	21,837	-	-	-	-	17,545
- Charge for defined benefit plan	-	-	-	-	19,862	-	-	-	-	12,505
Credit loss allowance / provision against loans and advances	-	-	-	-	4	-	-	-	-	-

Directors include Non-Executive Directors only. Executive Directors including the President / CEO are part of key management personnel.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----		
38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>(18,245,003)</u>	<u>(16,937,565)</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier-1 (CET-1) Capital	<u>(43,007,542)</u>	<u>(40,909,154)</u>
Eligible Additional Tier-1 (ADT-1) Capital	-	-
Total Eligible Tier-1 Capital	<u>(43,007,542)</u>	<u>(40,909,154)</u>
Eligible Tier-2 Capital	-	-
Total Eligible Capital (Tier-1 + Tier-2)	<u>(43,007,542)</u>	<u>(40,909,154)</u>
Risk Weighted Assets (RWAs):		
Credit Risk	35,846,384	39,240,005
Market Risk	10,683,142	5,935,021
Operational Risk	143,387	143,387
Total	<u>46,672,913</u>	<u>45,318,413</u>
Common Equity Tier-1 Capital Adequacy Ratio	<u>-92.15%</u>	<u>-90.27%</u>
Tier-1 Capital Adequacy Ratio	<u>-92.15%</u>	<u>-90.27%</u>
Total Capital Adequacy Ratio	<u>-92.15%</u>	<u>-90.27%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	(43,007,542)	(40,909,154)
Total Exposures	375,500,744	374,092,249
Leverage Ratio	<u>-11.45%</u>	<u>-10.94%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	87,455,468	73,491,142
Total Net Cash Outflow	23,416,788	27,494,992
Liquidity Coverage Ratio	<u>373.47%</u>	<u>267.29%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	119,198,430	102,118,423
Total Required Stable Funding	68,899,991	64,870,949
Net Stable Funding Ratio	<u>173.00%</u>	<u>157.42%</u>

39. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 13 (December 31, 2023: 13) Islamic banking branches and 35 (December 31, 2023: 35) Islamic banking windows at the end of the period.

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note ----- (Rupees in '000) -----	
ASSETS		
Cash and balances with treasury banks	2,202,785	2,064,488
Balances with other banks	100,208	102,863
Due from financial institutions	39.1 3,666,089	2,788,300
Investments	39.2 34,037,152	37,213,598
Islamic financing and related assets - net	39.3 2,441,404	2,632,858
Property and equipment	171,273	173,098
Right-of-use assets	68,027	76,654
Intangible assets	-	-
Due from Head Office	-	-
Deferred tax assets	-	-
Other assets	3,058,008	2,608,328
Total Assets	45,744,946	47,660,187
LIABILITIES		
Bills payable	182,433	444,820
Due to financial institutions	39.4 1,566,106	4,705,668
Deposits and other accounts	39.5 38,248,741	36,330,124
Due to Head Office	-	-
Lease liabilities	84,241	103,179
Subordinated debt	-	-
Deferred tax liabilities	41,593	134,120
Other liabilities	615,736	1,287,124
	40,738,850	43,005,035
NET ASSETS	5,006,096	4,655,152
REPRESENTED BY		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Surplus on revaluation of assets	74,984	219,705
Unappropriated / Unremitted profit	39.6 3,931,112	3,435,447
	5,006,096	4,655,152
CONTINGENCIES AND COMMITMENTS	39.7	

**ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2024**

	March 31, 2024	March 31, 2023
Note	----- (Rupees in '000) -----	
Profit / return earned	39.8 2,040,254	889,887
Profit / return expensed	39.9 1,358,645	399,354
Net Profit / return	681,609	490,533
Other income		
Fee and commission income	49,055	15,319
Dividend income	-	-
Foreign exchange loss	(10,840)	49,492
Income / (loss) from derivatives	-	-
Gain / (loss) on securities	143,445	(2,131)
Other income	471	7,748
Total other income	182,131	70,428
Total income	863,740	560,961
Other expenses		
Operating expenses	276,024	233,043
Workers' welfare fund	-	-
Other charges	-	-
Total other expenses	276,024	233,043
Profit before credit loss allowance / provisions	587,716	327,918
Credit loss allowance / reversals and write offs - net	7,603	(7,790)
Profit before taxation	580,113	335,708
Taxation	-	-
Profit after taxation	580,113	335,708

ISLAMIC BANKING BUSINESS
FOR THE QUARTER ENDED MARCH 31, 2024

	Note	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
391 Due from Financial Institutions		(Rupees in '000)					
Unsecured							
Bai Muajjal Receivable from other Financial Institutions	39.1.1	3,666,089	-	3,666,089	2,788,300	-	2,788,300
		<u>3,666,089</u>	<u>-</u>	<u>3,666,089</u>	<u>2,788,300</u>	<u>-</u>	<u>2,788,300</u>
Less: Credit loss allowance							
Stage 1		-	-	-	-	-	-
Stage 2		-	-	-	-	-	-
Stage 3		-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Due from financial institutions - net of credit loss allowance		<u>3,666,089</u>	<u>-</u>	<u>3,666,089</u>	<u>2,788,300</u>	<u>-</u>	<u>2,788,300</u>

391.1 This represents Bai Muajjal agreements with conventional operations of Bank Makramah Limited and carries profit rate 21.75% per annum (December 31, 2023: 21.75% per annum) and are due to mature latest by April 16, 2024 (December 31, 2023: January 08, 2024).

39.2 Investments

	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost / Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Investments by segments:								
	(Rupees in '000)							
Classified / Measured at FVOCI / Available for sale securities								
Federal Government Securities:								
- GOP Ijarah Sukuks	3,178,509	-	69,372	3,178,881	34,580,383	-	307,264	34,887,647
Non Government Debt Securities								
- Listed	2,291,667	-	(42,396)	2,249,271	2,369,792	-	(43,841)	2,325,951
Total Investments	<u>34,010,176</u>	<u>-</u>	<u>26,976</u>	<u>34,037,152</u>	<u>36,950,175</u>	<u>-</u>	<u>263,423</u>	<u>37,213,598</u>

39.3 Islamic financing and related assets

	Note	(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
		(Rupees in '000)	
Ijarah		473,806	479,172
Running Musharakah		248,789	354,382
Diminishing Musharakah		992,431	967,149
Diminishing Musharakah-IERF		300,000	300,000
Tijarah		595,998	605,998
Advance against Ijarah		3,927	7,123
Gross Islamic financing and related assets		<u>2,614,951</u>	<u>2,713,824</u>
Less: Credit loss allowance / provision against Islamic financings			
- Stage 1		(790)	-
- Stage 2		(10,799)	-
- Stage 3		(161,958)	-
- Specific		-	(79,889)
- General		-	(1,077)
		<u>(173,547)</u>	<u>(80,966)</u>
Islamic financing and related assets - net of credit loss allowance / provision		<u>2,441,404</u>	<u>2,632,858</u>

39.4 Due to financial institutions

Secured			
Acceptances from the SBP under Islamic Export Refinance Scheme		90,000	90,000
Total secured		<u>90,000</u>	<u>90,000</u>
Unsecured			
Overdrawn nostro accounts		76,106	115,668
Musharakah	39.4.1	1,400,000	4,500,000
Total unsecured		<u>1,476,106</u>	<u>4,615,668</u>
		<u>1,566,106</u>	<u>4,705,668</u>

39.4.1 This represented acceptance of funds by Islamic operations of Bank Makramah Limited from conventional operations of Bank Makramah Limited on Musharaka basis.

39.5 Deposits

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	6,170,298	305,260	6,475,558	10,873,527	615,187	11,488,714
Savings deposits	28,262,908	48,237	28,311,145	21,568,709	194,150	21,762,859
Term deposits	1,375,352	354,161	1,729,513	1,391,933	589,284	1,981,217
Others	531,438	-	531,438	664,289	-	664,289
	36,339,996	707,658	37,047,654	34,498,458	1,398,621	35,897,079
Financial Institutions						
Current deposits	19,813	371,914	391,727	5,725	78	5,803
Savings deposits	287,266	89,579	376,845	277,242	-	277,242
Term deposits	150,000	282,515	432,515	150,000	-	150,000
	457,079	744,008	1,201,087	432,967	78	433,045
	36,797,075	1,451,666	38,248,741	34,931,425	1,398,699	36,330,124

	(Un-audited)	(Audited)
	March 31, 2024	December 31, 2023
----- (Rupees in '000) -----		
39.6 Islamic Banking Business Unappropriated Profit		
Opening balance	3,435,447	1,651,555
Effect of adoption of IFRS 9	(85,251)	-
Add: Islamic Banking profit for the period / year	580,113	1,780,701
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated profit	803	3,191
Closing balance	3,931,112	3,435,447

39.7 CONTINGENCIES AND COMMITMENTS

-Guarantees	3,973,068	3,880,588
-Commitments	8,710,697	6,236,815
-Other contingent liabilities	-	-
	12,683,765	10,117,403
----- (Rupees in '000) -----		
(Un-audited)		
	March 31, 2024	March 31, 2023

39.8 Profit / Return Earned of Financing, Investments and Placement

Profit earned on:		
Financing	23,841	74,470
Investments	1,989,243	452,657
Placements	27,170	362,691
Balances with banks	-	69
	2,040,254	889,887

39.9 Profit on Deposits and other Dues Expensed

Deposits and other accounts	1,291,406	366,083
Due to Financial Institutions	64,078	28,774
Finance cost of lease liability	3,161	4,497
	1,358,645	399,354

40. CORRESPONDING FIGURES

As a result of change in format for the preparation of condensed interim financial information issued by SBP as referred in note 4.1.1 and for better presentation, corresponding figures have been rearranged as follows:

Transfer from	Transfer to	December 31, 2023 Rs. in '000
Property and equipment	Right-of-use	<u>2,721,205</u>
Other liabilities	Lease liability against right-of-use assets	<u>3,348,737</u>

41. DATE OF AUTHORIZATION OF ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 29, 2024 by the Board of Directors of the Bank.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

**FOR THE QUARTER ENDED
MARCH 31, 2024**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	16,765,993	14,463,419
Balances with other banks	7	1,585,692	603,944
Lendings to financial institutions		-	-
Investments	8	176,501,622	179,747,913
Advances	9	16,989,477	18,652,824
Property and equipment	10	7,203,212	7,239,725
Right-of-use assets	11	2,615,198	2,721,205
Intangible assets	12	279,915	264,723
Deferred tax assets	13	24,414,500	23,199,809
Other assets	14	19,662,311	41,644,440
Total Assets		266,017,920	288,538,002
LIABILITIES			
Bills payable	16	1,662,015	2,162,537
Borrowings	17	108,467,997	130,369,330
Deposits and other accounts	18	159,026,877	156,876,151
Lease liabilities	19	3,330,466	3,348,737
Subordinated debt	20	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	21	6,984,159	7,212,281
Total Liabilities		280,967,029	301,464,551
NET ASSETS		(14,949,109)	(12,926,549)
REPRESENTED BY			
Share capital - net		30,500,208	30,500,208
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	22	3,263,580	3,977,847
Unappropriated / Unremitted profit / (loss)		(48,287,854)	(46,979,561)
		(14,949,109)	(12,926,549)
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2024

		March 31, 2024	March 31, 2023
	Note	----- (Rupees in '000) -----	
Mark-up / return / interest earned	24	10,750,113	3,609,945
Mark-up / return / interest expensed	25	11,688,313	4,017,713
Net Mark-up / interest expense		(938,200)	(407,768)
NON MARK-UP / INTEREST INCOME			
Fee and commission income	26	287,472	146,539
Dividend income		8	8
Foreign exchange income		142,130	363,306
Income / (loss) from derivatives		-	-
Gain on securities	27	175,787	(476,463)
Net gains/(loss) on derecognition of financial assets measured at amortised cost		-	-
Other income	28	21,036	15,382
Total non-markup / interest income		626,433	48,772
Total income		(311,767)	(358,996)
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	1,872,693	1,607,095
Workers' welfare fund		-	-
Other charges	30	-	120
Total non-markup / interest expenses		1,872,693	1,607,215
Loss before credit loss allowance / provisions		(2,184,460)	(1,966,211)
Credit loss allowance / reversals and write offs - net Extra ordinary / unusual items	31	(1,092,292)	(533,855)
		-	-
LOSS BEFORE TAXATION		(1,092,168)	(1,432,356)
Taxation	32	(279,479)	(497,814)
LOSS AFTER TAXATION		(812,689)	(934,542)
		----- (Rupee) -----	
Basic loss per share	33	(0.15)	(0.35)
Diluted loss per share	33	(0.15)	(0.35)

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2024

	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
Loss after taxation for the quarter	(812,689)	(934,542)
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of investments - net of tax	-	(114,948)
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	(633,174)	-
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of property and equipment - net of tax	9,383	9,658
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	(1,842)	-
Movement in surplus on revaluation of non-banking assets - net of tax	2,321	2,313
	9,862	11,971
Total comprehensive loss	<u>(1,436,001)</u>	<u>(1,037,519)</u>

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED MARCH 31, 2024

	Share capital		Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of		Unappropriated / Unremitted profit / (loss)	Total
	Issued, subscribed and paid up	Discount on issue of shares	Share premium account	Reserve arising on amalgamation		Investments	Property & Equipment / Non-Banking Assets		
	(Rupees in '000)								
Balance as at January 01, 2023 (Audited)	26,381,510	(5,881,316)	1,000,000	(1,579,205)	154,162	(238)	3,295,706	708,079	(41,886,719)
Loss after taxation for the quarter ended March 31, 2023	-	-	-	-	-	-	-	-	(934,542)
Other comprehensive income - net of tax	-	-	-	-	-	(14,948)	11,971	-	(102,977)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of property & equipment to accumulated losses	-	-	-	-	-	-	-	-	24,765
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	(5,928)	-	5,928
Balance as at April 01, 2023 (Un-audited)	26,381,510	(5,881,316)	1,000,000	(1,579,205)	154,162	(15,186)	3,276,984	708,079	(42,740,568)
Loss after taxation for the nine months period ended December 31, 2023	-	-	-	-	-	-	-	-	(4,392,182)
Other comprehensive income - net of tax	-	-	-	-	-	304,198	55,004	15,613	52,991
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of property & equipment to accumulated losses	-	-	-	-	-	-	(74,095)	-	74,095
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	(17,683)	-	17,683
Transfer from surplus on revaluation of property & equipment on sale to accumulated losses	-	-	-	-	-	-	(135,032)	-	135,032
Transfer from surplus on revaluation of property held for sale on sale to accumulated losses	-	-	-	-	-	-	-	(40,035)	40,035
Transactions with owners, recorded directly in equity									
Issue of share capital	39,840,695	(29,840,681)	-	-	-	-	-	-	10,000,014
Share issuance cost	-	-	-	-	-	-	-	-	(166,647)
Balance as at January 01, 2024 (Audited)	66,222,205	(35,721,997)	1,000,000	(1,579,205)	154,162	189,012	3,105,178	683,857	(46,879,961)
Effect of reclassification on adoption of IFRS 9 - ECL (net of tax) - Note 4.1.2	-	-	-	-	-	(80,943)	-	-	60,943
Effect of adoption of IFRS 9 - ECL (net of tax) - Note 4.1.2	-	-	-	-	-	-	-	-	(586,558)
Loss after taxation for the quarter ended March 31, 2024	-	-	-	-	-	-	-	-	(812,689)
Other comprehensive income - net of tax	-	-	-	-	-	(635,016)	11,704	-	(623,312)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of property & equipment to accumulated losses	-	-	-	-	-	-	(24,059)	-	24,059
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	(5,953)	-	5,953
Balance as at March 31, 2024 (Un-audited)	66,222,205	(35,721,997)	1,000,000	(1,579,205)	154,162	(506,947)	3,086,870	683,857	(48,287,854)

The a merged notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2024

	March 31, 2024	March 31, 2023
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,092,168)	(1,432,356)
Less: Dividend income	(8)	(8)
	<u>(1,092,176)</u>	<u>(1,432,364)</u>
Adjustments:		
Depreciation on property and equipment	105,389	106,983
Depreciation on right-of-use assets	136,699	148,509
Depreciation on non-banking assets	16,343	16,392
Finance charges on leased assets	111,531	105,528
Amortization	7,467	5,613
Credit loss allowance / reversals and write offs - net	(1,091,725)	(533,428)
(Gain) on forward exchange contracts	(29,238)	(29,343)
Charge for defined benefit plan	20,162	12,805
Charge for employees compensated absences	6,399	5,496
Gain on termination of lease contracts under IFRS 16	-	(8,650)
(Gain) on sale / disposal of property and equipment	(19,039)	(591)
Unrealised gain - FVTPL	203	-
	<u>(735,809)</u>	<u>(170,686)</u>
	<u>(1,827,985)</u>	<u>(1,603,050)</u>
Decrease in operating assets		
Lendings to financial institutions	-	10,141,557
Securities classified as FVPL	8,995	-
Advances	1,988,828	2,455,734
Others assets (excluding advance taxation)	21,993,692	(569,407)
	<u>23,991,515</u>	<u>12,027,884</u>
(Decrease) / increase in operating liabilities		
Bills payable	(500,522)	(319,277)
Borrowings from financial institutions	(21,901,216)	5,473,352
Deposits	2,150,726	9,811,002
Other liabilities (excluding current taxation)	(438,264)	85,811
	<u>(20,689,276)</u>	<u>15,050,888</u>
Payment on account of staff retirement benefits	(9,224)	98,978
Income tax paid	(142,969)	(44,346)
Net cash generated from operating activities	<u>1,322,061</u>	<u>25,530,354</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net Investments in securities classified as FVOCI	2,197,267	-
Net Investments in available-for-securities	-	(23,723,812)
Dividend received	8	8
Investments in property and equipment	(69,751)	(18,625)
Investments in intangible assets	(22,659)	(4,235)
Proceeds from sale of property and equipment	19,914	1,273
Net cash generated from / (used in) investing activities	<u>2,124,779</u>	<u>(23,745,391)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligations against right-of-use assets	(160,494)	(169,293)
Net cash used in financing activities	<u>(160,494)</u>	<u>(169,293)</u>
Effect of exchange rate changes on cash and cash equivalents	(36,430)	521,382
Increase in cash and cash equivalents	<u>3,249,916</u>	<u>2,137,052</u>
Cash and cash equivalents at beginning of the year	15,097,398	13,483,933
Cash and cash equivalents at end of the period	<u>18,347,314</u>	<u>15,620,985</u>

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2024

1. STATUS AND NATURE OF BUSINESS

1.1 The Group comprises of:

1.1.1 Holding Company: Bank Makramah Limited

Bank Makramah Limited (the Bank), is a banking company incorporated in Pakistan on December 09, 2005 as a public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Bank's registered office is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan and its principal office is situated at Summit Tower, Plot No. G-2, Block 2, Scheme 5, Clifton, Karachi, Pakistan.

The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through its 164 Conventional Banking Branches and 13 Islamic Banking Branches (December 31, 2023: 164 Conventional Banking Branches and 13 Islamic Banking Branches) in Pakistan.

In 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B Minus) and its short-term rating of 'A-3' (A-Three). The Bank has initiated the rating process with VIS Credit Rating Company Limited and requested the State Bank of Pakistan (SBP) to allow completion of the credit rating exercise by September 30, 2024.

VIS Credit Rating Company Limited has issued a new rating scale for Tier-2 capital instruments. Consequently, the Bank's TFC rating has been adjusted to 'B' (Single B) with a 'Rating Watch-Negative' outlook, as stated in their press release dated June 27, 2023. Previously, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in clause invoked by the Bank under the applicable Regulations of SBP.

1.1.2 Subsidiary

Summit Capital Private Limited - 100 % Shareholding

SCPL, the subsidiary company was incorporated in Pakistan on March 08, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The subsidiary company is a corporate member / TREC holder of Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited. The principal activities of the subsidiary company are equity and money market brokerage, interbank foreign exchange brokerage, commodity brokerage and research. The registered office of the Subsidiary is situated at 701-702, 7th Floor, Business and Finance Centre, opposite State Bank of Pakistan, I.I. Chundrigar Road, Karachi. The Group acquired interest in SCPL by virtue of amalgamation of Atlas Bank Limited.

1.2 During the quarter ended, the Group has incurred a net loss of Rs. 812.689 million resulting in accumulated losses of Rs. 48,287.854 million and negative equity of Rs. 14,949.109 million. As per the applicable laws and regulations, the Group is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.50% (inclusive of Capital Conservation Buffer of 1.50%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of March 31, 2024. However, the paid up capital of the Group (net of losses), CAR and LR are negative.

The aforementioned conditions indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Group is making its best efforts to comply with the applicable capital requirements and has successfully increased its capital. The management has prepared a business plan, which has been approved by the Board. This plan aims to improve the Group's capital base and risk absorption capacity, achieve compliance with applicable regulatory requirements and provide impetus to its future growth initiatives. The key assumptions considered in the business plan are as follows:

- Injection of capital;
- Sale of a portion of self-constructed property on the plot of land bearing No. G-2, Block2, Scheme No: 5;
- Reaping benefits from the expected growth of Islamic finance in Pakistan since the Group will speed-up the implementation process of its earlier decision of conversion to a full-fledged Islamic bank;
- Recoveries from non-performing advances through strenuous and focused recovery efforts;
- Reduction in overall level of non-earning assets held by the Group;
- Identifying opportunities for rationalization of the cost structure;
- Improvement in the risk management and technological infrastructure of the Group to support the business plan;
- Investments / exposures in safe avenues for achieving solid growth in the core business income; and
- Income generation through avenues for mark-up income and non-mark up income.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements represent financial statements of the Holding Company - Bank Makramah Limited and its subsidiary. The assets & liabilities of subsidiary have been consolidated on a line-by-line basis and the investment held by the holding company is eliminated against the corresponding share capital of the subsidiary in these consolidated condensed interim financial statements.

2.2 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. 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 Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. Moreover, SBP vide BPRD Circular no. 4 of 2015, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP, through S.R.O. 411(1)/2008 dated April 28, 2008 has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures', to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

2.3 Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with investee and has the ability to effect these return through its power over the investee.

These consolidated financial statements incorporate the financial statements of subsidiary from the date that control commences until the date that control ceases.

Non-controlling interests are that part of the net results of operations and of net assets of subsidiary attributable to the interest which are not owned by the Group. Material intra-group balances and transactions are eliminated.

2.4 Key financial figures of the Islamic banking branches are disclosed in note 39 to these consolidated condensed interim financial statements.

2.5 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

2.6 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

IFRS 9 'Financial Instruments', became effective for annual reporting on or after January 01, 2024. The impact of adaptation of IFRS 9 on the Group's condensed interim financial statements is disclosed in note 4.1.2.

In addition, there are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2024. These are considered either not to be relevant or not to have any significant impact on the Group's operations and therefore are not detailed in these consolidated financial statements.

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

<u>Standard, Interpretation or Amendment</u>	<u>Effective date (annual periods beginning on or after)</u>
Lack of Exchangeability - Amendments to IAS 21	January 01, 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalised

2.8 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2023.

3. BASIS OF MEASUREMENT

3.1 Accounting convention

These consolidated condensed interim financial statements have been prepared under the historical cost convention, except for:

- Certain property & equipment and non-banking assets acquired in satisfaction of claims are stated at revalued amounts less accumulated depreciation / impairment.
- Investments classified as FVTPL and FVOCI, which are measured at fair value.
- Commitments in respect of forward exchange contracts, which are measured at fair value.
- Right-of-use assets and their related lease liabilities, which are measured at their present value adjusted for depreciation, interest cost and lease repayments.
- Net obligation in respect of defined benefit scheme, which is measured at their present value.

3.2 Functional and Presentation Currency

These consolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2023 except as disclosed in note 4.1.

4.1 Changes in accounting policies

4.1.1 Change in reporting format

The SBP, vide its BPRD Circular No. 02 dated February 09, 2023 and BPRD Circular No. 07 dated April 13, 2023, issued the revised formats for the preparation of the annual and interim financial information of the banks which are applicable for quarterly / half yearly periods beginning on or after January 01, 2024 (previously January 01, 2023). The implementation of the revised formats has resulted in certain changes to the presentation and disclosures of various elements of the condensed interim financial information. Right of use assets and corresponding lease liability are now presented separately on the face of statement of financial position. Previously they were presented under Property and Equipment (previously titled Fixed Assets) and Other Liabilities respectively. As a result of the this change, the Property and Equipment of the Group decreased by Rs 2,615.198 million and Rs 2,721.205 million as of March 31, 2024 and December 31, 2023 respectively. Further, Other Liabilities of the Group decreased by Rs 3,330.466 million and Rs 3,348.737 as of March 31, 2024 and December 31, 2023 respectively.

The Group has adopted the above changes in the presentation and made additional disclosures to the extent applicable to its operations and corresponding figures have been rearranged / reclassified (Note 40).

4.1.2 Impact of IFRS 9 - Financial Instruments

The Group has opted for modified retrospective approach and has not restated comparative figures as permitted by the transitional provisions of IFRS 9. The impacts of the IFRS 9 to the carrying amounts of financial assets and liabilities at the date of transition are recognised in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative.

For disclosures in the notes to the condensed interim financial statements, the consequential amendments to IFRS 7 disclosures as a result of adoption of IFRS 9 have also been applied to the current period only. The comparative period disclosures are in line with the disclosures made in the prior period / year.

The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

The Group has adopted IFRS 9 effective January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application is of Rs. 586.559 million has been recorded as an adjustment to equity at the beginning of the current accounting period. Details of impact of initial application are tabulated below:

	Balances as of	Impact due to:			Balances as of	IFRS 9 Category
	December 31, 2023	Recognition Expected Credit Losses	Adoption of revised classifications under IFRS 9	Taxation	January 1, 2024 Restated	
ASSETS						
Cash and balances with treasury banks	14,463,419	-	-	-	14,463,419	Amortized Cost
Balances with other banks	603,944	(502)	-	-	603,442	Amortized Cost
Lendings to financial institutions	-	-	-	-	-	Amortized Cost
Investments						
- Classified as Available for sale	179,709,544	-	(179,709,544)	-	-	
- Classified as Held for sale	38,369	-	(38,369)	-	-	
- Classified as FVOCI	-	-	179,709,544	-	179,709,544	FVOCI
- Classified as FVTPL	-	-	38,369	-	38,369	FVTPL
Advances	18,652,824	(852,059)	-	-	17,800,765	Amortized Cost
Property and equipment	7,239,725	-	-	-	7,239,725	Outside scope of IFRS 9
Right-of-use assets	2,721,205	-	-	-	2,721,205	Outside scope of IFRS 9
Intangible assets	264,723	-	-	-	264,723	Outside scope of IFRS 9
Deferred tax assets	23,199,809	-	-	375,014	23,574,823	Outside scope of IFRS 9
Other assets - Financial Assets	33,658,751	-	-	-	33,658,751	Amortized Cost / FVOCI*
Other assets - Non Financial Assets	7,985,689	-	-	-	7,985,689	Outside scope of IFRS 9
Total Assets	288,538,002	(852,561)	-	375,014	288,060,455	
LIABILITIES						
Bills payable	2,162,537	-	-	-	2,162,537	Amortized Cost
Borrowings	130,369,330	-	-	-	130,369,330	Amortized Cost
Deposits and other accounts	156,876,151	-	-	-	156,876,151	Amortized Cost
Lease liabilities	3,348,737	-	-	-	3,348,737	Outside scope of IFRS 9
Subordinated debt	1,495,515	-	-	-	1,495,515	Amortized Cost
Deferred tax liabilities	-	-	-	-	-	Outside scope of IFRS 9
Other liabilities - Financial Liabilities	6,039,337	109,012	-	-	6,148,349	Amortized Cost
Other liabilities - Non-financial Liabilities	1,172,944	-	-	-	1,172,944	Outside scope of IFRS 9
Total Liabilities	301,464,551	109,012	-	-	301,573,563	
NET ASSETS	(12,926,549)	(961,573)	-	375,014	(13,513,108)	
REPRESENTED BY						
Share capital - net	30,500,208	-	-	-	30,500,208	Outside scope of IFRS 9
Reserves	(425,043)	-	-	-	(425,043)	Outside scope of IFRS 9
Surplus / (deficit) on revaluation of assets	3,977,847	-	(60,943)	-	3,916,904	Outside scope of IFRS 9
Accumulated losses	(46,979,561)	(961,573)	60,943	375,014	(47,505,177)	Outside scope of IFRS 9
	(12,926,549)	(961,573)	-	375,014	(13,513,108)	

* Profit / return accrued is based on classification of underlying financial assets. Remaining other assets are classified as Amortized cost.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2023.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	5,292,948	4,607,636
Foreign currency	479,423	473,765
	5,772,371	5,081,401
With State Bank of Pakistan in		
Local currency current account	9,381,735	7,809,752
Foreign currency current account	490,021	501,148
Foreign currency deposit account	615,303	645,616
	10,487,059	8,956,516
With National Bank of Pakistan in Local currency current account	488,724	400,275
Prize bonds	17,839	25,227
Less: Credit loss allowance held against cash and balances with treasury banks	-	-
Cash and balances with treasury banks - net of credit loss allowance	<u>16,765,993</u>	<u>14,463,419</u>

7. BALANCES WITH OTHER BANKS

In Pakistan		
In current account	24,939	14,858
In deposit account	351	39
	25,290	14,897
Outside Pakistan		
In current account	1,486,489	512,159
In deposit account	75,820	76,888
	1,562,309	589,047
Less: Credit loss allowance held against balances with other banks	(1,907)	-
Balances with other banks - net of credit loss allowance	<u>1,585,692</u>	<u>603,944</u>

8. INVESTMENTS

8.1 Investments by type:

March 31, 2024 (Un-audited)				
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----				
FVTPL				
Shares				
- Fully paid up ordinary shares - Listed	35,600	-	(6,429)	29,171
FVOCI				
Federal Government Securities				
- Market Treasury Bills	8,701,463	-	(15,288)	8,686,175
- Pakistan Investment Bonds	119,662,479	-	(746,635)	118,915,844
- GoP Ijarah Sukuks	46,515,115	-	64,694	46,579,809
Shares				
- Fully paid up ordinary shares - Listed	128,886	-	(94,755)	34,131
- Fully paid up ordinary shares - Unlisted	8,131	(1,000)	-	7,131
- Preference shares - Unlisted	46,035	(46,035)	-	-
Non Government Debt Securities				
- Term Finance Certificates	1,542,217	(1,542,217)	-	-
- Sukuk Bonds	2,491,667	(200,000)	(42,396)	2,249,271
Units of mutual funds - Listed	68	-	22	90
	179,096,061	(1,789,252)	(834,358)	176,472,451
Total Investments	179,131,661	(1,789,252)	(840,787)	176,501,622

December 31, 2023 (Audited)				
	Cost / Amortised cost	Provision of diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----				
Investments by type:				
Held-for-trading				
Shares				
- Fully paid up ordinary shares - Listed	44,595	-	(6,226)	38,369
Available-for-sale securities				
Federal Government Securities				
- Market Treasury Bills	25,272,804	-	12,008	25,284,812
- Pakistan Investment Bonds	108,328,519	-	(10,996)	108,317,523
- GoP Ijarah Sukuks	43,396,876	-	341,195	43,738,071
Shares				
- Fully paid up ordinary shares - Listed	128,886	(99,906)	6,982	35,962
- Fully paid up ordinary shares - Unlisted	8,131	(1,000)	-	7,131
- Preference shares - Unlisted	46,035	(46,035)	-	-
Non Government Debt Securities				
- Term Finance Certificates	1,542,217	(1,542,217)	-	-
- Sukuk Bonds	2,569,792	(200,000)	(43,841)	2,325,951
Units of mutual funds - Listed	68	-	26	94
	181,293,328	(1,889,158)	305,374	179,709,544
Total Investments	181,337,923	(1,889,158)	299,148	179,747,913

8.1.1 Investments given as collateral

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----		
Market Treasury Bills	-	19,453,473
Pakistan Investment Bonds	109,503,855	104,870,972
	109,503,855	124,324,445

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----		
8.2 Credit loss allowance / provision for diminution in value of investments		
Opening balance	1,889,158	4,010,880
Impact of reclassification on adoption of IFRS 9	(99,906)	-
Charge / reversals		
Charge for the period / year	-	26,943
Reversals for the period / year	-	(23,569)
Reversal on disposals	-	(2,125,096)
	-	(2,121,722)
Closing balance	<u>1,789,252</u>	<u>1,889,158</u>

8.3 Particulars of credit loss allowance / provision against debt securities

		March 31, 2024 (Un-audited)		December 31, 2023 (Audited)	
Domestic		Outstanding amount	Credit loss allowance held	Non Performing Investment	Provision
----- (Rupees in '000) -----					
Performing	Stage 1	-	-	-	-
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Loss		1,742,217	1,742,217	1,742,217	1,742,217
Total		<u>1,742,217</u>	<u>1,742,217</u>	<u>1,742,217</u>	<u>1,742,217</u>

9. ADVANCES

		Performing		Non Performing		Total	
		(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note ----- (Rupees in '000) -----							
Loans, cash credits, running finances, etc.		13,343,035	13,514,199	34,516,737	35,952,899	47,859,772	49,467,098
Islamic financing and related assets	39.3	2,340,413	2,439,460	274,538	274,364	2,614,951	2,713,824
Bills discounted and purchased		358,400	641,308	47,089	47,089	405,489	688,397
Advances - gross		16,041,848	16,594,967	34,838,364	36,274,352	50,880,212	52,869,319
Credit loss allowance / provision against advances							
- Specific		-	-	-	(34,211,166)	-	(34,211,166)
- General		-	(5,329)	-	-	-	(5,329)
- Stage 1		(57,196)	-	-	-	(57,196)	-
- Stage 2		(89,286)	-	-	-	(89,286)	-
- Stage 3		-	-	(33,744,253)	-	(33,744,253)	-
		(146,482)	(5,329)	(33,744,253)	(34,211,166)	(33,890,735)	(34,216,495)
Advances - net of credit loss allowance / provision		<u>15,895,366</u>	<u>16,589,638</u>	<u>1,094,111</u>	<u>2,063,186</u>	<u>16,989,477</u>	<u>18,652,824</u>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
9.1 Particulars of advances (Gross)		
In local currency	50,582,348	52,229,272
In foreign currencies	297,864	640,047
	50,880,212	52,869,319

9.2 Advances include Rs. 34,838.364 million (December 31, 2023: Rs. 36,274.352 million) which have been placed under non-performing / Stage 3 status as detailed below:-

Category of Classification	March 31, 2024 (Un-audited)	
	Non performing loans	Credit loss allowance
	----- (Rupees in '000) -----	
Domestic		
Other Assets Especially Mentioned (OAEM)	4,487	449
Substandard	919,393	417,336
Doubtful	99,653	45,676
Loss	33,814,831	33,280,792
Total	34,838,364	33,744,253

Category of Classification	December 31, 2023 (Audited)	
	Non performing loans	Provision
	----- (Rupees in '000) -----	
Domestic		
Other Assets Especially Mentioned (OAEM)	11,034	657
Substandard	25,438	1,092
Doubtful	102,297	6,397
Loss	36,135,583	34,203,020
Total	36,274,352	34,211,166

9.3 Particulars of credit loss allowance / provision against advances

	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)		
	Stage 1	Stage 2	Stage 3	Total	Specific	General	Total
	----- (Rupees in '000) -----						
Opening balance	3,939	1,390	34,211,166	34,216,495	33,231,865	10,556	33,242,421
Impact of adoption of IFRS 9	39,060	92,134	720,866	852,060	-	-	-
Charge for the period / year	33,903	7,814	136,622	178,339	2,958,975	-	2,958,975
Reversals	(19,706)	(12,052)	(1,324,122)	(1,355,880)	(1,978,573)	(5,227)	(1,983,800)
	14,197	(4,238)	(1,187,500)	(1,177,541)	980,402	(5,227)	975,175
Amounts written off	-	-	(279)	(279)	(1,101)	-	(1,101)
Closing balance	57,196	89,286	33,744,253	33,890,735	34,211,166	5,329	34,216,495

9.3.1 The general provision against consumer financing is required to be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages ranges from 1% to 2.5% for secured and 4% to 7% for unsecured portfolio.

The Group has maintained general provision against housing finance portfolio at the rate of 1.5% and against unsecured SE portfolio at the rate of 1%.

9.3.2 The Group has availed the Forced Sale Value (FSV) benefit of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin / TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Group, the specific provision against non-performing advances would have been higher by Rs. 1,824.538 million (December 31, 2023: Rs. 1,982.581 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 1,112.968 million (December 31, 2023: Rs. 1,209.374 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

9.4 Advances - Particulars of credit loss allowance

	March 31, 2024 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
----- (Rupees in '000) -----				
Opening balance	-	-	-	-
Impact of adoption of IFRS	42,999	93,524	34,932,032	35,068,555
New Advances	2,149	7,814	136,622	146,585
Advances derecognised or repaid	(19,663)	(10,493)	(396,171)	(426,327)
Transfer to stage 1	31,754	(598)	(198)	30,958
Transfer to stage 2	(43)	(460)	(303,330)	(303,833)
Transfer to stage 3	-	(501)	(624,423)	(624,924)
	14,197	(4,238)	(1,187,500)	(1,177,541)
Amounts written off	-	-	(279)	(279)
Closing balance	57,196	89,286	33,744,253	33,890,735

9.5 Advances - Category of classification

		March 31, 2024 (Un-audited)	
		Outstanding amount	Credit loss allowance
Performing	Stage 1	12,440,287	57,196
Underperforming	Stage 2	3,601,561	89,286
Non-Performing	Stage 3		
Substandard		923,880	417,785
Doubtful		99,653	45,676
Loss		33,814,831	33,280,792
Total		50,880,212	33,890,735

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
10. PROPERTY AND EQUIPMENT	Note	----- (Rupees in '000) -----	
Capital work-in-progress	10.1	62,249	73,786
Property and equipment		7,140,963	7,165,939
		<u>7,203,212</u>	<u>7,239,725</u>

10.1 Capital work-in-progress

Civil works and related payments / progress billings	7,348	5,987
Advances and other payments to suppliers and contractors	54,901	67,799
Advances and other payments against capital work in progress considered doubtful	1,155,814	1,158,340
Less: Provision held there against	(1,155,814)	(1,158,340)
	-	-
	<u>62,249</u>	<u>73,786</u>

(Un-audited)	
March 31, 2024	March 31, 2023
----- (Rupees in '000) -----	

10.2 Additions to property and equipment

The following additions have been made to property and equipment during the period:

Capital work-in-progress - net	(1,537)	(3,147)
Property and equipment		
Building improvements	20,804	9,209
Furniture and fixture	2,119	1,711
Electrical, office and computer equipment	58,366	10,852
	81,289	21,772
	<u>69,752</u>	<u>18,625</u>

10.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Property and equipment		
Building improvements	-	572
Furniture and fixture	194	-
Electrical, office and computer equipment	681	110
	<u>875</u>	<u>682</u>

11. RIGHT-OF-USE ASSETS

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
At January 01,			
Cost		5,553,456	5,195,266
Accumulated depreciation		<u>(2,832,251)</u>	<u>(2,241,870)</u>
Net carrying amount at January 01,		2,721,205	2,953,396
Additions during the period / year		32,034	581,344
Modifications during the period / year		(1,342)	9,197
Deletions during the period / year		-	(232,351)
Depreciation charge for the period / year		<u>(136,699)</u>	<u>(590,381)</u>
Closing net carrying amount		<u><u>2,615,198</u></u>	<u><u>2,721,205</u></u>

12. INTANGIBLE ASSETS

Capital work-in-progress	12.1	174,934	194,998
Intangible assets in use	12.2	104,981	69,725
		<u>279,915</u>	<u>264,723</u>

12.1 Capital work-in-progress

Advances to suppliers and contractors	174,934	194,998
Advances against capital work in progress considered doubtful	<u>142,522</u>	<u>142,522</u>
Less: Provision held there against	<u>(142,522)</u>	<u>(142,522)</u>
	-	-
	<u>174,934</u>	<u>194,998</u>

12.2 Intangible assets in use

Computer softwares	102,481	67,225
Trading Rights Entitlement Certificate	2,500	2,500
	<u>104,981</u>	<u>69,725</u>

12.3 Additions to intangible assets

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

	(Un-audited) March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
Capital work-in-progress - net	(20,064)	4,235
Directly purchased	42,723	-
Total	<u>22,659</u>	<u>4,235</u>

12.4 There were no disposals in intangible assets during the current and prior period.

13. DEFERRED TAX ASSETS

March 31, 2024 (Un-audited)					
At January 01, 2024	IFRS - 9 transition impact	Recognised in profit and loss account	Recognised in other comprehensive income	At March 31, 2024	
----- (Rupees in '000) -----					
Deductible temporary differences on					
- Tax losses carried forward	15,515,748	-	346,961	-	15,862,709
- Credit loss allowance against advances, off balance sheet etc.	9,002,927	374,818	77,018	-	9,454,763
- Credit loss allowance against investment	736,771	(38,963)	-	-	697,808
- Provision against intangible assets	48,034	-	-	-	48,034
- Staff compensated absences	54,578	-	(834)	-	53,744
- Credit loss against other assets	166,759	196	548	-	167,503
- Minimum tax	833	-	-	-	833
- Alternative Corporate tax	3,048	-	-	-	3,048
	25,528,698	336,051	423,693	-	26,288,442
Taxable temporary differences on					
- Surplus on revaluation of property and equipment	(1,074,691)	-	-	9,382	(1,065,309)
- Surplus on revaluation of investments	(116,362)	38,963	-	404,812	327,413
- Unrealized gain on forward exchange contracts	(10,047)	-	(1,356)	-	(11,403)
- Surplus on revaluation of property - held for sale	(437,092)	-	-	-	(437,092)
- Surplus on revaluation of non-banking assets	(313,821)	-	-	2,321	(311,500)
- Accelerated tax depreciation	(376,876)	-	825	-	(376,051)
	(2,328,889)	38,963	(531)	416,515	(1,873,942)
	23,199,809	375,014	423,162	416,515	24,414,500

December 31, 2023 (Audited)				
At January 01, 2023	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2023	
----- (Rupees in '000) -----				
Deductible Temporary differences on				
- Tax losses carried forward	13,108,527	2,407,221	-	15,515,748
- Provision against advances, off balance sheet etc.	8,121,244	881,683	-	9,002,927
- Provision for impairment loss - Investment	1,564,243	(827,472)	-	736,771
- Provision against intangible assets	48,034	-	-	48,034
- Staff compensated absences	51,955	2,623	-	54,578
- Provision against other assets	166,759	-	-	166,759
- Minimum tax	354	479	-	833
- Alternative Corporate tax	3,800	(752)	-	3,048
	23,064,916	2,463,782	-	25,528,698
Taxable Temporary Differences on				
- Surplus on revaluation of fixed assets	(1,151,581)	-	76,890	(1,074,691)
- Surplus on revaluation of investments	3,932	-	(120,294)	(116,362)
- Unrealized gain on forward exchange contracts	(142)	(9,905)	-	(10,047)
- Surplus on revaluation of property - held for sale	(452,705)	-	15,613	(437,092)
- Surplus on revaluation of non-banking assets	(333,546)	-	19,725	(313,821)
- Accelerated tax depreciation	(404,230)	27,354	-	(376,876)
	(2,338,272)	17,449	(8,066)	(2,328,889)
	20,726,644	2,481,231	(8,066)	23,199,809

- 131 The net deferred tax asset has been recognized in accordance with the Group's accounting policy. The management, based on financial projections, estimates that sufficient taxable profits would be available in future against which the recognized deferred tax asset could be realized. The projections include certain key assumptions underlying management's estimation of profits. Any significant change in such assumptions may have effect on the recoverability of deferred tax asset. The management believes that it is probable that the Group would be able to achieve the profits and consequently, the recognized deferred tax asset will be fully realized in future.

14. OTHER ASSETS

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note	----- (Rupees in '000) -----	
Income / mark-up accrued in local currency	10,483,822	7,912,817
Income / mark-up accrued in foreign currency	3,451	2,822
Advances, deposits, advance rent and other prepayments	388,847	393,824
Advance taxation (payments less provisions)	538,230	538,944
Non-banking assets acquired in satisfaction of claims	2,359,937	2,370,326
Branch adjustment account	34,888	-
Receivable from other banks against clearing and settlement	260,641	1,391,209
Receivable against Government Securities	-	23,000,000
Mark to market gain on forward foreign exchange contracts	29,525	27,833
Acceptances	167,976	409,685
Stationery and stamps on hand	7,015	6,792
Commission receivable on home remittance	-	184
Commission receivable on brokerage	7,029	8,355
Property - held for sale	14.1 3,692,787	3,692,787
Account receivable	113,139	144,497
Others	545,606	709,562
	18,632,893	40,609,637
Less: Credit loss allowance / provision held against other assets	14.2 (890,048)	(890,616)
Other assets (net of credit loss allowance / provision)	17,742,845	39,719,021
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	798,717	804,670
Surplus on revaluation of property - held for sale	1,120,749	1,120,749
Other assets - total	19,662,311	41,644,440

14.1 This represents a portion of the Group's self constructed property which has been earmarked for selling in the near future. This property is carried at lower of market value / fair value less cost to sell and carrying amount.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
14.2 Credit loss allowance / provision held against other assets	----- (Rupees in '000) -----	
Income / mark-up accrued in local currency	1,389	1,389
Advances, deposits, advance rent & other prepayments	98,008	98,008
Non-banking assets acquired in satisfaction of claims	360,107	360,107
Commission receivable on guarantees	9,880	9,880
Receivable from Dewan Group	45,310	45,310
Account receivable - sundry claims	211,865	212,433
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	137,795	137,795
	890,048	890,616

14.2.1 Movement in credit loss allowance / provision held against other assets

Opening balance	890,616	888,696
Charge for the period / year	-	8,032
Reversals	(568)	(6,000)
Amount written off	-	(112)
Closing balance	890,048	890,616

15. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

16. BILLS PAYABLE

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
In Pakistan	1,662,015	2,162,537
Outside Pakistan	-	-
	<u>1,662,015</u>	<u>2,162,537</u>

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan	4,690,450	4,691,400
- Under export refinance scheme	90,000	90,000
- Under Islamic Export Refinance Scheme (IERF)	188,137	239,398
- Under long-term financing facility	782	1,100
- Refinance facility for modernization of SMEs	<u>102,000,000</u>	<u>123,027,721</u>
- Repurchase agreement borrowings	106,969,369	128,049,619
Repurchase agreement borrowings	<u>1,492,350</u>	<u>2,313,316</u>
Total secured	<u>108,461,719</u>	<u>130,362,935</u>

Unsecured

Overdrawn nostro accounts	6,278	6,395
	<u>6,278</u>	<u>6,395</u>
	<u>108,467,997</u>	<u>130,369,330</u>

18. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	38,551,364	1,242,765	39,794,129	43,315,999	1,722,463	45,038,462
Savings deposits	91,717,779	2,437,144	94,154,923	84,046,183	2,168,138	86,214,321
Term deposits	12,824,054	2,459,063	15,283,117	14,520,225	3,489,167	18,009,392
Others	4,065,513	43,711	4,109,224	4,110,091	44,326	4,154,417
	<u>147,158,710</u>	<u>6,182,683</u>	<u>153,341,393</u>	<u>145,992,498</u>	<u>7,424,094</u>	<u>153,416,592</u>
Financial institutions						
Current deposits	461,936	483,008	944,944	230,014	43,445	273,459
Savings deposits	3,016,698	211,761	3,228,459	2,410,926	8	2,410,934
Term deposits	997,549	514,532	1,512,081	668,059	107,107	775,166
Others	-	-	-	-	-	-
	<u>4,476,183</u>	<u>1,209,301</u>	<u>5,685,484</u>	<u>3,308,999</u>	<u>150,560</u>	<u>3,459,559</u>
	<u>151,634,893</u>	<u>7,391,984</u>	<u>159,026,877</u>	<u>149,301,497</u>	<u>7,574,654</u>	<u>156,876,151</u>

19. LEASE LIABILITIES

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Opening	3,348,737	3,494,834
Additions during the period / year	24,226	495,709
Deletion during the period / year	-	(311,302)
Lease payments including interest	(152,686)	(774,778)
Interest expense	111,531	435,077
Modifications	(1,342)	9,197
Closing	<u>3,330,466</u>	<u>3,348,737</u>
19.1 Liabilities Outstanding		
Not later than one year	810,593	778,144
Later than one year and upto five years	1,892,873	1,890,404
Over five years	627,000	680,189
Total at the period / year end	<u>3,330,466</u>	<u>3,348,737</u>

20. SUBORDINATED DEBT

Issue amount	Rs.1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2022 (December 31, 2023: October 27, 2022)

These TFCs were issued by the Bank on October 27, 2011 for an initial tenure of seven years and maturity date of October 27, 2018. In order to protect the interest of the TFC Holders, the tenure of the TFC together with the payment of applicable redemption amounts were extended for fourth time by the Bank to October 27, 2019, October 27, 2020, October 27, 2021 and October 27, 2022 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019, November 20, 2019, October 22, 2020 and October 26, 2021. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019, September 23, 2020, July 09, 2021 and August 01, 2022. The final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019, October 21, 2020, October 22, 2021 and October 24, 2022.

Subsequent to the approval granted by the TFC Holders (in their last meeting held on October 27, 2022) for extension in the maturity date and associated rescheduling of the coupon payments of the Term Finance Certificate upto October 27, 2023, the Bank after complying with all the applicable legal and regulatory requirements had furnished a formal request in SBP for seeking aforesaid extension which is currently under consideration and no formal SBP approval has been received.

Rating	'B' (Single B).
Security	Unsecured.
Redemption / profit payment frequency	The redemption / profit payment details are mentioned in the above maturity date clause.
Mark up	Base rate (6 months KIBOR - ask side) plus 325 bps.
Call option	The Bank had an option to call the TFC's subject to SBP's prior written approval, on any profit payment date after the 60th month from the last day of public subscription, with not less than 30 days prior notice to be given to the Trustee. The Call option once announced will not be revocable. Further, no premium will be paid to the TFC Holders in case the call option is exercised by the Bank.
Lock-in-clause	Neither interest nor principal can be paid (even at maturity) if such payments will result in a shortfall in the Bank's Minimum Capital Requirements (MCR) or Capital Adequacy Ratio (CAR) or increase in the existing shortfall in MCR and CAR.

21. OTHER LIABILITIES

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note ----- (Rupees in '000) -----	
Mark-up / return / interest payable in local currency	3,458,043	4,236,243
Mark-up / return / interest payable in foreign currencies	5,551	1,625
Unearned income	74,081	71,476
Accrued expenses	129,374	115,181
Advance against sale of property	711,103	211,103
Acceptances	167,976	409,685
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	287	2,071
Payable to defined benefit plan	38,675	18,813
Charity fund balance	1,605	4,317
Branch adjustment account	-	29,074
Security deposits against lease	161,036	187,644
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	395,442	367,873
Provision for compensated absences	139,013	141,538
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	501,403	542,370
Workers' welfare fund	13,360	13,360
Withholding taxes and government levies payable	224,763	264,364
Federal excise duty and sales tax payable	10,408	10,724
Commission payable on home remittances	72	213
Account payable	117,769	99,928
Credit loss allowance against off-balance sheet obligations	192,518	-
Others	561,622	404,621
	<u>6,984,159</u>	<u>7,212,281</u>

21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	-	-
Impact of adoption of IFRS 9	109,012	-
Charge for the period / year	83,506	-
Reversals	-	-
	83,506	-
Amount written off	-	-
Closing balance	<u>192,518</u>	<u>-</u>

22. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of		
- Securities measured at FVOCI-Debt	8.1 (739,625)	-
- Securities measured at FVOCI-Equity	8.1 (94,733)	-
- Available for sale securities	-	305,374
- Property and equipment	3,664,962	3,689,020
- Non-banking assets acquired in satisfaction of claims	798,717	804,670
- Property - held for sale	1,120,749	1,120,749
	4,750,070	5,919,813
Deferred tax on surplus / (deficit) on revaluation of:		
- Securities measured at FVOCI-Debt	288,454	-
- Securities measured at FVOCI-Equity	38,957	-
- Available for sale securities	-	(116,362)
- Property and equipment	(1,065,309)	(1,074,691)
- Non-banking assets acquired in satisfaction of claims	(311,500)	(313,821)
- Property - held for sale	(437,092)	(437,092)
	(1,486,490)	(1,941,966)
	<u>3,263,580</u>	<u>3,977,847</u>

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
23. CONTINGENCIES AND COMMITMENTS			
-Guarantees	23.1	13,941,712	13,557,375
-Commitments	23.2	122,935,837	147,241,382
-Other contingent liabilities	23.3	22,892,665	22,748,472
		<u>159,770,214</u>	<u>183,547,229</u>
23.1 Guarantees:			
Financial guarantees		20,470	20,470
Performance guarantees		9,505,629	9,761,374
Other guarantees		4,415,613	3,775,531
		<u>13,941,712</u>	<u>13,557,375</u>
23.2 Commitments:			
Documentary credits and short-term trade-related transactions - letters of credit		7,888,137	8,868,111
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	5,113,693	6,935,713
- forward lending	23.2.2	6,261,918	5,853,928
Commitments for acquisition of:			
- Property and equipment		67,640	109,562
- Intangible assets		112,099	133,031
Other commitments	23.2.3	103,492,350	125,341,037
		<u>122,935,837</u>	<u>147,241,382</u>
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		5,058,093	6,180,469
Sale		55,600	755,244
		<u>5,113,693</u>	<u>6,935,713</u>
23.2.2 Commitments in respect of forward lending			
Forward documentary bills		4,579,215	4,916,896
Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	1,682,703	937,032
		<u>6,261,918</u>	<u>5,853,928</u>
23.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense.			
		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		----- (Rupees in '000) -----	
23.2.3 Other commitments			
Purchase (Repo)		<u>103,492,350</u>	<u>125,341,037</u>
23.3 Other contingent liabilities - claims against the Group not acknowledged as debts			
		<u>22,892,665</u>	<u>22,748,472</u>
23.4 Contingency for tax payable			
Contingency related to tax payable is disclosed in note 32.2.			

		(Un-audited) Quarter ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
24. MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		795,296	742,568
Investments		9,896,884	2,818,870
Lendings to financial institutions		37,943	35,719
Balances with banks		19,990	12,788
		<u>10,750,113</u>	<u>3,609,945</u>
25. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		5,283,375	2,639,274
Borrowings		6,082,325	1,011,582
Subordinated debt		94,146	70,396
Cost of foreign currency swaps against foreign currency deposits / borrowings		116,936	190,933
Finance cost of lease liability		111,531	105,528
		<u>11,688,313</u>	<u>4,017,713</u>
26. FEE AND COMMISSION INCOME			
Branch banking customer fees		30,959	13,403
Consumer finance related fees		481	1,657
Card related fees (debit cards)		48,116	23,450
Credit related fees		411	686
Investment banking fees		-	1,322
Commission on trade		150,720	54,219
Commission on guarantees		28,746	27,918
Commission on cash management		5	14
Commission on remittances including home remittances		1,607	2,000
Commission on bancassurance		1,020	1,470
Alternate Delivery Channels		5,977	9,158
Commission on brokerage		19,415	11,235
Others		15	7
		<u>287,472</u>	<u>146,539</u>
27. GAIN / (LOSS) ON SECURITIES			
Realised	27.1	175,990	(476,463)
Unrealised - Measured at FVPL		(203)	-
		<u>175,787</u>	<u>(476,463)</u>
27.1 Realised gain / (loss) on:			
Federal Government Securities		174,468	8,774
Shares		1,522	(485,237)
		<u>175,990</u>	<u>(476,463)</u>
28. OTHER INCOME			
Rent on property / locker		1,556	1,414
Gain on sale of property and equipment - net		19,039	591
Gain on sale of ijarah assets		441	211
Gain on termination of lease contracts under IFRS 16		-	8,650
Refund from Gratuity Fund		-	4,516
		<u>21,036</u>	<u>15,382</u>

	(Un-audited) Quarter ended		
	March 31, 2024	March 31, 2023	
Note	----- (Rupees in '000) -----		
29. OPERATING EXPENSES			
Total compensation expense	29.1	668,775	546,223
Property expense			
Rent and taxes		26,322	23,414
Insurance - property		1,776	2,700
Insurance - non banking assets		254	218
Utilities cost		105,562	83,462
Security (including guards)		62,663	60,459
Repair and maintenance (including janitorial charges)		49,045	41,288
Depreciation on owned property and equipment		66,677	63,975
Depreciation on right-of-use assets		136,699	148,509
Depreciation on non banking assets		16,343	16,392
		465,341	440,417
Information technology expenses			
Software maintenance		40,343	34,960
Hardware maintenance		36,907	34,324
Depreciation on computer equipments		18,324	17,301
Amortisation of computer softwares		7,467	5,613
Network charges		24,942	23,987
Insurance		110	1,349
		128,093	117,534
Other operating expenses			
Directors' fees and allowances		9,300	5,700
Fees and allowances to Shariah Board		5,925	5,925
Legal and professional charges		17,951	20,025
Outsourced services costs		78,896	64,222
Travelling and conveyance		117,194	105,205
NIFT clearing charges		8,323	8,783
Depreciation		20,388	25,707
Training and development		1,925	1,905
Postage and courier charges		10,901	11,054
Communication		33,404	13,755
Stationery and printing		40,376	33,165
Marketing, advertisement and publicity		11,138	2,332
Brokerage and commission		9,373	7,902
Fee and subscription		58,724	37,421
Cash transportation and sorting charges		41,003	33,794
Entertainment		18,933	15,481
Insurance		42,838	34,583
Deposit insurance premium expense		45,561	33,869
Repair and maintenance		27,296	29,771
Auditors' remuneration		3,488	3,076
Others		7,547	9,246
		610,484	502,921
		1,872,693	1,607,095

		(Un-audited) Quarter ended	
		March 31, 2024	March 31, 2023
	Note	----- (Rupees in '000) -----	
291 Total compensation expense			
Fees and allowances etc.		6,037	3,335
Managerial remuneration			
i) Fixed		425,889	347,578
ii) Variable			
of which:			
a) Cash bonus / awards etc.		-	-
b) Incentives and commission		205	260
Charge for defined benefit plan		20,162	12,805
Contribution to defined contribution plan		22,518	18,097
Charge for employees compensated absences		6,399	5,496
Rent and house maintenance		128,909	108,199
Utilities		28,646	24,044
Medical		29,834	26,241
Employee old age benefit institution		176	168
Total		668,775	546,223

30. OTHER CHARGES

Penalties imposed by State Bank of Pakistan	-	120
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31. CREDIT LOSS ALLOWANCE / REVERSALS AND WRITE OFFS - NET

(Reversal) of provision for diminution in value of investments	-	(508,298)
Credit loss allowance / (reversal) of provision against loans & advances	(1,177,541)	(33,472)
Credit loss allowance / provision against other assets	(568)	8,307
Operational loss	1,473	35
Recovery of written off / charged off bad debts	(567)	(427)
Credit loss allowance against off-balance sheet obligations	83,506	-
Credit loss allowance against balance with other banks	1,405	-
	(1,092,292)	(533,855)

32. TAXATION

Current	32.1 & 32.2	143,683	46,505
Prior years		-	-
Deferred		(423,162)	(544,319)
		(279,479)	(497,814)

32.1 This represents the provision for minimum taxation made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and accounting profit / loss has not been disclosed.

32.2 The Income Tax Returns of the Bank and its subsidiary have been submitted up to and including financial year ended December 31, 2022 i.e. tax year 2023.

In respect of assessments of Bank Makramah Limited from tax years 2009 to tax year 2018 and 2022 the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand (net of rectification) of Rs. 418.48 million through amended assessment orders and the same have been paid / stayed / adjusted against available refunds.

In respect of assessments of Bank Makramah Limited AJK Region from tax year 2013 to tax year 2017, the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand of Rs. 57.96 million through amended assessment orders and the same have been paid / stayed / adjusted against advance tax paid.

In respect of assessments of ex-My Bank Limited (now Bank Makramah Limited) from tax year 2003 to tax year 2011, the tax authorities disputed the Bank's treatment on certain issues and created additional tax demand of Rs. 456.62 million through amended assessment orders and the same have been paid / adjusted against available refunds.

In respect of assessments of ex-Atlas Bank Limited (now Bank Makramah Limited) from tax year 2003 to tax year 2010, the tax authorities disputed the Bank's treatment on certain issues and created additional tax demand of Rs. 89.74 million through amended assessment orders and the same have been paid / adjusted against available refunds.

Such issues mainly include disallowances of mark up payable, taxation of mutual fund distribution at corporate tax rate, disallowance of provision against non-performing loans, disallowance of reversal of provisions, allocation of expenses against dividend income and capital gain, disallowances against non-banking assets, disallowances of certain HO expenses, addition to mark-up/interest earned in AJK region etc. The Bank has filed appeals before the various appellate forums against these amended assessment orders which are either pending for hearing or order.

In pursuance of SRO 1588(I)/2023 dated 21 November 2023, banking companies have been designated to be the 'sector' for the purpose of section 99D of the Income Tax Ordinance 2001, for the tax years 2022 and 2023. The Bank through its legal council has challenged the above levy, and the High Court of Sindh, has suspended the operation of the aforementioned SRO and granted stay to the Bank. Further, the Islamabad High court and the Lahore High court has suspended the operation in other similar petitions. The matter remains pending and the stay order still holds the field.

The management of the Group is confident about the favorable outcome of the appeals hence, no provision / adjustment with respect to the above matters has been made in these consolidated financial statements.

		(Un-audited) Quarter ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
33. BASIC AND DILUTED LOSS PER SHARE	Note		
Loss for the period		(812,689)	(934,542)
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Basic		5,334,220,021	2,638,151,060
		----- (Rupee) -----	
Basic loss per share		(0.15)	(0.35)
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Diluted	33.1	5,334,220,021	2,638,151,060
		----- (Rupee) -----	
Diluted loss per share		(0.15)	(0.35)

33.1 There are no potential ordinary shares outstanding as of March 31, 2024.

		(Un-audited) Quarter ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
34. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks excluding credit loss allowance		16,765,993	14,821,812
Balances with other banks excluding credit loss allowance		1,587,599	2,274,898
Overdrawn nostro accounts		(6,278)	(1,475,725)
		<u>18,347,314</u>	<u>15,620,985</u>

35. 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 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 audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

35.1 Fair value of financial assets

The Group 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).

35.2 The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

March 31, 2024 (Un-audited)				
	Level1	Level2	Level3	Total
(Rupees in '000)				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal Government Securities		174,181,828		174,181,828
- Shares - Listed	63,302	-		63,302
- Non Government Debt Securities		2,249,271		2,249,271
- Units of mutual funds		90		90
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted			66,112	66,112
Non-Financial assets - measured at fair value				
Property & equipment			6,719,218	6,719,218
Non banking assets acquired in satisfaction of claims			2,798,547	2,798,547
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange		5,087,404		5,087,404
Forward sale of foreign exchange		55,673		55,673

December 31, 2023 (Audited)				
	Level1	Level2	Level3	Total
(Rupees in '000)				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal Government Securities		177,340,406		177,340,406
- Shares - Listed	74,331			74,331
- Non Government Debt Securities		2,325,951		2,325,951
- Units of mutual funds		94		94
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted			66,112	66,112
Non-Financial assets - measured at fair value				
Operating fixed assets			6,765,092	6,765,092
Non banking assets acquired in satisfaction of claims			2,814,889	2,814,889
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange		6,204,424		6,204,424
Forward sale of foreign exchange		753,437		753,437

Valuation techniques used in determination of fair value

Item	Valuation approach and input used
Federal Government Securities-Unlisted	The fair values of Market Treasury Bills (MTB) and Pakistan Investment Bonds (PIB) are determined using the PKRV rates. Floating rate PIBs are revalued using PKFRV rates. The fair values of GOP Ijarah Sukuks are derived using the PKISRV rates.
Federal Government Securities-Listed	The fair value of investment in listed GOP Ijarah Sukku are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Ordinary shares - Listed	The fair value of investment in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - Unlisted	This represents breakup value of investments.
Non-Government Debt Securities	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Forward foreign exchange contracts	The valuation has been incorporated by interpolating the foreign exchange revaluation rates announced by the SBP.
Property & equipment (land and building) and non-banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of the Group's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties.

36. SEGMENT INFORMATION

36.1 Segment details with respect to business activities

For the quarter ended March 31, 2024 (Un-audited)

Corporate, SME & Commercial	Treasury	Retail Banking	Brokerage Business	Others	Total
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(Rupees in '000)

Profit and Loss

Net mark-up / return / profit	312,120	3,966,065	(5,032,698)	4,336	(188,023)	(938,200)
Inter segment revenue - net	(290,734)	(4,020,890)	6,915,615	-	(2,603,991)	-
Non mark-up / return / interest income	77,146	325,475	183,907	21,354	18,551	626,433
Total income	98,532	270,650	2,066,824	25,690	(2,773,463)	(311,767)

Segment direct expenses	55,367	24,772	1,229,382	22,754	540,418	1,872,693
Inter segment expense allocation	156,178	53,501	303,781	-	(513,460)	-
Total expenses	211,545	78,273	1,533,163	22,754	26,958	1,872,693

Credit loss allowance	(1,094,601)	1,405	-	-	904	(1,092,292)
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Profit / (loss) before tax	981,588	190,972	533,661	2,936	(2,801,325)	(1,092,168)
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As at March 31, 2024 (Un-audited)

Corporate, SME & Commercial	Treasury	Retail Banking	Brokerage Business	Others	Total
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(Rupees in '000)

Balance Sheet

Cash and bank balances	366,027	12,555,209	5,424,179	6,270	-	18,351,685
Investments	-	176,432,956	-	68,666	-	176,501,622
Net inter segment lending	45,620,378	101,004,048	157,198,796	-	12,013	303,835,235
Lendings to financial institutions	-	-	-	-	-	-
Advances - performing	14,028,002	-	313,246	19	1,554,099	15,895,366
Advances - non-performing	652,142	-	425,124	-	16,845	1,094,111
Others	618,789	9,789,602	2,593,073	180,027	40,993,645	54,175,136
Total assets	61,285,338	299,781,815	165,954,418	254,982	42,576,602	569,853,155

Borrowings	4,969,369	103,498,628	-	-	-	108,467,997
Subordinated debt	-	-	-	-	1,495,515	1,495,515
Deposits and other accounts	5,874,015	-	153,152,862	-	-	159,026,877
Net inter segment borrowing	49,997,664	195,672,220	8,904,443	-	49,260,908	303,835,235
Others	444,290	610,967	3,897,113	127,403	6,896,867	11,976,640
Total liabilities	61,285,338	299,781,815	165,954,418	127,403	57,653,290	584,802,264

Equity	-	-	-	127,579	(15,076,688)	(14,949,109)
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Total equity and liabilities	61,285,338	299,781,815	165,954,418	254,982	42,576,602	569,853,155
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Contingencies and Commitments	49,606,856	108,606,043	-	-	1,557,315	159,770,214
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For the quarter ended March 31, 2023 (Un-audited)

Corporate, SME & Commercial	Treasury	Retail Banking	Brokerage Business	Others	Total
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(Rupees in '000)

Profit and Loss

Net mark-up / return / profit	365,069	1,800,964	(2,488,964)	4,350	(89,187)	(407,768)
Inter segment revenue - net	(332,256)	(1,964,357)	4,521,666	-	(2,225,053)	-
Non mark-up / return / interest income	51,237	(95,708)	67,421	11,799	14,023	48,772
Total income	84,050	(259,101)	2,100,123	16,149	(2,300,217)	(358,996)
Segment direct expenses	36,449	20,017	1,083,958	19,663	447,128	1,607,215
Inter segment expense allocation	127,167	37,957	245,088	-	(410,212)	-
Total expenses	163,616	57,974	1,329,046	19,663	36,916	1,607,215
Credit loss allowance	(33,899)	(508,298)	35	-	8,307	(533,855)
Profit / (loss) before tax	(45,667)	191,223	771,042	(3,514)	(2,345,440)	(1,432,356)

As at December 31, 2023 (Audited)

Corporate, SME & Commercial	Treasury	Retail Banking	Brokerage Business	Others	Total
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(Rupees in '000)

Balance Sheet

Cash and Bank balances	114,461	9,958,667	4,908,810	85,425	-	15,067,363
Investments	-	179,668,201	-	79,712	-	179,747,913
Net inter segment lending	3,092,846	54,508,322	144,616,478	-	121,738	202,339,384
Lendings to financial institutions	-	-	-	-	-	-
Advances - performing	14,624,318	-	384,646	75	1,580,599	16,589,638
Advances - non-performing	1,582,648	-	472,592	-	7,946	2,063,186
Others	629,959	30,187,746	3,746,440	210,451	40,295,306	75,069,902
Total Assets	20,044,232	274,322,936	154,128,966	375,663	42,005,589	490,877,386
Borrowings	4,939,498	125,347,432	-	82,400	-	130,369,330
Subordinated debt	-	-	-	-	1,495,515	1,495,515
Deposits and other accounts	7,887,271	-	148,988,880	-	-	156,876,151
Net inter segment borrowing	6,971,002	147,416,551	903,968	178,136	46,869,727	202,339,384
Others	246,461	1,558,953	4,236,118	117,698	6,564,325	12,723,555
Total liabilities	20,044,232	274,322,936	154,128,966	378,234	54,929,567	503,803,935
Equity	-	-	-	(2,571)	(12,923,978)	(12,926,549)
Total equity and liabilities	20,044,232	274,322,936	154,128,966	375,663	42,005,589	490,877,386
Contingencies and Commitments	49,794,505	132,276,749	-	-	1,475,975	183,547,229

36.11 The Group does not have any operations outside Pakistan.

37. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its parent, employee benefit plans and its directors and Key Management Personnel.

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

Details of transactions with related parties during the period / year, other than those which have been disclosed elsewhere in these financial statements are as follows:

	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
	----- (Rupees in '000) -----							
Investments								
Opening balance	-	-	-	448,218	-	-	-	1,664,676
Investment made during the year	-	-	-	-	-	-	-	15
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	(1,216,473)
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	-	-	448,218	-	-	-	448,218
Credit loss allowance / provision for diminution in value of investments								
	-	-	-	448,203	-	-	-	448,203
Advances								
Opening balance	-	-	303,505	671,901	-	-	162,705	671,888
Addition during the period / year	-	-	-	284	-	-	210,330	13
Repaid during the period / year	-	-	(4,859)	-	-	-	(73,085)	-
Transfer in / (out) - net	-	-	(86)	-	-	-	3,555	-
Closing balance	-	-	298,560	672,185	-	-	303,505	671,901
Credit loss allowance / provision held against advances								
	-	-	-	671,905	-	-	-	671,901

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)				
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
(Rupees in '000)								
Other Assets								
Interest / mark-up accrued	-	-	-	-	-	-	-	-
Advances, deposits, advance rent and other prepayments	-	-	2,769	-	-	-	4,022	-
Other receivable	-	-	-	2,949	-	-	-	2,949
Credit loss allowance / provision held against other assets	-	-	-	-	-	-	-	-
Deposits and other accounts								
Opening balance	-	109,345	15,625	779,900	-	-	19,511	2,052,046
Received during the period / year	-	8,621	189,140	159,502	-	-	714,248	3,126,796
Withdrawn during the period / year	-	(1,808)	(182,788)	(212,033)	-	-	(718,348)	(4,400,329)
Transfer (out) / in - net	-	-	(313)	-	-	109,345	214	1,387
Closing balance	-	116,158	21,664	727,369	-	109,345	15,625	779,900
Other Liabilities								
Interest / mark-up payable	-	2,011	157	11,657	-	1,951	298	13,355
Payable to defined benefit plan	-	-	-	38,675	-	-	-	18,813
Unearned income	-	-	-	346	-	-	-	692
Contingencies and Commitments								
Guarantees, letters of credit and acceptances	-	-	-	86,500	-	-	-	86,500

	For the quarter ended March 31, 2024 (Un-audited)				For the quarter ended March 31, 2023 (Un-audited)			
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
----- (Rupees in '000) -----								
Income								
Mark-up / return / interest earned	-	-	5,521	-	-	-	1,777	29,821
Fee and commission income	-	2	-	346	-	-	3	346
Other income	-	-	-	-	-	-	-	-
Expense								
Mark-up / return / interest expensed	-	5,777	309	35,483	-	-	178	70,331
Operating expenses:								
- Directors' fees and allowances	-	9,300	-	-	-	5,700	-	-
- Brokerage and commission	-	-	-	-	-	-	-	-
- Fee and subscription	-	-	442	-	-	-	400	-
- Managerial Remuneration	-	-	104,053	395	-	-	80,818	299
- Contribution to defined contribution plan	-	-	-	22,518	-	-	-	18,097
- Charge for defined benefit plan	-	-	-	20,162	-	-	-	12,805
Credit loss allowance / provision against loans and advances	-	-	-	4	-	-	-	-

Directors include Non-Executive Directors only. Executive Directors including the President / CEO are part of key management personnel.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----		
38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>(22,819,579)</u>	<u>(17,058,558)</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier-1 (CET-1) Capital	<u>(45,291,092)</u>	<u>(40,745,819)</u>
Eligible Additional Tier-1 (ADT-1) Capital	<u>-</u>	<u>-</u>
Total Eligible Tier-1 Capital	<u>(45,291,092)</u>	<u>(40,745,819)</u>
Eligible Tier-2 Capital	<u>-</u>	<u>-</u>
Total Eligible Capital (Tier-1 + Tier-2)	<u>(45,291,092)</u>	<u>(40,745,819)</u>
Risk Weighted Assets (RWAs):		
Credit Risk	37,443,920	39,440,428
Market Risk	1,365,448	6,083,839
Operational Risk	3,800,036	7,447,378
Total	<u>42,609,404</u>	<u>52,971,645</u>
Common Equity Tier-1 Capital Adequacy Ratio	<u>-106.29%</u>	<u>-76.92%</u>
Tier-1 Capital Adequacy Ratio	<u>-106.29%</u>	<u>-76.92%</u>
Total Capital Adequacy Ratio	<u>-106.29%</u>	<u>-76.92%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	(45,291,092)	(40,745,819)
Total Exposures	150,066,530	374,312,880
	<u>-30.18%</u>	<u>-10.89%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	64,899,892	73,491,142
Total Net Cash Outflow	24,566,977	27,494,992
Liquidity Coverage Ratio	<u>264.18%</u>	<u>267.29%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	88,239,501	102,118,423
Total Required Stable Funding	56,322,655	64,870,949
Net Stable Funding Ratio	<u>156.67%</u>	<u>157.42%</u>

39. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 13 (December 31, 2023: 13) Islamic banking branches and 35 (December 31, 2023: 35) Islamic banking windows at the end of the period.

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		2,202,785	2,064,488
Balances with other banks		100,208	102,863
Due from financial institutions	39.1	3,666,089	2,788,300
Investments	39.2	34,037,152	37,213,598
Islamic financing and related assets - net	39.3	2,441,404	2,632,858
Property and equipment		171,273	173,098
Right-of-use assets		68,027	76,654
Intangible assets		-	-
Due from Head Office		-	-
Deferred tax assets		-	-
Other assets		3,058,008	2,608,328
Total Assets		45,744,946	47,660,187
LIABILITIES			
Bills payable		182,433	444,820
Due to financial institutions	39.4	1,566,106	4,705,668
Deposits and other accounts	39.5	38,248,741	36,330,124
Due to Head Office		-	-
Lease liabilities		84,241	103,179
Subordinated debt		-	-
Deferred tax liabilities		41,593	134,120
Other liabilities		615,736	1,287,124
		40,738,850	43,005,035
NET ASSETS		5,006,096	4,655,152
REPRESENTED BY			
Islamic Banking Fund		1,000,000	1,000,000
Reserves		-	-
Surplus on revaluation of assets		74,984	219,705
Unappropriated / Unremitted profit	39.6	3,931,112	3,435,447
		5,006,096	4,655,152
CONTINGENCIES AND COMMITMENTS	39.7		

**ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2024**

	March 31, 2024	March 31, 2023
Note	----- (Rupees in '000) -----	
Profit / return earned	39.8 2,040,254	889,887
Profit / return expensed	39.9 1,358,645	399,354
Net Profit / return	681,609	490,533
Other income		
Fee and commission income	49,055	15,319
Dividend income	-	-
Foreign exchange loss	(10,840)	49,492
Income / (loss) from derivatives	-	-
Gain / (loss) on sale of securities	143,445	(2,131)
Other income	471	7,748
Total other income	182,131	70,428
Total income	863,740	560,961
Other expenses		
Operating expenses	276,024	233,043
Workers' welfare fund	-	-
Other charges	-	-
Total other expenses	276,024	233,043
Profit before credit loss allowance / provisions	587,716	327,918
Credit loss allowance / reversals and write offs - net	7,603	(7,790)
Profit before taxation	580,113	335,708
Taxation	-	-
Profit after taxation	580,113	335,708

ISLAMIC BANKING BUSINESS
FOR THE QUARTER ENDED MARCH 31, 2024

	Note	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)							
39.1 Due from Financial Institutions							
Unsecured							
Bai Muajjal Receivable from other Financial Institutions	39.1.1	3,666,089	-	3,666,089	2,788,300	-	2,788,300
		3,666,089	-	3,666,089	2,788,300	-	2,788,300
Less: Credit loss allowance							
Stage 1		-	-	-	-	-	-
Stage 2		-	-	-	-	-	-
Stage 3		-	-	-	-	-	-
		-	-	-	-	-	-
Due from financial institutions - net of credit loss allowance		3,666,089	-	3,666,089	2,788,300	-	2,788,300

39.1.1 This represents Bai Muajjal agreements with conventional operations of Bank Makramah Limited and carries profit rate 21.75% per annum (December 31, 2023: 21.75% per annum) and are due to mature latest by April 16, 2024 (December 31, 2023: January 08, 2024).

39.2 Investments

	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
Investments by segments:								
Classified / Measured at FVOCI / Available-for-sale								
Federal Government Securities:								
- GOP Ijarah Sukuks	3,178,509	-	69,372	3,178,881	34,580,383	-	307,264	34,887,647
Non Government Debt Securities								
- Listed	2,291,667	-	(42,396)	2,249,271	2,369,792	-	(43,841)	2,325,951
Total Investments	34,010,176	-	26,976	34,037,152	36,950,175	-	263,423	37,213,598

39.3 Islamic financing and related assets

	Note	(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
(Rupees in '000)			
Ijarah		473,806	479,172
Running Musharakah		248,789	354,382
Diminishing Musharakah		992,431	967,149
Diminishing Musharakah-IERF		300,000	300,000
Tijarah		595,998	605,998
Advance against Ijarah		3,927	7,123
Gross Islamic financing and related assets		2,614,951	2,713,824
Less: Credit loss allowance / provision against Islamic financings			
- Stage 1		(790)	-
- Stage 2		(10,799)	-
- Stage 3		(61,958)	-
- Specific		-	(79,889)
- General		-	(1,077)
		(73,547)	(80,966)
Islamic financing and related assets - net of credit loss allowance / provision		2,441,404	2,632,858

39.4 Due to financial institutions

Secured			
Acceptances from the SBP under Islamic Export Refinance Scheme		90,000	90,000
Total secured		90,000	90,000
Unsecured			
Overdrawn nostro accounts		76,106	115,668
Musharakah	39.4.1	1,400,000	4,500,000
Total unsecured		1,476,106	4,615,668
		1,566,106	4,705,668

39.4.1 This represented acceptance of funds by Islamic operations of Bank Makramah Limited from conventional operations of Bank Makramah Limited on Musharaka basis.

39.5 Deposits

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	6,170,298	305,260	6,475,558	10,873,527	615,187	11,488,714
Savings deposits	28,262,908	48,237	28,311,145	21,568,709	194,150	21,762,859
Term deposits	1,375,352	354,161	1,729,513	1,391,933	589,284	1,981,217
Others	531,438	-	531,438	664,289	-	664,289
	<u>36,339,996</u>	<u>707,658</u>	<u>37,047,654</u>	<u>34,498,458</u>	<u>1,398,621</u>	<u>35,897,079</u>
Financial Institutions						
Current deposits	19,813	371,914	391,727	5,725	78	5,803
Savings deposits	287,266	89,579	376,845	277,242	-	277,242
Term deposits	150,000	282,515	432,515	150,000	-	150,000
	<u>457,079</u>	<u>744,008</u>	<u>1,201,087</u>	<u>432,967</u>	<u>78</u>	<u>433,045</u>
	<u><u>36,797,075</u></u>	<u><u>1,451,666</u></u>	<u><u>38,248,741</u></u>	<u><u>34,931,425</u></u>	<u><u>1,398,699</u></u>	<u><u>36,330,124</u></u>

	(Un-audited)	(Audited)
	March 31, 2024	December 31, 2023
----- (Rupees in '000) -----		
39.6 Islamic Banking Business Unappropriated Profit		
Opening balance	3,435,447	1,651,555
Effect of adoption of IFRS 9	(85,251)	-
Add: Islamic Banking profit for the period / year	580,113	1,780,701
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated profit	803	3,191
Closing balance	<u><u>3,931,112</u></u>	<u><u>3,435,447</u></u>
39.7 CONTINGENCIES AND COMMITMENTS		
-Guarantees	3,973,068	3,880,588
-Commitments	8,710,697	6,236,815
-Other contingent liabilities	-	-
	<u><u>12,683,765</u></u>	<u><u>10,117,403</u></u>

	(Un-audited)	
	March 31, 2024	March 31, 2023
----- (Rupees in '000) -----		
39.8 Profit / Return Earned of Financing, Investments and Placement		
Profit earned on:		
Financing	23,841	74,470
Investments	1,989,243	452,657
Placements	27,170	362,691
Balances with banks	-	69
	<u><u>2,040,254</u></u>	<u><u>889,887</u></u>

39.9 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	1,291,406	366,083
Due to Financial Institutions	64,078	28,774
Finance cost of lease liability	3,161	4,497
	<u><u>1,358,645</u></u>	<u><u>399,354</u></u>

40. CORRESPONDING FIGURES

As a result of change in forms for the preparation of condensed interim financial information issued by SBP as referred in note 4.1.1 and for better presentation, corresponding figures have been rearranged as follows

Transfer from	Transfer to	December 31, 2023 Rs. in '000
Property and equipment	Right-of-use assets	<u>2,721,205</u>
Other liabilities	Lease liability against right-of-use assets	<u>3,348,737</u>

41. DATE OF AUTHORIZATION OF ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 29,2024 by the Board of Directors of the Bank.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

BRANCH NETWORK

CONVENTIONAL BANKING BRANCHES

KARACHI

Abdullah Haroon Road Branch

282/3, Abdullah Haroon Road Area,
Saddar, Karachi

Tel: 021-35685269, 35685393,35685940

Fax: 021-35683991

Adamjee Nagar Branch

115-A/Z, Block 7/8, Tipu Sultan Road, Karachi

Tel: 021- 34312984-9

Fax: 021-34312980

Atrium Mall Branch

Shop No. 6 and 21 Ground floor,Plot No. 249,
Atrium Mall, Staff Lines, Zaibunnisa Street,
Saddar, Karachi

Tel: 021-35641001-7

Fax: 021-35641008

Badar Commercial Branch

Plot No. 41-C, Badar Commercial, Street
No. 10, Phase-V Extension, DHA Karachi

Tel: 021-35348501-3

Fax: 021-35348504

Bahadur Shah Center Branch

Bahadur Shah Center, Urdu Bazar,

Off: M.A. Jinnah Road, Karachi

Tel: 021-32768547, 32768559

Fax: 021-32765083

Bahadurabad Branch

Plot # C-23, Shop # 1&2 Block-3, BMC
Commercial Area Bahadurabad, Karachi

Tel: 021-34913447 & 49

Fax: 021-34913453

Barkat-e- Hyderi Branch

Almas Square, Block-G, North Nazimabad,
Karachi

Tel: 021-36628931, 36706896-7

Fax: 021-36723165

Burns Road Branch

Plot No. 55-A, Survey Sheet A.M., Artillery
Maidan Quarters (Burns Road), Karachi.

Tel: 021-32215174,75 & 76

Fax: 021-32215289

Clifton Branch

Pearl Heaven Apartments,
Khayaban-e-Roomi, Block No-5,
Clifton, Karachi

Tel: 021-35823469, 35824171, 35823619

Fax: 021-35821463

Cloth Market Branch

41, Saleh Muhammad Street, Cloth Market,
Karachi

Tel: 021-32461601-03 & 32461605

Fax: 021-32461608

Com-3, Clifton Branch

Show Room No. 12, "Com-3",
(Opp: Bar B. Q. Tonight), Block 6,
Clifton, Karachi.

Tel: 021 - 35148311 - 13

Fax:021 - 35148314

Defence Branch

55-C, Phase-II, D.H.A, Opp Toyota Motors,
Main Korangi Road, Karachi.

Tel: 021-35387809-35396263 - 35312592

Fax: 021-35387810

DHA Phase I Branch

101-C, Commercial Area 'B', Phase-1 DHA,
Karachi

Tel: 021- 35314061, 35314063-67, 35314105

Fax: 021-35314070

DHA Phase IV Branch

Plot # 129, 9th Commercial Street,
Phase IV, DHA, Karachi

Tel: 021-35313068-70

Fax: 021-35313071

Dhoraji Colony Branch

Shop # 1 & 2, Commercial Plot # C-122,
Block-IV, Dhoraji Cooperative Housing
Society, Scheme # 7, Karachi.

Tel: 021-34860774

Electronic Market

(Abdullah Haroon Road) Branch

Shop No 1 & 2, Plot # 19,
Ghafoor Chambers, Preedy Quarters,
Saddar, Karachi

Tel: 021-32711614-8

Fax: 021-32716113

Fish Harbour Branch

K - 3, Export Zone, Adjacent Main Auction
Hall, Fish Harbour, Karachi

PABX: 021-32315383 - 85

Fax: 021-32315386

Garden East Branch

Shop No. 1,2,3,4, 5 & 6, Jumani Centre,
Plot No. 177-B, Garden East, Karachi

Tel: 021-32243311-13

Fax: 021-32243314

Gulistan-e-Jauhar - Branch I

Plot # 118/A-B, Shop # 02, 03, 04
Ground Floor Ruffi Paradise, Block-18,
Gulistan-e-Jauhar, Karachi
Tel: 021-34621281-4
Fax: 021-34621285

Gulistan-e-Jauhar - Branch II

Shop No. 5, 6,7 & Office No. D-2, Farhan
Centre Block No. 1. Gulistan-e-Jauhar, Karachi
Tel: 021-34022259, 34613674, 34016488-9
Fax: 021-34022639

Gulshan-e-Iqbal - Branch II

B-44, Block 13/A, Main University Road,
Gulshan-e-Iqbal, Karachi
Tel: 021-34987688, 34987739-40
Fax: 021-34987689

I. I. Chundrigar Road Branch I - Unitower

Uni Towers, I.I. Chundrigar Road, Karachi.
Tel: 021-32466410-13
Fax: 021-32466500

Jami Commercial, DHA Branch

64 C, Jami Commercial Phase VII,
7th Street, DHA, Karachi
Tel: 021-35316200-07
Fax: 021-35316199

Jamshed Quarters Branch

Showroom no. 3 & 4, AB Arcade,
Plot # 714-6-1, Block A, New M.A.
Jinnah Road, Karachi
Tel: 021-34860422-23, 34860425
Fax: 021-34860424

Jodia Bazar - Branch I

A/25/28, Daryalal Street, Jodia Bazar, Karachi
Tel: 021-32500121-5
Fax: 021-32500128

Karachi Stock Exchange Branch

Office No. 52, 52-A, 52-B, (1st Floor) KSE
Building, Karachi
Tel: 021-32462850, 32462844-9
Fax: 021-32462843

Karimabad Branch

Plot No BS-16, Block 1, FB Area,
Karimabad, Karachi
Tel: 021- 36826646-48
Fax: 021-36826649

Khayaban-e-Shahbaz Branch

Plot No. 21-C Khayaban-e-Shahbaz,
Phase VI, DHA, Karachi
Tel: 021-35344952, 353444957 & 35344963
Fax: 021-35344942

Khayaban-e-Tanzeem Branch

C 4-C, Tauheed Commercial,
Khayaban-e-Tanzeem, Phase-5, DHA,
Karachi
Tel: 021-35869147-35810977
& 35871640
Fax: 021-35869342

Korangi Industrial Area Branch

33/1, Sector-15, Korangi Industrial Area,
Karachi
Tel: 021-35114290, 35121294,
35122231-32
Fax: 021-35114282

Khayaban-e-Ittehad Branch

Plot No. 22-C, Khayaban-e-Ittehad,
Phase-VI, DHA, Karachi
Tel: 021-35176607-09

Malir Cantt Branch

Army Shopping Complex, Adjacent Tooba
Army Store Malir Cantonment, Karachi
Tel: 021-34196142-44
Fax: 021-34196145

M. A. Jinnah Road Branch

Mezzanine & Ground Floor,
Plot Survey # 19, Street # R.B.6.,
Shop # 3, 4, Ram Bagh Quarters 166,
M.A. Jinnah Road, Karachi
Tel: 021- 32218395, 32218409,32218428
Fax: 021-32218376

Muhammad Ali Society Branch

Plot # 4-C Commercial Area,
Muhammad Ali Co-Operative Housing
Society, Karachi
Tel: 021-34168036-37
Fax: 021-34186045

Nagan Chowrangi Branch

Shop/ Showroom #. 1, Plot #. SC-28,
Sector No. 11-H, Situated at North,
Karachi
Tel: 021-36991103, 36991104

New Challi Branch

Plot No. 27, Survey No. 27, (New Challi),
Altaf Hussain Road, Karachi.
Tel: 021 - 32423999 - 32423737
Fax: 021 - 32422051

North Karachi Industrial Area Branch

Plot No. R-14, Gabol Town, North Karachi
Industrial Area, Karachi
Tel: 021-32015919, 36995925
& 36963445
Fax: 021-36975919

North Nazimabad Branch

Shop / Showroom #. 04, Commercial
Plot # B-64, Block-L, North Nazimabad
K.D.A Scheme # - 2, Karachi
PABX # 021-36724992-94
FAX # 021-36724972

PAF-Base Faisal Branch

Camp-2, Faisal Arcade, PF-I, Market
PAF-Base Faisal, Karachi
PABX: 021-34601360-62
Fax: 021-34601363

Paper Market Branch

Al-Abbas Centre, Paper Market,
Shahrah-e-Liaquat, Karachi
Tel: 021-32639671-2 & 32634135
Fax: 021-32639670

Plaza Quarters Branch

Al-Shafi Building Noman Street,
Off: M.A. Jinnah Road, Karachi
Tel: 021-32771515-16-18
Fax: 021-32771517

Rizvia Society Branch

B-12, Rizvia Cooperative Society,
Nazimabad, Karachi
Tel: 021-36600956-57
Fax: 021-36600958

S.I.T.E. Branch

B/9-B/3, Near Metro Chowrangi,
S.I.T.E. Area, Karachi
Tel: 021-32586801-4, 32587166-8
Fax: 021-32586806

Saeedabad Branch

Plot # 1004/1 & 1004-A/1 (5G/102-A &
5G/012-A/2), Saeedabad, Baldia,
Mahajir Camp, Karachi
Tel: 021-32815092-94
Fax: 021-32815095

Safoora Goth Branch

Shop # 01 & 02, Vital Dreams Apartment,
Block-7, Gulistan-e-Jouhar, Main
University Road, Karachi
PABX # 021-34618691-93

Sea View, Clifton Branch

Plot No. G - 2, Block 2, (Ground Floor),
Clifton, Karachi.
Tel: 021 - 3572020 - 22
Fax: 021 - 3572023

Shahrah-e-Faisal - Branch II

Business Avenue Block-6, P.E.C.H.S.,
Karachi
Tel: 021-34386417-18 & 34374476
Fax: 021-34531819

Soldier Bazar Branch

Shop # 4, 5 & 6, Plot No 14,
Survey # 13-B-2, Soldier Bazar Quarters,
Karachi
Tel: 021-32231559-60
Fax: 021-32231556

Tariq Road Branch

C-51, Central Commercial Area, Near Pizza
Max Tariq Road, P.E.C.H.S., Karachi
Tel: 021-34556486, 34556682
Fax: 021-34555478

Timber Market Branch

Siddique Wahab Road, Karachi
Tel: 021-32732729, 32766995
Fax: 021-32733214

Water Pump Branch

Lateef Square, Block-16, Federal 'B' Area,
Main Water Pump Market, Karachi
Tel: 021-36321387, 36314817
Fax: 021-36314848

LAHORE**Allama Iqbal Town Branch**

56/12, Karim Block, Allama Iqbal Town,
Lahore
Tel: 042-35434160-61, 35434163
Fax: 042-35434164

Badami Bagh Branch

25 - Peco Road Badami Bagh Lahore
Tel: 042-37724583, 37720382, 37705036
Fax: 042-37730867

Bahria Town Branch

Plot No. 31 - B, Sector 'C', Bahria Town,
Lahore
Tel: 042 - 37862380 - 82
Fax: 042-37862379

Bedian Road Branch

Plot No. 3025/20925, Opposite Askari 11
Main Gate, Main Bedian Road,
Lahore Cantt
Tel: 042-37165300-03
Fax: 042-37165304

Cantt Branch

Day building 1482/A, Abdul Rehman Road,
Lahore Cantt
Tel: 042- 36603061-63
Fax: 042-36603065

Circular Road Branch

Babar Centre, 51, Circular Road, Lahore
Tel: 042-37379371 - 75
Fax: 042-37379370

Darogawala Branch

Near Shalimar garden G. T. Road, Darogawala,
Lahore
Tel: 042-36520681-83
Fax: 042-36520684

DHA Phase- VI Branch

Property No 16-MB, Block MB, Phase VI,
DHA, Lahore
Tel: 042 -37189650 -52
Fax: 042-37189653

DHA Phase-VIII Branch

Plaza No. 223, Broadway Commercial,
B-Block, Phase-VIII, DHA, Lahore
Tel: 042-37199915

DHA G Block Branch

Plot # 13 G, Commercial Zone DHA,
Phase-I, Lahore Cantt.
Tel: 042-35691173-78
Fax: 042-35691171

DHA Y Block Branch

163, Block Y, Phase III, DHA Lahore Cantt
Tel: 042-35692531-36
Fax: 042-35692690

Egerton Road Branch

27-Ajmal House, Egerton Road, Lahore
Tel: 042-36364522, 36364532
Fax: 042-36364542

Empress Road Branch

Plot #. 29, Empress Road, Lahore
Tel: 042-36300670-3
Fax: 042-36310362

Faisal Town Branch

853/D, Akbar Chowk, Faisal Town, Lahore
Tel: 042-35204101-3
Fax: 042-35204104

Ferozpur Road Branch

Siza Farmer Factory, Sufiabad, Lahore
Tel: 042- 35401751-3, 35401754
Fax: 042-35800094

Gulberg Branch

Plot 61, Main Gulberg, Lahore
Tel: 042-35870832-3, 35870975-6
Fax: 042-35870834

Ichra More Branch

House # 146, Muhallah Ferozpur Road,
Ichra More, Lahore
Tel: 042-37572090-93 - 042-37426301
Fax: 042-37572089

Johar Town Branch

Plot # 85, Block G/1, M. A. Johar Town,
Lahore
Tel: 042-35291172-74
Fax: 042-35171047

Kashmir Block, Allama Iqbal Town Branch

Plot # 1, Kashmir Block, Allama Iqbal Town
Scheme, Lahore
Tel: 042-37809021-24
Fax: 042-37809026

Liberty Market Branch

Shop No.02 & 03, Ground Floor, Diamond
Tower, 28 Commercial Zone, Liberty
Market, Gulberg III, Lahore
Tel: 042- 35717273, 35763308
Fax: 042-35763310

Mall Road Branch

56, Ground Floor,
Shahrah-e-Quaid-e-Azam
(The Mall), Lahore
Tel: 042-36284801-3
Fax: 042-36284805

Model Town Branch

14-15, Central Commercial Market,
Model Town, Lahore
Tel: 042-35915540-42 & 35915548
Fax: 042-35915549

New Garden Town Branch

19-A, Ali Block, New Garden Town, Lahore
Tel: 042-35911361-4
Fax: 042-35911365

Shah Alam Gate Branch

12-A, Shah Alam Gate, Lahore
Tel: 042-37666854 - 57
Fax: 042-37663488

Urdu Bazar Branch

S - 38-R, Urdu Bazar Chowk - 205,
Circular Road, Lahore
Tel: 042-37116001-3
Fax: 042-37116004

Wahdat Road Branch

Mauza Ichra, Wahdat Road, Lahore
Tel: 042-37503001-3
Fax: 042-37503004

ISLAMABAD**Bahria Town Branch**

Plot # 3-4, Express Way, Sufiyan Plaza,
Phase VII, Bahria Town, Islamabad
Tel: 051- 5707360 - 63-65
Fax: 051-5707358

Barah Koh Branch

Murree Road, Tehsil / District, Islamabad
Tel: 051- 2321712- 13
Fax: 051-2321714

Blue Area Branch

20 - Al- Asghar Plaza, Blue Area, Islamabad
Tel: 051-2823204, 2872913
Fax: 051-2274276

F-10 Markaz Branch

Plot No. 08, Maroof Hospital, F-10 Markaz, Islamabad
Tel: 051-2222860-62
Fax: 051-2222863

F-11 Markaz Branch

Plot # 29, Select Center, F-11 Markaz, Islamabad
Tel: 051-2228027-28
Fax: 051-2228365

G-11 Markaz Branch

Shop #. 25-34, Plot # 23, Sajid Sharif Plaza, G-11 Markaz, Islamabad
Tel: 051-2220973-6
Fax: 051-2220977

I-9 Markaz Branch

Plot # 3/L, Shops Nos. 6, 7, 13, & 14, I-9 Markaz, Islamabad
Tel: 051-4449832-35
Fax: 051-4449836

Stock Exchange Branch

Plot # 109, East F-7/G-7, Jinnah Avenue, Blue Area, Islamabad
Tel: 051-2806281-83
Fax: 051-2806284

Super Market Branch

Shop No. 9, Block - C, F-6 Markaz, Islamabad
Tel: 051-2279168-170 & 051-2824533-34
Fax: 051-2279166

RAWALPINDI**Raja Bazar Branch**

Raja Bazar, Rawalpindi
Tel: 051-5553504, 5557244 & 5777707 - 5534173-5557244
Fax: 051-5559544

Shamsabad Murree Road Branch

DD/29, Shamsabad Murree Road, Ojri Kalan, Rawalpindi
Tel: 051-4854400, 4854401-03
Fax: 051-4854404

The Mall Road Branch

Shop No. 31-A/4, The Mall Road, Opp: State Life Bldg., Saddar, Rawalpindi Cantt.
Tel: 051-5564123, 051-5120777-80
Fax: 051-5528148

FAISALABAD**Jail Road Branch**

House No. P-62, opposite Punjab Medical College, Jail Road, Faisalabad
Tel: 041-8813541-43
Fax: 041-8813544

Kotwali Road Branch

P-12, Kotwali Road, Faisalabad
Tel: 041-2412151-53
Fax: 041-2412154

Liaquat Road Branch

Liaquat Road, Chak # 212, Faisalabad
Tel: 041-2541257-59
Fax: 041-2541255

Satiana Road Branch

679-DGM, Batala Colony, Satiana Road, Faisalabad
Tel: 041 - 8500569 - 71
Fax: 041 - 8500568

Susan Road Branch

Chak No. 213/RB Susan Road, Faisalabad
Tel: 041-8502367-69
Fax: 041-8502371

MULTAN**Abdali Road Branch**

Plot No. 66-A & 66-B/9, Abdali Road, Multan
Tel: 061-4588171, 4588172 & 4588175-78
Fax: 061-4516762

Hussain Agahi Road Branch

2576, Hussain Agahi Road, Multan
Tel: 061-4548083, 4583268, 4583168 & 4584815
Fax: 061-4543794

Qadafi Chowk Branch

Plot # 43, Block T, New Multan Road, Qadafi Chowk-Multan
Tel: 061-6770882-84
Fax: 061-6770889

Vehari Road Branch

Plot # 2227-A, Chowk Shah Abbas, Vehari Road, Multan
Tel: 061-6241015-17
Fax: 061-6241014

SUKKUR

Marich Bazar Branch

B - 885, Marich Bazar, Sukkur
Tel: 071-5627781-2
Fax: 071-5627755

Workshop Road Branch

City Survey # 3403/2/1
and C.S # 3403/2M/6,
Ward-B Tooba Tower
Workshop Road, Sukkur
Tel: 071-5616663, 5616664, 5616582
Fax: 071-5616584

GUJRANWALA

GT Road Branch

B/11-S7/103, G. T. Road, Gujranwala
Tel: 055-3842751-3842729
Fax: 055-3842890

Gujranwala Branch

G.T. Rd., Opp. General Bus Stand,
Gujranwala
Tel: 055-3820401-3
Fax: 055-3820404

Wapda Town Branch

Plot # B - III, MM - 53, Hamza Centre,
Wapda Town, Gujranwala
Tel: 055-4800204-06
Fax: 055-4800203

GUJRAT

GT Road Branch

Small Estate, G. T. Road, Gujrat
Tel: 053-3534208, 3533949 & 3534208
Fax: 053-3533934

Gujrat Branch

Main GT Road Tehsil & Distt., Gujrat
Tel: 053-3517051-54
Fax: 053-3516756

Katchery Chowk Branch

Shop #. 1263 & 1270 B-II, Katchery Chowk,
Opp. Zahoor Elahi Satadim, Near
New Narala Bakers, Gujrat
Tel: 053-3601021-24
Fax: 053-3601025

PESHAWAR

Deans Trade Center Branch

Deans Trade Centre, Islamia Road,
Peshawar
Tel: 091-5253081 -3 & 5
Fax: 091-5253080

Hayatabad Branch

Shop # 1, Hayatabad Mall, Baghee-Naran
Road, Phase II, Sector J-I, Hayatabad,
Peshawar
Tel: 091-5822923-25
Fax: 091-5822926

Main University Road Branch

Tehkal Payan, Main University Road,
Peshawar
Tel: 091-5850540-41 & 5850548-9
Fax: 091-5850546

Milad Chowk Branch

Milad Chowk, New Gate, Peshawar City
Tel: 091-2550477, 2550466, 2217131
Fax: 091-2550488

QUETTA

Fatima Jinnah Road Branch

Plot No. Khasra No.134 & 138, Ward No. 19,
Urban # 1, Fatima Jinnah Road, Quetta
Tel: 081-2301094-95
Fax: 081-2301096

Liaquat Bazar Branch

Ainuddin Street, Quetta
Tel: 081-2837300-1
Fax: 081-2837302

M. A. Jinnah Road Branch

Ground Floor, Malik Plaza, Near
Adara-e-Saqafat, M.A. Jinnah Road,
Quetta
Tel: 081-2865590-95
Fax: 081-2865587

Regal Chowk Branch

Regal Chowk, Jinnah Road, Quetta
Tel: 081-2837028-29
Fax: 081-2825065

ABBOTTABAD

Abbottabad Branch

Ground Floor Shalimar Motors, Ali Plaza,
Near Sethi Masjid, Mansehra Road,
Abbottabad
Tel: 0992-863158, 863148
Fax: 0992-385935

ATTOCK

Hassan Abdal Branch

Survey No. 1269/1624, Khasra No. 1935,
G. T. Road, Hassan Abdal, District Attock
Tel: 057-2520328-331 & 2520320-321

Fateh Jang Branch
Main Rawalpindi Road, Fateh Jang Distt.,
Attock
Tel: 057-2210321-23
Fax: 057-2210324

AZAD KASHMIR

Dadyal Branch
Choudhary Centre, Ara Jattan, Dadyal,
Azad Kashmir
Tel: 05827-463475
Fax: 05827-465316

Mirpur Azad Kashmir - Branch I
NS Tower 119 F/1, Kotli Road,
Mirpur, Azad Kashmir
Tel: 05827- 437193-97
Fax: 05827-437192

Mirpur Azad Kashmir Branch II
Ghazi Archade, 6-B/3, Part II, Allama Iqbal
Road, Mirpur, Azad Kashmir
Tel: 05827-446405, 446407-9
Fax: 05827-446406

Muzzafarabad Branch
49 Garipan Chowk, Domain,
Azad Jammu Kashmir (AJK)
Tel: 05822-924203-5
Fax: 05822-924206

Shaheed Chowk Branch
Deen Plaza, Shaheed Chowk,
Kotli, Azad Kashmir
Tel: 05826-448453-54
Fax: 05826-448455

CHAKWAL

Chakwal Branch
Al- Noor Plaza Sabzi Mandi,
Talagang Road, Chakwal
Tel: 0543-554796, 540650-51
Fax: 0543-554797

Dalwal Branch
Village & Post Office Dalwal, Tehsil
Choha, Saidan Shah, Distt Chakwal
Tel: 0543-582834
Fax: 0543-582842

CHAMMAN

Chamman Branch
Khashra No. 1323 & 2324,
Abdali Bazar, Dola Ram Road, Tehsil Chaman,
District Qila Abdullah, Baluchistan
Tel: 0826- 618137-39
Fax: 0826-618143

DINA

Dina Branch
Mian G.T. Road Dina
Tel: 0544-634471 -3
Fax: 0544-636675

GAWADAR

Gawadar Branch
Plot Askani Hotel, Mullah Faazul Chowk,
Gawadar
Tel: 0864-212144- 212146
Fax: 0864-212147

GHOTKI

Ghotki Branch
CS # 395 & 407, Muhallah Machhi Bazar,
Opp: Sarkari Bagh, Ghotki, Sindh
Tel: 0723-681571 - 73
Fax: 0723-681574

GILGIT

Gilgit Branch
Khasra # 1103, 1112, 1113, Haji Ghulam
Hussain Building, Raja Bazar Gilgit
Tel: 05811-457366-68
Fax: 05811-457369

HARIPUR

Haripur Branch
Ground Floor, Akbar Arcade,
Main G.T. Road, Haripur
Tel: 0995-610832-34
Fax: 0995-610829

HAZRO

Hazro Branch
Plot # B -386, 386-A, Dawood Centre,
Bank Square, Ziaul Haq Road, Hazro
Tel: 057-2313283 - 85
Fax: 057-2313286

HYDERABAD

Bohri Bazar Hyderabad Branch
41/364, Saddar, Bohri Bazar, Hyderabad
Tel: 022-2730911-14
Fax: 022-2730910

Latifabad No. 7 Branch
Latifabad # 7, 5/D Unit # 7, Hyderabad
Tel: 022-3810524 & 3810525
Fax: 022-3810515

Market Chowk Branch

Shop CS # A/2772/2, Ward -A,
Market Road, Hyderabad
Tel: 022-2638451-54
Fax: 022-2638450

Qasimabad Branch

Shop No. 23, 24 & 25, Rani Arcade,
Qasimabad, Hyderabad
Tel: 022-2650742-43 & 2652204-5
Fax: 022-2650745

JEHLUM**Jhelum Branch**

Property #. 1 Survey #. 222 (Part) Dada Bhai
Building, Kazim Kamal Road, Jhelum Cantt.
Tel: 0544-720216 - 18
Fax: 0544-720219

KAMOKE**Kamoke - GT Road Branch**

Madni Trade Centre, G.T Road, Kamoke
Tel: 055- 6815175-76
Fax: 055-6815184

KASUR**Kasur Branch**

Near Pul Qatal Gahri, Kutchery Road, Kasur
Tel: 049-2721993
Fax: 049-2721994

KHAIRPUR**Pacca Chang Branch**

CS No. 418/1-08, Deh. Pacca Chang,
Taluqa Faiz Ganj, District Khairpur
Tel: 0243-557403-5
Fax: 0243-557406

KOT ADDU**Kot Addu Branch**

Property # 43, RH, 48/A-49-50,
Ward B-III, Kot Addu District,
Muzaffar Garh
Tel: 066-2240206-07
Fax: 066-2240208

LALAMUSA**Lalamusa Branch**

G. T. Road, Lalamusa
Tel: 0537 -515694,515699,
515697,519977
Fax: 0537-515685

LARKANA**Larkana Branch**

C.S. No. 1808, Pakistan Chowk, Larkana
Tel: 074-4053608-10
Fax: 074-4053611

MANDI BAHAUDDIN**Mandi Bahauddin Branch**

Khasra # 143/112, Chak #51,
Bank Road, Off Railway Road,
Ghalla Mandi, Mandi Bahauddin
Tel: 0546-600901, 600903-4-5
Fax: 0546-600902

MANSEHRA**Mansehra Branch**

Main Dhangri Chowk, Opposite Garden
Public School, Mansehra
PABX: 0977-391606, 303180
Fax: 0997-303135

MARDAN**The Mall Branch**

Plot No. 337, 337-A, The Mall, Mardan
Tel: 0937-865344-45
Fax: 0937-865342

MIRPURKHAS**Umer Kot Road Branch**

Plot No : 988 to 991 Umerkot,
Gharibabad, Mirpur Khas
Tel: 0233- 875113-7
Fax: 0233-875118

MURIDKE - Shekhupura**Muridke Branch**

774, G.T. Road Muridke
Tel: 042-37950456,37994711-12
Fax: 042-37994713

NAROWAL**Katchery Road Branch**

Katchery Road, Narowal
Tel: 0542-414105-7
Fax: 0542-414089

NAWABSHAH**Nawabshah Branch**

Survey No. 77, Masjid Road, Nawabshah
Tel: 0244 - 372042 - 44
Fax: 0244-372045

OKARA

M. A. Jinnah Road Branch
Ghulam Mustafa Centre,
M. A. Jinnah Road, Okara.
Tel: 044-2528755, 2525355 & 2551956

RABWAH

Rabwah Branch
Plot No-9-10, Block-14, Darul Sadar,
Gol Bazar, (Chenab Nagar) Rabwah
Tel: 047-6213795-97 & 6213792
Fax: 047-621 3797

RAHIM YAR KHAN

Rahim Yar Khan Branch
31/34 Shahi Road, Rahimyar Khan
Tel: 068-5877821-5883876
Fax: 068-5876776

SADIQABAD

Sadiqabad Branch
Mozzah Khuda Bux Dehar, Macchi Goth,
KLP Road, Sadiqabad
Tel: 068- 5951303 & 5951301-2
Fax: 068-5951300

SAHIWAL

High Street Branch
558/8-1, Navid Plaza, High Street Sahiwal.
Tel: 040-4229247, 4221615,4229247
Fax: 040-4460960

SARGODHA

Sargodha Branch
Prince Cinema Market Railway Road,
Sargodha
Tel: 048-3768113-5
Fax: 048-3768116

Satellite Town Branch
Satellite Town, Ground Floor, Afzal Towers,
Plot # 302-A, Main Satellite Town, Sargodha.
Tel: 048-3221025-28
Fax: 048-3221029

SHIKARPUR

Shikarpur Branch
C.S. No. 52/33/1, Ward 'B', Lakhi Gate,
Shikarpur
Tel: 0726-522057-59
Fax: 0726-522060

SIALKOT

Kashmir Road Branch
Block 'A', ZHC, Kashmir Road, Sialkot
Tel: 052-3573304-7
Fax: 052-3573310

Paris Road Branch
B1, 16S, 71/A/1, Paris Road, Sialkot
Tel: 052-4602712-17
Fax: 052-4598849

Small Industrial Area Branch
Plot No. 32 / A, S.I.E -1,
Small Industrial Estate,
UGOKE Road, Sialkot
Tel: 052-3242690 - 92
Fax: 052-3242695

SWABI

Swabi Branch
Property Bearing No. 3361,
Main Mardan Road, Swabi
Tel: 0938-222968 - 69
Fax: 0938-221572

TANDO ALLAH YAR

Tando Allah Yar Branch
C-1, Survey # 274,
Main Road, Tando Allah Yar
Tel: 022-2763181-83
Fax: 022-2763184

TURBAT

Main Bazar Branch
Main Bazar, Turbat
Tel: 0852-413874 & 411606
Fax: 0852-414048

WAH CANTT

Wah Cantt Branch
Plot No. 17/37, Civic Center,
Aslam Market, Wah Cantt
Tel: 051- 4902238-39 & 4902241
Fax: 051-4902240

ISLAMIC BANKING BRANCHES

KARACHI

Fish Harbour Branch

Plot No. L - 2, Block "L" Fish Harbour,
Dockyard Road, West Wharf, Karachi
PABX: 021-32312166-68
Fax: 021-32312165

Fortune Tower Branch

Showroom # 9, Ground Floor Plot # 43/1-A,
Fortune Towers, P.E.C.H.S, Block-6
Shahrah-e-Faisal, Karachi
PABX: 021-32368002-4
Fax: 021-32368008

I. I. Chundrigar Road Branch II

5-Business & Finance Centre, Opposite
State Bank of Pakistan, Karachi.
Tel: 021-32438212, 32472176, 32471796
Fax: 021-32438218

Super Highway Branch

Shop No. 29 & 30, Plot # 1-B/3, Sub Sector
1-A, Scheme No. 33, Main Super Highway,
Karachi.
Tel: 021 - 36830161-3
Fax: 021-36830162

Zamzama Branch

Shop No. 3, 4, 5, 6 & 7, Plot No. 16-C, 2nd
Zamzama Commercial Lane DHA, Karachi
Tel: 021 - 35373135-7
Fax: 021 - 35373138"

LAHORE

PIA Society Islamic Banking Branch

Plot # 40, Block-D, Main Boulevard PIA
Society, Opp Wapda Town Roundabout,
Lahore
Tel: 042-35189957 - 59
Fax: 042-35210895

CHILLAS

Chillas Branch

Khasra No. 02, Bazar Area, Chillas,
District Baltistan
Tel: 05812 - 450702-3
Fax: 05812-450704

SKARDU

Skardu Branch

Khasra No. 1265/39, Yadgar Chowk,
Tehsil Skardu, District Baltistan
Tel: 05815 - 456693-94
Fax: 05815-456696

ISLAMABAD

DHA Phase-II Branch

Plot No. 7, Street SSZBS Al Nahayaan,
Sector-A, DHA Phase-2, Near Al Ghurair,
Main Boulevard, Islamabad
Tel: 051-4918314 -16
Fax: 051-4918317

Naval Anchorage Branch

Plot # 19, Commercial No. 2, Naval Officers
Housing Scheme Anchorage, Islamabad
Tel: 051 - 5159126 - 28
Fax: 051 - 5159129

CHITRAL

Chitral Branch

Attalique Bazar, Bank Square,
Opp: NBP Building, Chitral
Tel: 0943 - 412536-37
Fax: 0943 - 414352"

HYDERBAD

DHA Plaza Branch

Shop No. 1 & 2, Block "C", Defence Plaza,
Thandi Sarak, Hyderabad
Tel: 022- 2108474, 2108478
Fax: 022-210847

RAWALPINDI

Bahria Town Branch Phase-IV

Plot # 1, Bahria Town, Civic Centre,
Phase IV, Rawalpindi
Tel: 051-5733945-46
Fax: 051-5733967

