BML بنك مكرمه

Bank Makramah Ltd.

CORPORATE BRIEFING FOR THE YEAR 2023 & 2024

PROFILE OF THE BANK

BANK'S PROFILE

STATUS AND NATURE OF BUSINESS

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is a banking company incorporated in Pakistan on December 09, 2005 as a public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017).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 in Pakistan.

PURPOSE

BML aim for progressive and advanced banking in Pakistan, driven by values and innovations.

VISION

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

MISSION

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

STANDALONE RESULTS FOR THE YEAR ENDED DECEMBER 31, 2023 & 2024

Balance Sheet

	Dec 2024	Dec 2023	Dec 2022
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks	18,352,154	14,463,417	13,372,145
Balances with other banks	1,472,849	601,877	1,363,429
Lendings to financial institutions	9,697,187	-	10,141,557
Investments	175,012,164	179,899,952	51,446,799
Advances	15,618,918	18,735,149	21,592,523
Property and equipment	7,026,125	7,210,016	7,929,418
Right-of-use assets	2,601,271	2,721,205	2,721,205
Intangible assets	331,085	262,203	143,606
Deferred tax assets	25,668,564	23,255,236	20,781,731
Other assets	14,818,156	41,475,212	11,224,315
TOTAL ASSETS	**270,598,473**	**288,624,267**	**140,716,728**
LIABILITIES			
Bills payable	1,900,496	2,162,537	1,993,587
Borrowings	89,892,925	130,369,330	25,388,560
Deposits and other accounts	186,014,625	156,960,280	121,919,068
Lease liabilities	3,284,402	3,348,737	3,348,737
Subordinated debt	1,495,515	1,495,515	1,495,515
Other liabilities	6,159,847	7,100,434	4,220,153
TOTAL LIABILITIES	**288,747,810**	**301,436,833**	**158,365,620**
NET ASSETS	**(18,149,337)**	**(12,812,566)**	**(17,648,892)**
REPRESENTED BY			
Share capital - net	30,500,208	30,500,208	20,500,194
Reserves	(425,043)	(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	4,290,745	3,970,837	3,997,636
Accumulated losses	(52,515,247)	(46,858,568)	(41,721,679)
TOTAL EQUITY	**(18,149,337)**	**(12,812,566)**	**(17,648,892)**

Profit and Loss

	Year Ended		
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
	(Rupees in '000)		
Mark-up / return / interest earned	**38,923,020**	31,700,037	8,140,810
Mark-up / return / interest expensed	**43,009,125**	34,286,621	10,404,148
Net Mark-up / interest expense	**(4,086,105)**	(2,586,584)	(2,263,338)
NON MARK-UP / INTEREST INCOME			
Fee and commission income	**999,731**	692,699	474,012
Dividend income	**412**	206	6,975
Foreign exchange income	**494,232**	1,078,834	804,074
Income / (loss) from derivatives	-	-	-
Gain / (Loss) on securities	**1,201,521**	(1,303,591)	30,526
Other income	**791,757**	729,089	81,090
Total non-markup / interest income	**3,487,653**	1,197,237	1,396,677
Total income	**(598,452)**	(1,389,347)	(866,661)
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	**8,080,694**	7,146,413	5,843,690
Workers welfare fund	-	-	-
Other charges	**772**	542	1,701
Total non-markup / interest expenses	**8,081,466**	7,146,955	5,845,391
Loss before credit loss allowance / provisions	**(8,679,918)**	(8,536,302)	(6,712,052)
Credit loss allowance / reversals and write offs - net	**(1,415,507)**	(1,145,472)	584,115
Extra ordinary / unusual items	-	-	-
LOSS BEFORE TAXATION	**(7,264,411)**	(7,390,830)	(7,296,167)
Taxation	**(2,048,491)**	(2,072,214)	(4,129,279)
LOSS AFTER TAXATION	**(5,215,920)**	(5,318,616)	(3,166,888)

STANDALONE RESULTS FOR THE PERIOD ENDED JUNE 30, 2025

Balance Sheet - June 2025

	June 2025	Dec 2024
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	16,180,242	18,352,154
Balances with other banks	1,750,412	1,472,849
Lendings to financial institutions	13,320,189	9,697,187
Investments	133,841,561	175,012,164
Advances	15,551,426	15,618,918
Property and equipment	6,722,438	7,026,125
Right-of-use assets	2,708,908	2,601,271
Intangible assets	359,229	331,085
Deferred tax assets	25,707,831	25,668,564
Other assets	12,010,902	14,818,156
TOTAL ASSETS	**228,153,138**	**270,598,473**
LIABILITIES		
Bills payable	1,860,845	1,900,496
Borrowings	50,867,033	89,892,925
Deposits and other accounts	183,316,207	186,014,625
Lease liabilities	3,421,684	3,284,402
Subordinated debt	1,495,515	1,495,515
Other liabilities	5,207,181	6,159,847
TOTAL LIABILITIES	**246,168,465**	**288,747,810**
NET ASSETS	**(18,015,327)**	**(18,149,337)**
REPRESENTED BY		
Share capital - net	30,500,208	30,500,208
Reserves	(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	3,695,050	4,290,745
Accumulated losses	(51,785,544)	(52,515,247)
TOTAL EQUITY	**(18,015,329)**	**(18,149,337)**

Profit and Loss – June 2025

	Half Year Ended	
	Jun 30, 2025	Jun 30, 2024
	(Rupees in '000)	
Mark-up / return / interest earned	10,329,035	21,794,799
Mark-up / return / interest expensed	10,687,696	23,893,140
Net Mark-up / interest expense	(358,661)	(2,098,341)
NON MARK-UP / INTEREST INCOME		
Fee and commission income	501,360	523,128
Dividend income	412	412
Foreign exchange income	113,776	296,424
Income / (loss) from derivatives	-	-
Gain on securities	1,515,821	272,234
Other income	116,167	690,766
Total non-markup / interest income	2,247,536	1,782,964
Total income	1,888,875	(315,377)
NON MARK-UP / INTEREST EXPENSES		
Operating expenses	4,109,575	3,844,262
Workers welfare fund	-	-
Other charges	367	104
Total non-markup / interest expenses	4,109,942	3,844,366
Loss before credit loss allowance	(2,221,067)	(4,159,743)
Credit loss allowance and write offs - net	(3,665,934)	(1,724,052)
Extra ordinary / unusual items	-	-
PROFIT / (LOSS) BEFORE TAXATION	1,444,867	(2,435,691)
Taxation	737,095	(993,259)
PROFIT / (LOSS) AFTER TAXATION	707,772	(1,442,432)

Advances & Deposits Analysis – From 2021 till June 2025

Advance Analysis

	Till June 30, 2025 Rs in '000	Increase / (Decrease) %	2024 Rs in '000	Increase / (Decrease) %	2023 Rs in '000	Increase / (Decrease) %	2022 Rs in '000	Increase / (Decrease) %	2021 Rs in '000	Increase / (Decrease) %
Performing Loan	14,546,678	-1%	14,684,357	-12%	16,677,292	-11%	18,766,876	-18%	22,795,369	-11%
Non Performing Loan	31,028,173	-9%	34,187,684	-6%	36,274,352	1%	36,068,068	-3%	37,012,348	-4%
Gross Advances	**45,574,851**	**-7%**	**48,872,041**	**-8%**	**52,951,644**	**-3%**	**54,834,944**	**-8%**	**59,807,717**	**-7%**
Non Performing Loan	31,028,173	-9%	34,187,684	-6%	36,274,352	1%	36,068,068	-3%	37,012,348	-4%
Provision / Credit loss allowance against advances (Stage 3)	29,914,707	-9%	33,021,294	-3%	34,211,166	3%	33,231,865	1%	32,750,104	1%
Coverage Ratio	**96.41%**		**96.59%**		**94.31%**		**92.14%**		**88.48%**	
Total impact in P&L										
Charge for the period / year	224,712	-64%	623,632	-79%	2,958,975	112%	1,397,485	-43%	2,461,718	-50%
Reversals for the period / year	(3,299,731)	58%	(2,093,463)	6%	(1,983,800)	118%	(910,180)	-58%	(2,144,944)	242%
Net Charge / (Reversals)	**(3,075,019)**		**(1,469,831)**		**975,175**		**487,305**		**316,774**	

Deposits Analysis

	Till June 30, 2025	Increase / (Decrease)	2024	Increase / (Decrease)	2023	Increase / (Decrease)	2022	Increase / (Decrease)	2021	Increase / (Decrease)
	Rs in '000	%	Rs in '000	%	Rs in '000	%	Rs in '000	%	Rs in '000	%
Current Deposits	55,414,363	26%	44,082,589	-11%	49,466,438	9%	45,197,269	24%	36,369,283	6%
Saving Deposits	118,130,689	-4%	123,442,697	39%	88,709,284	44%	61,429,553	4%	58,814,815	14%
Term Deposits	9,771,157	-47%	18,489,339	-2%	18,784,558	23%	15,292,246	7%	14,299,560	-11%
Deposits	**183,316,209**	**-1%**	**186,014,625**	**19%**	**156,960,280**	**29%**	**121,919,068**	**11%**	**109,483,658**	**7%**
Trade Volume (Rs in Billion)	**101.702**		**267.601**		**139.232**		**76.231**		**106.041**	
Ratios:										
CA	30.23%		23.70%		31.52%		37.07%		33.22%	
SA	64.44%		66.36%		56.52%		50.39%		53.72%	
CASA	94.67%		90.06%		88.03%		87.46%		86.94%	
TDR	5.33%		9.94%		11.97%		12.54%		13.06%	
Cost of Deposits	7.40%		12.77%		12.07%		6.57%		3.98%	
Average Policy Rate for period / year	11.83%		19.38%		20.67%		13.21%		7.42%	
Rate as at period / year end	11.00%		13.00%		22.00%		16.00%		9.75%	

Lot More to Come

Lot more to come

1. Injection of Capital by Sponsor

His Excellency Nasser Abdulla Hussain Lootah has further injected additional capital of Rs. 5 billion against which shares will be issued after necessary approvals.

2. Amalgamation of Global Haly Development (GHDL)

The Bank is in a consolidation phase, positioning itself towards sustainability. The Sponsor shareholder remains committed and this has been exhibited by their offering additional capital through an amalgamation of their company "Global Haly' into the Bank through a Scheme of Arrangement.

2. Recoveries of NPL parties

As part of the strategic objectives of the Bank, recoveries of the NPL has remained the top priority. In line with this objective, the Bank filed a settlement application before the relevant Court against which a decree was issued in favour of the Bank affirming its right to recover the non-performing loans (NPLs) owned by various companies of the one of the big Group and its affiliated entities under the agreed terms of the settlement amounting to approximately Rs 10 billion.

4. Sale of Cullinan Tower

Agreement to sale the Cullinan Tower is already signed and the Bank has received advance of Rs. 1 billion against the sale.

THANK YOU