

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



BML **بنک مکرمہ**
Bank Makramah Ltd.

QUARTERLY REPORT SEPTEMBER 2024

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Corporate *Information*

Board of Directors

Mr. Abdulla Nasser Abdulla Hussain Lootah
Chairman / Non-Executive Director

Mr. Muhammad Salman Alam Fazli
Vice Chairman / Non-Executive Director

Mr. Waseem Mehdi Syed
Independent Director

Ms. Fauzia Hasnain
Independent Director

Mr. Wajahat Ahmed Baqai
Non-Executive Director

Mr. Zafar Iqbal Siddiqi
Non-Executive Director

Mr. Jawad Majid Khan
President & CEO / Executive Director

Board Audit Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Muhammad Salman Alam Fazli
Member

Mr. Wajahat Ahmed Baqai
Member

Mr. Zafar Iqbal Siddiqi
Member

Board Risk Management Committee

Mr. Wajahat Ahmed Baqai
Chairman

Mr. Muhammad Salman Alam Fazli
Member

Ms. Fauzia Hasnain
Member

Mr. Zafar Iqbal Siddiqi
Member

Board Human Resource & Remuneration Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Abdulla Nasser Abdulla Hussain Lootah
Member

Mr. Muhammad Salman Alam Fazli
Member

Mr. Waseem Mehdi Syed
Member

Mr. Jawad Majid Khan
Member

Board Information Technology Committee

Mr. Zafar Iqbal Siddiqi
Chairman

Mr. Abdulla Nasser Abdulla Hussain Lootah
Member

Mr. Muhammad Salman Alam Fazli
Member

Mr. Waseem Mehdi Syed
Member

Mr. Jawad Majid Khan
Member

Board Compliance Committee

Mr. Waseem Mehdi Syed
Chairman

Mr. Abdulla Nasser Abdulla Hussain Lootah
Member

Mr. Muhammad Salman Alam Fazli
Member

Mr. Wajahat Ahmed Baqai
Member

Mr. Zafar Iqbal Siddiqi
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. Waseem Mehdi Syed
Member

Ms. Fauzia Hasnain
Member

Mr. Jawad Majid Khan
Member

Shariah Board

Mufti Muhammad Najeeb Khan
Chairman

Mufti Irshad Ahmed Aijaz
Member

Dr. Noor Ahmed Shahtaz
Member

Mufti Bilal Ahmed Qazi
Member

Mufti Dr. Imamuddin
Member

Mufti Syed Zubair Hussain
Resident Shariah Board Member

Chief Financial Officer

Mr. Salman Zafar Siddiqi

Company Secretary

Mr. Assad Rabbani

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.



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



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



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

Dear shareholders,

On behalf of the Board of Directors, we are pleased to present the Directors' Review of the Bank along with the unaudited condensed interim financial statements for the nine months ended September 30, 2024.

THE BANK'S PERFORMANCE

The highlights of the financial results for the nine months ended September 30, 2024 are as follows:

Financial Position	Rupees in Millions
Shareholders' Equity	(16,265)
Deposits	162,464
Total Assets	267,237
Advances – net	16,379
Investments – net	170,180

Financial Performance

Net Interest Income and Non Mark-up Income (Total Income)	(57)
Non Mark-up Expenses	5,962
Credit loss allowance / reversal and write offs – net	(968)
Loss before tax	5,051
Loss after tax	3,185
Basic and diluted loss per share – Rupees	(0.60)

While the Bank's financial statements reflect a loss for the nine months ended September 30, 2024, it is important to recognise the progress made in various areas compared to the same period last year. The loss before tax reduced from Rs 5.864 billion to Rs 5.051 billion indicating an improvement in the financial performance and loss after tax was reported at Rs 3.185 billion against the loss of Rs 3.775 billion for the comparative period last year. As a result, loss per share reduced to Re. 0.60 as opposed to Re 0.77 in the comparative prior period.

There is a significant improvement in average net investments attributed to increase in deposits, consequently, average net investments surged from Rs. 112.729 billion in the comparative prior period to Rs. 185.154 billion. This substantial increase in average net investments was complemented by enhanced average net investment yields, improving from 21.07% in the comparable prior period to 21.50% in the current period. This growth in both volume and yields led to a substantial boost in the Bank's income from investments, reaching Rs. 29.801 billion for the current period, compared to Rs. 17.764 billion in comparable prior period.

Net yields on advances also improved, reaching 17.95% for the current period, compared to 14.61% for the same period last year. However, the Bank witnessed a decrease in average net advances, totalling Rs. 16.288 billion as at September 30, 2024, compared to Rs. 19.314 billion for the comparable period last year aligning with the strategy to reduce risk-weighted assets. Income from advances ended higher at Rs. 2.188 billion for the current period, compared to Rs. 2.110 billion for the comparable prior period inspite of reduced portfolio.

Deposits amounted to Rs. 162.464 billion as of September 30, 2024, representing an increase of Rs. 15.463 billion or 10.52% compared to the same period last year. In terms of averages, the portfolio grew by Rs. 27.026 billion, or 20.59% 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 September 30, 2024, the Bank's CASA ratio improved to 89.59% (September 2023: 88.88%). The average cost of deposits was managed at 13.44% for the current period.

As the Bank capitalized on arbitrage opportunities, average borrowings amounted to Rs. 117.487 billion as of September 30, 2024, compared to Rs. 65.049 billion in the same period last year, indicating an increase of Rs. 52.438 billion. Meanwhile, the overall average cost of borrowing increased to 20.68% from 19.38% in the comparative prior period.

The Bank took advantage of the declining yield curve by realising the capital gains through sale of government securities which mainly contributed in increasing the non-funded income of the Bank beside other factors. Total non funded income was recorded at Rs. 2.728 billion, compared to Rs. 1.019 billion in the prior period representing an increase of 167.76%.

The Bank successfully exhibited prudent control over its operating expenses by continuously monitoring and implementing cost control initiatives. While the average CPI inflation was 15.71% for nine month of 2024, the Bank managed to restrict the increase in its operating expenses to 13.69% compared to the same period last year. The Bank's total non-markup expenses amounted to Rs. 5.962 billion, compared to Rs. 5.244 billion for the same period last year.

In the current period, there were net provision reversals amounting to Rs. 0.968 billion, indicating a substantial improvement from Rs. 0.092 billion in the comparative prior period.

As of September 30, 2024, the Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) marginally increased to 69.51%, compared to 68.50% recorded on December 31, 2023. This increase is mainly attributed to a reduction in gross advances by Rs. 2.476 billion. Additionally, the coverage ratio as at September 2024 improved to 96.66%, compared to 94.31% on December 2023. The Bank's gross advances to deposits ratio (Gross Advances to Total Deposits) decreased to 31.07% in September 2024 from 33.74% as at December 2023, reflecting the risk averse strategic outlook.

As of September 30, 2024, the Bank's deferred tax assets (net) totalled Rs. 25.238 billion. In the current period, an additional Rs. 1.983 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 March 2025.

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 is indicating positive developments from the start of FY 2025, clearly visible from the improvement in most of the economic indicators. Inflation has declined to single digit, industrial output has increased, and large exporting sectors have witnessed growth, reflecting an optimistic outlook for exports. The current account deficit has contracted, while the fiscal sector remained resilient, mainly attributed to prudent economic measures.

The Current Account deficit has narrowed sharply, reflecting an improvement in the trade balance. During Jul -Aug FY 2025, the current account recorded a deficit of USD 0.2 billion compared to a deficit of USD 0.9 billion last year. Exports rose by 7.2%, reaching USD 4.9 billion while imports stood at USD 9.5 billion (USD 8.4 billion last year). As a result, the trade deficit was recorded at USD 4.7 billion.

Foreign Direct Investment (FDI) increased by 55.5 % to USD 350 million during Jul-Aug FY 2025. Workers remittances recorded at USD 5.9 billion, an increase by 44% compared to the same period last year.

In July FY 2025, net federal revenues grew by 7.2% to PKR 408.4 billion from PKR 380.9 billion last year. The growth in revenues was driven by 22.6% increase in tax collection and 20.5% rise in non-tax collection. Consequently, the fiscal deficit was recorded at 0.3% of GDP, compared to 0.2% of GDP in the same month last year. The primary balance posted a surplus of 0.1% of GDP compared to 0.3% of GDP in the previous year. During Jul-Aug FY 2025, the Federal Board of Revenue's (FBR) net tax collection increased by 20.6% to PKR 1,456 billion compared to PKR 1,207.5 billion during the same period last year.

Consumer Price Index (CPI) inflation is on a declining trend and has receded to single digits, the lowest level in 34 months in August 2024, recorded at 9.6% on year-on-year basis compared to 27.4% in the same month last year.

In the last three Monetary Policy Committees (MPCs) meeting held on June 10, 2024, July 29, 2024 and September 12, 2024, the SBP reduced the policy rate by 1.5%, 1% and 2%, respectively. As a result, the policy rate now stand at 17.5%, down from 22% last year.

Pakistan's FX reserves were recorded at USD 14.9 billion on September 20, 2024, with the SBP's reserves at USD 9.5 billion.

The performance of the Pakistan Stock Exchange (PSX) remained remarkable, with the KSE 100 index closing at 81,114 points in September 2024 compared to 78,445 points in June 2024.

Despite substantial challenges, the overall economic outlook remain optimistic, and growth prospects are anticipated to remain promising. The recovery is expected to be bolstered by a favorable external environment, a stable exchange rate, and declining inflationary pressures. Moreover, an accommodative monetary policy stance, improved investor confidence, and a recovering global market, will provide additional support to foster the sustainable industrial growth. It is expected that if this positive momentum is maintained, the economy will continue to 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
October 30, 2024
Karachi

20 ستمبر 2024ء تک پاکستان کے زرمبادلہ کے ذخائر 14.9 ارب ڈالر تھے جس میں سے اسٹیٹ بینک کے زیر تحویل ذخائر 9.5 ارب ڈالر تھے۔

ستمبر 2024ء میں پاکستان اسٹاک ایکسچینج کی کارکردگی شاندار رہی اور ستمبر 2024ء کے دوران کے ایس ای 100 انڈیکس 81,114 پوائنٹس پر بند ہوا جبکہ جون 2024ء میں 78,445 پوائنٹس تھا۔

درپیش ضخیم چنوتیوں کے باوجود، مجموعی اقتصادی منظر نامہ امید افزا ہے اور ترقی کے امکانات روشن رہنے کی توقع ہے۔ معاشی بحالی کے لیے سازگار بیرونی حالات، مستحکم ایکسچینج ریٹ، اور مہنگائی کے دباؤ میں کمی معاون ثابت ہوں گے۔ مزید برآں، موزوں مالیاتی پالیسی، سرمایہ کاروں کے اعتماد میں بہتری، اور عالمی منڈی کی بحالی صنعتی ترقی کو پائیدار بنانے میں مزید مدد فراہم کرے گی۔ لہذا امید ہے کہ اگر یہ مثبت رفتار برقرار رہی تو آنے والے مہینوں میں معیشت مزید مستحکم ہوتی رہے گی۔

تعریف و توثیق

ہم، بورڈ کی جانب سے ایک بار پھر اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن پاکستان، اور دیگر ضوابطی حکام کی مسلسل رہنمائی اور معاونت پر شکر گزار ہیں۔ نیز ہم مسلسل معاونت پر ہمارے شیئر ہولڈرز، ہمارے صارفین اور بینک کے عملے کا شکریہ ادا کرنا چاہیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے

فوزیہ حسنین

ڈائریکٹر

جواد ماحد خان

صدر اور چیف ایگزیکٹو آفیسر

بینک مکرّمہ لمیٹڈ

30 اکتوبر 2024ء

کراچی

30 ستمبر 2024ء تک بینک کے موخر ٹیکس 25.238 ارب روپے تھے۔ رواں مدت میں 1.983 ارب روپے کے اضافی موخر ٹیکس اکاؤنٹس (خالص) کی نشاندہی کی گئی۔

کریڈٹ ریٹنگ

2019ء کے دوران، وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کی درمیانی تا طویل مدتی ریٹنگ 'بی بی بی' (ٹریپل بی مائنس) اور قلیل مدتی ریٹنگ 'اے-3' (اے-تھری) معطل 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 مکمل کے لیے مارچ 2025ء تک توسیع فراہم کر دے۔

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

اقتصادی جائزہ

پاکستان کی معیشت مالی سال 2025ء کے آغاز سے ہی مثبت پیش رفت کی نشاندہی کر رہی ہے، جو کہ بیشتر اقتصادی اشاریوں میں بہتری سے واضح طور پر دکھائی دے رہی ہے۔ مہنگائی سنگل ڈیجٹ تک گر گئی ہے، صنعتی پیداوار میں اضافہ ہوا ہے، اور بڑے برآمدی شعبوں میں نمو دیکھنے میں آئی ہے، جو برآمدات کے لیے پر امید نقطہ نظر کی عکاسی کرتی ہے۔ کرنٹ اکاؤنٹ خسارہ کم ہو گیا ہے، جبکہ مالیاتی شعبہ نگہدار رہا، جس کی بنیادی وجہ دانشمندانہ اقتصادی اقدامات ہیں۔

جاری کھاتے کا خسارہ نمایاں طور پر کم ہوا ہے، جو تجارتی توازن میں بہتری کی عکاسی کرتا ہے۔ جولائی تا اگست مالی سال 2025ء کے دوران جاری کھاتے کا خسارہ 0.2 ارب ڈالر رہا، جبکہ گذشتہ برس یہ 0.9 ارب ڈالر تھا۔ برآمدات میں 7.2 فیصد اضافہ ہوا اور وہ 4.9 ارب ڈالر تک پہنچ گئیں، جبکہ درآمدات 9.5 ارب ڈالر رہیں (گذشتہ سال 8.4 ارب ڈالر)۔ نتیجتاً، تجارتی خسارہ 4.7 ارب ڈالر گھٹ گیا۔

مالی سال 2024ء میں بیرونی براہ راست سرمایہ کاری (ایف ڈی آئی) میں 55.5 فیصد اضافے سے 350 ملین ڈالر ہو گئی۔ کارکنوں کی ترسیلات زر گذشتہ سال کے مقابلے میں 44 فیصد اضافے کے ساتھ 5.9 ارب ڈالر ہو گئیں۔

جولائی مالی سال 2025ء میں خالص وفاقی حاصل 7.2 فیصد اضافے سے 408.4 ارب روپے تک پہنچ گئے، جو گذشتہ سال 380.9 ارب روپے تھے۔ حاصل میں اس اضافے کی وجہ ٹیکس وصولی میں 22.6 فیصد اور نان ٹیکس وصولی میں 20.5 فیصد کا اضافہ تھا۔ نتیجتاً، مالیاتی خسارہ جی ڈی پی کا 0.3 فیصد رہا، جبکہ گذشتہ سال کے اسی مہینے میں یہ 0.2 فیصد تھا۔ ابتدائی توازن میں جی ڈی پی کا 0.1 فیصد اضافی سرپلس درج کیا گیا، جبکہ گذشتہ برس یہ 0.3 فیصد تھا۔ جولائی تا اگست مالی سال 2025ء کے دوران وفاقی دفتر حاصل (ایف بی آر) کی خالص ٹیکس وصولی 20.6 فیصد بڑھ کر 14.56 ارب روپے تک پہنچ گئی، جبکہ گذشتہ برس کی اسی مدت کے دوران یہ 12.075 ارب روپے تھی۔

صارف اشاریہ قیمت (سی پی آئی) مہنگائی میں کمی کا رجحان ہے اور یہ اگست 2024ء میں 34 مہینوں کی پست ترین سطح پر پہنچ کر یک ہندسی رہ گئی ہے، پست ترین سطح پر آچکی ہے، جو سال بہ سال بنیاد پر 9.6 فیصد درج کی گئی، جبکہ گذشتہ سال اسی مہینے میں یہ 27.4 فیصد تھی۔

زری پالیسی کمیٹی کی 10 جون 2024ء، 29 جولائی 2024ء اور 12 ستمبر 2024ء کو ہونے والے گذشتہ تین اجلاسوں میں اسٹیٹ بینک نے پالیسی ریٹ میں ہالتریب 1.5 فیصد، 1 فیصد اور 2 فیصد کمی کی تھی۔ نتیجتاً پالیسی ریٹ گذشتہ سال کے 22 فیصد کے مقابلے میں کم ہو کر 17.5 فیصد رہ گیا ہے۔

اوسط خالص سرمایہ کاری میں نمایاں بہتری آئی ہے جس کی وجہ ڈپازٹس میں اضافہ ہے۔ نتیجتاً، اوسط خالص سرمایہ کاری بڑھ کر 185.154 ارب روپے ہو گئی جو گزشتہ برس کی اسی مدت میں 112.729 ارب روپے تھی۔ اوسط خالص سرمایہ کاری یا فنڈز میں اضافے کی وجہ سے اوسط خالص سرمایہ کاریاں نمایاں طور پر بڑھ گئیں، جو موجودہ مدت کے دوران 21.50 فیصد ہو گئیں جبکہ گزشتہ برس کی اسی مدت میں 21.07 فیصد تھیں۔ حجم اور یا فنڈز دونوں میں اس نمو کے نتیجے میں بینک کی سرمایہ کاریوں سے ہونے والی آمدنی میں خاطر خواہ اضافہ ہو گیا جو موجودہ مدت کے دوران 29.801 ارب روپے تک پہنچ گئی جبکہ سابقہ تقابلی مدت میں یہ 17.764 ارب روپے تھی۔

موجودہ مدت کے دوران ایڈوانسز پر خالص یا فنڈز بھی بڑھ کر 17.95 فیصد ہو گئیں جبکہ گزشتہ برس کی اسی مدت میں یہ 14.61 فیصد تھیں۔ 30 ستمبر 2024 تک بینک کے اوسط خالص ایڈوانسز کم ہو کر 16.288 ارب روپے رہ گئے جو اس کی بہ وزن خطرہ اثاثوں کو کم کرنے کی اس کی حکمت عملی سے ہم آہنگ ہے، جبکہ گزشتہ سال کی اسی مدت میں یہ 19.314 ارب روپے تھے۔ پست جزدان (پورٹ فولیو) کے باوجود رواں مدت کے دوران ایڈوانسز سے حاصل ہونے والی آمدنی بڑھ کر 2.188 ارب روپے ہو گئی جو قبل ازیں تقابلی مدت میں 2.110 ارب روپے تھی۔

30 ستمبر 2024 تک اثاثوں کی بائٹ 162.464 ارب روپے تھی جو گزشتہ سال کی اسی مدت کے مقابلے میں 15.463 ارب روپے یا 10.52 فیصد اضافے کو ظاہر کرتی ہے۔ اوسط کے لحاظ سے پورٹ فولیو میں 27.026 ارب روپے نمو یا گزشتہ سال کے اسی عرصے کے مقابلے میں 20.59 فیصد اضافہ ہوا۔ شرح سود کی سخت مسابقت کے سبب، بینک کی توجہ سی اے ایس اے (CASA) اور غیر نفع بخش کھاتوں کو برقرار رکھنے پر مرکوز رہی۔ 30 ستمبر 2024 تک، بینک کا سی اے ایس اے تناسب بڑھ کر 89.59 فیصد ہو گیا (ستمبر 2023ء: 88.88 فیصد)۔ رواں مدت کے دوران ڈپازٹس کی اوسط لاگت 13.44 فیصد رہی۔

چونکہ بینک نے ٹائٹل کے مواقع پر سرمایہ کاری کی، لہذا 30 ستمبر 2024 تک اوسط قرض گیری بڑھ کر 117.487 ارب روپے ہو گئی، جبکہ گزشتہ سال کی اسی مدت میں یہ 65.049 ارب روپے تھی، جو 52.438 ارب روپے کے اضافے کو ظاہر کرتی ہے۔ دریں اثنا، قرضوں کی مجموعی اوسط لاگت گزشتہ مدت کے 19.38 فیصد سے بڑھ کر 20.68 فیصد ہو گئی۔

بینک زوال پذیر خطیافت کا فائدہ اٹھاتے ہوئے حکومتی سیکورٹیز کی فروخت کے ذریعے سرمائے پر منافع حاصل کیا، جس سے نان فنڈڈ آمدنی میں اضافہ ہوا۔ مجموعی نان فنڈڈ آمدنی 2.728 ارب روپے رہی، جبکہ گزشتہ مدت میں یہ 1.019 ارب روپے تھی، جو 167.76 فیصد اضافے کو ظاہر کرتی ہے۔

لاگت پر قابو پانے کے اقدامات کی مسلسل نگرانی اور نفاذ کے ذریعے بینک نے اپنے آپریٹنگ اخراجات پر محتاط کنٹرول کا کامیابی سے مظاہرہ کیا۔ 2024ء کے نومبر میں کے لیے اوسط سی پی آئی مہنگائی 15.71 فیصد تھی، لیکن بینک گزشتہ برس کی اسی مدت کے مقابلے میں اپنے آپریٹنگ اخراجات میں اضافے کو 13.69 فیصد تک محدود رکھنے میں کامیاب رہا۔ بینک کے مجموعی نان مارک اپ اخراجات 5.962 ارب روپے تھے جو گزشتہ سال کے اسی عرصے میں 5.244 ارب روپے تھے۔

رواں مدت کے دوران 0.968 ارب روپے کا خالص تنوینی استرداد (reversal) درج کیا گیا جو قبل ازیں تقابلی مدت کے 0.092 ارب روپے کے مقابلے میں نمایاں بہتری کو ظاہر کرتا ہے۔

30 ستمبر 2024 تک بینک کے مجموعی غیر فعال قرضوں کا تناسب (مجموعی ایڈوانسز کے لیے مجموعی غیر فعال قرضے) معمولی اضافے سے 69.51 فیصد ہو گیا جبکہ 31 دسمبر 2023ء کو یہ 68.50 فیصد تھا، اس اضافے کی بنیادی وجہ مجموعی قرضوں میں 2.476 ارب روپے کی کمی ہے۔ مزید برآں، ستمبر 2024ء میں کوریج کا تناسب دسمبر 2023ء کے 94.31 فیصد کے مقابلے میں بہتر ہو کر 96.66 فیصد ہو گیا۔ بینک کے مجموعی ایڈوانسز اور ڈپازٹس کا تناسب (مجموعی ایڈوانسز اور مجموعی اثاثیں) دسمبر 2023ء کے 33.74 فیصد سے کم ہو کر ستمبر 2024ء میں 31.07 فیصد رہ گیا، جو کہ اسٹرینجنگ نقطہ نظر کی عکاسی کرتا ہے۔

ڈائریکٹرز کا جائزہ

عزیز شیئر ہولڈرز،

بورڈ آف ڈائریکٹرز کی جانب سے، ہم بینک کے 30 ستمبر 2024ء کو اختتام پذیر ہونے والے نو مہینوں کے لیے ڈائریکٹرز کا جائزہ اور غیر آڈٹ شدہ جامع عبوری مالی گوشوارے پیش کرتے ہوئے مسرور ہیں:

بینک کی کارکردگی

30 ستمبر 2024ء کو اختتام پذیر ہونے والے نو مہینوں کے لیے بینک کے مالی نتائج کی جھلکیاں مندرجہ ذیل ہیں:

مالی صورت حال	ملین روپے
شیئر ہولڈرز کی ایکویٹی	(16,265)
امانتیں	162,464
مجموعی اثاثے	267,237
ایڈوانسز - خالص	16,379
سرمایہ کار یاں - خالص	170,180
مالی کارکردگی	
خالص سودی آمدنی اور غیر سودی آمدنی (مجموعی آمدنی)	(57)
غیر سودی اخراجات	5,962
اسٹرداد / تمویں اور متروکات - خالص	(968)
خسارہ قبل از ٹیکس	5,051
خسارہ بعد از ٹیکس	3,185
خسارہ فی شیئر بنیادی اور سیال (diluted) - روپے	(0.60)

اگرچہ بینک کے مالی بیانات 30 ستمبر 2024ء کو اختتام پذیر ہونے والے نو مہینوں کے لیے خسارہ ظاہر کرتے ہیں، تاہم یہ بات تسلیم کرنا ضروری ہے کہ گذشتہ برس کی اسی مدت کے مقابلے میں مختلف شعبوں میں پیش رفت ہوئی ہے۔ قبل از ٹیکس خسارہ 5.864 ارب روپے سے کم ہو کر 5.051 ارب روپے رہ گیا جو مالی کارکردگی میں بہتری کو ظاہر کرتا ہے جبکہ بعد از ٹیکس خسارہ 3.185 ارب روپے درج کیا گیا جو گذشتہ سال کی اسی مدت میں 3.775 ارب روپے تھا۔ نتیجتاً فی حصص خسارہ کم ہو کر 0.77 روپے کے مقابلے میں کم ہو کر 0.60 روپے رہ گیا۔

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

**FOR THE NINE MONTHS PERIOD ENDED
SEPTEMBER 30, 2024**

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	14,769,747	14,463,417
Balances with other banks	7	1,514,802	601,877
Lendings to financial institutions	8	8,589,308	-
Investments	9	170,179,771	179,899,952
Advances	10	16,379,236	18,735,149
Property and equipment	11	7,098,563	7,210,016
Right-of-use assets	12	2,417,360	2,721,205
Intangible assets	13	287,065	262,203
Deferred tax assets	14	25,238,177	23,255,236
Other assets	15	20,762,652	41,475,212
Total Assets		267,236,681	288,624,267
LIABILITIES			
Bills payable	17	1,450,743	2,162,537
Borrowings	18	107,930,145	130,369,330
Deposits and other accounts	19	162,464,134	156,960,280
Lease liabilities	20	3,136,119	3,348,737
Subordinated debt	21	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	22	7,024,586	7,100,434
Total Liabilities		283,501,242	301,436,833
NET ASSETS		(16,264,561)	(12,812,566)
REPRESENTED BY			
Share capital - net		30,500,208	30,500,208
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	23	4,403,187	3,970,837
Accumulated losses		(50,742,913)	(46,858,568)
		(16,264,561)	(12,812,566)

CONTINGENCIES AND COMMITMENTS 24

The annexed notes 1 to 42 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 AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		Quarter Ended		Nine Months Period Ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Note		(Rupees in '000) -----			
Mark-up / return / interest earned	25	10,584,484	9,971,426	32,379,283	20,073,068
Mark-up / return / interest expensed	26	11,271,259	10,685,385	35,164,399	21,803,931
Net Mark-up / interest expense		(686,775)	(713,959)	(2,785,116)	(1,730,863)
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	258,346	155,481	781,474	439,315
Dividend income		-	-	412	206
Foreign exchange income		73,539	133,419	369,963	722,398
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	28	599,652	(62,255)	871,886	(514,293)
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	29	13,409	14,340	704,175	371,146
Total non-markup / interest income		944,946	240,985	2,727,910	1,018,772
Total income		258,171	(472,974)	(57,206)	(712,091)
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	2,117,405	1,910,501	5,961,667	5,243,652
Workers' welfare fund		-	-	-	-
Other charges		89	237	193	418
Total non-markup / interest expenses		2,117,494	1,910,738	5,961,860	5,244,070
Loss before credit loss allowance / provisions		(1,859,323)	(2,383,712)	(6,019,066)	(5,956,161)
Credit loss allowance / reversals and write offs - net	32	756,021	739,826	(968,031)	(92,039)
Extra ordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(2,615,344)	(3,123,538)	(5,051,035)	(5,864,122)
Taxation	33	(873,258)	(1,069,980)	(1,866,517)	(2,088,772)
LOSS AFTER TAXATION		(1,742,086)	(2,053,558)	(3,184,518)	(3,775,350)
----- (Rupee) -----					
Basic loss per share	34	(0.33)	(0.34)	(0.60)	(0.77)
Diluted loss per share	34	(0.33)	(0.34)	(0.60)	(0.77)

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

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

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Quarter Ended		Nine Months Period Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	----- (Rupees in '000) -----			
Loss after taxation for the period	(1,742,086)	(2,053,558)	(3,184,518)	(3,775,350)
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	-	335,521	-	185,369
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	946,473	-	615,770	-
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	9,319	9,657	37,085	28,977
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	7	-	12	-
Movement in surplus on revaluation of non-banking assets - net of tax	2,320	2,313	41,229	6,937
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	15,613
	11,646	11,970	78,326	51,527
Total comprehensive loss	(1,730,440)	(1,706,067)	(2,490,422)	(3,538,454)

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

Balance as at January 01, 2023 (Audited)

Loss after taxation for nine months period ended September 30, 2023

Other comprehensive income - net of tax

Transfer to statutory reserve

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

Transfer from surplus on revaluation of fixed assets on sale to accumulated losses

Transfer from surplus on revaluation of property held for sale to accumulated losses

Transfer from surplus on revaluation of property held for sale to accumulated losses

Transactions with owners, recorded directly in equity

Issue of share capital

Share issuance cost

Balance as at Oct 01, 2023 (Un-audited)

Loss after taxation for the three months period ended December 31, 2023

Other comprehensive income - net of tax

Transfer to statutory reserve

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

Transfer from surplus on revaluation of property & equipment on sale to accumulated losses

Transfer from surplus on revaluation of property held for sale to accumulated losses

Balance as at January 01, 2024 (Audited)

Effect of adoption of IFRS 9 - ECL (net of tax) - Note 41.2

Loss after taxation for nine months period ended September 30, 2024

Other comprehensive income - net of tax

Transfer to statutory reserve

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

Transfer from surplus on revaluation of property & equipment on sale to accumulated losses

Transfer from surplus on revaluation of non-banking assets on sale to accumulated losses

Balance as at September 30, 2024 (Un-audited)

The annexed notes 1 to 42 form an integral part of these consolidated condensed interim financial statements.

	Share capital		Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of		Accumulated losses	Total
	Issued, subscribed and paid up	Discount on issue of shares	Share premium	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	(6,149)	3,295,706	708,079	(17,648,882)
Loss after taxation for nine months period ended September 30, 2023	-	-	-	-	-	-	-	-	(3,775,350)
Other comprehensive income - net of tax	-	-	-	-	-	-	-	15,613	236,896
Transfer to statutory reserve	-	-	-	-	-	-	185,369	-	-
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	-	-	-	-	-	-	(74,302)	-	-
Transfer from surplus on revaluation of fixed assets on sale to accumulated losses	-	-	-	-	-	-	(17,785)	-	-
Transfer from surplus on revaluation of property held for sale to accumulated losses	-	-	-	-	-	-	(39,415)	-	-
Transfer from surplus on revaluation of property held for on sale to accumulated losses	-	-	-	-	-	-	-	(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 Oct 01, 2023 (Un-audited)	66,222,205	(35,721,997)	1,000,000	(1,579,205)	154,162	179,220	3,200,118	688,657	(11,353,979)
Loss after taxation for the three months period ended December 31, 2023	-	-	-	-	-	-	-	-	(1,543,266)
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-	84,679
Transfer to statutory reserve	-	-	-	-	-	2,782	31,061	-	-
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	-	-	-	-	-	-	(24,558)	-	-
Transfer from surplus on revaluation of property & equipment on sale to accumulated losses	-	-	-	-	-	-	(5,826)	-	-
Transfer from surplus on revaluation of property held for sale to accumulated losses	-	-	-	-	-	-	(95,617)	-	-
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	683,857	(12,812,566)
Effect of adoption of IFRS 9 - ECL (net of tax) - Note 41.2	-	-	-	-	-	-	-	-	(900,630)
Balance as at September 30, 2024 (Un-audited)	66,222,205	(35,721,997)	1,000,000	(1,579,205)	154,162	738,841	2,982,689	683,857	(10,264,561)

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	September 30, 2024	September 30, 2023
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(5,051,035)	(5,864,122)
Less: Dividend income	(412)	(206)
	<u>(5,051,447)</u>	<u>(5,864,328)</u>
Adjustments:		
Depreciation on property and equipment	314,475	314,899
Depreciation on right-of-use assets	397,246	448,395
Depreciation on non-banking assets	47,717	48,910
Finance charges on leased assets	331,458	322,506
Amortization	23,137	17,944
Credit loss allowance / reversals and write offs - net	(967,464)	(91,311)
Loss on forward exchange contracts	14,248	52,822
Charge for defined benefit plan	59,585	37,514
Charge for employees compensated absences	17,996	15,587
Gain on termination of lease contracts under IFRS 16	(36,161)	(43,082)
Gain on sale of property and equipment	(59,941)	(201,014)
Gain on sale of non banking assets	(604,317)	-
Gain on partial sale of HFS property	-	(116,794)
	<u>(462,021)</u>	<u>806,376</u>
	<u>(5,513,468)</u>	<u>(5,057,952)</u>
Decrease in operating assets		
Lendings to financial institutions	(8,589,844)	10,141,557
Advances	2,475,157	2,746,460
Others assets (excluding advance taxation)	<u>20,114,275</u>	<u>(5,158,533)</u>
	<u>13,999,588</u>	<u>7,729,484</u>
(Decrease) / increase in operating liabilities		
Bills payable	(711,794)	(149,234)
Borrowings from financial institutions	(22,437,852)	94,650,754
Deposits	5,503,854	25,082,438
Other liabilities (excluding current taxation)	<u>(243,353)</u>	<u>2,912,841</u>
	<u>(17,889,145)</u>	<u>122,496,799</u>
Payment on account of staff retirement benefits	(38,593)	92,381
Income tax paid	<u>(471,872)</u>	<u>(210,425)</u>
Net cash (used in) / generated from operating activities	<u>(9,913,490)</u>	<u>125,050,287</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net Investments in securities classified as FVOCI	10,729,659	-
Net Investments in available for sale securities	-	(133,116,876)
Dividends received	412	206
Investments in property and equipment	(237,364)	(135,228)
Investments in intangible assets	(48,000)	(119,737)
Proceeds from sale of property and equipment	94,281	359,202
Proceeds from sale of non-banking assets	1,198,212	-
Proceeds from partial sale of HFS property	-	302,877
Net cash generated from / (used in) investing activities	<u>11,737,200</u>	<u>(132,709,556)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligations against right-of-use assets	(601,315)	(680,476)
Issue of share capital	-	10,000,014
Share issuance cost	-	(166,647)
Net cash (used in) / generated flow financing activities	<u>(601,315)</u>	<u>9,152,891</u>
Effect of exchange rate changes on cash and cash equivalents	18,828	528,027
Increase in cash and cash equivalents	<u>1,241,223</u>	<u>2,021,649</u>
Cash and cash equivalents at beginning of the year	15,040,071	13,476,148
Cash and cash equivalents at end of the period	<u>16,281,294</u>	<u>15,497,797</u>

The annexed notes 1 to 42 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 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 149 Conventional Banking Branches and 12 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 March 2025.

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 period ended, the Bank has incurred a net loss of Rs. 3,184.518 million resulting in accumulated losses of Rs. 50,742.913 million and negative equity of Rs. 16,264.561 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 September 30, 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 40 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
Presentation and Disclosure in Financial Statements - IFRS 18	January 01, 2027

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. MATERIAL ACCOUNTING POLICY INFORMATION

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 - IFRS 9 Financial Instruments

Classification of Financial Assets

The Bank classifies its financial assets, other than its investments in subsidiary, into the following categories:

- at Fair Value through Profit and Loss (FVTPL);
- at Fair Value through Other Comprehensive Income (FVOCI);
- at Amortised Cost

Classification of Equity Instruments

Equity securities that are traded in an active market and are held for trading purposes will be classified as FVTPL. Equity securities that are not held for trading purposes will be classified as FVOCI; however, gains and losses on disposal of securities classified as FVOCI will not be recycled through the profit and loss account. The classification decision is made on a case by case basis at the time of purchase, is documented, and is irrevocable.

Classification of other Financial Assets

Financial Assets other than equity will be classified based on their cash flow characteristics and business model assessment:

Amortised Cost: These will be classified as amortised cost if the objective is to hold the asset only for collecting contractual cash flows (principal and interest).

FVOCI: These will be classified as FVOCI when the objective is to collect contractual cash flows (principal and interest) and also to potentially sell the same depending on market conditions. Any unrealized profit or loss on debt instruments classified as FVOCI is reflected in other comprehensive income and is recycled through the profit and loss account when the investment is sold.

FVTPL: This includes financial assets:

- which are not classified as either at amortised cost or FVOCI;
- which do not have fixed maturity

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent Measurement

Equity and debt securities classified as FVTPL

These securities are subsequently measured at fair value. Changes in the fair value of these securities are taken through the profit and loss account.

Equity and debt securities classified as FVOCI

These securities are subsequently measured at fair value. Changes in the fair value of these securities are recorded in OCI. When a debt security is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the profit and loss account. When an equity security is derecognised, gains and losses previously recognised in OCI are not recycled through the profit and loss account but are transferred directly to retained earnings.

Other financial assets classified at amortised cost

Other financial assets initially classified at amortised cost continue to be subsequently measured at amortised cost.

Derecognition of financial assets

Derecognition due to substantial modification of terms and conditions

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loan is classified as Stage 1 for ECL measurement purposes, unless it is deemed to be purchased originated credit impaired. When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers qualitative factors such as change in currency of the loan, introduction of an equity feature, change in counterparty, or if the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

The gain/(loss) on derecognition of financial asset has been calculated as the difference between the book value (including impairment) and the proceeds received.

Derecognition other than due to substantial modification of terms and conditions

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Classification of Financial Liabilities

Financial liabilities are either classified at FVTPL, when they are held for trading purposes, or at amortised cost.

Financial liabilities classified as FVTPL are measured at fair value.

Financial liabilities classified at amortised cost are initially recorded at fair value and subsequently measured using the effective interest rate method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Impairment

An ECL provision will be calculated on financial assets designated at FVOCI or at Amortised cost in accordance with the requirements of IFRS 9 and the guidelines issued by the SBP. Credit exposures (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL Framework.

Equity securities are not subject to impairment.

4.11 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 2,417.360 million and Rs 2,721.205 million as of September 30, 2024 and December 31, 2023 respectively. Further, Other liabilities of the Bank decreased by Rs 3,136.119 million and Rs 3,348.737 as of September 30, 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 41).

4.12 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. 961.573 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 December 31, 2023	Recognition Expected Credit Losses	Impact due to: Adoption of revised classifications under IFRS 9	Balances as of January 1, 2024 Restated	IFRS 9 Category
ASSETS					
Cash and balances with treasury banks	14,463,417	-	-	14,463,417	Amortized Cost
Balances with other banks	601,877	(501)	-	601,376	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	(852,060)	-	17,883,089	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	-	-	23,255,236	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)	-	287,771,706	
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)	-	(13,774,139)	
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	(47,759,198)	Outside scope of IFRS 9
	(12,812,566)	(961,573)	-	(13,774,139)	

* 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) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	4,522,905	4,607,634
Foreign currency	190,720	473,765
	4,713,625	5,081,399
With State Bank of Pakistan in		
Local currency current account	8,400,419	7,809,752
Foreign currency current account	423,077	501,148
Foreign currency deposit account	755,625	645,616
	9,579,121	8,956,516
With National Bank of Pakistan in Local currency current account	462,497	400,275
Prize bonds	14,504	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>14,769,747</u>	<u>14,463,417</u>

7. BALANCES WITH OTHER BANKS

In Pakistan		
In current account	24,938	12,830
In deposit account	-	-
	24,938	12,830
Outside Pakistan		
In current account	1,415,915	512,159
In deposit account	75,756	76,888
	1,491,671	589,047
Less: Credit loss allowance held against balances with other banks	(1,807)	-
Balances with other banks - net of credit loss allowance	<u>1,514,802</u>	<u>601,877</u>

8. LENDINGS TO FINANCIAL INSTITUTIONS

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Call / clean money lendings	-	-
Reverse repo agreements	3,170,960	-
Bai Muajjal receivable		
- with State Bank of Pakistan	4,418,884	-
Musharakah	1,000,000	-
	<u>8,589,844</u>	<u>-</u>
Less: Credit loss allowance held against lending to financial institutions	(536)	-
Lendings to financial institutions - net of credit loss allowance	<u>8,589,308</u>	<u>-</u>

8.1 Lending to Fis - Particulars of credit loss allowance

		(Un-audited) September 30, 2024		(Audited) December 31, 2023	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
----- (Rupees in '000) -----					
Domestic					
Performing	Stage 1	8,589,844	536	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		<u>8,589,844</u>	<u>536</u>	<u>-</u>	<u>-</u>
Overseas					
Performing	Stage 1	-	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

9. INVESTMENTS

9.1 Investments by type:

September 30, 2024 (Un-audited)

Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
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FVOCI

Federal Government Securities

- Market Treasury Bills	152,783	-	2,242	155,025
- Pakistan Investment Bonds	122,799,947	-	560,909	123,360,856
- GoP Ijarah Sukuks	43,393,935	-	787,069	44,181,004

Shares

- Fully paid up ordinary shares - Listed	99,922	-	(99,888)	34
- 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

170,529,336 (1,789,252) 1,207,936 169,948,020

Subsidiary 396,942 (165,191) - 231,751

Total Investments 170,926,278 (1,954,443) 1,207,936 170,179,771

December 31, 2023 (Audited)

Investments by type:

Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
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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) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
9.1.1 Investments given as collateral - Market Value		
Market Treasury Bills	-	19,453,473
Pakistan Investment Bonds	102,641,590	104,870,972
	<u>102,641,590</u>	<u>124,324,445</u>

9.2 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>

9.3 Particulars of credit loss allowance / provision against debt securities

		September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
Category of classification		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		1,742,217	1,742,217	1,742,217	1,742,217
		<u>1,742,217</u>	<u>1,742,217</u>	<u>1,742,217</u>	<u>1,742,217</u>

10. ADVANCES

		Performing		Non Performing		Total	
		(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Note ----- (Rupees in '000) -----							
Loans, cash credits, running finances, etc.		12,047,939	13,596,524	34,766,835	35,952,899	46,814,774	49,549,423
Islamic financing and related assets	40.3	2,472,599	2,439,460	279,113	274,364	2,751,712	2,713,824
Bills discounted and purchased		870,975	641,308	38,353	47,089	909,328	688,397
Advances - gross		<u>15,391,513</u>	<u>16,677,292</u>	<u>35,084,301</u>	<u>36,274,352</u>	<u>50,475,814</u>	<u>52,951,644</u>
Credit loss allowance / provision against advances							
- Specific	10.3	-	-	-	(34,211,166)	-	(34,211,166)
- General		-	(5,329)	-	-	-	(5,329)
- Stage 1		(4,999)	-	-	-	(4,999)	-
- Stage 2		(179,180)	-	-	-	(179,180)	-
- Stage 3		-	-	(33,912,399)	-	(33,912,399)	-
		<u>(184,179)</u>	<u>(5,329)</u>	<u>(33,912,399)</u>	<u>(34,211,166)</u>	<u>(34,096,578)</u>	<u>(34,216,495)</u>
Advances - net of credit loss allowance / provision		<u>15,207,334</u>	<u>16,671,963</u>	<u>11,171,902</u>	<u>2,063,186</u>	<u>16,379,236</u>	<u>18,735,149</u>

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
10.1 Particulars of advances (Gross)		
In local currency	49,642,172	52,311,597
In foreign currencies	833,642	640,047
	<u>50,475,814</u>	<u>52,951,644</u>

10.2 Advances include Rs. 35,084.301 million (December 31, 2023: Rs. 36,274.352 million) which have been placed under non-performing / Stage 3 status as detailed below:

		September 30, 2024 (Un-audited)	
Category of Classification		Non Performing Loans	Credit loss allowance
		----- (Rupees in '000) -----	
Domestic			
Other Assets Especially Mentioned		3,306	331
Substandard		6,513	3,828
Doubtful	Stage 3	72,664	34,482
Loss		35,001,818	33,874,089
		<u>35,084,301</u>	<u>33,912,730</u>
		----- (Rupees in '000) -----	
		December 31, 2023 (Audited)	
Category of Classification		Non Performing Loans	Provision
		----- (Rupees in '000) -----	
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>

10.3 Particulars of credit loss allowance / provisions against advances

	September 30, 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	2,309	121,054	301,828	425,191	2,958,975	-	2,958,975
Reversals	(40,309)	(35,398)	(1,320,788)	(1,396,495)	(1,978,573)	(5,227)	(1,983,800)
	(38,000)	85,656	(1,018,960)	(971,304)	980,402	(5,227)	975,175
Amounts written off	-	-	(673)	(673)	(1,101)	-	(1,101)
Closing balance	4,999	179,180	33,912,399	34,096,578	34,211,166	5,329	34,216,495

10.3.1 Credit loss allowance for Stage 1 and Stage 2 represents credit loss allowance maintained against performing portfolio as required under IFRS 9.

10.3.2 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. 1,447,087 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. 882,723 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.

10.4 Advances - Particulars of credit loss allowance

September 30, 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	234	30,656	301,828	332,718
Advances derecognised or repaid	(30,718)	(28,116)	(540,897)	(599,731)
Transfer to stage 1	2,075	(6,076)	(612)	(4,613)
Transfer to stage 2	(9,581)	90,398	(520,693)	(439,876)
Transfer to stage 3	(10)	(1,206)	(258,586)	(259,802)
	(38,000)	85,656	(1,018,960)	(971,304)
Amounts written off / charged off	-	-	(673)	(673)
Closing balance	4,999	179,180	33,912,399	34,096,578

10.5 Advances - Category of classification

September 30, 2024 (Un-audited)			
		Outstanding amount	Credit loss allowance Held
Rupees in '000			
Performing	Stage 1	7,735,604	4,999
Underperforming	Stage 2	7,659,215	179,180
Non-Performing	Stage 3		
Substandard		6,513	3,828
Doubtful		72,664	34,482
Loss		35,001,818	33,874,089
Total		50,475,814	34,096,578
		(Un-audited)	(Audited)
		September 30, 2024	December 31, 2023

11. PROPERTY AND EQUIPMENT

	Note	(Rupees in '000)	
Capital work-in-progress	11.1	42,970	71,286
Property and equipment		7,055,593	7,138,730
		7,098,563	7,210,016

11.1 Capital work-in-progress

Civil works and related payments / progress billings	12,401	3,487
Advances and other payments to suppliers and contractors	30,569	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)
	42,970	71,286
	(Un-audited)	(Audited)
	September 30, 2024	September 30, 2023

11.2 Additions to property and equipment

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

Capital work-in-progress - net	(28,316)	15,557
Property and equipment		
Building improvements	38,255	37,362
Furniture and fixture	6,355	7,081
Electrical, office and computer equipment	212,461	50,107
Vehicles	8,609	25,121
	265,680	119,671
	237,364	135,228

11.3 Disposal of property and equipment

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

	(Un-audited)	
	September 30, 2024	September 30, 2023
	----- (Rupees in '000) -----	
Leasehold land	-	70,000
Building on leasehold land	31,608	74,915
Building improvements	839	593
Furniture and fixture	245	62
Electrical, office and computer equipment	1,650	476
Vehicles	-	12,142
	<u>34,342</u>	<u>158,188</u>

12. RIGHT-OF-USE ASSETS

Note

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
At January 01,		
Cost	5,553,456	5,195,266
Accumulated depreciation	(2,832,251)	(2,241,870)
Net carrying amount at January 01,	2,721,205	2,953,396
Additions during the period / year	191,385	581,344
Modifications during the period / year	(16,724)	9,197
Deletions during the period / year	(81,260)	(232,351)
Depreciation Charge for the period / year	(397,246)	(590,381)
Net Carrying amount	<u>2,417,360</u>	<u>2,721,205</u>

13. INTANGIBLE ASSETS

Capital work-in-progress	13.1	196,521	194,998
Intangible assets in use	13.2	90,544	67,205
		<u>287,065</u>	<u>262,203</u>

13.1 Capital work-in-progress

Advances to suppliers and contractors	196,521	194,998
Advances against capital work in progress considered doubtful	142,522	142,522
Less: Provision held there against	(142,522)	(142,522)
	<u>196,521</u>	<u>194,998</u>

13.2 Intangible assets in use

Computer softwares	90,544	67,205
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13.3 Additions to intangible assets

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

	(Un-audited)	
	September 30, 2024	September 30, 2023
	----- (Rupees in '000) -----	
Capital work-in-progress - net	1,523	100,991
Directly purchased	46,477	18,746
	<u>48,000</u>	<u>119,737</u>

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

14. DEFERRED TAX ASSETS

September 30, 2024 (Un-audited)

At January 01, 2024	IFRS - 9 transition impacts	Recognised in profit and loss account	Recognised in other comprehensive income	At September 30, 2024
(Rupees in '000)				
Deductible Temporary Differences on				
- Tax losses carried forward	15,511,202	-	-	17,782,550
- Credit loss allowance against advances, off balance sheet etc.	9,002,927	-	-	9,021,196
- Credit loss allowance against Investment	801,196	(38,963)	-	762,233
- Provision against intangible assets	48,034	-	-	48,034
- Staff compensated absences	53,678	-	(695)	52,983
- Credit loss allowance against other assets	166,759	-	-	166,759
	25,583,796	(38,963)	-	27,833,755
Taxable Temporary Differences on				
- Surplus on revaluation of property & equipment	(1,074,691)	-	37,083	(1,037,608)
- Surplus on revaluation of investments	(116,362)	38,963	(393,696)	(471,095)
- Unrealized gain on forward exchange contracts	(10,047)	-	15,604	5,557
- Surplus on revaluation of property - held for sale	(437,092)	-	-	(437,092)
- Surplus on revaluation of non-banking assets	(313,821)	-	41,228	(272,593)
- Accelerated tax depreciation	(376,547)	-	(6,200)	(382,747)
	(2,328,560)	38,963	(315,385)	(2,595,578)
	23,255,236	-	2,298,326	25,238,177

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

- 14.1 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.

15. OTHER ASSETS

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
Note		----- (Rupees in '000) -----	
	Income / mark-up accrued in local currency	11,984,235	7,915,376
	Income / mark-up accrued in foreign currency	4,552	2,822
	Advances, deposits, advance rent and other prepayments	557,163	370,131
	Advance taxation (payments less provisions)	545,298	505,235
	Non-banking assets acquired in satisfaction of claims	1,817,012	2,352,910
	Branch adjustment account	-	-
	Receivable from other banks against clearing and settlement	278,826	1,391,209
	Receivable against Government Securities	-	23,000,000
	Mark to market gain on forward foreign exchange contracts	4,739	27,833
	Acceptances	370,765	409,685
	Stationery and stamps on hand	6,564	6,792
	Commission receivable on home remittance	-	184
15.1	Property - Held for sale	3,692,787	3,692,787
	Others	515,143	709,558
		19,777,084	40,384,522
15.2	Less: Credit loss allowance / provision held against other assets	(834,137)	(834,729)
	Other Assets (Net of credit loss allowance / provision)	18,942,947	39,549,793
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	698,956	804,670
	Surplus on revaluation of property - held for sale	1,120,749	1,120,749
	Other assets - total	20,762,652	41,475,212

- 15.1 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) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
15.2 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	155,954	156,546
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	137,795	137,795
	834,137	834,729

15.2.1 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	(592)	(6,000)
Amount written off	-	(113)
Closing balance	834,137	834,729

16. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

17. BILLS PAYABLE

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
In Pakistan	1,450,743	2,162,537
Outside Pakistan	-	-
	<u>1,450,743</u>	<u>2,162,537</u>

18. BORROWINGS

Secured

Borrowings from State Bank of Pakistan	3,799,950	4,691,400
- Under export refinance scheme	-	90,000
- Under Islamic Export Refinance Scheme (IERF)	124,737	239,398
- Under long-term financing facility	396	1,100
- Refinance facility for modernization of SMEs	104,000,000	123,027,721
- Repurchase agreement borrowings	107,925,083	128,049,619
Repurchase agreement borrowings	-	2,313,316
Total secured	<u>107,925,083</u>	<u>130,362,935</u>

Unsecured

Overdrawn nostro accounts	5,062	6,395
	<u>107,930,145</u>	<u>130,369,330</u>

19. DEPOSITS AND OTHER ACCOUNTS

	September 30, 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	33,819,444	1,693,270	35,512,714	43,315,999	1,722,463	45,038,462
Savings deposits	102,547,594	1,419,218	103,966,812	84,046,183	2,168,138	86,214,321
Term deposits	11,785,830	3,291,020	15,076,850	14,520,225	3,489,167	18,009,392
Others	2,339,307	43,674	2,382,981	4,110,091	44,326	4,154,417
	150,492,175	6,447,182	156,939,357	145,992,498	7,424,094	153,416,592
Financial institutions						
Current deposits	192,511	36,077	228,588	230,114	43,445	273,559
Savings deposits	3,458,727	-	3,458,727	2,494,955	8	2,494,963
Term deposits	1,720,822	116,640	1,837,462	668,059	107,107	775,166
Others	-	-	-	-	-	-
	5,372,060	152,717	5,524,777	3,393,128	150,560	3,543,688
	<u>155,864,235</u>	<u>6,599,899</u>	<u>162,464,134</u>	<u>149,385,626</u>	<u>7,574,654</u>	<u>156,960,280</u>

20. LEASE LIABILITIES

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Opening	3,348,737	3,494,834
Additions during the period / year	157,069	495,709
Deletion during the period / year	(117,422)	(311,302)
Lease payments including interest	(566,998)	(774,778)
Interest expense	331,458	435,077
Modifications	(6,725)	9,197
Closing	<u>3,136,119</u>	<u>3,348,737</u>

20.1 Liabilities Outstanding

Not later than one year	800,762	778,144
Later than one year and upto five years	1,803,838	1,890,404
Over five years	531,519	680,189
Total at the year end	<u>3,136,119</u>	<u>3,348,737</u>

21. 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.

22. OTHER LIABILITIES

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Note	----- (Rupees in '000) -----	
Mark-up / return / interest payable in local currency	3,697,796	4,236,243
Mark-up / return / interest payable in foreign currencies	5,966	1,625
Unearned income	49,556	71,476
Accrued expenses	160,432	110,084
Advance against sale of property	211,103	211,103
Acceptances	370,765	409,685
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	18,987	2,071
Payable to defined benefit plan	59,585	18,813
Charity fund balance	2,016	4,317
Branch adjustment account	206,822	29,074
Security deposits against lease	157,419	187,514
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	419,159	367,873
Provision for compensated absences	135,853	137,637
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	498,478	542,370
Workers' welfare fund	13,360	13,360
Withholding taxes and government levies payable	233,211	261,913
Federal excise duty and sales tax payable	10,712	10,724
Commission payable on home remittances	72	213
Credit loss allowance against off-balance sheet obligations	22.1 109,530	-
Others	583,706	404,281
	<u>7,024,586</u>	<u>7,100,434</u>

22.1 Credit loss allowance against off-balance sheet obligations

Opening balance	-	-
Impact of adoption of IFRS 9	109,012	
Charge for the period / year	518	-
Reversals	-	-
	518	-
Amount written off	-	-
Closing balance	<u>109,530</u>	<u>-</u>

23. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of		
- Securities measured at FVOCI-Debt	9.1 1,307,824	-
- Securities measured at FVOCI-Equity	9.1 (99,888)	-
- Available for sale securities	-	298,364
- Property and equipment	3,593,934	3,689,020
- Non-banking assets acquired in satisfaction of claims	698,956	804,670
- Property - held for sale	1,120,749	1,120,749
	6,621,575	5,912,803
Deferred tax on surplus / (deficit) on revaluation of:		
- Securities measured at FVOCI-Debt	(510,051)	-
- Securities measured at FVOCI-Equity	38,956	-
- Available for sale securities	-	(116,362)
- Property and equipment	(1,037,608)	(1,074,691)
- Non-banking assets acquired in satisfaction of claims	(272,593)	(313,821)
- Property - held for sale	(437,092)	(437,092)
	(2,218,388)	(1,941,966)
	<u>4,403,187</u>	<u>3,970,837</u>

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
24. CONTINGENCIES AND COMMITMENTS			
-Guarantees	24.1	15,576,079	13,557,375
-Commitments	24.2	117,693,393	147,372,771
-Other contingent liabilities	24.3	22,028,725	22,748,472
		<u>155,298,197</u>	<u>183,678,618</u>
24.1 Guarantees:			
Financial guarantees		20,470	20,470
Performance guarantees		9,832,463	9,761,374
Other guarantees		5,723,146	3,775,531
		<u>15,576,079</u>	<u>13,557,375</u>
24.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		4,608,950	8,868,111
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	2,887,038	6,935,713
- forward lending	24.2.2	5,872,218	5,985,317
Commitments for acquisition of:			
- property and equipment		101,569	109,562
- intangible assets		223,618	133,031
Other commitments	24.2.3	104,000,000	125,341,037
		<u>117,693,393</u>	<u>147,372,771</u>
24.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		2,850,029	6,180,469
Sale		37,009	755,244
		<u>2,887,038</u>	<u>6,935,713</u>
24.2.2 Commitments in respect of forward lending			
Forward documentary bills		4,883,189	4,916,896
Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.2.1	989,029	1,068,421
		<u>5,872,218</u>	<u>5,985,317</u>
24.2.2.1 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) September 30, 2024	(Audited) December 31, 2023
		----- (Rupees in '000) -----	
24.2.3 Other commitments			
Purchase (Repo)		104,000,000	125,341,037
24.3 Other contingent liabilities - claims against the Bank not acknowledged as debts		<u>22,028,725</u>	<u>22,748,472</u>
24.4 Contingency for tax payable			
Contingency related to tax payable is disclosed in note 33.2.			

		(Un-audited) Nine months ended	
		September 30, 2024	September 30, 2023
25. MARK-UP / RETURN / INTEREST EARNED	Note -----	(Rupees in '000) -----	
On:			
Loans and advances		2,188,435	2,110,496
Investments		29,800,710	17,764,473
Lendings to financial institutions		338,040	148,367
Balances with banks		52,098	49,732
		<u>32,379,283</u>	<u>20,073,068</u>
26. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		15,920,638	11,150,200
Borrowings		18,186,057	9,430,327
Subordinated debt		279,041	253,674
Cost of foreign currency swaps against foreign currency deposits / borrowings		447,205	647,224
Finance cost of lease liability		331,458	322,506
		<u>35,164,399</u>	<u>21,803,931</u>
27. FEE AND COMMISSION INCOME			
Branch banking customer fees		173,674	47,491
Consumer finance related fees		2,885	3,728
Card related fees (debit cards)		143,511	84,963
Credit related fees		1,327	3,783
Investment banking fees		-	1,322
Commission on trade		342,372	174,729
Commission on guarantees		96,881	88,215
Commission on cash management		161	40
Commission on remittances including home remittances		4,578	7,679
Commission on bancassurance		1,225	1,532
Alternate Delivery Channels		14,822	25,794
Others		38	39
		<u>781,474</u>	<u>439,315</u>
28. GAIN / (LOSS) ON SECURITIES			
Realised	28.1	871,886	(514,293)
Unrealised - Measured at FVPL		-	-
		<u>871,886</u>	<u>(514,293)</u>
28.1 Realised gain / (loss) on:			
Federal Government Securities		871,886	42,233
Shares		-	(556,526)
		<u>871,886</u>	<u>(514,293)</u>
29. OTHER INCOME			
Rent on property		3,103	4,302
Gain on sale of fixed assets - net		59,941	201,014
Gain on sale of non banking assets		604,317	-
Gain on partial sale of HFS property		-	116,794
Gain on sale of ijarah assets		642	720
Gain on termination of lease contracts under IFRS 16		36,161	43,082
Refund from Gratuity Fund		-	4,516
Others		11	718
		<u>704,175</u>	<u>371,146</u>

30. OPERATING EXPENSES

		(Un-audited) Nine months ended	
		September 30, 2024	September 30, 2023
Note		----- (Rupees in '000) -----	
Total compensation expense	30.1	1,974,244	1,748,628
Property expense			
Rent and taxes		115,208	67,000
Insurance - property		5,233	7,036
Insurance - non banking assets		574	621
Utilities cost		413,533	369,694
Security (including guards)		192,409	183,342
Repair and maintenance (including janitorial charges)		176,391	122,678
Depreciation on owned fixed assets		191,475	187,655
Depreciation on right-of-use assets		397,246	448,395
Depreciation on non banking assets		47,717	48,910
		1,539,786	1,435,331
Information technology expenses			
Software maintenance		176,299	114,531
Hardware maintenance		102,608	115,933
Depreciation on computer equipments		61,089	50,737
Amortisation of computer softwares		23,137	17,944
Network charges		68,907	71,414
Insurance		1,479	2,603
		433,519	373,162
Other operating expenses			
Directors' fees and allowances		27,900	24,000
Fees and allowances to Shariah Board		17,775	17,775
Legal and professional charges		160,278	96,156
Outsourced services costs		241,522	213,894
Travelling and conveyance		349,160	334,254
NIFT clearing charges		24,987	24,036
Depreciation		61,911	76,507
Training and development		4,463	6,598
Postage and courier charges		29,848	30,122
Communication		109,919	72,604
Stationery and printing		147,940	113,971
Marketing, advertisement and publicity		31,059	16,378
Brokerage and commission		30,822	28,261
Fee and subscription		185,641	127,997
Cash transportation and sorting charges		121,707	113,479
Entertainment		59,142	49,666
Insurance		137,402	107,588
Deposit insurance premium expense		136,683	101,148
Repair and maintenance		100,228	97,481
Auditors' remuneration		10,066	7,609
Others		25,665	27,007
		2,014,118	1,686,531
		5,961,667	5,243,652
30.1 Total compensation expense			
Fees and allowances etc.		19,483	14,333
Managerial remuneration			
i) Fixed		1,231,647	1,099,154
ii) Variable			
of which;			
a) Cash bonus / awards etc.		-	-
b) Incentives and commission		2,001	5,688
Charge for defined benefit plan		59,585	37,514
Contribution to defined contribution plan		63,877	60,283
Charge for employees compensated absences		17,996	15,587
Rent and house maintenance		400,425	355,892
Utilities		89,492	79,084
Medical		89,738	81,093
Total		1,974,244	1,748,628

		(Un-audited) Nine months ended	
		September 30, 2024	September 30, 2023
Note		----- (Rupees in '000) -----	
31. OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		193	418

32. CREDIT LOSS ALLOWANCE / REVERSALS AND WRITE OFFS - NET

Reversal of provision for diminution in value of investments	-	(583,530)
Credit loss allowance / reversal of provision against loans & advances	(971,304)	491,699
Credit loss allowance / provision against other assets	(592)	1,896
Operational loss	2,073	1,075
Recoveries against written off / charged off bad debts	(567)	(728)
Reversal of provision for advances and other payments against capital work in progress	-	(2,526)
Bad debts written off directly	-	75
Credit loss allowance against off-balance sheet obligations	518	-
Credit loss allowance on balance with other banks	1,305	-
Credit loss allowance on lending to FI	536	-
	(968,031)	(92,039)

33. TAXATION

Current	33.1 & 33.2	431,809	261,788
Prior years		-	-
Deferred		(2,298,326)	(2,350,560)
		(1,866,517)	(2,088,772)

- 33.1** 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.

According to ICAP guide dated May 2024, minimum taxes do not qualify as income tax expense under IAS 12 Income Taxes. Instead, they should be accounted for as levy under IFRIC 21 "Levies" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Since the SBP has not officially adopted or communicated any changes to the format of the financial statements (refer note 2.3), no changes have been made to the format of the statement of profit and loss account.

- 33.2** The Income Tax Returns of the Bank have been submitted up to and including the Bank's financial year ended December 31, 2023 i.e. tax year 2024.

In respect of assessments of Bank Makramah Limited from tax years 2009 to tax year 2023 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.

34. BASIC AND DILUTED LOSS PER SHARE

		(Un-audited) Nine months ended	
		September 30, 2024	September 30, 2023
		----- (Rupees in '000) -----	
Loss for the period		(3,184,518)	(3,775,350)
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Basic		5,334,220,021	4,900,168,551
		----- (Rupee) -----	
Basic loss per share		(0.60)	(0.77)
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Diluted	34.1	5,334,220,021	4,900,168,551
		----- (Rupee) -----	
Diluted loss per share		(0.60)	(0.77)

34.1 There are no potential ordinary shares outstanding as of September 30, 2024.

35. CASH AND CASH EQUIVALENTS

		(Un-audited) Nine months ended	
		September 30, 2024	September 30, 2023
		----- (Rupees in '000) -----	
Cash and balances with treasury banks		14,769,747	14,984,193
Balances with other banks excluding credit loss allowance		1,516,609	519,983
Overdrawn nostro accounts		(5,062)	(6,379)
		16,281,294	15,497,797

36. 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.

36.1 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).

36.2 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:

September 30, 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		167,696,885		167,696,885
- Shares - Listed	34	-		34
- Non Government Debt Securities		2,249,271		2,249,271
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	4,810	4,810
Non-Financial assets - measured at fair value				
Property & equipment	-	-	6,555,019	6,555,019
Non banking assets acquired in satisfaction of claims	-	-	2,155,861	2,155,861
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	2,833,373	-	2,833,373
Forward sale of foreign exchange	-	37,044	-	37,044

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 PKISRV rates.
Federal Government Securities - Listed	The fair value of investment in listed GOP Ijarah Sukkuks 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.

37. SEGMENT INFORMATION

37.1 Segment details with respect to business activities

For the nine months period ended September 30, 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

Inter segment revenue - net

Non mark-up / return / interest income

Total income

880,354	12,149,112	(15,258,170)	(556,412)	(2,785,116)
(810,182)	(12,116,769)	20,665,723	(7,738,772)	-
227,657	1,338,485	471,332	690,436	2,727,910
297,829	1,370,828	5,878,885	(7,604,748)	(57,206)

Segment direct expenses

Inter segment expense allocation

Total expenses

210,761	84,167	3,849,613	1,817,319	5,961,860
491,427	178,093	1,020,776	(1,690,296)	-
702,188	262,260	4,870,389	127,023	5,961,860

Provisions

(975,684)	1,841	842	4,970	(968,031)
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Profit / (loss) before tax

571,325	1,106,727	1,007,654	(7,736,741)	(5,051,035)
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As at September 30, 2024 (Un-audited)

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

Balance Sheet

Cash and bank balances

Investments

Net inter segment lending

Lendings to financial institutions

Advances - performing

Advances - non-performing

Others

Total assets

112,388	11,556,420	4,615,741	-	16,284,549
-	169,948,020	-	231,751	170,179,771
43,432,176	100,035,108	160,775,103	-	304,242,387
-	8,589,308	-	-	8,589,308
13,225,476	-	260,536	1,721,322	15,207,334
719,038	-	441,762	11,102	1,171,902
703,111	11,158,698	2,358,994	41,583,014	55,803,817
58,192,189	301,287,554	168,452,136	43,547,189	571,479,068

Borrowings

Subordinated debt

Deposits and other accounts

Net inter segment borrowing

Others

Total liabilities

3,925,083	104,005,062	-	-	107,930,145
-	-	-	1,495,515	1,495,515
4,720,954	-	157,743,180	-	162,464,134
49,309,466	196,366,074	7,680,442	50,886,405	304,242,387
236,686	916,418	3,028,514	7,429,830	11,611,448
58,192,189	301,287,554	168,452,136	59,811,750	587,743,629

Equity

-	-	-	(16,264,561)	(16,264,561)
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Total equity and liabilities

58,192,189	301,287,554	168,452,136	43,547,189	571,479,068
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Contingencies and Commitments

47,186,096	106,887,038	-	1,225,063	155,298,197
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For the nine months period ended September 30, 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	676,701	8,412,735	(10,524,602)	(295,697)	(1,730,863)
Inter segment revenue - net	(1,026,741)	(8,598,469)	16,739,621	(7,114,411)	-
Non mark-up / return / interest income	168,223	245,533	239,698	365,318	1,018,772
Total income	(181,817)	59,799	6,454,717	(7,044,790)	(712,091)
Segment direct expenses	135,602	68,719	3,533,786	1,505,963	5,244,070
Inter segment expense allocation	436,519	136,762	836,047	(1,409,328)	-
Total expenses	572,121	205,481	4,369,833	96,635	5,244,070
Provisions	492,121	(583,531)	-	(629)	(92,039)
(Loss) / profit before tax	(1,246,059)	437,849	2,084,884	(7,140,796)	(5,864,122)

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)
Total equity and liabilities	20,216,612	274,322,936	154,128,966	42,117,001	490,785,515
Contingencies and Commitments	49,925,894	132,276,749	-	1,475,975	183,678,618

3711 The Bank does not have any operations outside Pakistan.

38. 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:

	September 30, 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	-	-	-	-	-	-	-	-	-	(1,216,473)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	396,942	448,218	-	-	-	396,942	448,218
Credit loss allowance / provision for diminution in value of investments										
	-	-	-	165,191	448,203	-	-	-	165,191	448,203
Advances										
Opening balance	-	-	303,505	82,400	671,901	-	-	162,705	-	671,888
Addition during the period / year	-	-	50,470	1,355,942	284	-	-	210,330	846,145	13
Repaid during the period / year	-	-	(21,498)	(1,353,159)	(97,450)	-	-	(73,085)	(763,745)	-
Transfer in / (out) - net	-	-	90,369	-	-	-	-	3,555	-	-
Closing balance	-	-	422,846	85,183	574,735	-	-	303,505	82,400	671,901
Credit loss allowance / provision held against advances										
	-	-	58	605	574,511	-	-	-	-	671,901

	September 30, 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	-	-	7,681	3,326	-	-	-	-	2,559	-
Advances, deposits, advance rent and other prepayments	-	-	4,024	-	-	-	-	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	-	180,653	705,076	4,275,495	749,841	-	-	714,248	5,600,783	3,126,796
Withdrawn during the period / year	-	(197,743)	(701,822)	(4,213,896)	(689,419)	-	-	(718,348)	(5,574,260)	(4,400,329)
Transfer (out) / in - net	-	-	347	-	(8)	-	109,345	214	-	1,387
Closing balance	-	92,255	19,226	145,728	840,314	-	109,345	15,625	84,129	779,900
Other Liabilities										
Interest / mark-up payable	-	1,260	384	-	2,913	-	1,951	298	1,792	13,355
Payable to defined benefit plan	-	-	-	-	59,585	-	-	-	-	18,813
Unearned income	-	-	-	-	-	-	-	-	-	692
Brokerage payable	-	-	-	3,170	-	-	-	-	2,914	-
Contingencies and Commitments										
Guarantees, letters of credit and acceptances - net of ECL	-	-	-	-	77,613	-	-	-	-	86,500
Commitments to extend credit	-	-	-	138,933	-	-	-	-	131,389	-

	For nine months period ended September 30, 2024 (Un-audited)					For nine months period ended September 30, 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	-	-	20,771	9,580	7	-	-	6,564	1,890	-
Fee and commission income	-	2	-	66	692	-	5	13	76	693
Other income	-	-	29	1,843	-	-	-	-	3,157	-
Expense										
Mark-up / return / interest expensed	-	15,373	1,795	15,006	108,598	-	-	626	6,369	165,560
Operating expenses:										
- Directors' fees and allowances	-	27,900	-	-	-	-	24,000	-	-	-
- Brokerage and commission	-	-	-	4,113	-	-	-	-	1,115	-
- Fee and subscription	-	-	1,215	-	-	-	-	1,264	-	-
- Managerial remuneration	-	-	304,779	-	1,314	-	-	263,290	-	1,027
- Contribution to defined contribution plan	-	-	-	-	63,877	-	-	-	-	60,283
- Charge for defined benefit plan	-	-	-	-	59,585	-	-	-	-	37,514
Reversal of provision for diminution in value of investment	-	-	-	-	-	-	-	-	-	671,895
Credit loss allowance / provision against loans and advances	-	-	12	262	(97,391)	-	-	-	-	(10,899)
Credit loss allowance against off-balance sheet obligations	-	-	-	-	(9,924)	-	-	-	-	-

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

39. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>(20,821,910)</u>	<u>(16,937,565)</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier-1 (CET-1) Capital	<u>(46,699,197)</u>	<u>(40,909,154)</u>
Eligible Additional Tier-1 (ADT-1) Capital	<u>-</u>	<u>-</u>
Total Eligible Tier-1 Capital	<u>(46,699,197)</u>	<u>(40,909,154)</u>
Eligible Tier-2 Capital	<u>-</u>	<u>-</u>
Total Eligible Capital (Tier-1 + Tier-2)	<u>(46,699,197)</u>	<u>(40,909,154)</u>
Risk Weighted Assets (RWAs):		
Credit Risk	36,712,445	39,240,005
Market Risk	13,697,147	5,935,021
Operational Risk	7,447,378	143,387
Total	<u>57,856,970</u>	<u>45,318,413</u>
Common Equity Tier-1 Capital Adequacy Ratio	<u>-80.71%</u>	<u>-90.27%</u>
Tier-1 Capital Adequacy Ratio	<u>-80.71%</u>	<u>-90.27%</u>
Total Capital Adequacy Ratio	<u>-80.71%</u>	<u>-90.27%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	(46,699,197)	(40,909,154)
Total Exposures	416,096,267	374,092,249
Leverage Ratio	<u>-11.22%</u>	<u>-10.94%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	80,715,903	73,491,142
Total Net Cash Outflow	25,611,845	27,494,992
Liquidity Coverage Ratio	<u>31515%</u>	<u>267.29%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	106,572,931	102,118,423
Total Required Stable Funding	71,683,836	64,870,949
Net Stable Funding Ratio	<u>148.67%</u>	<u>157.42%</u>

40. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 12 (December 31, 2023: 13) Islamic banking branches and 31 (December 31, 2023: 35) Islamic banking windows at the end of the period.

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

AS AT SEPTEMBER 30, 2024		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		1,783,679	2,064,488
Balances with other banks		102,201	102,863
Due from financial institutions	40.1	8,403,648	2,788,300
Investments	40.2	41,560,459	37,213,598
Islamic financing and related assets - net	40.3	2,566,001	2,632,858
Property and equipment		170,903	173,098
Right-of-use assets		98,721	76,654
Intangible assets		-	-
Due from Head Office		-	-
Deferred tax assets		-	-
Other assets		3,177,048	2,608,328
Total Assets		57,862,660	47,660,187
LIABILITIES			
Bills payable		218,811	444,820
Due to financial institutions	40.4	2,509,267	4,705,668
Deposits and other accounts	40.5	40,682,570	36,330,124
Due to Head Office		-	-
Lease liabilities		117,505	103,179
Subordinated debt		-	-
Deferred tax liabilities		55,742	134,120
Other liabilities		7,605,065	1,287,124
		51,188,960	43,005,035
NET ASSETS		6,673,700	4,655,152
REPRESENTED BY			
Islamic Banking Fund		1,000,000	1,000,000
Reserves		-	-
Surplus on revaluation of assets		753,651	219,705
Unappropriated / Unremitted profit	40.6	4,920,049	3,435,447
		6,673,700	4,655,152
CONTINGENCIES AND COMMITMENTS			
	40.7		

ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		September 30, 2024	September 30, 2023
Note		----- (Rupees in '000) -----	
Profit / return earned	40.8	6,445,016	3,718,538
Profit / return expensed	40.9	4,130,968	2,072,183
Net Profit / return		2,314,048	1,646,355
Other income			
Fee and commission income		133,417	70,509
Dividend income		-	-
Foreign exchange loss		(64,981)	3,395
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		289,090	(1,879)
Other income		1,474	8,482
Total other income		359,000	80,507
Total income		2,673,048	1,726,862
Other expenses			
Operating expenses		853,372	760,822
Workers' welfare fund		-	-
Other charges		-	-
Total other expenses		853,372	760,822
Profit before credit loss allowance / provisions		1,819,676	966,040
Credit loss allowance / reversals and write offs - net		252,232	32,804
Profit before taxation		1,567,444	933,236
Taxation		-	-
Profit after taxation		1,567,444	933,236

		September 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
40.1	Due from Financial Institutions	Note (Rupees in '000)					
	Unsecured						
	Bai Muajjal Receivable from SBP	40.1.1	4,418,884	-	4,418,884	-	-
	Bai Muajjal Receivable from other Financial Institutions	40.1.2	3,212,757	-	3,212,757	-	2,788,300
	Musharakah	40.1.3	1,000,000	-	1,000,000	-	-
			<u>8,631,641</u>	<u>-</u>	<u>8,631,641</u>	<u>2,788,300</u>	<u>-</u>
	Less: Credit loss allowance						
	Stage 1		(227,993)	-	(227,993)	-	-
	Stage 2		-	-	-	-	-
	Stage 3		-	-	-	-	-
			<u>(227,993)</u>	<u>-</u>	<u>(227,993)</u>	<u>-</u>	<u>-</u>
	Due from financial institutions - net of credit loss allowance		<u>8,403,648</u>	<u>-</u>	<u>8,403,648</u>	<u>2,788,300</u>	<u>-</u>

40.1.1 This represents Bai Muajjal agreement with State Bank of Pakistan and carries profit rate of 16.21% per annum on September 30, 2024 and are due to mature latest by August 05, 2027.

40.1.2 This represents Bai Muajjal agreements with conventional operation of Bank Makramah Limited and carries profit rate of 18.75% per annum on September 30, 2024 and are due to mature latest by November 25, 2024.

40.1.3 This represent Musharakah agreement with other financial institution and carries profit rate of 16.25% per annum on September 30, 2024 and are due to mature latest by October 01, 2024.

40.2 Investments

	September 30, 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	38,547,392	-	763,796	39,311,188	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>40,839,059</u>	<u>-</u>	<u>721,400</u>	<u>41,560,459</u>	<u>36,950,175</u>	<u>-</u>	<u>263,423</u>	<u>37,213,598</u>

	(Un-audited)		(Audited)	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
40.3 Islamic financing and related assets	Note (Rupees in '000)			
Ijarah		564,316		479,172
Running Musharakah		211,508		354,382
Diminishing Musharakah		1,067,268		967,149
Diminishing Musharakah-IERF		300,000		300,000
Tijarah		569,998		605,998
Advance against Ijarah		38,622		7,123
Gross Islamic financing and related assets		<u>2,751,712</u>		<u>2,713,824</u>
Less: Credit loss allowance / provision against Islamic financings				
- Stage 1		(1,328)		-
- Stage 2		(14,579)		-
- Stage 3		(169,804)		-
- Specific		-		(79,889)
- General		-		(1,077)
		<u>(185,711)</u>		<u>(80,966)</u>
Islamic financing and related assets - net of credit loss allowance / provision		<u>2,566,001</u>		<u>2,632,858</u>

40.4 Due to financial institutions

Secured				
Acceptances from the SBP under Islamic Export Refinance Scheme		-		90,000
Total secured		-		90,000
Unsecured				
Overdrawn nostro accounts		2,509,267		115,668
Musharakah	40.4.1	-		4,500,000
Total unsecured		<u>2,509,267</u>		<u>4,615,668</u>
		<u>2,509,267</u>		<u>4,705,668</u>

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

40.5 Deposits

	September 30, 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	5,551,465	622,974	6,174,439	10,873,527	615,187	11,488,714
Savings deposits	31,729,140	158,377	31,887,517	21,568,709	194,150	21,762,859
Term deposits	1,499,275	172,795	1,672,070	1,391,933	589,284	1,981,217
Others	442,269	-	442,269	664,289	-	664,289
	39,222,149	954,146	40,176,295	34,498,458	1,398,621	35,897,079
Financial Institutions						
Current deposits	4,725	-	4,725	5,725	78	5,803
Savings deposits	351,550	-	351,550	277,242	-	277,242
Term deposits	150,000	-	150,000	150,000	-	150,000
	506,275	-	506,275	432,967	78	433,045
	39,728,424	954,146	40,682,570	34,931,425	1,398,699	36,330,124

40.6 Islamic Banking Business Unappropriated Profit

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)		
Opening balance	3,435,447	1,651,555
Effect of adoption of IFRS 9	(85,251)	-
Add: Islamic Banking profit for the period / year	1,567,444	1,780,701
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated profit	2,409	3,191
Closing balance	4,920,049	3,435,447

40.7 CONTINGENCIES AND COMMITMENTS

-Guarantees	4,329,526	3,880,588
-Commitments	6,620,391	6,236,815
-Other contingent liabilities	-	-
	10,949,917	10,117,403
(Un-audited)		
	September 30, 2024	September 30, 2023
(Rupees in '000)		

40.8 Profit / Return Earned of Financing, Investments and Placement

Profit earned on:		
Financing	112,445	190,636
Investments	6,042,731	2,646,696
Placements	289,840	881,061
Balances with banks	-	145
	6,445,016	3,718,538

40.9 Profit on Deposits and other Dues Expensed

Deposits and other accounts	3,964,649	1,925,049
Due to Financial Institutions	154,951	134,605
Finance cost of lease liability	11,368	12,529
	4,130,968	2,072,183

41. 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>

42. DATE OF AUTHORIZATION OF ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on October 30, 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 NINE MONTHS PERIOD ENDED
SEPTEMBER 30, 2024**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2024

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	14,769,750	14,463,419
Balances with other banks	7	1,515,339	603,944
Lendings to financial institutions	8	8,589,308	-
Investments	9	170,006,683	179,747,913
Advances	10	16,294,658	18,652,824
Property and equipment	11	7,136,781	7,239,725
Right-of-use assets	12	2,417,360	2,721,205
Intangible assets	13	289,581	264,723
Deferred tax assets	14	25,182,357	23,199,809
Other assets	15	20,966,540	41,644,440
Total Assets		267,168,357	288,538,002
LIABILITIES			
Bills payable	17	1,450,743	2,162,537
Borrowings	18	107,930,145	130,369,330
Deposits and other accounts	19	162,318,406	156,876,151
Lease liabilities	20	3,136,119	3,348,737
Subordinated debt	21	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	22	7,198,906	7,212,281
Total Liabilities		283,529,834	301,464,551
NET ASSETS		(16,361,477)	(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	23	4,418,685	3,977,847
Accumulated losses		(50,855,327)	(46,979,561)
		(16,361,477)	(12,926,549)

CONTINGENCIES AND COMMITMENTS 24

The annexed notes 1 to 42 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 AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		Quarter Ended		Nine Months Period Ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Note ----- (Rupees in '000) -----					
Mark-up / return / interest earned	25	10,582,521	9,971,651	32,373,651	20,074,446
Mark-up / return / interest expensed	26	11,267,167	10,682,961	35,149,393	21,797,562
Net Mark-up / interest expense		(684,646)	(711,310)	(2,775,742)	(1,723,116)
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	294,535	172,804	860,117	479,371
Dividend income		3	11	3,574	232
Foreign exchange income		73,539	133,419	369,963	722,398
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	28	602,408	(43,849)	881,323	(495,857)
Net gains/(loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	29	14,129	13,894	704,030	369,720
Total non-markup / interest income		984,614	276,279	2,819,007	1,075,864
Total income		299,968	(435,031)	43,265	(647,252)
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	2,149,346	1,940,279	6,042,466	5,314,426
Workers' welfare fund		-	-	-	-
Other charges	31	89	237	193	418
Total non-markup / interest expenses		2,149,435	1,940,516	6,042,659	5,314,844
Loss before credit loss allowance / provisions		(1,849,467)	(2,375,547)	(5,999,394)	(5,962,096)
Credit loss allowance / reversals and write offs - net	32	755,713	739,826	(968,292)	(92,039)
Extra ordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(2,605,180)	(3,115,373)	(5,031,102)	(5,870,057)
Taxation	33	(866,914)	(1,063,149)	(1,854,819)	(2,083,996)
LOSS AFTER TAXATION		(1,738,266)	(2,052,224)	(3,176,283)	(3,786,061)
----- (Rupee) -----					
Basic loss per share	34	(0.33)	(0.34)	(0.60)	(0.77)
Diluted loss per share	34	(0.33)	(0.34)	(0.60)	(0.77)

The annexed notes 1 to 42 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 AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Quarter Ended		Nine Months Period Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	----- (Rupees in '000) -----			
Loss after taxation for the period	(1,738,266)	(2,052,224)	(3,176,283)	(3,786,061)
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	-	332,357	-	184,377
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	946,473	-	615,770	-
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	9,319	9,657	37,085	28,977
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	3,293	-	8,500	-
Movement in surplus on revaluation of non-banking assets - net of tax	2,320	2,313	41,229	6,937
Movement in surplus on revaluation of held for sale property - net of tax	-	-	-	15,613
	14,932	11,970	86,814	51,527
Total comprehensive loss	(776,861)	(1,707,897)	(2,473,699)	(3,550,157)

The annexed notes 1 to 42 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 AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 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	(17,756,021)
Loss after taxation for nine months period ended September 30, 2023	-	-	-	-	-	-	-	-	(3,786,061)
Other comprehensive income - net of tax	-	-	-	-	-	-	184,377	15,613	235,904
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of property & equipment to accumulated losses	-	-	-	-	-	-	-	(74,302)	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	-	(17,785)	-
Transfer from surplus on evaluation of property & equipment on sale to accumulated losses	-	-	-	-	-	-	-	(39,415)	-
Transfer from surplus on revaluation of property held for on sale to accumulated losses	-	-	-	-	-	-	-	(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 October 01, 2023 (Un-audited)	66,222,205	(35,721,997)	1,000,000	(1,579,205)	154,162	184,139	3,200,118	683,657	(11,474,817)
Loss after taxation for three months period ended December 31, 2023	-	-	-	-	-	-	-	-	(1,540,663)
Other comprehensive income - net of tax	-	-	-	-	-	4,873	31,061	52,981	88,925
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of property & equipment to accumulated losses	-	-	-	-	-	-	(24,558)	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	(5,826)	-	-
Transfer from surplus on evaluation of property & equipment on sale to accumulated losses	-	-	-	-	-	-	(95,617)	-	-
Transfer from surplus on revaluation of property held for sale on sale to accumulated losses	-	-	-	-	-	-	-	-	-
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	683,657	(12,956,549)
Effect of adoption of IFRS 9 - ECL (net of tax) - Note 4.1.2	-	-	-	-	-	(60,843)	-	(900,286)	(961,229)
Loss after taxation for nine months period ended September 30, 2024	-	-	-	-	-	-	-	-	(3,176,263)
Other comprehensive income - net of tax	-	-	-	-	-	624,270	79,314	-	702,584
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	(71,953)	-	-
Transfer from surplus on evaluation of property & equipment on sale to accumulated losses	-	-	-	-	-	-	(7,850)	-	-
Transfer from surplus on revaluation of property and equipment on sale to accumulated losses	-	-	-	-	-	-	(23,135)	-	-
Transfer from surplus on revaluation of non-banking assets on sale to accumulated losses	-	-	-	-	-	-	(87,865)	-	-
Balance as at September 30, 2024 (Un-audited)	66,222,205	(35,721,997)	1,000,000	(1,579,205)	154,162	752,239	2,982,869	683,657	(16,361,477)

The annexed notes 1 to 42 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	September 30, 2024	September 30, 2023
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(5,031,102)	(5,870,057)
Less: Dividend income	(3,574)	(232)
	<u>(5,034,676)</u>	<u>(5,870,289)</u>
Adjustments:		
Depreciation on property and equipment	315,049	315,328
Depreciation on right-of-use assets	397,246	448,395
Depreciation on non-banking assets	47,978	49,180
Finance charges on leased assets	331,458	322,506
Amortization	23,141	17,951
Credit loss allowance / reversals and write offs - net	(967,725)	(91,311)
Loss on forward exchange contracts	14,248	52,822
Charge for defined benefit plan	60,485	38,264
Charge for employees compensated absences	19,196	16,637
Gain on termination of lease contracts under IFRS 16	(36,161)	(43,082)
Gain on sale / disposal of property and equipment	(59,692)	(201,019)
Gain on sale of non banking assets	(604,317)	-
Unrealised gain - FVTPL	(2,322)	-
Gain on partial sale of HFS property	-	(116,794)
	<u>(461,416)</u>	<u>808,877</u>
	<u>(5,496,092)</u>	<u>(5,061,412)</u>
Decrease in operating assets		
Lendings to financial institutions	(8,589,844)	10,141,557
Securities classified as FVTPL	31,858	-
Advances	2,478,015	2,747,212
Others assets (excluding advance taxation)	<u>20,082,545</u>	<u>(5,149,966)</u>
	<u>14,002,574</u>	<u>7,738,803</u>
(Decrease) / increase in operating liabilities		
Bills payable	(711,794)	(149,234)
Borrowings from financial institutions	(22,437,852)	94,650,754
Deposits	5,442,255	25,086,434
Other liabilities (excluding current taxation)	<u>(81,787)</u>	<u>2,909,199</u>
	<u>(17,889,178)</u>	<u>122,497,153</u>
Payment on account of staff retirement benefits	(39,786)	91,587
Income tax paid	<u>(486,368)</u>	<u>(215,835)</u>
Net cash (used in) / generated from operating activities	<u>(9,908,850)</u>	<u>125,050,296</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net Investments in securities classified as FVOCI	10,729,659	-
Net Investments in securities classified as available for sale securities	-	(133,116,877)
Dividend received	3,574	232
Investments in property and equipment	(246,995)	(135,226)
Investments in intangible assets	(48,000)	(119,737)
Proceeds from sale of property and equipment	94,581	359,277
Proceeds from sale of non banking assets	1,198,212	-
Proceeds from partial sale of HFS property	-	302,877
Net cash generated from / (used in) investing activities	<u>11,731,031</u>	<u>(132,709,454)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligations against right-of-use assets	(601,315)	(680,476)
Issue of share capital	-	10,000,014
Share issuance cost	-	(166,647)
Net cash (used in) / generated from financing activities	<u>(601,315)</u>	<u>9,152,891</u>
Effect of exchange rate changes on cash and cash equivalents	18,828	561,117
Increase in cash and cash equivalents	<u>1,239,694</u>	<u>2,054,850</u>
Cash and cash equivalents at beginning of the year	15,042,140	13,444,198
Cash and cash equivalents at end of the period	<u>16,281,834</u>	<u>15,499,048</u>

The annexed notes 1 to 42 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 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 149 Conventional Banking Branches and 12 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 March 2025.

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 504-506, 5th Floor, Balad Trade Center III, Plot # D-75, Block 7, Clifton, Karachi. The Group acquired interest in SCPL by virtue of amalgamation of Atlas Bank Limited.

1.2 During the period ended, the Group has incurred a net loss of Rs. 3,176.283 million resulting in accumulated losses of Rs. 50,855.327 million and negative equity of Rs. 16,361.477 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 September 30, 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 and 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 40 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
Presentation and Disclosure in Financial Statements - IFRS 18	January 01, 2027

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. MATERIAL ACCOUNTING POLICY INFORMATION

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 - IFRS 9 Financial Instruments

Classification of Financial Assets

The Group classifies its financial assets into following categories:

- at Fair Value through Profit and Loss (FVTPL);
- at Fair Value through Other Comprehensive Income (FVOCI);
- at Amortised Cost

Classification of Equity Instruments

Equity securities that are traded in an active market and are held for trading purposes will be classified as FVTPL. Equity securities that are not held for trading purposes will be classified as FVOCI; however, gains and losses on disposal of securities classified as FVOCI will not be recycled through the profit and loss account. The classification decision is made on a case by case basis at the time of purchase, is documented, and is irrevocable.

Classification of other Financial Assets

Financial assets other than equity instruments will be classified based on their cash flow characteristics and business model assessment:

Amortised Cost: These will be classified as amortised cost if the objective is to hold the asset only for collecting contractual cash flows (principal and interest).

FVOCI: These will be classified at FVOCI when the objective is to collect contractual cash flows (principal and interest) and also to potentially sell the same depending on market conditions. Any unrealized profit or loss on debt instruments classified as FVOCI is reflected in other comprehensive income and is recycled through the profit and loss account when the investment is sold.

FVTPL: This includes financial assets:

- which are not classified as either at amortised cost or FVOCI; and/or
- which do not have fixed maturity.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent Measurement

Equity and debt securities classified as FVTPL

These securities are subsequently measured at fair value. Changes in the fair value of these securities are taken through the profit and loss account.

Equity and debt securities classified as FVOCI

These securities are subsequently measured at fair value. Changes in the fair value of these securities are recorded in OCI. When a debt security is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the profit and loss account. When an equity security is derecognised, gains and losses previously recognised in OCI are not recycled through the profit and loss account but are transferred directly to retained earnings.

Other financial assets classified at amortised cost

Other financial assets initially classified at amortised cost continue to be subsequently measured at amortised cost.

Derecognition

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loan is classified as Stage 1 for ECL measurement purposes, unless it is deemed to be purchased originated credit impaired. When assessing whether or not to derecognise a loan to a customer, amongst others, the Group considers qualitative factors such as change in currency of the loan, introduction of an equity feature, change in counterparty, or if the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

The gain/(loss) on derecognition of financial asset has been calculated as the difference between the book value (including impairment) and the proceeds received.

Derecognition other than due to substantial modification of terms and conditions

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Classification of Financial Liabilities

Financial liabilities are either classified at FVTPL, when they are held for trading purposes, or at amortised cost.

Financial liabilities classified as FVTPL are measured at fair value.

Financial liabilities classified at amortised cost are initially recorded at fair value and subsequently measured using the effective interest rate method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Impairment

An ECL provision will be calculated on financial assets designated at FVOCI or at amortised cost in accordance with the requirements of IFRS 9 and the guidelines issued by the SBP. Credit exposures (in local currency) that have been guaranteed by the Government and Government Securities are exempt from the application of ECL Framework.

Equity securities are not subject to impairment.

4.11 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 Group decreased by Rs 2,417.360 million and Rs 2,721.205 million as of September 30, 2024 and December 31, 2023 respectively. Further, Other Liabilities of the Group decreased by Rs 3,136.119 million and Rs 3,348.737 as of September 30, 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 41).

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. 961.229 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 December 31, 2023 Restated	Impact due to: Recognition Expected Credit Losses	Adoption of revised classifications under IFRS 9	Balances as of January 1, 2024 Restated	IFRS 9 Category
ASSETS					
Cash and balances with treasury banks	14,463,419	-	-	14,463,419	Amortized Cost
Balances with other banks	603,944	(501)	-	603,443	Amortized Cost
Lending 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	(851,716)	-	17,801,108	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	-	-	23,199,809	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	(852,217)	-	287,685,785	
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)	(961,229)	-	(13,887,778)	
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)	(961,229)	60,943	(47,879,847)	Outside scope of IFRS 9
	(12,926,549)	(961,229)	-	(13,887,778)	

* 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)	(Audited)
September 30,	December 31,
2024	2023
----- (Rupees in '000) -----	

6. CASH AND BALANCES WITH TREASURY BANKS

In hand

Local currency	4,522,908	4,607,636
Foreign currency	190,720	473,765
	4,713,628	5,081,401

With State Bank of Pakistan in

Local currency current account	8,400,419	7,809,752
Foreign currency current account	423,077	501,148
Foreign currency deposit account	755,625	645,616
	9,579,121	8,956,516

With National Bank of Pakistan in Local currency current account	462,497	400,275
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Prize bonds	14,504	25,227
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Less: Credit loss allowance held against cash and balances with treasury banks	-	-
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Cash and balances with treasury banks - net of credit loss allowance	14,769,750	14,463,419
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7. BALANCES WITH OTHER BANKS

In Pakistan

In current account	25,436	14,858
In deposit account	39	39
	25,475	14,897

Outside Pakistan

In current account	1,415,915	512,159
In deposit account	75,756	76,888
	1,491,671	589,047

Less: Credit loss allowance held against balances with other banks	(1,807)	-
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Balances with other banks - net of credit loss allowance	1,515,339	603,944
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	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Reverse repo agreements	3,170,960	-
Bai Muajjal receivable		
- with State Bank of Pakistan	4,418,884	-
Musharakah	1,000,000	-
	<u>8,589,844</u>	<u>-</u>
Less: Credit loss allowance held against lending to financial institutions	(536)	-
Lendings to financial institutions - net of credit loss allowance	<u>8,589,308</u>	<u>-</u>

8.1 Lending to FIs - Particulars of credit loss allowance

		(Un-audited) September 30, 2024	(Audited) December 31, 2023		
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
----- (Rupees in '000) -----					
Domestic					
Performing	Stage 1	8,589,844	536	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		<u>8,589,844</u>	<u>536</u>	<u>-</u>	<u>-</u>

9. INVESTMENTS

9.1 Investments by type:

September 30, 2024 (Un-audited)

Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
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(Rupees in '000)

FVTPL

Shares

- Fully paid up ordinary shares - Listed	12,737	-	(3,905)	8,832
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FVOCI

Federal Government Securities

- Market Treasury Bills	152,783	-	2,242	155,025
- Pakistan Investment Bonds	122,799,947	-	560,909	123,360,856
- GoP Ijarah Sukuks	43,393,935	-	787,069	44,181,004

Shares

- Fully paid up ordinary shares - Listed	128,886	-	(84,407)	44,479
- 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	-	17	85
	170,563,669	(1,789,252)	1,223,434	169,997,851

Total Investments	170,576,406	(1,789,252)	1,219,529	170,006,683
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December 31, 2023 (Audited)

Investments by type:

Cost / Amortised cost	Provision of diminution	Surplus / (Deficit)	Carrying Value
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(Rupees in '000)

Held-for-trading

Shares

- Fully paid up ordinary shares - Listed	44,595	-	(6,226)	38,369
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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
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	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
9.1.1 Investments given as collateral		
Market Treasury Bills	-	19,453,473
Pakistan Investment Bonds	102,641,590	104,870,972
	<u>102,641,590</u>	<u>124,324,445</u>

9.2 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>

9.3 Particulars of credit loss allowance / provision against debt securities

		September 30, 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>

10. ADVANCES

		Performing		Non Performing		Total	
		(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Note ----- (Rupees in '000) -----							
Loans, cash credits, running finances, etc.		11,962,756	13,514,199	34,766,835	35,952,899	46,729,591	49,467,098
Islamic financing and related assets	40.3	2,472,599	2,439,460	279,113	274,364	2,751,712	2,713,824
Bills discounted and purchased		870,975	641,308	38,353	47,089	909,328	688,397
Advances - gross		15,306,330	16,594,967	35,084,301	36,274,352	50,390,631	52,869,319
Credit loss allowance / provision against advances							
- Specific	10.3	-	-	-	(34,211,166)	-	(34,211,166)
- General		-	(5,329)	-	-	-	(5,329)
- Stage 1		(4,394)	-	-	-	(4,394)	-
- Stage 2		(179,180)	-	-	-	(179,180)	-
- Stage 3		-	-	(33,912,399)	-	(33,912,399)	-
		(83,574)	(5,329)	(33,912,399)	(34,211,166)	(34,095,973)	(34,216,495)
Advances - net of credit loss allowance / provision		<u>15,122,756</u>	<u>16,589,638</u>	<u>1,171,902</u>	<u>2,063,186</u>	<u>16,294,658</u>	<u>18,652,824</u>

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
10.1 Particulars of advances (Gross)		
In local currency	49,556,989	52,229,272
In foreign currencies	833,642	640,047
	<u>50,390,631</u>	<u>52,869,319</u>

10.2 Advances include Rs. 35,084.301 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	September 30, 2024 (Un-audited)	
	Non performing loans	Credit loss allowance
	----- (Rupees in '000) -----	
Domestic		
Other Assets Especially Mentioned (OAEM)	3,306	331
Substandard	6,513	3,828
Doubtful	72,664	34,482
Loss	35,001,818	33,874,089
Total	<u>35,084,301</u>	<u>33,912,730</u>

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	<u>36,274,352</u>	<u>34,211,166</u>

10.3 Particulars of credit loss allowance / provision against advances

	September 30, 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	38,716	92,134	720,866	851,716	-	-	-
Charge for the period / year	2,048	121,054	301,828	424,930	2,958,975	-	2,958,975
Reversals	(40,309)	(35,398)	(1,320,788)	(1,396,495)	(1,978,573)	(5,227)	(1,983,800)
	(38,261)	85,656	(1,018,960)	(971,565)	980,402	(5,227)	975,175
Amounts written off	-	-	(673)	(673)	(1,101)	-	(1,101)
Closing balance	<u>4,394</u>	<u>179,180</u>	<u>33,912,399</u>	<u>34,095,973</u>	<u>34,211,166</u>	<u>5,329</u>	<u>34,216,495</u>

10.3.1 Credit loss allowance for Stage 1 and Stage 2 represents credit loss allowance maintained against performing portfolio as required under IFRS 9.

10.3.2 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. 1,447,087 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. 882,723 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.

10.4 Advances - Particulars of credit loss allowance

September 30, 2024 (Un-audited)			
Stage 1	Stage 2	Stage 3	Total
(Rupees in '000)			
Opening balance	-	-	-
Impact of adoption of IFRS	42,655	93,524	34,932,032
New Advances	234	30,656	301,828
Advances derecognised or repaid	(30,718)	(28,116)	(540,897)
Transfer to stage 1	1,814	(6,076)	(612)
Transfer to stage 2	(9,581)	90,398	(520,693)
Transfer to stage 3	(10)	(1,206)	(258,586)
	(38,261)	85,656	(1,018,960)
			(971,565)
Amounts written off / charged off	-	-	(673)
			(673)
Closing balance	4,394	179,180	33,912,399
			34,095,973

10.5 Advances - Category of classification

September 30, 2024 (Un-audited)			
	Outstanding amount	Credit loss allowance held	
(Rupees in '000)			
Performing	7,650,421	4,394	
Underperforming	7,659,215	179,180	
Non-Performing			
Substandard	6,513	3,828	
Doubtful	72,664	34,482	
Loss	35,001,818	33,874,089	
Total	50,390,631	34,095,973	

11. PROPERTY AND EQUIPMENT

	Note	(Un-audited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)			
Capital work-in-progress	11.1	46,470	73,786
Property and equipment		7,090,311	7,165,939
		7,136,781	7,239,725

11.1 Capital work-in-progress

Civil works and related payments / progress billings	14,901	5,987
Advances and other payments to suppliers and contractors	31,569	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)
	-	-
	46,470	73,786
(Un-audited)		
September 30, 2024	September 30, 2023	
(Rupees in '000)		

11.2 Additions to property and equipment

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

Capital work-in-progress - net	(27,316)	15,557
Property and equipment		
Building improvements	38,559	37,362
Furniture and fixture	10,555	7,081
Electrical, office and computer equipment	216,588	50,107
Vehicles	8,609	25,121
	274,311	119,671
	246,995	135,228

		(Un-audited)	
		September 30, 2024	September 30, 2023
		----- (Rupees in '000) -----	
11.3 Disposal of property and equipment			
The net book value of property and equipment disposed off during the period is as follows:			
Property and equipment			
Leasehold land		-	70,000
Building on leasehold land	31,608		74,915
Building improvements	847		616
Furniture and fixture	292		109
Electrical, office and computer equipment	2,144		476
Vehicles	-		12,142
	34,891	158,258	

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
		----- (Rupees in '000) -----	
12. RIGHT-OF-USE ASSETS			
At January 01,	Note		
Cost		5,553,456	5,195,266
Accumulated depreciation		(2,832,251)	(2,241,870)
Net carrying amount at January 01,		2,721,205	2,953,396
Additions during the period / year		191,385	581,344
Modifications during the period / year		(16,724)	9,197
Deletions during the period / year		(81,260)	(232,351)
Depreciation charge for the period / year		(397,246)	(590,381)
Net carrying amount		2,417,360	2,721,205

13. INTANGIBLE ASSETS

Capital work-in-progress	13.1	196,521	194,998
Intangible assets in use	13.2	93,060	69,725
		289,581	264,723

13.1 Capital work-in-progress

Advances to suppliers and contractors	196,521	194,998
Advances against capital work in progress considered doubtful	142,522	142,522
Less: Provision held there against	(142,522)	(142,522)
	-	-
	196,521	194,998

13.2 Intangible assets in use

Computer softwares	90,560	67,225
Trading Rights Entitlement Certificate	2,500	2,500
	93,060	69,725

		(Un-audited)	
		September 30, 2024	September 30, 2023
		----- (Rupees in '000) -----	
13.3 Additions to intangible assets			

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

Capital work-in-progress - net	1,523	100,991
Directly purchased	46,477	18,746
Total	48,000	119,737

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

14. DEFERRED TAX ASSETS

September 30, 2024 (Un-audited)

At January 01, 2024	IFRS - 9 transition impact	Recognised in profit and loss account	Recognised in other comprehensive income	At September 30, 2024
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(Rupees in '000)

Deductible temporary differences on

- Tax losses carried forward	15,515,748	-	2,267,783	-	17,783,531
- Credit loss allowance against advances, off balance sheet etc.	9,002,927	-	18,269	-	9,021,196
- Credit loss allowance against investment	736,771	(38,963)	-	-	697,808
- Provision against intangible assets	48,034	-	-	-	48,034
- Staff compensated absences	54,578	-	(329)	-	54,249
- Credit loss against other assets	166,759	-	-	-	166,759
- Minimum tax	833	-	185	-	1,018
- Alternative Corporate tax	3,048	-	2,892	-	5,940
	25,528,698	(38,963)	2,288,800	-	27,778,535

Taxable temporary differences on

- Surplus on revaluation of property & equipment	(1,074,691)	-	-	37,083	(1,037,608)
- Surplus on revaluation of investments	(116,362)	38,963	-	(393,696)	(471,095)
- Unrealized gain on forward exchange contracts	(10,047)	-	15,604	-	5,557
- Surplus on revaluation of property - held for sale	(437,092)	-	-	-	(437,092)
- Surplus on revaluation of non-banking assets	(313,821)	-	-	41,228	(272,593)
- Accelerated tax depreciation	(376,876)	-	(6,471)	-	(383,347)
	(2,328,889)	38,963	9,133	(315,385)	(2,596,178)

23,199,809	-	2,297,933	(315,385)	25,182,357
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December 31, 2023 (Audited)

At January 01, 2023	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2023
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(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 asset	(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
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- 14.1 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.

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Note	----- (Rupees in '000) -----	

15. OTHER ASSETS

Income / mark-up accrued in local currency	11,980,909	7,912,817
Income / mark-up accrued in foreign currency	4,552	2,822
Advances, deposits, advance rent and other prepayments	611,061	393,824
Advance taxation (payments less provisions)	582,198	538,944
Non-banking assets acquired in satisfaction of claims	1,834,167	2,370,326
Branch adjustment account	-	-
Receivable from other banks against clearing and settlement	278,826	1,391,209
Receivable against Government Securities	-	23,000,000
Mark to market gain on forward foreign exchange contracts	4,739	27,833
Acceptances	370,765	409,685
Stationery and stamps on hand	6,564	6,792
Commission receivable on home remittance	-	184
Commission receivable on brokerage	23,842	8,355
Property - held for sale	3,692,787	3,692,787
Account receivable	131,301	144,497
Others	55,148	709,562
	20,036,859	40,609,637
Less: Credit loss allowance / provision held against other assets	15.2 (890,024)	(890,616)
Other assets (net of credit loss allowance / provision)	19,146,835	39,719,021
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	698,956	804,670
Surplus on revaluation of property - held for sale	1,120,749	1,120,749
Other assets - total	20,966,540	41,644,440

15.1 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) September 30, 2024	(Audited) December 31, 2023
15.2 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	211,841	212,433
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	137,795	137,795
	890,024	890,616

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

Opening balance	890,616	888,696
Charge for the period / year	-	8,032
Reversals	(592)	(6,000)
Amount written off	-	(112)
Closing balance	890,024	890,616

16. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

17. BILLS PAYABLE

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
In Pakistan	1,450,743	2,162,537
Outside Pakistan	-	-
	<u>1,450,743</u>	<u>2,162,537</u>

18. 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

3,799,950	4,691,400
-	90,000
124,737	239,398
396	1,100
104,000,000	123,027,721
<u>107,925,083</u>	<u>128,049,619</u>

Repurchase agreement borrowings

-	2,313,316
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Total secured

<u>107,925,083</u>	<u>130,362,935</u>
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Unsecured

Overdrawn nostro accounts

5,062	6,395
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<u>107,930,145</u>	<u>130,369,330</u>
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19. DEPOSITS AND OTHER ACCOUNTS

	September 30, 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	33,819,444	1,693,270	35,512,714	43,315,999	1,722,463	45,038,462
Savings deposits	102,547,594	1,419,218	103,966,812	84,046,183	2,168,138	86,214,321
Term deposits	11,785,830	3,291,020	15,076,850	14,520,225	3,489,167	18,009,392
Others	2,339,307	43,674	2,382,981	4,110,091	44,326	4,154,417
	<u>150,492,175</u>	<u>6,447,182</u>	<u>156,939,357</u>	<u>145,992,498</u>	<u>7,424,094</u>	<u>153,416,592</u>
Financial institutions						
Current deposits	192,411	36,077	228,488	230,014	43,445	273,459
Savings deposits	3,313,099	-	3,313,099	2,410,926	8	2,410,934
Term deposits	1,720,822	116,640	1,837,462	668,059	107,107	775,166
Others	-	-	-	-	-	-
	<u>5,226,332</u>	<u>152,717</u>	<u>5,379,049</u>	<u>3,308,999</u>	<u>150,560</u>	<u>3,459,559</u>
	<u>155,718,507</u>	<u>6,599,899</u>	<u>162,318,406</u>	<u>149,301,497</u>	<u>7,574,654</u>	<u>156,876,151</u>

20. LEASE LIABILITIES

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Opening	3,348,737	3,494,834
Additions during the period / year	157,069	495,709
Deletion during the period / year	(117,422)	(311,302)
Lease payments including interest	(566,998)	(774,778)
Interest expense	331,458	435,077
Modifications	(6,725)	9,197
Closing	<u>3,136,119</u>	<u>3,348,737</u>
201 Liabilities Outstanding		
Not later than one year	800,762	778,144
Later than one year and upto five years	1,803,838	1,890,404
Over five years	531,519	680,189
Total at the period end	<u>3,136,119</u>	<u>3,348,737</u>

21. 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.

22. OTHER LIABILITIES

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
Note ----- (Rupees in '000) -----		
Mark-up / return / interest payable in local currency	3,697,796	4,236,243
Mark-up / return / interest payable in foreign currencies	5,966	1,625
Unearned income	50,276	71,476
Accrued expenses	168,113	115,181
Advance against sale of property	211,103	211,103
Acceptances	370,765	409,685
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	18,987	2,071
Payable to defined benefit plan	59,585	18,813
Charity fund balance	2,016	4,317
Branch adjustment account	206,822	29,074
Security deposits against lease	157,549	187,644
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	419,159	367,873
Provision for compensated absences	140,661	141,538
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	498,478	542,370
Workers' welfare fund	13,360	13,360
Withholding taxes and government levies payable	236,839	264,364
Federal excise duty and sales tax payable	10,712	10,724
Commission payable on home remittances	72	213
Account payable	156,618	99,928
Credit loss allowance against off-balance sheet obligations	109,530	-
Others	584,441	404,621
	<u>7,198,906</u>	<u>7,212,281</u>

22.1 Credit loss allowance against off-balance sheet obligations

Opening balance	-	-
Impact of adoption of IFRS 9	109,012	
Charge for the period / year	518	-
Reversals	-	-
	518	-
Amount written off	-	-
Closing balance	<u>109,530</u>	<u>-</u>

23. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of		
- Securities measured at FVOCI-Debt	9.1 1,307,824	-
- Securities measured at FVOCI-Equity	9.1 (84,390)	-
- Available for sale securities	-	305,374
- Property and equipment	3,593,934	3,689,020
- Non-banking assets acquired in satisfaction of claims	698,956	804,670
- Property - held for sale	1,120,749	1,120,749
	<u>6,637,073</u>	<u>5,919,813</u>
Deferred tax on surplus / (deficit) on revaluation of:		
- Securities measured at FVOCI-Debt	(510,051)	-
- Securities measured at FVOCI-Equity	38,956	-
- Available for sale securities	-	(116,362)
- Property and equipment	(1,037,608)	(1,074,691)
- Non-banking assets acquired in satisfaction of claims	(272,593)	(313,821)
- Property - held for sale	(437,092)	(437,092)
	<u>(2,218,388)</u>	<u>(1,941,966)</u>
	<u>4,418,685</u>	<u>3,977,847</u>

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
Note		(Rupees in '000)	
24. CONTINGENCIES AND COMMITMENTS			
-Guarantees	24.1	15,576,079	13,557,375
-Commitments	24.2	117,553,855	147,241,382
-Other contingent liabilities	24.3	22,028,725	22,748,472
		<u>155,158,659</u>	<u>183,547,229</u>
24.1 Guarantees:			
Financial guarantees		20,470	20,470
Performance guarantees		9,832,463	9,761,374
Other guarantees		5,723,146	3,775,531
		<u>15,576,079</u>	<u>13,557,375</u>
24.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		4,608,950	8,868,111
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	2,887,038	6,935,713
- forward lending	24.2.2	5,732,680	5,853,928
Commitments for acquisition of:			
- property and equipment		101,569	109,562
- intangible assets		223,618	133,031
Other commitments	24.2.3	104,000,000	125,341,037
		<u>117,553,855</u>	<u>147,241,382</u>
24.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		2,850,029	6,180,469
Sale		37,009	755,244
		<u>2,887,038</u>	<u>6,935,713</u>
24.2.2 Commitments in respect of forward lending			
Forward documentary bills		4,883,189	4,916,896
Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.2.1	849,491	937,032
		<u>5,732,680</u>	<u>5,853,928</u>
24.2.2.1 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) September 30, 2024	(Audited) December 31, 2023
		(Rupees in '000)	
24.2.3 Other commitments			
Purchase (Repo)		<u>104,000,000</u>	<u>125,341,037</u>
24.3 Other contingent liabilities - claims against the Group not acknowledged as debts			
		<u>22,028,725</u>	<u>22,748,472</u>
24.4 Contingency for tax payable			
Contingency related to tax payable is disclosed in note 33.2.			

		(Un-audited) Nine months ended	
		September 30, 2024	September 30, 2023
25. MARK-UP / RETURN / INTEREST EARNED	Note	----- (Rupees in '000) -----	
On:			
Loans and advances		2,178,870	2,110,540
Investments		29,800,710	17,764,473
Lendings to financial institutions		338,040	148,367
Balances with banks		56,031	51,066
		<u>32,373,651</u>	<u>20,074,446</u>

26. MARK-UP / RETURN / INTEREST EXPENSED

On:			
Deposits		15,905,632	11,143,831
Borrowings		18,186,057	9,430,327
Subordinated debt		279,041	253,674
Cost of foreign currency swaps against foreign currency deposits / borrowings		447,205	647,224
Finance cost of lease liability		331,458	322,506
		<u>35,149,393</u>	<u>21,797,562</u>

27. FEE AND COMMISSION INCOME

Branch banking customer fees	173,608	47,415
Consumer finance related fees	2,885	3,728
Card related fees (debit cards)	143,511	84,963
Credit related fees	1,327	3,783
Investment banking fees	-	1,322
Commission on trade	342,372	174,729
Commission on guarantees	96,881	88,215
Commission on cash management	161	40
Commission on remittances including home remittances	4,578	7,679
Commission on bancassurance	1,225	1,532
Alternate Delivery Channels	14,822	25,794
Commission on brokerage	78,709	40,132
Others	38	39
	<u>860,117</u>	<u>479,371</u>

28. GAIN / (LOSS) ON SECURITIES

Realised	28.1	879,001	(495,857)
Unrealised - Measured at FVPL		2,322	-
		<u>881,323</u>	<u>(495,857)</u>

28.1 Realised gain / (loss) on:

Federal Government Securities	871,886	60,614
Shares	7,115	(556,471)
	<u>879,001</u>	<u>(495,857)</u>

29. OTHER INCOME

Rent on property / locker	3,204	2,870
Gain on sale of property and equipment - net	59,692	201,019
Gain on sale of non banking assets	604,317	-
Gain on partial sale of HFS property	-	116,794
Gain on sale of ijarah assets	642	720
Gain on termination of lease contracts under IFRS 16	36,161	43,082
Refund from Gratuity Fund	-	4,516
Others	14	719
	<u>704,030</u>	<u>369,720</u>

30. OPERATING EXPENSES

		(Un-audited) Nine months ended	
		September 30, 2024	September 30, 2023
Note		(Rupees in '000)	
	Total compensation expense	2,030,746	1,796,184
	Property expense		
	Rent and taxes	117,533	67,458
	Insurance - property	5,233	7,036
	Insurance - non banking assets	598	643
	Utilities cost	417,053	373,138
	Security (including guards)	192,409	183,342
	Repair and maintenance (including janitorial charges)	178,952	124,008
	Depreciation on owned property and equipment	191,500	187,673
	Depreciation on right-of-use assets	397,246	448,395
	Depreciation on non banking assets	47,978	49,180
		1,548,502	1,440,873
	Information technology expenses		
	Software maintenance	176,968	115,053
	Hardware maintenance	102,957	116,314
	Depreciation on computer equipments	61,213	50,857
	Amortisation of computer softwares	23,141	17,951
	Network charges	72,803	74,770
	Insurance	1,479	2,603
		438,561	377,548
	Other operating expenses		
	Directors' fees and allowances	27,900	24,000
	Fees and allowances to Shariah Board	17,775	17,775
	Legal and professional charges	161,279	98,255
	Outsourced services costs	241,765	214,137
	Travelling and conveyance	351,355	338,143
	NIFT clearing charges	24,987	24,036
	Depreciation	62,336	76,798
	Training and development	4,463	6,598
	Postage and courier charges	29,985	30,307
	Communication	111,863	73,878
	Stationery and printing	148,739	114,579
	Marketing, advertisement and publicity	31,059	16,378
	Brokerage and commission	26,711	27,150
	Fee and subscription	186,127	128,531
	Cash transportation and sorting charges	121,707	113,479
	Entertainment	60,689	51,040
	Insurance	139,269	109,269
	Deposit insurance premium expense	136,683	101,148
	Repair and maintenance	100,228	97,481
	Auditors' remuneration	11,049	8,023
	Others	28,688	28,816
		2,024,657	1,699,821
		6,042,466	5,314,426
30.1	Total compensation expense		
	Fees and allowances etc.	19,483	14,333
	Managerial remuneration		
	i) Fixed	1,281,726	1,140,790
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	-	-
	b) Incentives and commission	2,299	5,973
	Charge for defined benefit plan	60,485	38,264
	Contribution to defined contribution plan	65,883	62,094
	Charge for employees compensated absences	19,196	16,637
	Rent and house maintenance	400,425	355,892
	Utilities	89,492	79,084
	Medical	91,179	82,558
	Employee old age benefit institution	578	559
	Total	2,030,746	1,796,184

		(Un-audited)	
		Nine months ended	
		September 30, 2024	September 30, 2023
31. OTHER CHARGES	Note	----- (Rupees in '000) -----	
Penalties imposed by State Bank of Pakistan		193	418

32. CREDIT LOSS ALLOWANCE / REVERSALS AND WRITE OFFS - NET

(Reversal) of provision for diminution in value of investments	-	(583,530)
Credit loss allowance / (reversal) of provision against loans & advances	(971,565)	491,699
Credit loss allowance / provision against other assets	(592)	1,896
Bad debts written off directly	-	75
Operational loss	2,073	1,075
Recovery of written off / charged off bad debts	(567)	(728)
Reversal of provision for advances and other payments against capital work in progress	-	(2,526)
Credit loss allowance against off-balance sheet obligations	518	-
Credit loss allowance against balance with other banks	1,305	-
Credit loss allowance on lending to FI	536	-
	(968,292)	(92,039)

33. TAXATION

Current	33.1 & 33.2	443,114	267,904
Prior years		-	-
Deferred		(2,297,933)	(2,351,900)
		(1,854,819)	(2,083,996)

- 33.1** 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.

According to ICAP guide dated May 2024, minimum taxes do not qualify as income tax expense under IAS 12 Income Taxes. Instead, they should be accounted for as levy under IFRIC 21 "Levies" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Since the SBP has not officially adopted or communicated any changes to the format of the financial statements (refer note 2.5), no changes have been made to the format of the statement of profit and loss account.

- 33.2** The Income Tax Returns of the Bank and its subsidiary have been submitted up to and including financial year ended December 31, 2023 i.e. tax year 2024.

In respect of assessments of Bank Makramah Limited from tax years 2009 to tax year 2023 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 favourable outcome of the appeals hence, no provision / adjustment with respect to the above matters has been made in these consolidated financial statements.

34. BASIC AND DILUTED LOSS PER SHARE

		(Un-audited) Nine months ended	
		September 30, 2024	September 30, 2023
Note		----- (Rupees in '000) -----	
	Loss for the period	<u>(3,176,283)</u>	<u>(3,786,061)</u>
		----- (Number of shares) -----	
	Weighted average number of ordinary shares - Basic	<u>5,334,220,021</u>	<u>4,900,168,551</u>
		----- (Rupee) -----	
	Basic loss per share	<u>(0.60)</u>	<u>(0.77)</u>
		----- (Number of shares) -----	
	Weighted average number of ordinary shares - Diluted	<u>5,334,220,021</u>	<u>4,900,168,551</u>
		----- (Rupee) -----	
	Diluted loss per share	<u>(0.60)</u>	<u>(0.77)</u>

34.1 There are no potential ordinary shares outstanding as of September 30, 2024.

35. CASH AND CASH EQUIVALENTS

		(Un-audited) Nine months ended	
		September 30, 2024	September 30, 2023
		----- (Rupees in '000) -----	
	Cash and balances with treasury banks excluding credit loss allowance	14,769,750	14,984,197
	Balances with other banks excluding credit loss allowance	1,517,146	521,230
	Overdrawn nostro accounts	(5,062)	(6,379)
		<u>16,281,834</u>	<u>15,499,048</u>

36. 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.

36.1 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).

36.2 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:

September 30, 2024 (Un-audited)				
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal Government Securities	-	167,696,885	-	167,696,885
- Shares - Listed	53,311	-	-	53,311
- Non Government Debt Securities	-	2,249,271	-	2,249,271
- Units of mutual funds	-	85	-	85
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	68,778	68,778
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	6,579,695	6,579,695
Non banking assets acquired in satisfaction of claims	-	-	2,173,016	2,173,016
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	2,833,373	-	2,833,373
Forward sale of foreign exchange	-	37,044	-	37,044

December 31, 2023 (Audited)				
	Level 1	Level 2	Level 3	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 Sukuk 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 Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties.

37. SEGMENT INFORMATION

37.1 Segment details with respect to business activities

For the nine months period ended September 30, 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	889,934	12,149,112	(5,273,176)	14,800	(556,412)	(2,775,742)
Inter segment revenue - net	(810,182)	(2,116,769)	20,665,723	-	(7,738,772)	-
Non mark-up / return / interest income	227,657	1,338,485	471,266	93,006	688,593	2,819,007
Total income	307,409	1,370,828	5,863,813	107,806	(7,606,591)	43,265
Segment direct expenses	210,761	80,054	3,849,613	84,912	1,817,319	6,042,659
Inter segment expense allocation	491,427	178,093	1,020,776	-	(1,690,296)	-
Total expenses	702,188	258,147	4,870,389	84,912	127,023	6,042,659
Credit loss allowance	(975,945)	1,841	842	-	4,970	(968,292)
Profit / (loss) before tax	581,166	1,110,840	992,582	22,894	(7,738,584)	(5,031,102)

As at September 30, 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	112,388	11,556,420	4,615,741	540	-	16,285,089
Investments	-	169,948,020	-	58,663	-	170,006,683
Net inter segment lending	43,432,176	100,035,108	160,775,103	-	64,619	304,307,006
Lendings to financial institutions	-	8,589,308	-	-	-	8,589,308
Advances - performing	13,140,898	-	260,536	-	1,721,322	15,122,756
Advances - non-performing	719,038	-	441,762	-	11,102	1,171,902
Others	703,111	11,158,698	2,358,994	253,223	41,518,593	55,992,619
Total assets	58,107,611	301,287,554	168,452,136	312,426	43,315,636	571,475,363
Borrowings	3,925,083	104,005,062	-	-	-	107,930,145
Subordinated debt	-	-	-	-	1,495,515	1,495,515
Deposits and other accounts	4,720,954	-	157,597,452	-	-	162,318,406
Net inter segment borrowing	49,224,888	196,369,244	7,829,496	-	50,883,378	304,307,006
Others	236,686	913,248	3,025,188	180,816	7,429,830	11,785,768
Total liabilities	58,107,611	301,287,554	168,452,136	180,816	59,808,723	587,836,840
Equity	-	-	-	131,610	(16,493,087)	(16,361,477)
Total equity and liabilities	58,107,611	301,287,554	168,452,136	312,426	43,315,636	571,475,363
Contingencies and Commitments	47,046,558	106,887,038	-	-	1,225,063	155,158,659

For the nine months period ended September 30, 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	678,591	8,412,735	(10,530,971)	12,226	(295,697)	(1,723,116)
Inter segment revenue - net	(1,026,741)	(8,598,469)	16,739,621	-	(7,114,411)	-
Non mark-up / return / interest income	168,223	245,533	239,622	60,325	362,161	1,075,864
Total income	(179,927)	59,799	6,448,272	72,551	(7,047,947)	(647,252)
Segment direct expenses	135,602	67,604	3,533,786	71,884	1,505,968	5,314,844
Inter segment expense allocation	436,519	136,762	836,047	-	(1,409,328)	-
Total expenses	572,121	204,366	4,369,833	71,884	96,640	5,314,844
Credit loss allowance	492,121	(583,531)	-	-	(629)	(92,039)
Profit / (loss) before tax	(1,244,169)	438,964	2,078,439	667	(7,143,958)	(5,870,057)

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

37.11 The Group does not have any operations outside Pakistan.

38. 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:

	September 30, 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	-	-	50,470	284	-	-	210,330	13
Repaid during the period / year	-	-	(21,498)	(97,450)	-	-	(73,085)	-
Transfer in / (out) - net	-	-	90,369	-	-	-	3,555	-
Closing balance	-	-	422,846	574,735	-	-	303,505	671,901
Credit loss allowance / provision held against advances	-	-	58	574,511	-	-	-	671,901

September 30, 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
Other receivable

Credit loss allowance / provision held against other assets

Deposits and other accounts

Opening balance
Received during the period / year
Withdrawn during the period / year
Transfer (out) / in - net

Closing balance

Other Liabilities

Interest / mark-up payable
Payable to defined benefit plan
Unearned income

Contingencies and Commitments

Guarantees, letters of credit and acceptances - net of ECL

	-	-	7,681	-	-	-	-	-
	-	-	4,024	-	-	-	4,022	-
	-	-	-	2,949	-	-	-	2,949
	-	-	-	-	-	-	-	-
	-	109,345	15,625	779,900	-	-	19,511	2,052,046
	-	180,653	705,076	749,841	-	-	714,248	3,126,796
	-	(197,743)	(701,822)	(689,419)	-	-	(718,348)	(4,400,329)
	-	-	347	(8)	-	109,345	214	1,387
	-	92,255	19,226	840,314	-	109,345	15,625	779,900
	-	1,260	384	2,913	-	1,951	298	13,355
	-	-	-	59,585	-	-	-	18,813
	-	-	-	-	-	-	-	692
	-	-	-	-	-	-	-	-
	-	-	-	77,613	-	-	-	86,500

For the nine months period ended September 30, 2024 (Un-audited) For the nine months period ended September 30, 2023 (Un-audited)

	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
Income								
Mark-up / return / interest earned	-	-	20,771	7	-	-	6,564	-
Fee and commission income	-	2	-	692	-	5	13	693
Other income	-	-	29	-	-	-	-	-
Expense								
Mark-up / return / interest expensed	-	15,373	1,795	108,598	-	-	626	165,560
Operating expenses:								
- Directors' fees and allowances	-	27,900	-	-	-	24,000	-	-
- Brokerage and commission	-	-	-	-	-	-	-	-
- Fee and subscription	-	-	1,215	-	-	-	1,264	-
- Managerial remuneration	-	-	304,779	1,314	-	-	263,290	1,027
- Contribution to defined contribution plan	-	-	-	65,883	-	-	-	62,094
- Charge for defined benefit plan	-	-	-	60,485	-	-	-	38,264
Reversal of provision for diminution in value of investment	-	-	-	-	-	-	-	(10,899)
Credit loss allowance / provision against loans and advances	-	-	-	-	-	-	-	-
Credit loss allowance against off-balance sheet obligations	-	-	12	(97,391)	-	-	-	671,895
	-	-	-	(9,924)	-	-	-	-

(Rupees in '000)

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

39. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>(20,934,324)</u>	<u>(17,058,558)</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier-1 (CET-1) Capital	(46,526,556)	(40,745,819)
Eligible Additional Tier-1 (ADT-1) Capital	-	-
Total Eligible Tier-1 Capital	(46,526,556)	(40,745,819)
Eligible Tier-2 Capital	-	-
Total Eligible Capital (Tier-1 + Tier-2)	<u>(46,526,556)</u>	<u>(40,745,819)</u>
Risk Weighted Assets (RWAs):		
Credit Risk	37,509,532	39,440,428
Market Risk	14,143,800	6,083,839
Operational Risk	3,800,036	7,447,378
Total	<u>55,453,368</u>	<u>52,971,645</u>
Common Equity Tier-1 Capital Adequacy Ratio	<u>-83.90%</u>	<u>-76.92%</u>
Tier-1 Capital Adequacy Ratio	<u>-83.90%</u>	<u>-76.92%</u>
Total Capital Adequacy Ratio	<u>-83.90%</u>	<u>-76.92%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	(46,526,556)	(40,745,819)
Total Exposures	405,041,248	374,312,880
Leverage Ratio	<u>-11.49%</u>	<u>-10.89%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	80,715,903	73,491,142
Total Net Cash Outflow	25,611,845	27,494,992
Liquidity Coverage Ratio	<u>315.15%</u>	<u>267.29%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	106,572,931	102,118,423
Total Required Stable Funding	71,683,836	64,870,949
Net Stable Funding Ratio	<u>148.67%</u>	<u>157.42%</u>

40. ISLAMIC BANKING BUSINESS

The Group commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 12 (December 31, 2023: 13) Islamic banking branches and 31 (December 31, 2023: 35) Islamic banking windows at the end of the period.

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		1,783,679	2,064,488
Balances with other banks		102,201	102,863
Due from financial institutions	40.1	8,403,648	2,788,300
Investments	40.2	41,560,459	37,213,598
Islamic financing and related assets - net	40.3	2,566,001	2,632,858
Property and equipment		170,903	173,098
Right-of-use assets		98,721	76,654
Intangible assets		-	-
Due from Head Office		-	-
Deferred tax assets		-	-
Other assets		3,177,048	2,608,328
Total Assets		57,862,660	47,660,187
LIABILITIES			
Bills payable		218,811	444,820
Due to financial institutions	40.4	2,509,267	4,705,668
Deposits and other accounts	40.5	40,682,570	36,330,124
Due to Head Office		-	-
Lease liabilities		117,505	103,179
Subordinated debt		-	-
Deferred tax liabilities		55,742	134,120
Other liabilities		7,605,065	1,287,124
		51,188,960	43,005,035
NET ASSETS		6,673,700	4,655,152
REPRESENTED BY			
Islamic Banking Fund		1,000,000	1,000,000
Reserves		-	-
Surplus on revaluation of assets		753,651	219,705
Unappropriated / Unremitted profit	40.6	4,920,049	3,435,447
		6,673,700	4,655,152
CONTINGENCIES AND COMMITMENTS	40.7		

ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		September 30, 2024	September 30, 2023
	Note	----- (Rupees in '000) -----	
Profit / return earned	40.8	6,445,016	3,718,538
Profit / return expensed	40.9	4,130,968	2,072,183
Net Profit / return		2,314,048	1,646,355
Other income			
Fee and commission income		133,417	70,509
Dividend income		-	-
Foreign exchange loss		(64,981)	3,395
Income / (loss) from derivatives		-	-
Gain / (loss) on sale of securities		289,090	(1,879)
Other income		1,474	8,482
Total other income		359,000	80,507
Total income		2,673,048	1,726,862
Other expenses			
Operating expenses		853,372	760,822
Workers' welfare fund		-	-
Other charges		-	-
Total other expenses		853,372	760,822
Profit before credit loss allowance / provisions		1,819,676	966,040
Credit loss allowance / reversals and write offs - net		252,232	32,804
Profit before taxation		1,567,444	933,236
Taxation		-	-
Profit after taxation		1,567,444	933,236

ISLAMIC BANKING BUSINESS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		September 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
401	Due from Financial Institutions	Note					
(Rupees in '000)							
Unsecured							
	Bai Muajjal Receivable from SBP	40.1.1	4,418,884	-	4,418,884	-	-
	Bai Muajjal Receivable from other Financial Institutions	40.1.2	3,212,757	-	3,212,757	2,788,300	-
	Musharakah	40.1.3	1,000,000	-	1,000,000	-	2,788,300
			8,631,641	-	8,631,641	2,788,300	-
Less: Credit loss allowance							
	Stage 1		(227,993)	-	(227,993)	-	-
	Stage 2		-	-	-	-	-
	Stage 3		-	-	-	-	-
			(227,993)	-	(227,993)	-	-
Due from financial institutions - net of credit loss allowance			8,403,648	-	8,403,648	2,788,300	-

401.1 This represents Bai Muajjal agreement with State Bank of Pakistan and carries profit rate of 16.21% per annum on September 30, 2024 and are due to mature latest by August 05, 2027.

401.2 This represents Bai Muajjal agreements with conventional operation of Bank Makramah Limited and carries profit rate of 18.75% per annum on September 30, 2024 and are due to mature latest by November 25, 2024.

401.3 This represent Musharakah agreement with other financial institution and carries profit rate of 16.25% per annum on September 30, 2024 and are due to mature latest by October 01, 2024.

402 Investments

	September 30, 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
(Rupees in '000)								
Investments by segments:								
Classified / Measured at FVOCI / Available-for-sale								
Federal Government Securities:								
- GOP Ijarah Sukuks	38,547,392	-	763,796	39,311,188	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>40,839,059</u>	<u>-</u>	<u>721,400</u>	<u>41,560,459</u>	<u>36,950,175</u>	<u>-</u>	<u>263,423</u>	<u>37,213,598</u>

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
		----- (Rupees in '000) -----	
40.3	Islamic financing and related assets		
	Ijarah	564,316	479,172
	Running Musharakah	211,508	354,382
	Diminishing Musharakah	1,067,268	967,149
	Diminishing Musharakah-IERF	300,000	300,000
	Tijarah	569,998	605,998
	Advance against Ijarah	38,622	7,123
	Gross Islamic financing and related assets	2,751,712	2,713,824
	Less: Credit loss allowance / provision against Islamic financings		
	- Stage 1	(0,328)	-
	- Stage 2	(14,579)	-
	- Stage 3	(169,804)	-
	- Specific	-	(79,889)
	- General	-	(1,077)
		(185,711)	(80,966)
	Islamic financing and related assets - net of credit loss allowance / provision	2,566,001	2,632,858

40.4 Due to financial institutions

Secured					
Acceptances from the SBP under Islamic Export Refinance Scheme			-	90,000	
Total secured			-	90,000	
Unsecured					
Overdrawn nostro accounts			2,509,267	115,668	
Musharakah	40.4.1		-	4,500,000	
Total unsecured			<u>2,509,267</u>	<u>4,615,668</u>	
			<u>2,509,267</u>	<u>4,705,668</u>	

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

40.5 Deposits

	September 30, 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	5,551,465	622,974	6,174,439	10,873,527	615,187	11,488,714
Savings deposits	31,729,140	158,377	31,887,517	21,568,709	194,150	21,762,859
Term deposits	1,499,275	172,795	1,672,070	1,391,933	589,284	1,981,217
Others	442,269	-	442,269	664,289	-	664,289
	39,222,149	954,146	40,176,295	34,498,458	1,398,621	35,897,079
Financial Institutions						
Current deposits	4,725	-	4,725	5,725	78	5,803
Savings deposits	351,550	-	351,550	277,242	-	277,242
Term deposits	150,000	-	150,000	150,000	-	150,000
	506,275	-	506,275	432,967	78	433,045
	39,728,424	954,146	40,682,570	34,931,425	1,398,699	36,330,124

40.6 Islamic Banking Business Unappropriated Profit

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
Opening balance	3,435,447	1,651,555
Effect of adoption of IFRS 9	(85,251)	-
Add: Islamic Banking profit for the period / year	1,567,444	1,780,701
Transfer in respect of incremental depreciation from surplus on revaluation of property & equipment to accumulated profit	2,409	3,191
Closing balance	4,920,049	3,435,447

40.7 CONTINGENCIES AND COMMITMENTS

- Guarantees	4,329,526	3,880,588
- Commitments	6,620,391	6,236,815
- Other contingent liabilities	-	-
	10,949,917	10,117,403

40.8 Profit / Return Earned of Financing, Investments and Placement

	(Un-audited) September 30, 2024	September 30, 2023
	(Rupees in '000)	
Profit earned on:		
Financing	112,445	190,636
Investments	6,042,731	2,646,696
Placements	289,840	881,061
Balances with banks	-	145
	6,445,016	3,718,538

40.9 Profit on Deposits and other Dues Expensed

Deposits and other accounts	3,964,649	1,925,049
Due to Financial Institutions	154,951	134,605
Finance cost of lease liability	11,368	12,529
	4,130,968	2,072,183

41. 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>

42. DATE OF AUTHORIZATION OF ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 30, 2024 by the Board of Directors of the Group.

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

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

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

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

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
Commercial Hall No. 06,
Situated at X - 20, Malir Cantt
(Near AL- Madina Hotel), 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),
Altat 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

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

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

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

Ferozepur 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 435 G -1 Block,
Johar Town Road, Lahore
Tel: 042-35291172-74

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

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 Muree Road Branch

DD/29, Shamsabad Muree 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

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 Stadium,
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**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, Dornail,
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

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

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

Queens Road Branch, Sargodha Khawat &
Khatoni #. 112, 114, Khasra No. 108, 108/1,
Soni Pora, Chak No. 47 NB Queens Road,
Sargodha Cantt
Tel: 048-3768113-5

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

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. 23, Iqbal Boulevard, Sector A,
DHA Phase-II, 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"

HYDERABAD

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 # 44-C, STS Mall, Civic Center,
Phase IV, Bahria Town, Rawalpindi
Tel: 051-5733945-46

