



Meezan Bank
The Premier Islamic Bank



FORM-5

March 3, 2020

CS/PSX-15/035/2020

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Transmission of Annual Report for the Year Ended December 31, 2019

Dear Sir,

السلام عليكم

We have to inform you that the Annual Report of Meezan Bank for the year ended December 31, 2019 have been transmitted through PUCARS and is also available on Bank's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

Muhammad Sohail Khan
Company Secretary

Encl: As above.

Meezan Bank Ltd.

Head Office: Meezan House, C-25, Estate Avenue, SITE, Karachi - Pakistan.
PABX: (92-21) 38103500 UAN: 111-331-331 & 111-331-332 www.meezanbank.com



DIGITAL INNOVATION

ANNUAL REPORT 2019



Meezan Bank
The Premier Islamic Bank



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

DIGITAL INNOVATION

The history of mankind is marked by three industrial revolutions that have changed the world we live in. Today, as we stand at the horizon of the new decade, we are experiencing the fourth revolution – that of digitalization, which is transforming how people live, work & communicate.

The dawn of the new decade brings with it new challenges and opportunities. We are about to face some of the biggest disruptions in the way we do business and believe that only those companies, especially in the financial services industry, that are agile, innovative and can effectively use technology to improve their services, are the ones that will succeed in the times ahead.

It is often said that today's consumers are living in the most exciting time in the history of mankind – and also perhaps the most disruptive. At Meezan Bank, our key focus has been on harnessing technology to ensure that in this exciting digital age, our customers' banking experiences are pleasant, secure and convenient; the emphasis is on improving the 'customer experience'.

DIGITAL CONVENIENCE

*SIMPLE AND SECURE INTERNET BANKING
AND SMARTPHONE BANKING APP*

For us, true customer convenience means making the widest possible range of banking services available to our customers, at all times, wherever they may be.

Our new Smartphone banking app makes this possible by providing a quick and easy interface through which customers can check balances, download statements, transfer funds, pay bills, block or unblock debit cards and do much more - 24 hours a day, anywhere in the world. With biometric login, they can securely log into the App using facial recognition or fingerprint technology. The App has been designed to ensure that any transaction can be completed in less than 30 seconds.

Our Internet Banking interface offers an intuitive, customizable portal through which customers can perform a wide range of banking transactions such as issuing pay orders, managing mutual fund investments, accessing transaction receipts, managing cheques and downloading detailed account statements.

As we continue to innovate, our focus is on developing new systems and security features that ensure that our Smartphone banking app and Internet Banking provide our customers the best security and convenient banking at their fingertips.





DIGITAL PAYMENTS



FonePay



NAYAPAY

As times are changing, our customers' payments needs are evolving. From being a largely cash-based society, Pakistanis are quickly adapting to new technologies to meet their day-to-day financial needs. Fortunately, Meezan Bank, being focused on the marriage of technology and banking, is uniquely positioned to partner with many of the country's leading FinTechs and startups. This is leading to the development of many new payment and money transfer systems, which is not only reducing dependence on cash, but is also contributing significantly towards financial inclusion and documentation of the economy.

As a part of our strategy to collaborate with Fintechs to support innovation and grow the payments ecosystem, we signed up with Fonepay in 2017 which has now grown into the largest processor of QR Payments in Pakistan. Meezan Bank acquired over 10 Million QR transactions via Fonepay and MasterQR in 2019. Additionally, the Bank also partnered with Foree, a State Bank regulated payment and financial services provider and Nayapay, an upcoming fintech under EMI regulation, as the key settlement and trust bank.

We will continue supporting aspiring Fintechs to strengthen our position as the most forward looking and Fintech friendly bank in Pakistan.



DIGITAL CARDS

A WIDE RANGE OF SECURE AND VERSATILE
VISA AND MASTERCARD DEBIT CARDS



The term digital cards appears to be an oxymoron at first glance, but this term truly reflects how much card payment systems have evolved over the last few years. Meezan Bank has the privilege of being at the forefront of this evolution in Pakistan, being the first bank in the country to offer many new features and advancements to our customers.

We were the first bank to start issuing Near Field Communication (NFC) enabled debit cards in Pakistan - a technology that is quickly being adopted in the rest of the world to make payments by just tapping the card at the terminal without handing it over to anyone which makes the card usage very safe.

We were also the first bank to introduce the Chip-and-PIN enabled Mastercard and Visa Debit Cards. These cards require additional security of PIN code to authenticate the transaction, hence these cards cannot be used if lost or stolen.

We were also amongst the first few banks to launch 3D Secure for online payments using debit cards with two factor authentication. Meezan Bank's customers can enjoy the convenience of safe and secure online payments from the comfort of their homes without any need for prior activation of their debit cards.



Mevlan Bank Limited
The Future of Banking

- Home
- Mevlan Bank Limited
- Branches & Products
- Home
- Branches
- Products
- Services
- Corporate Bank
- Islamic Banking
- Investment Bank
- Insurance
- Real Estate

The Best Bank in Pakistan 2019



Pakistan's Most Prestigious Banking Award

BANKING IS GETTING FREE

Post
Mevlan Bank Limited
We are proud to announce that we have been awarded the title of 'The Best Bank in Pakistan 2019' by the prestigious Banking Awards. This is a testament to our commitment to providing the best banking services to our customers. We are grateful for the recognition and look forward to continuing to serve you with excellence.

HOW DOES IT WORK?

Like Story
Mevlan Bank Limited is proud to announce that we have been awarded the title of 'The Best Bank in Pakistan 2019' by the prestigious Banking Awards. This is a testament to our commitment to providing the best banking services to our customers. We are grateful for the recognition and look forward to continuing to serve you with excellence.

- 1. We are proud to announce that we have been awarded the title of 'The Best Bank in Pakistan 2019' by the prestigious Banking Awards.
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- 3. We are grateful for the recognition and look forward to continuing to serve you with excellence.

Share
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- Home
- Branches & Products
- Home
- Branches
- Products
- Services
- Corporate Bank
- Islamic Banking
- Investment Bank
- Insurance
- Real Estate

DIGITAL FOOTPRINT

LARGEST SOCIAL MEDIA PRESENCE
AMONG BANKS IN PAKISTAN



Meezan Bank has the largest social media presence on Facebook, LinkedIn and Instagram in the banking industry of Pakistan. We also have significant following on Twitter, as well as a growing base of subscribers on YouTube - where Meezan Bank is one of the only three banks in the country with over 1 million video views. Our user-friendly responsive website which recorded more than 4.9 million visits during 2019, is also an integral part of these digital channels.

Every day, our digital footprint is increasing and our online presence is getting stronger. By using digital media efficiently and using advanced data analysis, we are able to deliver engaging, and more importantly, relevant communication to our customers.

Through our digital channels, we are also enabling our customers to connect with us at their convenience for product inquiries and regular banking queries, saving them a visit to the branch or a call at the helpline; resulting in reduced load on these traditional channels and affording more ease to our customers.





DIGITAL PROTECTION

ENSURING A SECURE BANKING EXPERIENCE
FOR ALL OUR CUSTOMERS

In today's world, where digital financial transactions are the norm, it is of utmost importance that our customers are safe from any online threat to their account. At Meezan Bank, we work hard, using the best available technology, to ensure that our customers' accounts and banking transactions are safe and secure.

Since the threat of debit card fraud at ATMs through 'skimming' is now a reality, we have implemented a security measure called SkimGuard, which automatically activates if sums exceeding a certain amount are requested for withdrawal from our customer's account through an ATM, requiring the customer to confirm their identity using a code sent to their registered mobile number. For online transactions, we were one of the first banks to offer 3D Secure Debit Cards to our customers, controlling the possibility of online fraud on their cards, through two-factor authentication using their mobile phones and email addresses.

Our ATMs now offer a wide variety of services using biometric identity verification, such as cash withdrawal, debit card activation etc. obviating the need to carry your debit card with you when going to the ATM. We continue to innovate, developing new services every day, helping make the digital world a better and safer place for our customers.



ABOUT THIS ANNUAL REPORT

An Integrated Report

The Annual Report and accounts have been prepared in accordance with the Integrated Reporting Framework to present the Bank's performance during year 2019. Its content is derived from finding out what is most important to the Bank and its stakeholders and focuses on qualitative and quantitative evidence to present the Bank's performance. The adoption of the integrated framework is in its preliminary stages and the Bank will continue to improve on the information mentioned in this report.

This report combines sustainability-related and corporate social responsibility topics along with the other information a reader would expect from an annual report including financial targets and performance information. Throughout this report, the Bank has made sincere efforts to keep its stakeholders abreast of key developments and initiatives, market challenges, achievements and the overall health of its operations in 2019.

The Bank's financial statements are independently audited and provide an in-depth and transparent disclosure of its financial performance. In preparing this report, the Bank was guided by the local statutory and regulatory requirements and is also in compliance with the following:

- Banking Companies Ordinance, 1962
- Companies Act, 2017
- Listed Companies (Code of Corporate Governance) Regulations, 2017
- International Financial Reporting Standards
- Islamic Financial Accounting Standards
- Directives issued by the State Bank of Pakistan and Securities Exchange Commission of Pakistan

Report Structure

This Annual Report has been structured to provide a coherent read throughout and aims to provide a clear and compelling picture of how Meezan Bank creates long-term and sustainable value through its operations. Its content has been derived by what the Bank's stakeholders and Meezan Bank itself, think are the most important elements of its performance. The Bank's stakeholders and how the Bank interacts with them are explored in more depth later on. It also reflects the Bank's strategic objectives, meaningful and most relevant indicators, performance, developments, governance, risks identified by the Bank's risk management team as well as the opportunities identified in the Bank's operating environment along with qualitative and quantitative assessment.

Audience

The Annual Report and Financial Statements have been prepared to provide information to the Bank's stakeholders including investors (equity shareholders, Sukuk holders and prospective investors), employees, customers, regulators, research analysts, credit rating agencies and society at large.

The annual accounts were approved by the Board of Directors on February 12, 2020 and signed on its behalf by the Chairman, CEO, CFO and two Directors.

Reporting Period

The 2019 Annual Report covers the financial and non-financial performance of Meezan Bank from the period January 01, 2019 to December 31, 2019. Any adjusting material events after this date and up to the Board of Directors approval date of February 12, 2020 have also been included.

Publication Period

Within 3 months of the date of the Statement of Financial Position.

External Assurance

The Bank's financial statements are audited by external auditors, EY Ford Rhodes, Chartered Accountants and provide an in-depth and transparent disclosure of its financial performance. As a regulatory requisite, the auditors are rotated every five years to ensure their independence and transparency.

Availability

This report is printed for a limited audience and dispatched upon request. It is available online on the Bank's official website in PDF in English as well as in electronic CD form. All three formats may be considered the audited, legally leading document.

Some Facts about the Report

- The reporting in the 2019 financial year is based on the same principle as the 2018 report. Any changes in the methods of calculation are explained in the text.
- The cover and theme of the report depict the Bank's commitment towards digital innovation and reinforces its aim to provide seamless Shariah-compliant financial solutions to its customers, people and partners.



For further clarification and feedback on this report, please contact through the following email id: investor.relations@meezanbank.com



When you see this icon, you will find more information on another page of this report



When you see this icon, you will find more information on our website

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VISION

Establish Islamic banking as banking of first choice...

MISSION

To be a premier Islamic bank, offering a one-stop shop for innovative value-added products and services to our customer within the bounds of Shariah...

OUR CULTURE

Core Values:

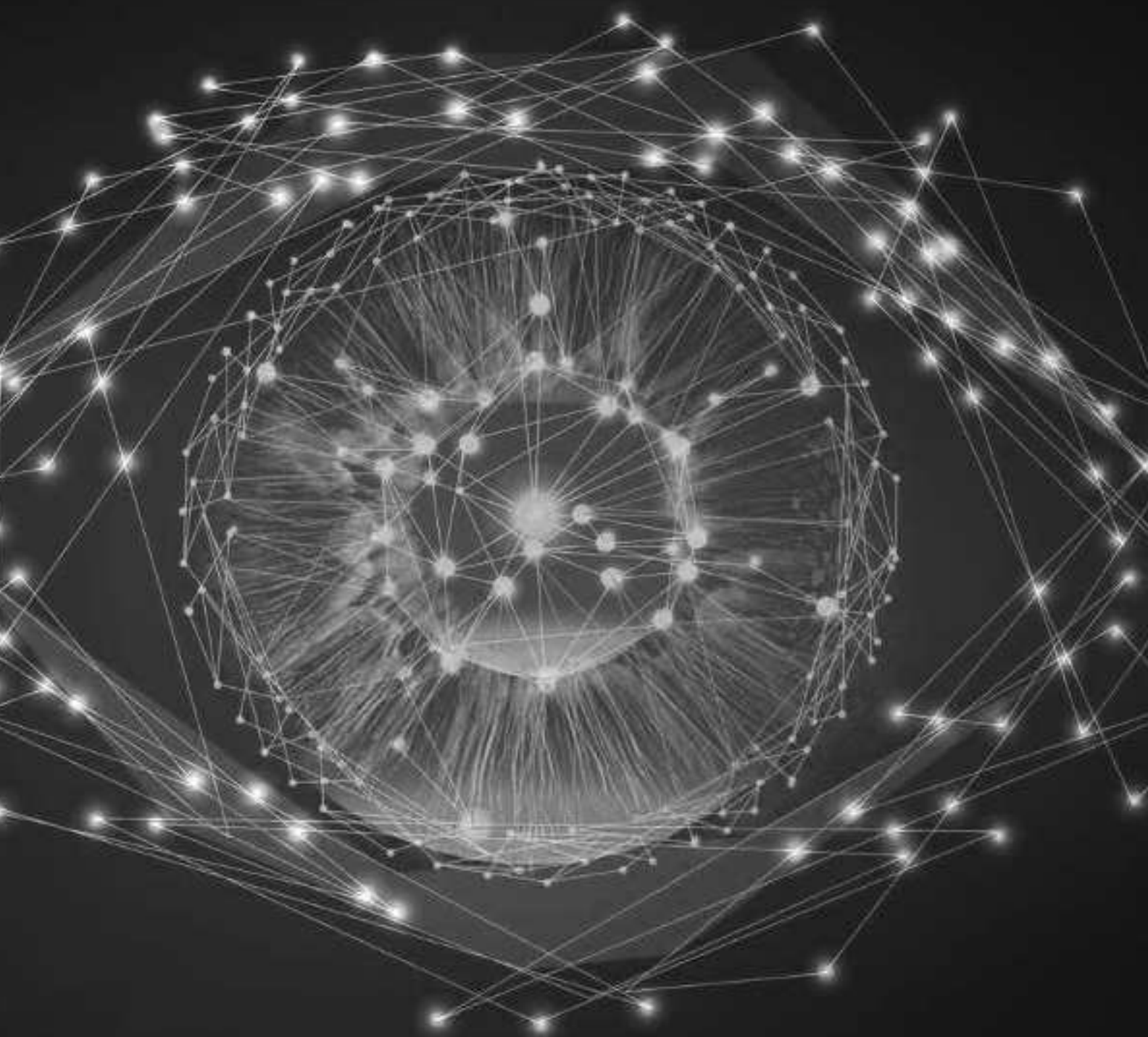
Shariah compliance
Integrity
Service Excellence

Staff: Committed, motivated and professionally trained employees who are empathic to their customers' needs.

Brand Personality: A sober and established, strong, empathic, professional person; who is an extremely loyal and dependable friend and business partner, and is committed to offering comprehensive value-based Shariah-compliant financial solutions.

Relationships: Our relationships are long-term. We recognize and value our customers' needs above all and strive to ensure their fulfillment. All customers are treated with professionalism and in a friendly manner. It is our endeavour to ensure that they receive efficient and timely service. The Meezan Bank experience is a unique one.









QUAID'S CONCEPT OF ISLAMIC BANKING

"I shall watch with keenness the work of your Research Organization in evolving banking practices compatible with Islamic ideas of social and economic life. The economic system of the West has created almost insoluble problems for humanity and to many of us it appears that only a miracle can save it from disaster that is now facing the world. It has failed to do justice between man and a man and to eradicate friction from the international field. On the contrary, it was largely responsible for the two world wars in the last half century. The Western world, inspite of its advantages of mechanisation and industrial efficiency is today in a worse mess than ever before in history. The adoption of Western economic theory and practice will not help us in achieving our goal of creating a happy and contented people.

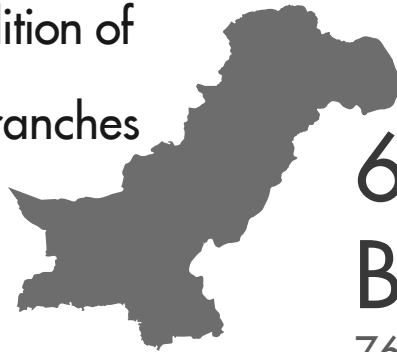
We must work our destiny in our own way and present to the world an economic system based on true Islamic concept of equality of manhood and social justice. We will thereby be fulfilling our mission as Muslims and giving to humanity the message of peace which alone can save it and secure the welfare, happiness and prosperity of mankind."

Quaid-e-Azam Mohammad Ali Jinnah
Founder of the Islamic Republic of Pakistan

On the occasion of the Opening Ceremony of The State Bank of Pakistan
on July 1, 1948.

Highlights 2019

With the Addition of
100 branches



**6th Largest
Bank of Pakistan**

760 branches in 223 cities

Led the
highest number of
wind power projects
with a total capacity of
200MW



Lead Arranger
Issuance of the Largest
Shariah-compliant
Instrument in Pakistan
Rs 200 Billion
Pakistan Energy Sukuk-I

Islamic Finance Forum
of South Asia
Special Award
in recognition of
Contribution to the IBF Industry



Launch of
new Meezan
Mobile Banking App,
highest-rated Mobile
Banking App in Pakistan on Play Store




Globally recognized as
Bank of the Year, Pakistan
by **The Banker** a publication by
The Financial Times Ltd.

**World's
Best Banks
-Asia Pacific**
by Global Finance, New York



Profit After Tax
Rs **15.23**
Billion

Deposits
Rs **933**
Billion



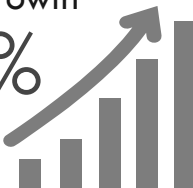
Total Assets
Rs **1,121**
Billion



Earnings Per Share
Rs **11.84**



Deposit Growth
19%



First bank to cross
Rs **1 Billion**
e-commerce
spend in a month on Debit Cards
in Pakistan



**Biometric
Enablement**
on Nationwide
ATM Network



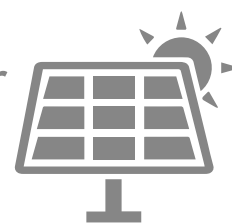
Only bank to
launch SkimGuard
protection
for its customers
on ATMs of other banks



11,500+
Employees
and Ambassadors of Islamic Banking

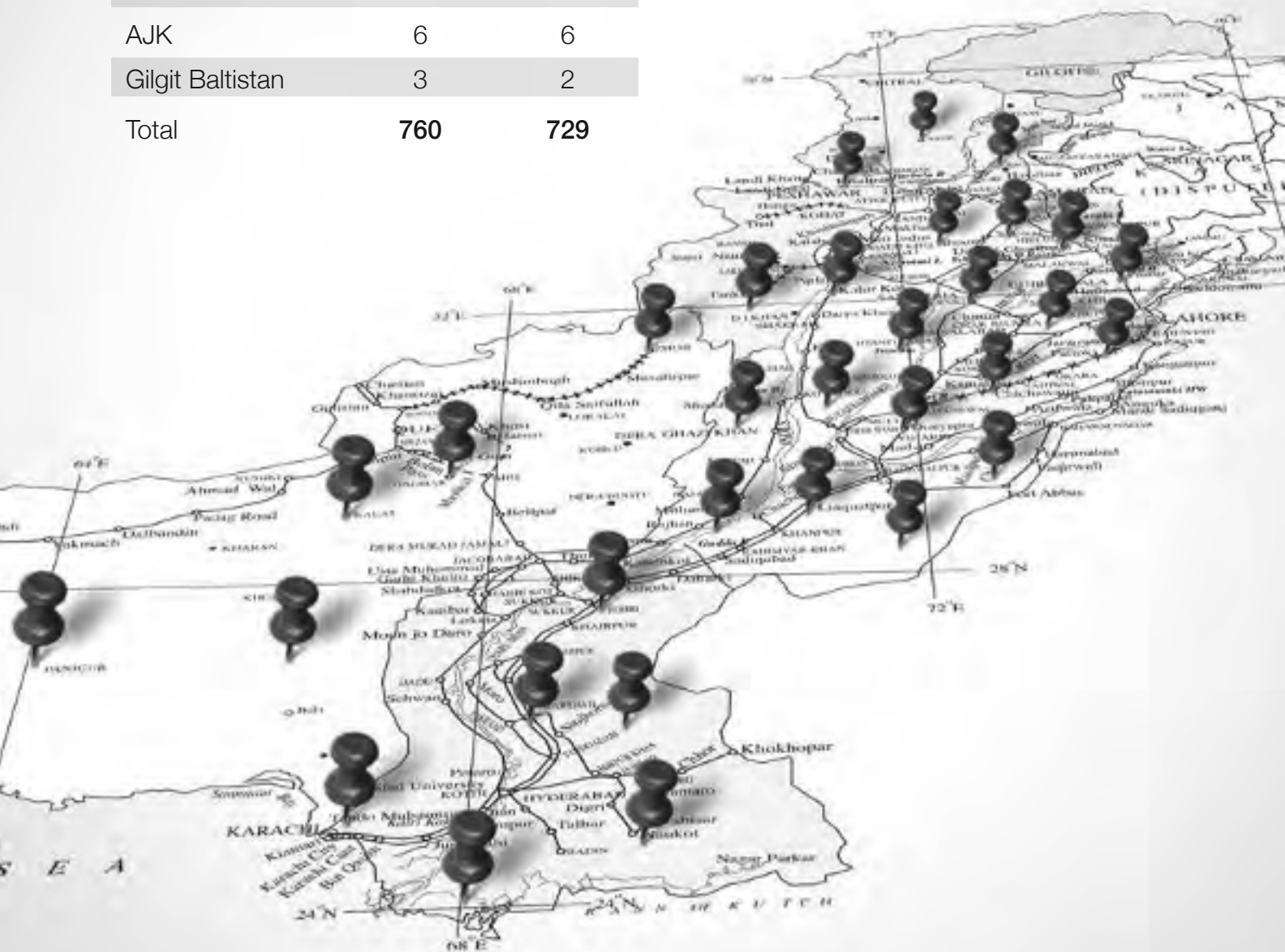


Installation of
Solar Power
systems at
Head Office
& 10 branches
reducing 158,000 kgs
of CO₂ emissions



Our Presence

	Branches	ATMs
Federal	34	38
Punjab	406	374
Sindh	238	246
KPK	48	46
Baluchistan	25	17
AJK	6	6
Gilgit Baltistan	3	2
Total	760	729



Meezan Bank provides real-time online banking facility through an extensive network of 760 branches in more than 220 cities across Pakistan.



For detailed addresses, please refer to Branch Network annexed in this report.

Corporate Profile

Founded with the Vision to 'Establish Islamic banking as banking of first choice...', the Bank commenced operations in 1997 as Al Meezan Investment Bank Limited. It converted to Meezan Bank Limited, a full-fledged Islamic commercial bank in 2002, when the State Bank of Pakistan issued it Pakistan's first Islamic Commercial Banking license. Concurrently, the Bank acquired the Pakistan operations of Societe Generale, and started commercial banking with a small network of four branches, that has now grown to become one of the largest banking networks in the country with 760 branches in over 220 cities.

Meezan Bank is a publicly listed company sponsored by leading financial institutions from Pakistan and the Middle East. The Bank offers a complete range of Islamic banking products and services through an extensive retail banking network.

Meezan Bank has a strong Shariah compliance setup that comprises of a dedicated Shariah Compliance Department, a Resident Shariah Board Member and a Shariah Supervisory Board comprising of internationally renowned Shariah scholars. The Bank is well-recognized for its product development capability, Islamic banking research and advisory services, at both national and international levels.

Credit Rating

The VIS Credit Rating Company Limited, (Formerly JCR-VIS Credit Rating Company) has reaffirmed the Bank's long-term entity rating to AA+ (Double A Plus) and short-term rating at A1+ (A One Plus) with stable outlook. The short-term rating of A1+ is the highest standard in short-term rating. The rating indicates sound performance indicators of the Bank.

Meezan Bank is the only full-fledged Islamic bank with AA+ credit rating in the Islamic banking industry of Pakistan.

	2019	2018
Long Term	AA+	AA+
Short Term	A1+	A1+



Shareholders

Noor Financial Investment Company



Noor Financial Investment Company is a Kuwaiti investment company engaged in investment and financial activities primarily in Kuwait, the Middle East, Asia and other emerging markets. The company was established as the financing arm of the National Industries Group (NIG), which is one of the largest private sector industrial groups in Kuwait.

Noor Investment provides a broad range of financial services through its investment banking department. These activities/services broadly include private equity, investment strategy & implementation, mergers & acquisition advisory, valuations, hedging & risk management, local/foreign listing, long-term financial planning and innovative structuring. The asset management department of the company also engages in managing proprietary and client portfolios of quoted and unquoted securities, real estate and funds in Kuwait, GCC and the MENA region.

Pakistan Kuwait Investment Company



Pakistan Kuwait Investment Company (Private) Limited (PKIC), a joint venture between the Governments of Pakistan and Kuwait was established in 1979. PKIC is one of the most respected and profitable institutions in Pakistan. The company, operating for over 30 years in Pakistan, is engaged in investment and development banking activities in Pakistan. PKIC is the first financial institution in Pakistan that has been rated AAA (triple A) for the long-term by both PACRA and VIS Credit Rating Company, an affiliate of Japan Credit Rating Company.

Islamic Development Bank (IsDB)



Islamic Development Bank (IsDB) is located in Jeddah and is an International Financial Institution established in 1975 in pursuance of a declaration by the Conference of Finance Ministers of Muslim countries to foster economic development and social progress in member (Islamic) countries. IsDB has a subscribed capital of USD 70 Billion and enjoys presence in 57 member countries. The Bank participates in equity capital and grants loans for productive projects and enterprises besides providing financial assistance in other forms for economic and social development.

Shareholding Structure

	Rs in Million	%
Noor Financial Investment Co. Kuwait	4,533	35.25
Pakistan Kuwait Investment Company (Pvt.) Ltd	3,858	30.00
Islamic Development Bank Jeddah	1,199	9.32
Others	3,270	25.43
Paid up Capital	12,860	100.00

Corporate Information

Board of Directors

Riyadh S. A. A. Edrees
Faisal A. A. A. AlNassar
Bader H.A.M.A. AlRabiah
Mubashar Maqbool
Basil Y. A. Y. R. AlBader *
Saad Fazil Abbasi
Mohamed Guermazi
Noorur Rahman Abid
Nausheen Ahmad
Atif Azim
Irfan Siddiqui

Chairman
Vice Chairman

President & CEO

Shariah Supervisory Board

Justice (Retd.) Muhammad Taqi Usmani
Dr. Muhammad Imran Ashraf Usmani
Sheikh Esam Mohamed Ishaq
Mufti Muhammad Naveed Alam

Chairman

Resident Shariah Board Member

Management

Irfan Siddiqui
Ariful Islam

President & CEO
Deputy CEO

Auditors

EY Ford Rhodes, Chartered Accountants

Chief Financial Officer

Shabbir Hamza Khandwala

Company Secretary

Muhammad Sohail Khan

Registered Office





Meezan House C-25, Estate Avenue,
SITE, Karachi-75730, Pakistan.

Contacts

PABX: (92-21) 38103500, Fax: (92-21) 36406049
24/7 Call Centre: 111-331-331 & 111-331-332
Email: info@meezanbank.com
Website: www.meezanbank.com, www.meezanbank.pk

**The Bank has already submitted application for the Fit and Proper Test of the Director to the State Bank of Pakistan which is in process of reviewing the same.*

Meezan Bank Share Information

Company Name	Stock Name	Financial Year End	Listed on	Shares Registrar
 Meezan Bank Limited	 MEBL	 31 December	PSX KSE 100 KSE ALL KSE 30 KMI 30 BKT1 KMI ALL  PAKISTAN STOCK EXCHANGE	THK Associates (Pvt.) Ltd. 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400, Pakistan. Ph: (92-21) 111-000-322, Fax: (92-21) 34168271 Email: secretariat@thk.com.pk Website: www.thk.com.pk

Senior Management Team

Irfan Siddiqui	President & CEO
Ariful Islam	Deputy CEO
Arshad Majeed	Group Head Consumer Finance
Faiz Ur Rehman	Group Head Information Technology & Digital Banking
Ijaz Farooq	Group Head Retail Banking, Commercial, SME & Agriculture Finance
Muhammad Abdullah Ahmed	Group Head Corporate & Institutional Banking
Shabbir Hamza Khandwala	Chief Financial Officer & Group Head Finance
Syed Tariq Hassan	Chief Risk Officer & Group Head Risk Management
Zia Ul Hassan	Group Head Operations
Ahmed Ali Siddiqui	Group Head Shariah Compliance
Khalid Zaman Khan	Group Head Human Resources, Learning & Development
Muhammad Raza	Group Head Customer Support
Muhammad Sohail Khan	Company Secretary
Munawar Rizvi	Group Head General Services & Special Assets Management
Ebrahim Yakooob	Head Internal Audit & Business Risk Review
Muhammad Ismail	Head Compliance
Shahzad Abdullah	Head Treasury and Home Remittances
Urooj ul Hasan Khan	Head Investment Banking & Advisory
Muhammad Farhan Ul Haq Usmani	Head Shariah Audit
Muhammad Umar Khan Fareedy	Head Legal Affairs

Regions

Muhammad Saleem Khan	General Manager – North
Anwar Ul Haq	General Manager – Lahore East
Kazi Muhammad Aamir	General Manager – Karachi West
Syed Salman Ahmed	General Manager – Hyderabad*
Mashkoor A.G. Khan	Regional Manager – Karachi East
Moazzam Saeed Khan	Regional Manager – Faisalabad
Muhammad Tufail	Regional Manager – Multan
Sohail Munir Bana	Regional Manager – Karachi North
Abid Hussain Abid	Regional Manager – Gujranwala
Kamran M. Butt	Regional Manager – Lahore West*
Amir Ali Durrani	Regional Manager – Balochistan
Arif Aslam Khan	Regional Manager – Khyber Pakhtunkhwa
Syed Mohammed Asad Alvi	Regional Manager – Karachi South
Muhammad Ejaz Nadeem	Regional Manager – Bahawalpur

*Interim



HISTORY OF MEEZAN BANK

میزان

Meezan, the Arabic word for 'Balance' has been taken from Surah Al-Rahman.

At Meezan Bank, we believe in maintaining a balance between the needs of our shareholders, our customers, our staff and other stakeholders. This approach will Insha'Allah help us achieve our Vision of 'providing a strong foundation for establishing a fair and just society for mankind'.

Our identity is derived from this. In the following pages, we are pleased to present an overview of the history of Meezan Bank.



Establishment of
Al Meezan
Investment Bank

Riba-Free Certificates
of Islamic Investment
launched



Al Meezan
Investment Bank
acquires Pakistan operations
of Societe Generale and is
issued the



First Islamic Commercial Banking
license by SBP.
Now a full-fledged scheduled
Islamic commercial bank. It is
renamed as Meezan Bank

Deposit base stood
at Rs. 5.08 billion



Al Meezan Investment
Management Ltd.
becomes a subsidiary of
Meezan Bank through
acquisition of majority shares

Branch network reaches
10 branches nationwide while the
deposit base grows to
Rs. 7.7 billion



Pakistan's first Shariah-compliant
Housing finance
product is launched

Meezan Bank acts as the Shariah
Structuring Advisor
for the historic transaction
of International
Sukuk offering for USD 600 million
under a mandate awarded by the
Government of Pakistan

Deposit base grows to
Rs13.7 billion

Number of branches
reaches 16



A 24/7 Call Center
is established

ATM/Debit Cards and
ATMs are introduced



Meezan
Best Islamic Bank

Islamic Finance
Award

Dollar Maturity
and Special
Certificates Issuance
management

Deposit base
Rs. 2.2
Number of branches

Meezan Islamic
Deposit Accounts
as a product to
Financial Institutions
them to manage
liquidity through
account with

1997

2002

2003

2004

2005



Pakistan's first Shariah-compliant
Auto Finance product is launched



Islamic Export Refinance
scheme is introduced
in coordination with SBP

SME operations start as an
independent business unit

Online Banking
is launched
across all branches

SBP establishes a dedicated
Islamic Banking Department
and constitutes a Shariah Board



Bank wins
Bank in Pakistan

Islamic Banking
Awards

Islamic Certificates
of Murabahah
launched for liquidity
in inter-bank
market.

Assets grow to
Rs. 2 billion
Branches reaches 28

Islamic Institution
launched
launched for Islamic
banking enabling
customers to access
their excess
through a checking
account in Mezzan Bank.



BANKING

Introduced for the first
time in Pakistan

Deposit base grows to
Rs. 34 billion

Number of branches
reaches 62 in 21 cities



The Institute of
Chartered Accountants
of Pakistan



The Institute of
Cost & Management
Accountants of Pakistan

Corporate Report Award

**Islamic Finance news
Awards**



Branch network
reaches the
milestone number of
100 branches
in 31 cities



Import/Export business
reaches Rs. 70 billion
Deposit base grows to
Rs. 54 billion

Best Islamic Bank in Pakistan

**Islamic Finance news
Awards**



Branch Network expands
to 40 cities

Deposit base grows to
Rs. 70 billion

Introduction of Tijarah
financing allowing
customers to raise funds
for financing of stocks
of finished goods

Dedicated Islamic Banking
Training Centers established
in 3 cities



Deposit base crosses
Rs. 100 billion

Bank handles more than
Rs. 100 billion of Import/
Export business



Mezzan VISA Debit
Cards launched

ASIAMONEY

Best Islamic Bank in
Pakistan



Islamic Bank of the Year

2005

2006

2007

2008

2009

Best Islamic Bank
in Pakistan

Internet Banking launched



Introduction of Ibtina
financing for working capital
needs of customers



The Institute of
Chartered Accountants
of Pakistan



The Institute of
Cost & Management
Accountants of Pakistan

Corporate Report
Award

Best Islamic
Financial
Institution in
Pakistan



Best Islamic Bank in Pakistan
Best Deal of the Year

**Islamic Finance news
Awards**

Launch of first
Government of Pakistan
Tijarah Sukuk



The Institute of
Chartered Accountants
of Pakistan



The Institute of
Cost & Management
Accountants of Pakistan

Corporate Report Award

Best Islamic
Financial
Institution in
Pakistan



Best Islamic Bank
in Pakistan

**Islamic Finance news
Awards**

Profit/Return earned on
financing and investment
activities exceed
Rs. 10 billion

Launched Mezzan VISA
Debit Cards

Implementation of
new core banking
application T24



TEMENOS
The Banking Partner for Growth

322

Total deposits reach
Rs. 131 billion
Import/Export
Business volume
Rs. 143 billion

Best Islamic
Financial
Institution in
Pakistan

Best Islamic Bank
in Pakistan

**Islamic Finance new
Awards**

36 Islamic Banking seminars
held in 23 cities, attended by
over 4,400 participants

Launch of Wakalah based
financing product for the
development of partnerships
between Islamic and
Microfinance banks

275

9th largest bank
in Pakistan in terms of
branch network



Meesien House inaugurated

Total assets cross
Rs. 200 billion

Meesien Bank becomes the
Advisor and Lead Arranger for
the first ever short-term Sukuk

Launch of **Measien**

Home remittance service
available at all branches



310



Islamic Bank of the Year



Best Islamic Bank in Pakistan
Best Islamic Trade
Finance Bank in Pakistan
Best Islamic Retail
Bank in Pakistan
Best Islamic Deal - Pakistan

**Islamic Finance new
Awards**

Best Deals of the Year
Pakistan

350

8th largest bank
in Pakistan in terms of branch
network

Total deposits reach
Rs. 280 billion

ASIAMONEY

Best Islamic Bank in Pakistan

**CFA Society
Pakistan**

Islamic Bank of the Year
Corporate Finance House
of the Year (Fixed Income)

**Islamic Finance new
Awards**

Best Islamic Bank in Pakistan
Deals of the Year-Pakistan

Best Islamic
Financial
Institution in
Pakistan



428



Meesien Bank acquires
HSBC Pakistan

Total deposits reach
Rs. 360 billion

ASIAMONEY

Best Islamic Bank in Pakistan



Islamic Bank of the Year

**Islamic Finance new
Awards**

Best Islamic Bank in Pakistan
Musharakah Deal of the Year

2010

2011

2012

2013

2014

**Meesien
Business
Plus**

and Meesien Euro Savings
Account as well as Meesien Pound
Savings Account launched

Meesien Bank stands
among the top three
auto-finance providers in
the country



Islamic Bank of the Year



Best Islamic Bank in Pakistan
Best Islamic Trade Finance
Bank in Pakistan
Best Islamic Deal Pakistan

**Islamic Finance new
Awards**

Best Islamic Bank
in Pakistan
Best Deal of the Year



Best Islamic
Financial
Institution
in Pakistan

Technical services and
support agreement with



in Sri Lanka

110 Customers'
Appreciation Days and
27 Islamic Banking
seminars held across
the country

Launch of Running
Musharakah for working
capital requirements of
corporate customers

ASIAMONEY

Best Islamic Bank in Pakistan

Total deposits cross
Rs. 230 billion



Launch of Meesien
Visa Platinum Debit Card



Launch of Meesien
Premium Banking &
Premium Banking Centers

Launch of Mock Branches
for staff training



Launched

Batch Hiring of over
550 employees

Official **Facebook** Page
crosses 95,000 Fans



Government of Pakistan
nominates Mr. Irfan Siddiqui &
Dr. Muhammad Imran Ashraf
Usmani as members of
Steering committee of
Islamic banking

Agreement with Ethical
Finance Limited for
establishing first Islamic
commercial bank in
Republic of Mauritius



Best Islamic Bank in Pakistan
Best Islamic Retail Bank in
Pakistan
Best Islamic Trade Finance
Bank in Pakistan
Highly Commended Best Islamic
Deal Pakistan



Best Research and
Development in Islamic
Finance

Launch of SMS Banking

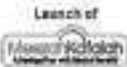
Official **Facebook** Page
crosses 130,000 Fans



Best Islamic Bank in Pakistan
Best Islamic Retail Bank in Pakistan
Best Islamic Trade Finance Bank in Pakistan
Sukuk House Pakistan
Best Deal Pakistan
Best Islamic Structured Trade Finance
Best Deal-Highly Commended Pakistan



Mobile Banking
App Launched



Launch of

Corporate Internet Banking

Launched **Biz**

Launch of **Meesien**



Meesien Titanium
MasterCard Debit Card
Launched

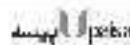
551 143

Meezan Bank acquires Pakistan operations of HSBC Oman



Agreement Signing with Karandase Pakistan

Total deposits reach Rs. 472 billion



Meezan Upize - World's First Islamic Branchless Banking Service



Sharīah Authenticity Award



Islamic Bank of the Year Corporate Finance House of the year



570 145

Best Islamic Bank in Pakistan



Pakistan Banking Awards

The Banker

Islamic Bank of the Year Pakistan



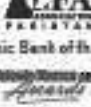
Islamic Bank of the Year Capital Markets Service Provider of the Year in Pakistan

Islamic Microfinance Company/Project of the Year

Pakistan for Meezan Upize Advisory Services Provider of the Year



Islamic Bank of the Year



600 150

Islamic Finance Awards

Best Islamic Retail Bank in the world



Best Bank in Asia-Pacific Region

Best Islamic Bank in Pakistan



Pakistan Banking Awards

The Banker

Islamic Bank of the Year

Islamic Bank of the Year

Islamic Bank of the Year

Islamic Bank of the Year

Islamic Bank of the Year

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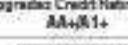
660 180

8th Largest Bank in terms of Branch Network



Awarded Best Bank for 2017 by Pakistan Banking Awards

Credit Rating Company Limited upgraded Credit Ratings to AA+/R1+



Launch of Visa Platinum & Supplementary Debit Cards



Launch of Meezan Express Account



Launch of New Internet Banking



760 250

1st Largest Bank in terms of Branch Network & Deposits

Closing of the Historic Rs. 200 Billion Pakistan Energy Sukuk-I to resolve circular debt making it Pakistan's largest Sharīah-compliant instrument

Financial close for 4 wind power projects & provision of working capital facilities for the highest number of wind power projects handled by any single local financial institution

President of Pakistan calls for adoption of Islamic banking system for Govt. departments and ministries

Provision of Sharīah Custody Services to Meezan customers in collaboration with Central Depository Company (CDC)

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Provision of Sharīah Custody Services to Meezan customers in collaboration with Central Depository Company (CDC)

2015

2016

2017

2018

2019

Best Islamic Retail Bank
Best Islamic Bank in Pakistan
3rd Best Overall Islamic Bank
Pakistan Deal of the Year

Best Islamic Financial Institution in Pakistan

Best Islamic Bank, Pakistan

Best Islamic Retail Bank, Pakistan

Best Islamic Trade Finance Bank, Pakistan

Best Islamic Investment Bank, Pakistan

Best Islamic House, Pakistan

Best Islamic Trade Finance Deal, Pakistan

Best Sharīah-compliant Product Award

Centers of Excellence in Islamic Finance established at IBA, LUMS and IMSciences (Pakistan)

Meezan Bank's First Hajj booths at Hajj Camp

Accidental Death and Permanent Disability and ATM Cash Withdrawal Takaful coverage (Islamic Insurance) of up to Rs. 1 million for all account holders

Online Account Opening Form Launched

Official Website

Official Page crosses 1 Million Fans

Official Page crosses 1 Million Fans

Official Page crosses 1 Million Fans

Official Page crosses 1 Million Fans

Official Page crosses 1 Million Fans

Official Page crosses 1 Million Fans

Best Islamic Bank for Treasury Management - Global Award
Most Innovative Islamic Bank - Global Award
Runner-up
Best Islamic Bank in Pakistan
Pakistan Deal of the Year

Best Islamic Bank in Pakistan

Best Bank for Digital Innovation

Best Digital Banking Product

Best Retail Bank

Best Trade Finance Bank

Best Investment Bank

Sukuk House of the Year

Best Deal Pakistan

Best Islamic Bank in Pakistan

Innovator in Islamic Finance 2016

Meezan Bank and Pak China Investment Company Limited enter into Strategic Cooperation Alliance to Capitalise CPEC Opportunities

Strategic partner of 1st World Islamic Finance Forum organised by IBA CEIF

Launch of New Corporate Website

Official Website

Official Page crosses 1 Million Fans

Official Page crosses 1 Million Fans

Official Page crosses 1 Million Fans

Official Page crosses 1 Million Fans

Official Page crosses 1 Million Fans

Top 25 Companies of the Year, 2016

Most Innovative Solution Deployed for Cash Displacement

Launch of EMV Chip & NFC-enabled Debit Card

Top 10 Excellent Places to Work

Best Place to Work in Financial Services Industry

Best HRM Practices Employer of the Year 2016

PMD of the Year

Launch of secure online shopping with 3D secure

Joint Financial Advisors to the Ministry of Finance for issuance of GoP Ijarah Sukuk

Developed Sharīah-compliant trading platform at Pakistan Mercantile Exchange (PMEX)

Launch of e-IFD service for investors with CDC

Completion of Sindh's first-ever Vocational Training CSR initiative

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Completion of Sindh's first-ever Vocational Training CSR initiative

Launch of Fastest Debit Cards Activation over ATM in Pakistan

First bank in Pakistan to introduce e-Rights Share Subscription Services for Investors

First Islamic Bank in Pakistan to facilitate e-Dividend Payments & Tax Certificates for shareholders

Adopted Islamic Al-Khair Welfare Society School to provide free education to underprivileged children

Best Islamic Bank for Treasury Management-Global Award

Mastercard 2016 M&A Acquirer Forum Speedster/Acceptance Location Bonito

GIFA

The Banker

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Launch of New Meezan Bank Mobile Banking App

Launch of ShieldGuard protection on ATMs of other banks

Agreement with PIA for facilitation of the biggest-ever Hajj 2019 operations

Support to Learning is For Everyone School as a CSR initiative

Bank of the Year, Pakistan The Banker

a publication by The Financial Times Ltd.

Named as the Best Bank in Asia Pacific in Global Finance World's Best Banks

Honorary award in recognition of contribution to the ISF industry

GIFA

The Banker

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

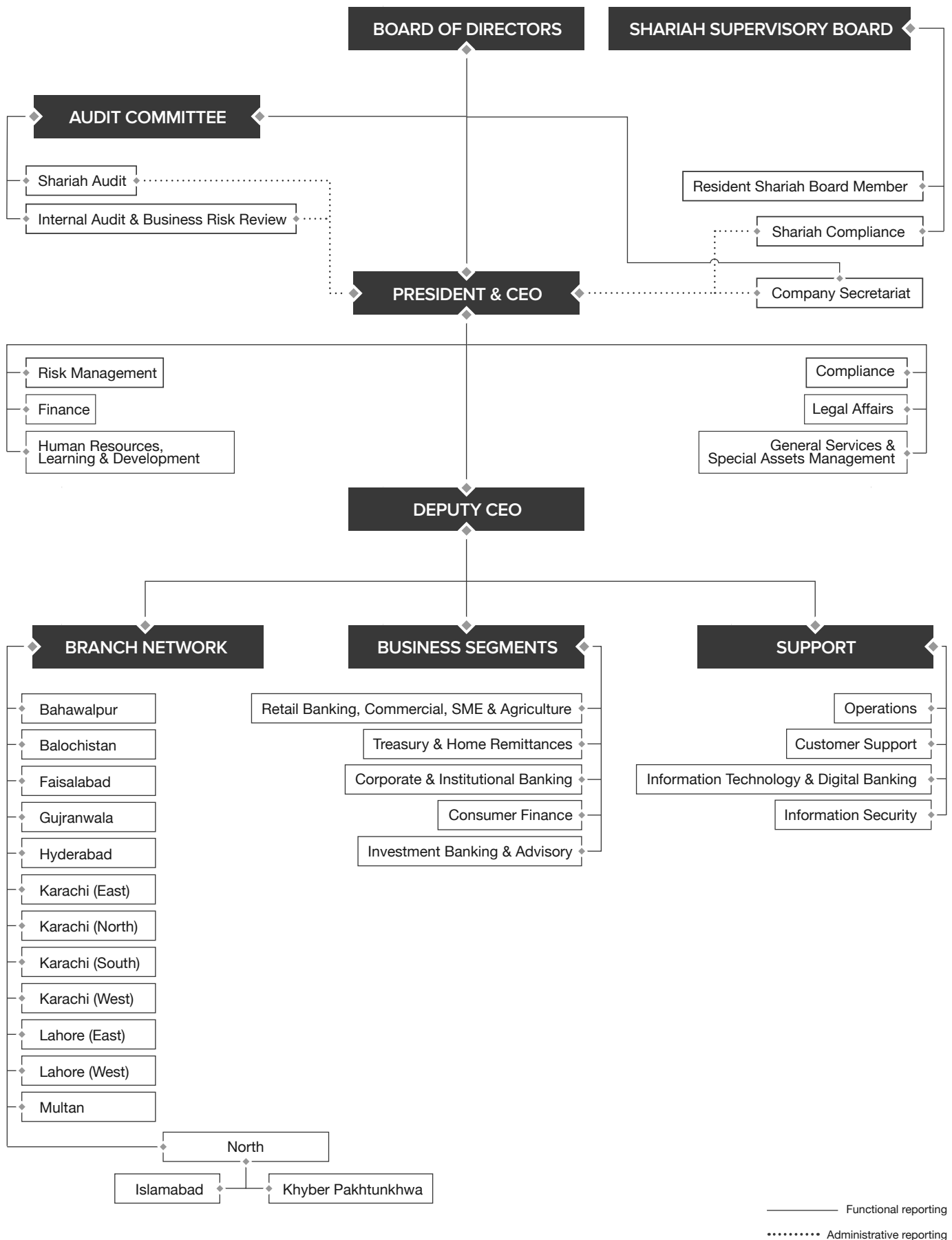
Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Best Islamic Bank for Treasury Management-Global Award

Organization Structure



Awards and Recognition

2019

Islamic Finance News (IFN) – Malaysia

Structured Finance Deal of the Year – Avari Hotels transaction
Pakistan Deal of the Year – Nasda Green Energy transaction
Cross Border Deal of the Year – Nasda Green Energy transaction
Best Islamic Bank in Pakistan

Asset Triple A Country Awards

Best secondary offering, Pakistan – US\$100 million placement

Asset Triple A Asia Infrastructure Awards

Utility Deal of the Year, Pakistan – K-Electric Limited Rs 25 billion syndicated term finance facility in which Meezan Bank acted as a lead arranger and adviser, lead (Conventional facility) and lender (Islamic facility)

Global Finance – New York

Best Islamic Financial Institution in Pakistan
Best Bank in Pakistan
Best Trade Finance Provider in Pakistan
World's Best Banks – Asia Pacific
Best Bank In Asia Pacific

Islamic Finance Forum of South Asia

(IFFSA) Awards

Honorary Award in Recognition of Contribution to the IBF Industry
Gold Award – Entity of the Year
Gold Award – Bank of the Year
Gold Award – Investment Bank of the Year
Gold Award – Capital Markets Service Provider of the Year
Gold Award – Advisory Services Provider of the Year
Silver Award – Deal of the Year
Bronze Award – Education Provider of the Year

The Banker

Bank of the Year, Pakistan

Global Islamic Finance Awards

Shariah Authenticity Award
Shariah Auditor of the Year
GIFA Special Award (Shariah Advisory Role)

Asian Banking and Finance Corporate & Investment Banking Awards

Islamic Corporate & Investment Bank of the Year, Pakistan

CFA Society Pakistan

Islamic Bank of the Year (Runner-up)

International Finance Award

Most Innovative Islamic Bank, Pakistan

PakWheels.com – People's Choice Awards

Most Popular Bank in Pakistan's Islamic Auto Financing sector

Employers Federation of Pakistan (EFP)

3rd Position - Employer of the Year

J.P.Morgan

Straight Through Processing Award

2018

Pakistan Banking Awards

Best Bank - 2018

Islamic Finance News (IFN) – Malaysia

Best Islamic Bank in Pakistan
Best Islamic Bank for Treasury Management – Global Award

Mastercard 2018 MEA Acquirer Forum

Spearheading Acceptance Location Growth

Asset Triple A – Hong Kong

Best Islamic Bank in Pakistan
Best Islamic Trade Finance Bank in Pakistan
Best Islamic Retail Bank in Pakistan
Best Islamic Investment Bank in Pakistan
Sukuk Adviser of the Year – Pakistan

Asset Triple A Asia Infrastructure Awards

Renewable Energy Deal of the Year, Hydropower – Pakistan
Oil and Gas Deal of the Year – Pakistan

Global Finance – New York

Best Islamic Financial Institution in Pakistan
The Innovators – 'The Innovator 2018' for Masterpass QR Payments through FonePay

Islamic Finance Forum of South Asia

(IFFSA) Awards

Gold Award for Islamic Finance Education Provider of the Year
Gold Award for Islamic Finance Advisory Services Provider of the Year
Gold Award for Islamic Finance Deal of the Year
Gold Award for Islamic Investment Bank of the Year
Silver Award for Bank of the Year

The Banker

Islamic Bank of the Year, Pakistan

Global Islamic Finance Awards

Shariah Authenticity Award
Shariah Auditor of the Year

Asian Banking and Finance Corporate & Investment Banking Awards

Syndicated Loan of the Year, Pakistan

ICAP and ICMAP

3rd Position - Best Corporate Reports Awards – Banking sector

CFA Society Pakistan

Islamic Bank of the Year

International Finance Award

Most Innovative Islamic Bank, Pakistan

PakWheels.com – People's Choice Awards

Most Popular Bank in Pakistan's Islamic Auto Financing sector

Employers Federation of Pakistan (EFP)

Recognition Award - Best HRM Practices
Recognition Award - Employer of the Year

2017

Pakistan Banking Awards

Best Islamic Bank

Pakistan Stock Exchange Limited

Top 25 Companies of the Year, 2016

Islamic Finance News (IFN) - Malaysia

Best Islamic Bank in Pakistan
Best Islamic Retail Bank - Global Award
Pakistan Deal of the Year

CFA Society Pakistan

Islamic Bank of the Year
Corporate Finance House - Fixed Income

Mastercard MENA Acquirer Forum

Most Innovative Solution Deployed for Cash Displacement

World Islamic Banking Conference

Country Level Award for the Banks Based In Pakistan

Global Finance – World's Best Bank Awards

Best Bank in Asia-Pacific Region

Global Finance - World's Best Islamic Financial Institutions

Best Islamic Financial Institution in Pakistan

Asset Triple A Islamic Finance Awards

Islamic Bank of the Year, Pakistan
Best Islamic Retail Bank, Pakistan
Best Islamic Trade Finance Bank, Pakistan
Best Islamic Investment Bank, Pakistan
Sukuk House of the Year, Pakistan
Best Supply Chain Finance Programme, for Meezan Bank and Karandaaz Pakistan

Asset Triple A Asia Infrastructure Awards

Transport deal of the year, Pakistan for Swat Expressway

The Banker - United Kingdom

Islamic Bank of the Year, Pakistan

Global Islamic Finance Awards

Shariah Authenticity Award

Islamic Finance Forum of South Asia (IFFSA) Awards

Gold Awards

Best Islamic Bank Of The Year (Fully Fledged)
Islamic Finance Entity Of The Year
Islamic Finance Education Provider
Islamic Finance Advisory Services Provider
Islamic Finance Capital Markets Service Provider
Islamic Investment Bank Of The Year

Silver Award

Islamic Finance Deal – For Syndicated Project Finance Facility

Pakistan Society of Human Resource Management

Best Place to Work in Top 10 Best Place to Work Category
Best Place to Work in Financial Services Industry Category

Employers Federation of Pakistan (EFP)

1st Position - Best HRM Practices
3rd Position - Employer of the Year 2016

PMI Karachi Pakistan Chapter

PMO of the Year

ICAP and ICMAP

3rd Position - Best Corporate Reports Awards - Banking sector

South Asian Federation of Accountants (SAFA)

Certificate of Merit in the 'Private Sector Banks' category of Best Presented Accounts Award

2016

Islamic Finance News (IFN) - Malaysia

Best Islamic Bank in Pakistan
Best Islamic Bank for Treasury Management - Global award
Runner-up 'Most Innovative Islamic Bank' - Global award
Pakistan Deal of the Year

Global Finance - New York

Best Islamic Bank in Pakistan
The Innovators - 'Innovator in Islamic Finance 2016'

Asset Triple A – Hong Kong

Best Islamic Bank in Pakistan
Best Bank for Digital Innovation

Best Digital Banking Product Meezan UPaisa
Best Retail Bank
Best Trade Finance Bank
Best Investment Bank
Sukuk House of the Year
Best Deal, Pakistan

Islamic Finance Forum of South Asia (IFFSA)

Gold Award for 'Islamic Bank of the Year - Pakistan'
Capital Markets Service Provider of the Year
Islamic Microfinance Company/
Project of the Year
Advisory Services Provider of the Year

The Banker - United Kingdom

Islamic Bank of the Year, Pakistan

Pakistan Banking Awards

Best Islamic Bank

CFA Society of Pakistan

Islamic Bank of the Year

South Asian Federation of Accountants (SAFA)

'Certificate of Merit' - Best Presented Annual Report Awards

ICAP & ICMAP

2nd Position - Best Corporate Reports Awards - Banking sector

Employers Federation of Pakistan

1st Prize - Best HRM Practices 2016

PakWheels.com - People's Choice Awards

'Most Popular Bank' in Pakistan's Islamic Auto Financing sector

RTC-3 Potentials of Islamic Banking Forum

Largest Islamic Bank in Pakistan

2015

Global Islamic Finance Awards (GIFA)

Shariah Authenticity Award

Islamic Finance News (IFN) - Malaysia

Best Islamic Retail Bank - Global Award

3rd Best Overall Islamic Bank

- Global Award

Best Islamic Bank in Pakistan

Pakistan Deal of the Year

Asset Triple A - Hong Kong

Best Islamic Bank in Pakistan

Best Islamic Retail Bank in Pakistan

Best Islamic Trade Finance Bank in Pakistan

Best Islamic Investment Bank

Best Sukuk House in Pakistan

Best Islamic Trade Finance Deal

Global Finance - New York

Best Islamic Financial Institution in Pakistan

AsiaMoney

Best Islamic Bank in Pakistan

The Banker - United Kingdom

Top Islamic Bank in Pakistan

South Asian Financial Disclosure Index Rankings

Leading Islamic Bank of the region

Ranked 10th in the Top 15 global Islamic banks

CFA Society of Pakistan

Islamic Bank of the Year

Corporate Finance House of the Year

MasterCard Innovation Forum 2015

Best Shariah Compliant Product

- MasterCard, Titanium Debit Card

South Asian Federation of Accountants (SAFA)

Best Presented Accounts Award - Private Sector Bank

ICAP & ICMAP

3rd Position - BCR Awards - Banking sector

Pakistan Observer

Largest Islamic Bank

2014

Islamic Finance News (IFN) - Malaysia

Best Islamic Bank in Pakistan

Musharakah Deal of the Year

AsiaMoney

Best Islamic Bank in Pakistan

CFA Society of Pakistan

Islamic Bank of the Year

Asset Triple A - Hong Kong

Best Islamic Bank in Pakistan

Best Islamic Retail Bank in Pakistan

Best Islamic Trade Finance Bank in Pakistan

Sukuk House, Pakistan

Best Deal, Pakistan

Highly Commended - Best Islamic

Structured Trade Finance

Highly Commended Best Deal - Pakistan

ICAP & ICMAP

3rd Position - BCR Awards - Banking sector

South Asian Federation of Accountants (SAFA)

Best Presented Accounts Award
- Private Sector Banks

The Banker - United Kingdom

Top Islamic Bank in Pakistan

Rozee.pk

Top Employer in the Islamic Banking Industry

2013

AsiaMoney

Best Islamic Bank in Pakistan

CFA Society of Pakistan

Islamic Bank of the Year

Corporate Finance House of the Year

(Fixed Income)

Islamic Finance News (IFN) - Malaysia

Best Islamic Bank in Pakistan

Ijarah Deal of the Year

Pakistan Deal of the Year

Global Islamic Finance Awards (GIFA)

Best Research and Development in

Islamic Finance

Global Finance - New York

Best Islamic Financial Institution in Pakistan

Asset Triple A - Hong Kong

Best Islamic Bank in Pakistan

Best Islamic Retail Bank in Pakistan

Best Islamic Trade Finance Bank in Pakistan

Highly Commended Best Islamic Deal Pakistan

ICAP & ICMAP

3rd Position - BCR Awards - Banking sector

2012

CFA Association Pakistan

Islamic Bank of the Year

Asset Triple A - Hong Kong

Best Islamic Bank in Pakistan

Best Islamic Trade Finance Bank in Pakistan

Best Islamic Retail Bank in Pakistan

Best Islamic Deal - Pakistan

Highly Commended Deal - Pakistan

Global Finance - New York

Best Islamic Financial Institution in Pakistan

Islamic Finance News (IFN) - Malaysia

Best Deals of the Year

AsiaMoney

Best Islamic Bank in Pakistan

ICAP & ICMAP

4th Position - BCR Awards - Banking sector

2011

CFA Association Pakistan

Islamic Bank of the Year

Islamic Finance News (IFN) - Malaysia

Best Islamic Bank in Pakistan

Best Deal of the Year

Asset Triple A - Hong Kong

Best Islamic Bank in Pakistan

Best Islamic Trade Finance Bank in Pakistan

Best Islamic Deal - Pakistan

Global Finance - New York

Best Islamic Financial Institution in Pakistan

2010

CFA Association Pakistan

Islamic Bank of the Year

Islamic Finance News (IFN) - Malaysia

Best Islamic Bank in Pakistan

AsiaMoney

Best Islamic Bank in Pakistan

Global Finance - New York

Best Islamic Financial Institution in Pakistan

2009

Islamic Finance News (IFN) - Malaysia

Best Islamic Bank in Pakistan

Best Deal of the Year

Global Finance - New York

Best Islamic Financial Institution in Pakistan

ICAP & ICMAP

5th Position - BCR Awards - Banking sector

2008

Islamic Finance News (IFN) - Malaysia

Best Islamic Bank in Pakistan

Best Deal of the Year

Global Finance - New York

Best Islamic Financial Institution in Pakistan

ICAP & ICMAP

4th Position - BCR Awards - Banking sector

2007

Islamic Finance News (IFN) - Malaysia

Best Islamic Bank in Pakistan

Chairman's Review

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Alhamdulillah, it gives me great pleasure to present the Annual Report of Meezan Bank for 2019.

It is indeed heartening to note that Meezan Bank, in just 17 years since its inception, has grown to become the 6th largest bank in Pakistan in terms of both deposits and the size of its branch network. We thank Allah (SWT) for this extraordinary success and His continued blessings upon us. The Board appreciates the contribution and hard work of the Bank's management team and the entire Meezan family of over 11,500 staff for their dedication, commitment and hard work that has made this possible.

The Bank's success and achievements in 2019 are evidenced by numerous awards that it received during the year including 'The Best Bank in Pakistan' award by Global Finance – New York, 'The Best Islamic Bank in Pakistan' by Islamic Finance News (IFN) of Redmoney Group, Malaysia and Bank of the Year – Pakistan by the highly reputed UK based publication – The Banker.

The Bank's strong focus on strengthening its digital platform and services is evidenced by a strong growth of 120% in both its Debit Card e-commerce transactions and the fact that it was the first bank in Pakistan to cross the Rs 1 Billion e-commerce spend in a month on Debit Cards in Pakistan. Meezan has also been a key player in promoting Green Energy in Pakistan by lead managing four wind power projects amounting to over USD 240M during the year. The Bank also crossed the one Trillion Rupee milestone in its Trade Finance business for the second year.

Meezan Bank is cognizant of the responsibility that comes with its leadership position in the Islamic banking industry in Pakistan. Our relentless focus on delivering the absolute best in customer service across every channel has been at the heart of our success.

“We remain committed to our Vision of establishing ‘Islamic banking as banking of first choice...’, by continuing to expand our branch network and investing in technology to deliver a world class banking experience to our customers.”



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Moody's upgrading Pakistan's credit rating outlook to stable in December, 2009 is a very positive indication that the country's economy is poised for a rebound in the medium term. We remain optimistic about Pakistan's economy and are committed to contributing increasingly towards the progress of the country.

I would like to take this opportunity to express my gratitude to the State Bank of Pakistan, Ministry of Finance and the Securities & Exchange Commission of Pakistan for their continuous commitment to establish a viable Islamic financial system in the country.

I would also like to express my gratitude to our shareholders, members of Shariah Supervisory Board and my fellow Board members as well as all members of the Meezan team who worked determinedly to make Meezan Bank not only the leading Islamic financial institution but also a leading banking institution of the country.

Finally, and most importantly, I want to thank our customers for bestowing their trust and confidence upon Meezan Bank and to the cause of Islamic banking. It is their trust that has led to the growth and success of Islamic banking and the Riba-free financial system in the country.

الحمد لله، مجھے میزبان بینک کی سال ۲۰۱۹ کی سالانہ رپورٹ آپ کے سامنے پیش کرتے ہوئے بے انتہا مسرت محسوس ہو رہی ہے۔

یہ بات انتہائی حوصلہ افزا ہے کہ میزبان بینک اپنے قیام کے محض ۷ سال کے بعد جمع شدہ قوم اور برانچ نیٹ ورک کے اعتبار سے پاکستان کا چھٹا بڑا بینک بن چکا ہے۔ ہم اس غیر معمولی کامیابی اور ہم پر مسلسل رحمت کے لئے اللہ ﷻ کے انتہائی شکر گزار ہیں۔

بورڈ بینک کی مینجمنٹ ٹیم کی معاونت و محنت، اور ۱۱,۵۰۰ سے زائد ملازمین پر مبنی 'میزبان فنانس' کی لگن، وابستگی اور انتھک محنت کو خراج تحسین پیش کرتا ہے جن کی بدولت اس کامیابی کا حصول ممکن ہوا۔

سال ۲۰۱۹ میں بینک کی حاصل کردہ کامیابیوں کا ثبوت وہ مختلف ایوارڈز ہیں جو بینک نے دوران سال حاصل کئے، جن میں گلوبل فنانس - نیویارک کی جانب سے 'پاکستان کا بہترین بینک' ایوارڈ، ریڈمنی گروپ، ملائیشیا کے اسلامک فنانس نیوز (IFN) کی جانب سے 'پاکستان کا بہترین اسلامی بینک' ایوارڈ، اور برطانیہ کے انتہائی موثر جریدے دی فینیکر کی جانب سے 'بینک آف دی ایئر - پاکستان' جیسے اعزازات شامل ہیں۔

بینک کی ڈیپٹ کارڈ سے کی گئی ای کامرس ٹرانزیکشنز میں ۱۲۰ فیصد کا زبردست اضافہ ہوا اور میزبان بینک، ڈیپٹ کارڈز پر، ایک ماہ میں ایک کھرب سے زائد کی ٹرانزیکشنز کا سبب میل عبور کرنے والا پاکستان کا پہلا بینک بنا جو اس بات کا ثبوت ہے کہ بینک نے اپنے ڈیجیٹل پلیٹ فارم اور خدمات کو مستحکم کرنے پر بھرپور توجہ مرکوز رکھی ہے۔ میزبان بینک نے دوران سال ۲۴۰ ملین امریکی ڈالر مالیت کے چارونڈ پاور (Wind Power) منصوبوں کے مرکزی منتظم کے طور پر پاکستان میں گرین انرجی کے فروغ میں کلیدی کردار ادا کیا ہے۔ میزبان بینک نے اپنے تجارتی کاروبار میں بھی مسلسل دوسرے سال ایک کھرب روپے کا سبب میل عبور کر لیا ہے۔

میزبان بینک اپنی ان ذمہ داریوں کا ادراک رکھتا ہے جو پاکستان میں صاف اول کا اسلامی بینک ہونے کے حوالے سے اس پر عائد ہوتی ہیں۔ تمام ذرائع سے بہترین کسٹمر سروس کی فراہمی پر ہماری بھرپور توجہ نے ہماری کامیابی میں مرکزی کردار ادا کیا ہے۔ ہم اپنے برانچ نیٹ ورک میں توسیع اور اپنے صارفین کو بین الاقوامی معیار کے بینکاری تجربہ سے روشناس کروانے کے لئے ٹیکنالوجی میں سرمایہ کاری کے ذریعے 'اسلامی بینکاری کو بینکاری کا پہلا انتخاب' بنانے کے اپنے مقصد پر قائم ہیں۔

دسمبر، ۲۰۱۹ میں Moody's کی جانب سے پاکستان کی کریڈٹ ریٹنگ کو مستحکم قرار دیا جانا ایک انتہائی مثبت اشارہ ہے کہ ملکی معیشت درمیانی مدت میں دوبارہ ابھرنے کے لئے تیار ہے۔ ہم پاکستان کی معیشت کے حوالے سے انتہائی پُر امید ہیں اور ملکی ترقی میں بھرپور کردار ادا کرنے کے لئے پُر عزم ہیں۔

میں اس موقع پر پاکستان میں ایک قابل عمل اسلامی مالیاتی نظام کی تشکیل کے عزم پر اسٹیٹ بینک آف پاکستان، وزارت خزانہ اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا بھی شکر گزار ہوں۔

میں میزبان بینک کے قابل قدر حصص یافتگان، شریعہ ایڈوائزری بورڈ کے اراکین اور اپنے ساتھی بورڈ اراکین کے ساتھ ساتھ میزبان ٹیم کا بھی شکریہ ادا کرتا ہوں جنہوں نے مستقل مزاجی اور محنت کے ساتھ میزبان بینک کو نہ صرف صاف اول کا اسلامی مالیاتی ادارہ بلکہ ملک کا ایک ممتاز بینک بنانے میں فعال کردار ادا کیا۔

آخر میں، میں ہمارے صارفین کے تعاون اور اسلامی بینکاری پر ان کے اعتماد کا شکریہ ادا کرنا ضروری سمجھتا ہوں۔ ان کے اسی اعتماد نے ملک میں اسلامی بینکاری اور ربا سے پاک مالیاتی نظام کے استحکام اور کامیابی کی راہ ہموار کی ہے۔



Riyadh S. A. A. Edrees
Chairman

February 12, 2020



ریاض ایس. اے. اے. اور لیس
چیئر مین

12 فروری 2020

Directors' Report to the Members

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

On behalf of the Board of Directors, we are pleased to present the twenty-third Annual Report of Meezan Bank Limited setting out the detailed financial results of the Bank for the year ended December 31, 2019.

Economic Overview

2019 was a challenging year for Pakistan, from an economic perspective, due to the various corrective measures that were taken by the Federal Government resulting in an economic slowdown. GDP growth fell to 3.3% as compared to 5.5% in 2018 on the back of high fiscal and current account deficits. The State Bank of Pakistan (SBP) also made adjustments in the policy and exchange rates to contain aggregate demand while easing the pressure on the balance of payments. The policy rate was increased to 13.25% in July 2019 from 10% in 2018. The Government reached an agreement with the International Monetary Fund (IMF) in July, 2019 for a 39 month extended arrangement under the Extended Fund Facility (EFF) for Pakistan for US \$6 billion.

Economic reforms taken by the Government have resulted in gradual improvements emerging on both external and fiscal fronts. Disbursement of tranches under the IMF's EFF and subsequent unlocking of multilateral flows from other agencies helped in averting the balance of payments crisis. The fiscal sector also showed improvements on account of broad-based taxation reforms and strict control over non-development expenditures undertaken by the Government. Tax collection also grew by 16% in the first half of the fiscal year 2019-20.

Improvement on the external front resulted in a 4.6% appreciation of Rupee against the USD in the second half of the year 2019. The country's foreign exchange reserves have also increased with improvement in current account deficit. In December 2019, Moody upgraded Pakistan's credit rating outlook to stable, following the successful first review by the IMF in November. The Pakistan stock market (PSX) has also rebounded sharply and touched 40,735 points from its lowest level of 28,765 points in mid-August 2019. These positive developments indicate that Pakistan's economy is poised to make a rebound in the medium term.

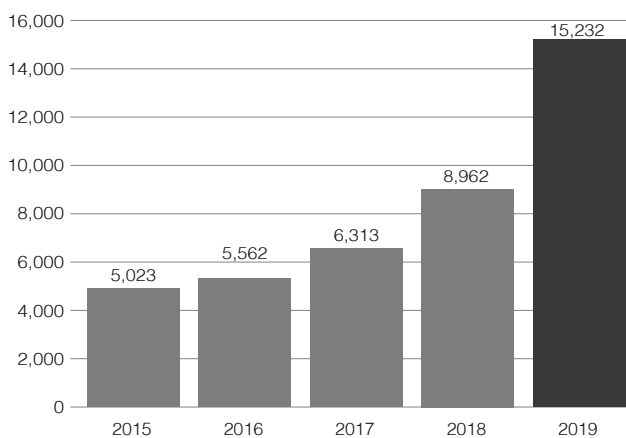
Our Performance

By the Grace of Allah, the Bank continued on its growth trajectory and recorded excellent results for 2019 – witnessing an increase in assets size, deposits, branches, revenues and profitability.

- The Bank's total assets portfolio crossed Rs 1.1 trillion, recording a growth of 20%.
- Profit After Tax increased to Rs 15.2 billion as compared to Rs 8.96 billion in 2018, an impressive growth of 70%.
- Earnings per Share – on enhanced share capital increased to Rs 11.84 from Rs 6.97 per share.
- Total equity grew from Rs 40.3 billion to Rs 59.0 billion – an increase of Rs 18.7 billion or 46% which further strengthened the balance sheet.
- The book value per share on enhanced share capital increased to Rs 45.89 per share from Rs 31.36 per share last year.

Profit After Tax

Rupees in Million



Key Business Results

	2019	2018	Growth
Profit After Tax	Rs 15.23 Billion	Rs 8.96 Billion	70% ↑
Investments	Rs 226 Billion	Rs 124 Billion	82% ↑
Financing	Rs 494 Billion	Rs 513 Billion	4% ↓
Deposits	Rs 933 Billion	Rs 785 Billion	19% ↑
Total Assets	Rs 1.1 Trillion	Rs 938 Billion	20% ↑
Equity	Rs 59 Billion	Rs 40.3 Billion	46% ↑
Capital Adequacy ratio	16.58%	14.55%	14% ↑
Dividend per share:			
Cash Dividend - Rs	5.00	3.50	43% ↑
Bonus Issue	10%	10%	-
Branch Network	760 Branches	660 Branches	15% ↑
Presence	223 Cities	181 Cities	23% ↑
Trade Business (Imports and Exports)	Rs 1.08 Trillion	Rs 1.01 Trillion	7% ↑

Financial Results

Rs in Million

PROFIT AND LOSS ACCOUNT	2019	2018
Profit / return earned on financings, investments and placements	94,270	48,625
Return on deposits and other dues expensed	(47,731)	(20,457)
Net spread earned	46,539	28,168
Fee, commission and other income	6,713	5,569
Foreign exchange income	2,684	1,318
(Loss) / gain on securities - net and dividend income	(77)	575
Non-funded and other income	9,320	7,462
Total Income	55,859	35,630
Operating and other expenses	(25,522)	(19,670)
Profit before provisions	30,337	15,960
Provisions and write offs - net	(4,186)	(1,168)
Profit before taxation	26,151	14,792
Taxation	(10,919)	(5,830)
Profit after taxation	15,232	8,962
Earnings per share - on enhanced capital - Rs	11.84	6.97

The Investments portfolio of the Bank grew by 82% to Rs 226 billion compared to Rs 124 billion in December, 2018. A significant milestone achieved during the year was the successful issuance of Pakistan's first ever Energy Sukuk issued by Power Holding (Private) Limited, a wholly owned subsidiary of Government of Pakistan (GoP) with Meezan Bank as a Lead Arranger. The Bank was also the largest investor in this Sukuk with a participation of Rs 85 billion in the total issue size of Rs 200 billion. The Sukuk is guaranteed by the GoP and is eligible for Statutory Liquidity Requirements of the State Bank of Pakistan (SBP). The market value of Sukuk as at December 31, 2019 is Rs 97 billion.

Recognizing the increased risk factors that emanate from the overall slowdown in the economy, the Bank slowed the growth of its Islamic financing portfolio, closing the year at Rs 494 billion. The strategy is to maintain a diversified portfolio spread across its Corporate segment, Commercial & SME segment and the Consumer segment. The Bank's non-performing financing ratio of 1.78% versus the industry average of 9% bears testimony to the Bank's prudent lending practices and the high asset quality of its financing portfolio.

As a result of stresses in certain sectors of the economy and in keeping with the prudent practices historically adopted by the Bank, an additional General Provision of Rs 1,525 million against any potential non-performing financings was approved by the Board. The total provision (net) against financings amounted to Rs 3 billion for the year 2019. The Bank maintains a comfortable level of provisions against its non-performing financings with a coverage ratio of 142% – one of the highest in the banking industry.

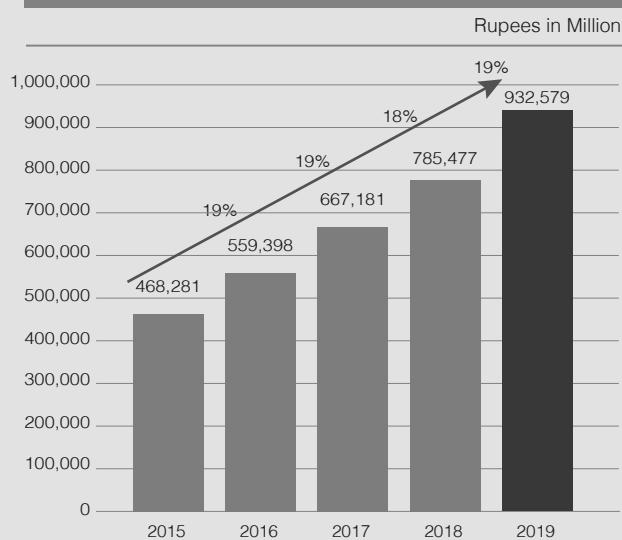
Growth in Deposits

The Bank's deposit portfolio crossed the Rs 900 billion benchmark to close at Rs 933 billion recording a growth of Rs 148 billion – 19% higher than the previous year.

Growth in the Bank's deposits is almost double that of the banking industry as the total banking deposits grew by only 9.6% in 2019.

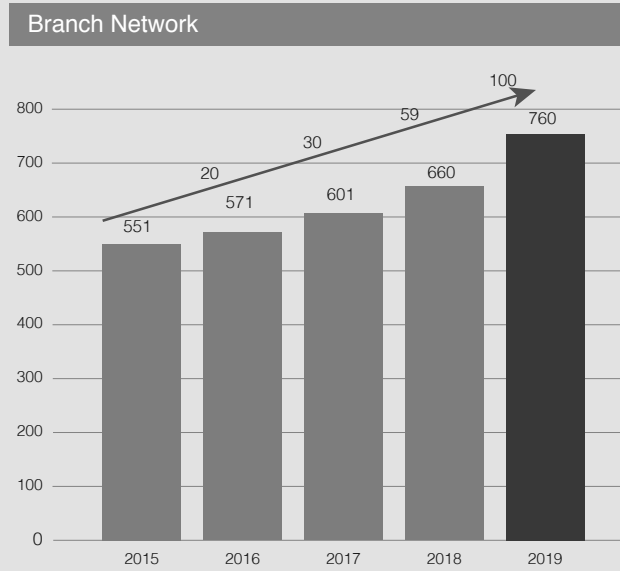
This is a direct result of the Bank's expanding geographical outreach and its continuous focus on leveraging technology in improving customer experience and productivity. The Bank has also improved its deposit mix with CASA contributing to 74% of total deposits.

Growth in Deposits



Growth in Branch Network

In line with its Vision of establishing 'Islamic Banking as banking of first choice...', the Bank further expanded its geographical presence and opened another one hundred new branches in forty-two new cities with an aim to cover certain cities where no Islamic banking alternate was available. The Bank's network now stands at 760 branches in 223 cities (2018: 660 Branches in 181 cities). The Bank is focused on increasing its market share in the Pakistan's growing banking industry by expanding its geographical outreach and investment in technology.



Net Spread

Return on financings, investments and placements increased from Rs 48.6 billion in 2018 to Rs 94.3 billion in 2019, an increase of 94% due to the Bank's strong balance sheet growth and re-pricing of earning assets due to increase in SBP's Target Rate. Correspondingly, the Bank's return on deposits and other dues also increased from Rs 20.5 billion in 2018 to Rs 47.7 billion in 2019 – an increase of 133% primarily due to higher profit rates and increase in deposits.

Growth in Fee and Commission Income

The Bank's non-funded and other income (NFI) grew by 25% to cross Rs 9 billion from Rs 7.5 billion. Growth in the trade (import & export) business of the Bank that resulted in increased fee income and foreign exchange income contributed to this increase in NFI.

Improvement in Income Efficiency Ratio

The Bank's operating and other expenses increased to Rs 25.5 billion from Rs 19.7 billion primarily due to rising inflation, Rupee devaluation, IT infrastructure cost and increase in staff expenses, rent and costs associated with new branches – an investment in the future. The rise in expenses, however, was sufficiently absorbed by growth in the Bank's income, resulting in improvement in the income efficiency ratio to 46% as compared to 55% last year.

With PSX witnessing a volatile year in 2019 and PSX-100 index touching a low of 28,765 points in August, 2019 from 37,067 points at start of the year, the Bank recorded a capital loss of Rs 381 million and an impairment charge of Rs 1.1 billion on the listed equity investments.

The Bank continued to contribute to the national exchequer and was awarded a Certificate of Appreciation by the Honorable Prime Minister of Pakistan in recognition of being amongst the Top 50 Corporate Tax payers in Tax year 2018. During the year 2019, the Bank paid Rs 9.3 billion in the form of direct taxes to the Government of Pakistan. In addition to this, the Bank also collected, withheld and deposited Rs 13.7 billion on account of Federal Excise Duty/Provincial Sales Tax on Services and as withholding tax agent on behalf of Federal Board of Revenue and Provincial Tax Authorities.

The Finance Act 2019 (the Act) has reversed the phase-wise reduction in rate of Super Tax for banking companies from 4% to 3% for current year and further levied an additional Super Tax charge at 4% for Tax Year 2018 (Accounting Year 2017), which was previously not chargeable resulting in additional Super Tax charge of Rs 470 million in the current year. The total Super Tax charge amounted to Rs 1,670 million and has been duly accounted for in the total tax charge for the year 2019.

Human Resources

As a result of the increase in the branch network and the overall growth of the Bank, the total staff strength increased by 1,580 bringing the total to 11,649. The Bank views its human resources as a critical success factor in today's competitive market and nurtures them by providing them a variety of trainings ranging from Islamic banking and role-based trainings to soft skills development, thus enabling them to provide a superior banking experience to its customers.

Capital Adequacy Ratio

The Bank's Capital Adequacy Ratio is at a comfortable level of 16.58% over and above the minimum regulatory requirement of 12.50% as of December 31, 2019.

Capital Adequacy Ratio (CAR)	Dec 31, 2019	Dec 31, 2018	Minimum Requirement Dec 31, 2019
Common Equity Tier I - (CET I)	11.30%	10.19%	8.50%
Tier I	12.92%	12.00%	10.00%
CAR	16.58%	14.55%	12.50%

Dividend per Share

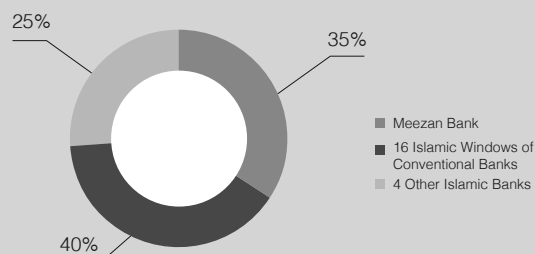
We are pleased to inform you that the Board has approved final cash dividend of Rs 2 per share (20%) for the year 2019, bringing the total payout for the year to Rs 5 per share (50%) as Rs 3 per share i.e. 30% interim cash dividend was paid in addition to issuance of 10% Bonus Shares during the year. In 2019, quarterly dividend has been announced first time in the history of the Bank. The Bank has maintained its unbroken payout record since its date of listing on the Stock Exchange.

Dividend Per Share	Cash	Bonus Issue
First Quarter 2019 - Interim	Re 1 / share	10%
Second Quarter 2019 - Interim	Re 1 / share	-
Third Quarter 2019 - Interim	Re 1 / share	-
Fourth Quarter 2019 - Final	Rs 2 / share	-

Islamic Banking Industry

Islamic banking has further strengthened its roots in Pakistan with Meezan Bank as the market leader offering a complete range of Islamic Banking products and services. Islamic banking Industry deposits account for almost 16% of the total banking industry deposits. Meezan Bank's share of deposits amongst dedicated Islamic banks operating in Pakistan is approximately 58% while its share of the Islamic banking industry as a whole, including Islamic banking windows of conventional banks in Pakistan, is 35%.

Share of Meezan Bank in Islamic Banking Industry - Based on deposits



Credit Rating

The VIS Credit Rating Company Limited (formerly JCR-VIS Credit Rating Company Limited), has reaffirmed the Bank's Entity Rating of 'AA+' (Double A Plus) for the Long Term and 'A1+' (A-One Plus) for the Short Term with stable outlook. The VIS Credit Rating Company Limited has also reaffirmed the rating of Subordinated Tier II Sukuk and Additional Tier I Sukuk of the Bank at 'AA' (Double A) and 'AA-' (Double A Minus) respectively. These ratings indicate sound performance of the Bank.

Corporate Awards and Recognitions

Meezan Bank won the following prestigious awards during the year, at national and international level, which recognize the degree of success enjoyed by Pakistan's first and the largest dedicated Islamic Bank and one of the fastest growing banking institutions in the country:

International Finance Award

- Most Innovative Islamic Bank, Pakistan

Global Finance

- Best Islamic Financial Institution in Pakistan
- Best Bank in Pakistan
- Best Trade Finance Provider in Pakistan
- Best Bank in Asia Pacific
- Named among the World's Best Banks – Asia Pacific

The Banker

- Bank of the Year, Pakistan

Asset Triple A Country Awards

- Best Deal, Pakistan - Best secondary offering, Pakistan for Meezan Bank US\$100 million placement

Asset Triple A Asia Infrastructure Awards

- Utility Deal of the Year - K-Electric Limited 25 billion Pakistan rupee syndicated term finance facility

Asian Banking and Finance Corporate & Investment Banking Awards

- Islamic Corporate & Investment Bank of the Year, Pakistan

CFA Society of Pakistan

- Islamic Bank of the Year (Runner-up)

Islamic Finance Forum of South Asia (IFFSA) Awards

- Honorary Award in Recognition of Contribution to the IBF Industry
- Gold Award for Entity of the Year
- Gold Award for Bank of the Year
- Gold Award for Investment Bank of the Year
- Gold Award for Capital Markets Service Provider of the Year
- Gold Award for Advisory Services Provider of the Year
- Silver Award for Deal of the Year
- Bronze Award for Education Provider of the Year

Employers Federation of Pakistan (EFP)

- Employer of the Year

Islamic Finance News (IFN) – Malaysia

- Structured Finance Deal of the Year for Avari Hotels transaction
- Cross Border Deal of the Year for Nasda Green Energy transaction
- Best Islamic Bank in Pakistan

Global Islamic Finance Awards (GIFA)

- Shariah Authenticity Award
- Shariah Auditor of the Year
- Special Award (Shariah Advisory Role)

J.P. Morgan


- Straight Through Processing Award

Corporate Social Responsibility

We are happy to report that as a socially responsible organization, the Bank has taken the decision to form a foundation, Meezan Bank Foundation, with an initial contribution of Rs 200 million. The mandate of the Foundation is to promote development and advance the welfare and well-being of the people of Pakistan.

Meezan Bank has actively participated in charitable fundraising events for various NGOs that are working in the health and education sectors. The Bank has adopted Campus VI of Idara Al-Khair Welfare Society, a registered NGO, enabling it to provide free education to children in a much neglected locality. The Bank is also supporting the L.I.F.E (Learning Is For Everyone) school that is providing purpose-built education to special children and is also running a Cleanliness Drive in Karachi's SITE Area in an effort to send the message of 'keep your country clean'. A successful Blood Donation Camp was set up at Meezan Bank's Head Office in collaboration with Indus Hospital, a not-for-profit entity that provides top-of-the-line, comprehensive and free of cost healthcare to people. The Bank hosted Iftar and dinner outside its Head Office for passersby during the entire month of Ramadan and extensively used its social media platform for spreading social awareness messages. Meezan Bank is also continuously striving to hire citizens-with-special needs in its workforce in an effort to empower differently-abled people and make them successful earning members of the society.





Meezan Bank supports various charitable organizations by helping them collect donations and zakat through its alternate distribution channels. In 2019, total amount collected through Meezan Bank was Rs 157 million.


Disclosure required under Company's Corporate Social Responsibility (General Order, 2009) has been duly made in the Annual Report. 

Corporate Governance and Financial Reporting Framework

The Board of Directors is fully cognizant of its responsibility to ensure requirements of Corporate Governance prescribed by the Securities and Exchange Commission of Pakistan. The requirements relating thereto and relevant for the year ended December 31, 2019, have been duly complied with by the Bank and a statement to this effect is included in the Annual Report.

As a matter of best practice, the Directors are pleased to give the following statements:

1. The financial statements prepared by the Management of the Bank present fairly its state of affairs, the results of its operations, cash flow and changes in equity.
2. Proper books of account of the Bank have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements except for the change in accounting policy, as duly disclosed in notes to the financial statements. The accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure from these has been adequately disclosed, if any.
5. The system of internal controls is sound in design and has been effectively implemented and monitored. The ultimate responsibility of the effectiveness of internal controls system and its monitoring lies with the Board. An Audit Committee has been formed for this purpose that meets periodically and independently throughout the year with the management and also the internal and external auditors to discuss the effectiveness of internal controls system and other financial reporting matters. In addition, there are financial forecasts and budgetary control procedures in place, which are reviewed and monitored throughout the year to indicate and evaluate variances from the budget.
6. There are no doubts upon the Bank's ability to continue as a going concern, Insha'Allah.
7. Profit amounting to Rs 3 billion has been transferred to Statutory Reserves for the year 2019 as required under Banking Companies Ordinance, 1962.
8. The Directors of the Bank are in compliance with respect to training requirements. The details of directors training programs are given in the Statement of Compliance with the Code of Corporate Governance in this report. 
9. The appointment of the Chairman and other members of the Board and terms of their appointment along with the remuneration policy adopted are in the best interests of the Bank as well as in line with the best practices.
10. Key operating and financial data for the last six years in summarized form, categories and pattern of shareholding complying with the regulatory requirements is included in the annual report. 
11. The principal risks and uncertainties facing the Bank have been adequately disclosed in the annual report. 
12. The details of aggregate amount of remuneration separately of executive and non-executive directors is disclosed in note 39 of the unconsolidated financial statements. 
13. The value of investments of the Bank's recognized Provident Fund and Gratuity Fund as at December 31, 2019 are as under:

■ Staff Provident Fund	Rs 3,470 million
■ Staff Gratuity Fund	Rs 1,492 million
14. The purchase and sale of shares by the Directors, Chief Executive, Chief Financial Officer, Head of Internal Audit and Company Secretary during the year and pattern of shareholding is included in the annual report. 

Risk Management Framework

The Risk Management Framework in Meezan Bank includes policies, procedures and manuals, Board of Directors and Senior Management oversight, internal controls, and management information system. Risk Management activities are performed at strategic, macro and micro levels. The overall responsibility for risk management rests with the Board of Directors and it has constituted Board Risk Management Committee comprising of Board members with well-defined terms of reference. The Bank's Risk governance is mainly exercised through following management committees:

1. Credit Risk Management Committee (CRMC)
2. Asset Liability Management Committee (ALCO)
3. Compliance & Operational Risk Management Committee (CORMC)

The CRMC ensures that credit risk activities of the Bank fall within the ambit of approved policies, regulatory requirements and risk appetite thresholds. CRMC also provide support and guidance to business units in managing their portfolio with prudent approach. ALCO reviews market, liquidity and country risk exposures, assets and liabilities mix and maturity profile, sets pricing and takes decisions for sound liquidity management. The CORMC focuses on issues arising from compliance risk along with operational risk and control issues.

An entity wide 'Three Lines of Defence' model for risk management with clearly defined roles and responsibilities is at the core of the Bank's operations. Business lines serve as the first line of defence and are primarily responsible for managing risks on a day-to-day basis. Risk management and other control functions being the second line of defence are responsible for assisting business lines in designing and implementing adequate controls to manage risks. Internal Audit, being the third line of defence, provides independent assurance on adequacy of the Bank's internal controls.

The Bank has been identified as Sample Domestic Systemically Important Bank (D-SIB) by State Bank of Pakistan. Accordingly, the Board has established a comprehensive Recovery Plan dealing with various crisis scenarios along with trigger events, appropriate remedial action plans and communication strategy. The Internal Capital Adequacy Assessment Process is in line with the Board approved Risk Appetite Statement. Macro stress tests takes into account the impact of changes in macro indicators on the Bank's business portfolio.

The scope of Risk Management Group (RMG) has been continuously broadened mainly focusing on improving policies and procedures, limit structuring and strengthening systems and controls. Under Risk Management Group, credit risk function caters corporate, investment banking, commercial & SME, agriculture, supply chain and consumer business segments. The Bank has successfully implemented an automated financing approval system for corporate, commercial and SME customers that has further streamlined the approval process. Enterprise Risk Management (ERM) under RMG caters to market, liquidity, financial institutions, and operational, business continuity risks. It also deals with Basel implementation and development of risk related policy framework. The ERM function also plays important role in IFRS-9 implementation, capital strategy formulation and green banking practices in the Bank. The Bank recognizes the importance of environmental, sustainability, compliance and information security risks as distinct types of risks and continuously improves upon to cater these risks. Shariah Compliance Risk Management principles and practices are at the heart of business practices of the Bank. Various reports for all types of risk exposures, approval processes, awareness programs and growing understanding to view risk profile at enterprise level will further strengthen the risk management culture in the Bank.

Statement of Internal Controls

The Board is pleased to endorse the Statement made by the Management relating to internal controls over financial reporting alongwith overall internal controls.



The Management's Statement of Internal Controls is included in the Annual Report.

Pattern of Shareholding



The pattern of Shareholding as at December 31, 2019 is included in the Annual Report.

Directors

The Board consists of eleven directors including one female director and the CEO as deemed director. During the year, four meetings of the Board of Directors were held. The record of the meetings attended by the directors, alongwith composition of the Board is as follows:

Name of Directors	Category	No. of meetings held in tenure	No. of meetings attended
Mr Riyadh S.A.A. Edrees – Chairman	Non-Executive Director	4	4
Mr Faisal A.A.A. Al-Nassar – Vice Chairman	Non-Executive Director	4	4
Mr Bader H.A.M.A. Al Rabiah	Non-Executive Director	4	4
Mr Mubashar Maqbool*	Non-Executive Director	1	1
Mr Saad Fazil Abbasi	Non-Executive Director	4	4
Mr Mohamed Guerhazi*	Non-Executive Director	3	2
Mr Mansur Khan**	Non-Executive Director	2	2
Mr Alaa A. Al-Sarawi**	Non-Executive Director	4	3
Mr Noorur Rahman Abid	Independent Director	4	4
Ms Nausheen Ahmad*	Independent / Female Director	3	3
Mr Atif Azim*	Independent Director	2	2
Mr Ariful Islam – Deputy CEO**	Executive Director	1	1
Mr Irfan Siddiqui – President & CEO	Executive Director	4	4

*Directors appointed during the year


**Directors resigned during the year

The Board welcomes the new directors Ms Nausheen Ahmad, Mr Mohamed Guerhazi, Mr Mubashar Maqbool and Mr Atif Azim and wishes to place on record its sincere appreciation for the valuable services rendered by the outgoing directors Mr Ariful Islam, Mr Mansur Khan and Mr Alaa A. Al-Sarawi.


The Board has constituted the following four Committees with defined Terms of Reference (ToRs):

1. Human Resources and Remuneration Committee
2. Risk Management Committee
3. Audit Committee
4. Information Technology Committee

In addition to above committees, a new Board committee, with the title, 'IFRS 9 Implementation Oversight Committee' was formed in January 2020 to comply with the requirement of SBP BPRD Circular No. 04 of 2019 dated October 23, 2019.

The names of members and their attendance in meetings of the Committees formed by the Board, held during the year is included in the Annual Report. 

Remuneration of the Board of Directors

Remuneration of the Board members is recommended by Board and approved by the shareholders in the General Meeting. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his/her own remuneration. The Bank does not pay remuneration to non-executive directors except fee for attending the meetings. In order to retain the best talent, the Bank's remuneration policies are structured in line with the SBP regulations, prevailing industry trends and business practices. For information on remuneration of Directors and CEO in 2019, please refer notes to the Financial Statements. 

Policy for Dealing with Conflict of Interest

The Bank has a policy in place for dealing with conflicts of interest relating to members of the Board. Under this policy, any Director who has a business interest in a matter being presented at a Board meeting does not participate in neither the discussion nor the decision on that matter. The policy is applied consistently and there was no breach of this policy during the year.

Performance Evaluation Mechanism for the Board

The Board of Directors and its sub-committees are competent and experienced, representing diversified educational and vocational backgrounds which are invaluable in determining the overall direction of the organization. The Board of

Directors is keen to ensure that it reviews the effectiveness of its performance periodically. To that end, all individual Board members answer a comprehensive questionnaire focused on evaluating, from various angles, whether the Board has discharged its duties diligently and with foresight. A committee of Directors is designated to collate individual responses and present them to the Board for deliberation and discussion.

During the self-evaluation exercise, the Board evaluates itself from the following perspectives

- Evaluation of the overall Board
- Evaluation of the Chairperson
- Evaluation of Individual Directors
- Evaluation of Independent Directors
- Evaluation of Board Committees
- Evaluation of the CEO

This exercise in critical self-assessment allows the Board to evaluate its performance and overall effectiveness in setting strategies, devising control processes, reading market trends by monitoring micro and macroeconomic factors and responding to adverse unforeseen situations to further the cause of a learning organization. This process also ensures that the Board is constantly growing intellectually and the responsibility of steering the Bank to new heights of success is discharged effectively and efficiently.

The SBP Guidelines require that at least once in every three years, the evaluation should be conducted by an external independent evaluator. The Bank engaged Pakistan Institute of Corporate Governance (PICG), during the year as an independent evaluator to conduct this evaluation.

Auditors

The present auditors, EY Ford Rhodes, Chartered Accountants retire and being eligible, offer themselves for reappointment. As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 the Board and the Audit Committee has recommended the appointment of EY Ford Rhodes, Chartered Accountants as auditors of the Bank for the year ending December 31, 2020.

Al Meezan Investment Management Limited – Subsidiary

We acknowledge the excellent performance of our subsidiary, Al Meezan Investment Management Limited (Al Meezan). Al Meezan is the leading asset management company in Pakistan with a track record of 25 years of fund management operations and has the distinction of having an exclusive mandate of providing Shariah-compliant investments solutions to its investors. The Company offers a comprehensive product suite of 16 mutual funds and multiple investment plans spanning from basic equity and income funds to commodity funds, dedicated equity fund and aggressive asset allocation funds. The company also manages the largest Voluntary Pension Fund in Pakistan. With a healthy investor base of over 111,000 customers, Al Meezan is the largest and the only Shariah compliant asset management company of the Country with Assets under Management (AUMs) crossing Rs 123 Billion mark as at December 2019. Its AUMs represent around 18% of the total mutual funds industry and over 50% of the Shariah compliant mutual funds industry. The Company is also increasing its presence and now has 26 branches across Pakistan.

Future Outlook and Strategy

As Pakistan's economy begins to show signs of improvement the Bank is well positioned to continue its journey of growth and strengthen its balance sheet for enhancing value for all its stakeholders. In January 2020, the Bank successfully issued second tranche of Sub-ordinated Tier II Sukuk of Rs 4 billion in the form of regulatory compliant unsecured, sub-ordinated privately placed Sukuk that has further strengthened the Bank's Capital Adequacy Ratio.

The Bank plans to pursue its branch expansion strategy in 2020, Insha'Allah, which will expand its geographical presence to three hundred cities of Pakistan. This expansion in its outreach will enable the Bank to continue its initiative of providing access to Islamic financial services to a growing percentage of the country's population. The Bank will continue to increase its financing in different sectors of the economy while keeping all the risk acceptance parameters in check.

At the same time, with its focus of improving customer experience and its understanding of customers, the Bank signed off two significant technology projects during the year. The first is to implement a new digital platform that will significantly improve cyber security and time-to-market launch of new products and Apps. The second is a data analytics project that will help the Bank to get better 'customer insights' and help the Bank with its cross-sell initiatives.

Pursuant to its Vision, that is to 'Establish Islamic banking as banking of first choice...', the Bank has hired a very

senior and experienced Islamic banking professional to oversee and conduct various Islamic banking awareness sessions for its customers and staff. The Board is confident that the Bank will Insha'Allah continue to play its leadership role in evolving Islamic Banking Industry in Pakistan.

Islamic banking has a good future in Pakistan and its share in the country's Banking Industry is continuously rising. We believe that a robust and viable Islamic Banking Industry will play a critical role in increasing the savings rate in the country. However, liquidity management remains a key challenge for Islamic Banking Industry of Pakistan as there are limited investment avenues despite sufficient liquidity.

The First Energy Sukuk issued has partially addressed this liquidity deployment challenge. The Bank is actively involved in structuring and arranging various Shariah compliant instruments and advising the Government of Pakistan for issuance of SLR eligible Sukuk. We are hopeful that with the continued efforts of the SBP and the GoP, particularly the Ministry of Finance and the Ministry of Power there will be new Sovereign Sukuk issues in 2020 Insha'Allah to address the liquidity deployment challenge faced by the Islamic banking industry of Pakistan.

Acknowledgement

The landmark achievements of Meezan Bank would not have been possible without the proactive support of our diversified customer base, for which we remain indebted to them. We sincerely thank each one of our team members for their hard work and commitment. May Allah Almighty bestow His blessings on our entire team and their families.

The Board would like to express its sincere thanks and gratitude to the State Bank of Pakistan, the Ministry of Finance, the Securities and Exchange Commission of Pakistan and our Shariah Supervisory Board for their continuous commitment to establish a viable Islamic financial system in the Country.

We would also like to thank our Board members, shareholders, holders of Additional Tier I Sukuk and Sub-ordinated Sukuk (Tier II) for their continued support and the members of the Shariah Supervisory Board for their unrelenting efforts towards establishing Meezan Bank as the premier Islamic bank. Most importantly, we are thankful to Allah Almighty for his continued blessings on our Bank which has enabled us to achieve this incredible performance in a very short span of time and we pray that He gives us more strength and wisdom to further expand our Vision of establishing 'Islamic banking as banking of first choice...'

On behalf of the Board



Riyadh S.A.A. Edrees
Chairman



Irfan Siddiqui
President & CEO

Karachi:
February 12, 2020

اسلامی بینکاری صنعت کے لئے دستور ایک اہم پہلو ہے، کیونکہ ضرورت کے لئے کافی کلوئیٹی کی موجودگی کے باوجود دوسرے مایہ کاری کے لئے راستہ انتہائی محدود ہیں۔ پہلے تو اتنا ہی صکوک کے اجراء سے کلوئیٹی کے استعمال کے اس مسئلہ پر قابو پانے میں جبروی طور پر مدد ملی ہے۔ بینک متعدد شریعہ کھسکا، انت آسٹرو منشی کی تقلیل و حقیقت میں غفلت اعجاز میں حصہ لے رہا ہے اور حکومت پاکستان کو بھی SLR اہلیت کے حامل صکوک کے اجراء کا مشورہ دیا ہے۔ ہمیں امید ہے کہ اسٹیٹ بینک آف پاکستان اور حکومت پاکستان، بالخصوص وزارت خزانہ اور وزارت توانائی کی مسلسل کوششوں سے اثناء اللہ 2020 میں نئے آزاد صکوک (Sovereign Sukuk) جاری کئے جائیں گے تاکہ پاکستان میں اسلامى بینکاری صنعت کو درخشاں کلوئیٹی کے استعمال کے مسئلہ پر قابو پایا جاسکے۔

اظهار تشکر

ہات کی جانچ کرتا ہے کہ آیا بورڈ نے اپنے فرائض کی ادائیگی جانتھانی سے اور درآمدی کے ساتھ کی ہے۔ ڈائریکٹرز پر مشتمل ایک کمیٹی انفرادی جوابات کو جمع کر کے بورڈ کو فور ونگ اور بحث و مباحثہ کے لئے پیش کرتی ہے۔

خود جائزہ کاری کے عمل کے دوران بورڈ مندرجہ ذیل نقطہ اپنے نظر سے اپنی جانچ کرتا ہے:

- بورڈ کی مجموعی جانچ
- انفرادی سطح پر ڈائریکٹرز کی جانچ
- بورڈ کی کمیٹیوں کی جانچ
- چیئر پرسن کی جانچ
- آزاد ڈائریکٹرز کی جانچ
- CEO کی جانچ

خود جائزہ کاری کا یہ سخت عمل بورڈ کو اپنی کارکردگی کا جائزہ لینے اور حکمت عملیاں مرتب کرنے، کنٹرول کا طریقہ عمل وضع کرنے، مانیٹر اور میکر و اسٹاک حاکم کی نگرانی کے ذریعے مارکیٹ کے رجحانات سے واقفیت اور بدترین ناگہانی صورتحال کے مناسب رد عمل کے قابل بناتا ہے۔ یہ عمل اس بات کو بھی یقینی بناتا ہے کہ بورڈ قیمری انداز میں اور ذاتی کے ساتھ مسلسل آگے بڑھ رہا ہے اور بینک کو کامیابی کی نئی باتیں مل سکیں گے۔

اسٹیٹ بینک کی ہدایات کا تقاضہ ہے کہ ہر تین سال کے دوران کم از کم ایک مرتبہ جائزہ کاری کسی بیرونی آزاد جائزہ کار سے کروائی جائے۔ زمرہ جائزہ سال بینک نے بطور آزاد جائزہ کار پاکستان انشٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کی خدمات حاصل کیں۔

مستقبل کے آثار اور حکمت عملی

آڈیٹرز

موجودہ آڈیٹرز، EY Ford Rhodes، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور اہل ہونے کی وجہ سے خود کو دوبارہ تفری کے لئے پیش کر رہے ہیں۔ اسٹیک ہولڈرز (کوڈ آف کارپوریٹ گورننس) ریگولیٹریٹر، 2019 کے تحت آڈٹ کمیٹی اور بورڈ نے EY Ford Rhodes، چارٹرڈ اکاؤنٹنٹس کی 31 دسمبر، 2020 کو ختم ہونے والے سال کے لئے بطور بینک کے ڈائریکٹرز کے تفری کی تجویز دی ہے۔

المیز ان انویسٹمنٹ منجمنٹ لمیٹڈ۔ ڈی جی کمیٹی

ہم اپنی ڈی جی کمیٹی، المیز ان انویسٹمنٹ منجمنٹ لمیٹڈ (المیز ان) کی بہترین کارکردگی کو سراہتے ہیں۔ المیز ان فنڈ منجمنٹ آپریٹرز کا 25 سالہ ٹریک ریکارڈ رکھنے والی اور اپنے سرمایہ کاران کو اسلامی شریعہ کے مطابق انویسٹمنٹ سولوشنز فراہم کرنے کے خصوصی اختیار کا امتیاز رکھنے والی پاکستان کی سب سے بڑی ایسٹ منجمنٹ کمیٹی ہے۔ المیز ان 16 میچل فنڈز پر مشتمل مصنوعات کا مکمل مجموعہ اور قیادی ایکویٹی اور اہم فنڈز سے لے کر کموڈٹی فنڈز تک کے کثیر المختار سرمایہ کاری منصوبے، مخصوص ایکویٹی فنڈز اور ایسٹ ایڈکیشن فنڈز پیش کرتی ہے۔ المیز ان پاکستان کا سب سے بڑا رضا کارانہ فنڈ بھی منتظم کرتی ہے۔ دسمبر 2019 تک 123 ارب روپے کے زیر انتظام اثاثوں (AUMs) اور 111,000 سے زائد سرمایہ کاروں کے ساتھ المیز ان ملک کی سب سے بڑی شریعہ کیپٹال منٹ ایسٹ منجمنٹ کمیٹی ہے۔ المیز ان کے زیر انتظام اثاثے (AUMs) مجموعی میچل فنڈ صنعت کا تقریباً 18 فیصد اور شریعہ کیپٹال منٹ میچل فنڈ صنعت کا 50 فیصد سے زائد حصہ بنے ہیں۔ کمیٹی اپنی وسعت میں بھی اضافہ کر رہی ہے اور پاکستان بھر میں اس کی 28 شاخیں ہیں۔

جیسا کہ پاکستان کی معیشت میں بہتری کے آثار نمایاں ہو رہے ہیں، بینک ترقی کا سفر جاری رکھنے اور اپنی بیلنس شیٹ مستحکم کرنے کے لئے بخوبی تیار ہے تاکہ اس کے تمام حصہ داران کے لئے اس کی قدر و قیمت میں اضافہ ہو۔ جنوری 2020 میں بینک نے 4 ارب روپے کے ثانوی Tier-II صکوک قانونی تقاضوں پر مبنی بے ضمانت، ثانوی Privately Placed صکوک کی شکل میں جاری کئے جس نے بینک کے کپٹال ایڈیکوئیسی ریشو کو مزید مستحکم کیا۔

انشاء اللہ، بینک نے 2020 میں بھی اپنی شاخوں میں توسیع کی سخت عملی کو جاری رکھنے کا فیصلہ کیا ہے جس سے ملک میں اس کی ہنر افغانی موجودگی تین سو شہروں تک وسیع ہو جائے گی۔ رسائی میں یہ توسیع بینک کو ملکی آبادی کی بڑھتی ہوئی تعداد کو اسلامی مالیاتی خدمات کی فراہمی کا سلسلہ جاری رکھنے میں معاون ہوگی۔ بینک تمام رسک آپکچس جبرائیلز کو پیش نظر رکھتے ہوئے معیشت کے مختلف شعبہ جات میں سرمایہ کاری کا سلسلہ جاری رکھے گا۔

اسی دوران صارفین کے بینکاری تجربہ کو بہتر بنانے اور ان کی ضروریات کو سمجھنے پر توجہ مرکوز کرتے ہوئے بینک نے سال کے دوران دو اہم ٹیکنالوجی پروڈیکٹس پر توجہ مرکوز کی۔ پہلے پروڈیکٹ کے تحت نئے ڈیجیٹل پلیٹ فارم کا اطلاق کیا گیا جس سے سائبر سیکیورٹی میں نمایاں بہتری آئے گی اور نئی پروڈیکٹس اور انہیں کے اجراء کا Time-to-market بھی بہتر ہوگا۔ دوسرا پروڈیکٹ ڈیٹا اینلیٹکس کا ہے جس سے بینک کو بہتر "Customer Insights" حاصل ہوگی اور یہ پروڈیکٹ بینک کے Cross-Sell اقدامات میں معاون ہوگا۔

ڈائریکٹرز

یورڈ گیارہ ڈائریکٹرز پر مشتمل ہے جن میں ایک خاتون ڈائریکٹر اور سی ای او (جنہیں ڈائریکٹر سمجھا جائے گا) بھی شامل ہیں۔ دوران سال یورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ یورڈ کے اجلاسوں میں شرکت کرنے والے ڈائریکٹرز اور یورڈ کی ترتیب درج ذیل ہے۔

ڈائریکٹر کا نام	کمپنی	منعقدہ اجلاس	حاضری کی تعداد
جناب ریاض ایس اے اے اور ایس۔ جیٹر مین	نان اگزیکٹو ڈائریکٹر	4	4
جناب فیصل اے اے اے انصر۔ وائس چیئرمین	نان اگزیکٹو ڈائریکٹر	4	4
جناب بدرالچاک اے اے ایم اے العربیہ	نان اگزیکٹو ڈائریکٹر	4	4
جناب بشیر جیول *	نان اگزیکٹو ڈائریکٹر	1	1
جناب سعد فاضل عباسی	نان اگزیکٹو ڈائریکٹر	4	4
جناب محمد گرامی *	نان اگزیکٹو ڈائریکٹر	3	2
جناب منصور خان **	نان اگزیکٹو ڈائریکٹر	2	2
جناب اعلیٰ اے اسراوی **	نان اگزیکٹو ڈائریکٹر	4	3
جناب نور الرحمن عابد	انڈیپنڈنٹ ڈائریکٹر	4	4
محترم رؤف حسین احمد *	انڈیپنڈنٹ/خاتون ڈائریکٹر	3	3
جناب عاطف عظیم *	انڈیپنڈنٹ ڈائریکٹر	2	2
جناب عارف الاسلام۔ ڈی پی سی ای او **	ایگزیکٹو ڈائریکٹر	1	1
جناب عرفان صدیقی۔ پریزیڈنٹ اور سی ای او	ایگزیکٹو ڈائریکٹر	4	4

* دوران سال تقررے جانے والے ڈائریکٹرز
** دوران سال ریٹائر ہوئے والے ڈائریکٹرز

یورڈ نئے آنے والے ڈائریکٹرز محترم رؤف حسین احمد، جناب محمد گرامی، جناب بشیر جیول اور جناب عاطف عظیم کو خوش آمدید کہتا ہے اور ریٹائر ہونے والے ڈائریکٹرز جناب عارف الاسلام، جناب منصور خان اور جناب اعلیٰ اے اسراوی کو ان کی شامہ خدمت کے سلسلے میں خراج تحسین پیش کرتا ہے۔

یورڈ نے واضح دستور العمل (ToRs) کے ساتھ درج ذیل چار کمپنیاں تشکیل دی ہیں:

- 1- جی ڈی سی ویس اینڈ ریسورس اینجینئرنگ کمپنی
- 2- ریسک مینجمنٹ کمپنی
- 3- آڈٹ کمپنی
- 4- انفارمیشن ٹیکنالوجی کمپنی

اوپر جان کر دو کمپنیوں کے علاوہ جنوری 2020 میں اسٹیٹ بینک آف پاکستان کے BPRD سرگھر نمبر 04 مورخہ 23 اکتوبر 2019 کے فیصلوں کی تعمیل کے لئے IFRS 9 "Implementation Oversight Committee" کے نام سے ایک نئی یورڈ کمپنی قائم کی گئی ہے۔

یورڈ کی جانب سے تشکیل دی جانے والی کمپنیوں کے ممبران کے نام اور دوران سال منعقدہ اجلاسوں میں ان کی حاضری کی تفصیل سالانہ رپورٹ میں شامل ہے۔ (iii)

یورڈ کے ممبران کا معاوضہ

یورڈ کے ممبران کا معاوضہ یورڈ کی جانب سے تجویز کیا جاتا ہے اور اس کی منظوری سالانہ اجلاس میں حصص یافتگان کی جانب سے دی جاتی ہے تاہم کوآف کارپوریٹ گورننس کی تعمیل کے لئے اس بات کو یقینی بنایا جاتا ہے کہ کوئی ڈائریکٹر خود اپنے معاوضے کا تعین نہیں کر سکتا۔ بینک نان اگزیکٹو ڈائریکٹرز کو سوائے اجلاسوں میں شرکت کرنے کی فیس کے اور کوئی معاوضہ نہیں دیتا۔ بہترین صلاحیتوں کے حامل افراد کو یہ قرار رکھنے کے لئے معاوضے سے متعلق پالیسیوں کی تشکیل اسٹیٹ بینک آف پاکستان کے ریگولیٹرز، صنعت کے موجودہ رجحانات اور کاروباری طریقوں کے مطابق کی جاتی ہے۔ 2019 میں ڈائریکٹرز اور CEO کے معاوضوں کی تفصیل کے لئے فیصلہ انکمکس کے نکات ملاحظہ کریں۔

مفادات کے تصادم کے حل کی پالیسی

بینک یورڈ کے ممبران سے متعلق تصادم مفادات کے حل کے لئے ایک واضح پالیسی رکھتا ہے اس پالیسی کے تحت کوئی ایسا یورڈ ممبر جو یورڈ کے اجلاس میں پیش کے جانے والے کسی معاملے میں کوئی کاروباری مفاد رکھتا ہے وہ اس معاملے پر نوٹو بحث دیا جائے اور نہ ہی فیصلہ سازی میں شریک ہو سکتا ہے۔ اس پالیسی پر متعلق بنیادوں پر عمل درآمد کیا جاتا ہے اور اس سال مذکورہ پالیسی کی کوئی خلاف ورزی نہیں کی گئی ہے۔

یورڈ کی کارکردگی کی جانچ کا طریقہ کار

یورڈ آف ڈائریکٹرز اور سی ای او کی کمیٹیاں متروک تعلیمی اور پیسہ وراثہ پس منظر کے حامل اہل اور تجربہ کار افراد پر مشتمل ہیں جو ادارے کی مجموعی صحت کے تعین میں انتہائی مفید کردار ادا کرتے ہیں۔ یورڈ آف ڈائریکٹرز اس بات کو یقینی بنانے کے لئے ہمیشہ مستعد رہتے ہیں کہ وہ اپنی کارکردگی کا معیاری جائزہ لیں۔ اس وجہ سے تمام یورڈ ممبران فرداً فرداً ایک جامع سوالنامہ کا جواب دیتے ہیں جو مختلف زاویوں سے اس

رہسک منجمنٹ کی بنیادی ساخت

میزان بینک میں رہسک منجمنٹ کی بنیادی ساخت میں پالیسیاں، طریقہ ہائے کار اور دستور العمل، بورڈ آف ڈائریکٹرز اور داخلی انتظامیہ کی نگرانی، اندرونی ضابطہ اور منجمنٹ انفارمیشن سسٹم شامل ہے۔ رہسک منجمنٹ کی سرگرمیاں ایک وقت مختلف ادارت جیسے کہ قرضہ برائی، وسیع اور مختصر سلسلے پر منصفہ کی جاتی ہیں۔ رہسک منجمنٹ کی مجموعی ذمہ داری بورڈ آف ڈائریکٹرز پر عائد ہوتی ہے جس نے واضح دستور العمل کے ساتھ ایک رہسک منجمنٹ کمیٹی تشکیل دی ہے جو بورڈ وائزران پر مشتمل ہے۔ بینک کی رہسک گورننس بنیادی طور پر درج ذیل منجمنٹ کمیٹیوں کے ذریعے عمل میں لائی جاتی ہے:

- 1- کریڈٹ رہسک منجمنٹ کمیٹی (CRMC)
- 2- ایسٹ اٹلانٹک منجمنٹ کمیٹی (ALCO)
- 3- کپلائنٹس اینڈ آپریٹیشنل رہسک منجمنٹ کمیٹی (CORMC)

CRMC اس بات کو یقینی بناتی ہے کہ کریڈٹ رہسک سرگرمیاں بورڈ کی منظور کردہ پالیسیوں، قانونی تقاضوں، بینک کے رجحان سے مطابقت رکھتی ہوں۔ CRMC کاروباری پرنسپل کھانا نقطہ نظر کے ساتھ اپنے پورٹ فولیوز کا انتظام کرنے میں معاونت اور رہنمائی فراہم کرتی ہے۔ ALCO مارکیٹ، لیکویڈٹی اور ملک کے رہسک انکسپوزر، اجاڑوں اور ادائیگات اور منجمنٹ پر وفاق کا جائزہ لیتی ہے۔ قیوتوں کا تعین کرتی ہے اور مستحکم لیکویڈٹی منجمنٹ کے لئے فیصلہ سازی کرتی ہے۔ CORMC آپریٹیشنل رہسک اور کنٹرول کے معاملات کے ساتھ ساتھ کپلائنٹس رہسک سے سامنے آنے والے معاملات پر بھی توجہ دیتی ہے۔

رہسک منجمنٹ کے لئے پورے ادارے پر محیط قهری لائن آف ڈیفنس ماڈل بینک کے طریقہ کار کا مرکز ہے جس میں فراہم کنندہ اور ذمہ داروں کی واضح تقسیم موجود ہے۔ بزنس لائنز فرسٹ لائن آف ڈیفنس کے طور پر کام کرتی ہیں اور بنیادی طور پر ذمہ دار رہسک منجمنٹ کی ذمہ دار ہیں۔ رہسک منجمنٹ اور اور دیگر منصفہ اعمال بطور سیکنڈ لائن آف ڈیفنس رہسک منجمنٹ کے لئے موزوں انتظامی اعمال کی تشکیل اور ان پر عمل درآمد کے لئے بزنس لائنز کی معاونت کے ذمہ دار ہوتے ہیں۔ اندرونی آڈٹ قهری لائن آف ڈیفنس کے طور پر بینک کے اندرونی ضابطہ کی موزونیت کو آزادانہ طور پر یقینی بنانے کا ذمہ دار ہے۔

میزان بینک کو اسٹیٹ بینک آف پاکستان کی جانب سے Sample Domestic Systemically Important Bank (D-SIB) قرار دیا گیا ہے۔ لہذا بورڈ نے ایک جامع ریکوری پلان تشکیل دیا ہے جو متعدد بحرانی حالات بشمول Trigger ایویٹس، موزوں ریویژنل ایکشن پلانز اور کمیونیکیشن کی حکمت عملی جیسے معاملات نمٹاتا ہے۔ بینک کا انٹرئل کنٹرول ایڈیکویسی اسسمنٹ پروسس بورڈ کی منظور کردہ Risk Appetite Statement کے مطابق ہے۔ میکرو اسٹریٹجی ٹیمس کے ذریعے بینک کے بزنس پورٹ فولیو کے میکرو انڈیکسٹرز میں تبدیلی کے اثرات کا جائزہ لیا جاتا ہے۔

رہسک منجمنٹ گروپ (RMG) کے دائرہ کار میں مسلسل اضافہ کیا جا رہا ہے اور اس کی بنیادی توجہ پالیسیوں اور طریقہ ہائے کار میں بہتری، لسٹ اسٹریٹجک، اور سسٹمز اور کنٹرولز کو مستحکم کرنے پر مرکوز ہے۔ رہسک منجمنٹ گروپ کے تحت کریڈٹ رہسک کا عمل کارپوریٹ، انویسٹمنٹ بینکنگ، کمرشل اور SME، زراعت، سپلائی چین اور کنزیومر بزنس کے شعبوں کے متعلقہ امور کا احاطہ کرتا ہے۔ بینک نے کارپوریٹ، کمرشل اور SME صارفین کے لئے خود کارفائنگ اپروچل سسٹم کا کامیابی سے اطلاق کیا ہے جس نے منظوری کے عمل (Approval Process) کو مزید موثر اور آسان بنادیا ہے۔ RMG کے تحت قائم کردہ اینٹریز پر انٹر رہسک منجمنٹ (ERM) مارکیٹ، لیکویڈٹی، مالیاتی اور اداروں، اور آپریٹیشنل اور کاروباری سلسلے کے رہسک جیسے امور دیکھتی ہے۔ یہ کمیٹی Basel کے اطلاق اور رہسک سے متعلق پالیسی فریم ورک کی تیاری جیسے امور کا بھی احاطہ کرتی ہے۔ بینک میں ERM کا کردار IFRS-9 کے اطلاق، کنٹرول اسٹریٹجی کی تیاری اور گرین بینکنگ پریکٹس میں بھی اعلیٰ اہمیت ہے۔ بینک ماحولیات، پائیداری، مطابقت اور معلومات کے تحفظ کے رہسک کی اہمیت کا بخوبی ادراک رکھتا ہے اور ان رہسک کا احاطہ کرنے کے خواہے سے بینک مسلسل بہتری کی جانب گامزن ہے۔ رہسک منجمنٹ کے شریعہ کے مطابق اصول اور طریقہ کار بینک کے کاروباری امور کا محور و مرکز ہیں۔ تمام اقسام کے رہسک انکسپوزرز کے لئے متعدد پورٹس، منظوری کے طریقہ ہائے کار، آگاہی پروگرامز اور ادارہ جاتی سطح پر رہسک پروفائل کے جائزے کی ذمہ داری آگاہی سے بینک میں رہسک منجمنٹ کی روایت کو مزید فروغ ملے گا۔

حصص یافتہ کا خاکہ

31 دسمبر، 2019 تک حصص یافتہ کا خاکہ سالانہ رپورٹ میں شامل ہے۔

اندرونی ضابطہ کا بیان

بورڈ مالیاتی ریپرنگ پر اندرونی ضابطہ بشمول مجموعی اندرونی ضابطہ سے متعلق انتظامیہ کی جانب سے جاری کردہ بیان کی تصدیق میں سرمت مضمون کرتا ہے۔

اندرونی ضابطہ پرائنٹنگ میکانیزم سالانہ رپورٹ میں شامل ہے۔

ہم یہ بیان کرنے میں مسرت محسوس کرتے ہیں کہ سماجی طور پر ایک ذمہ دار ادارہ ہونے کی حیثیت سے میزان بینک نے 200 ملین روپے کے ابتدائی سرمائے سے ' میزان بینک لاؤنڈین' کے ذم سے ایک ادارہ بنانے کا فیصلہ کیا ہے۔ ادارہ کا مقصد ترقی کے عمل میں معاونت اور پاکستان کے عوام کی خراج و بہبود میں حصہ لینا ہے۔

میزان بینک نے صحت اور تعلیم کے شعبوں میں کام کرنے والی متعدد غیر سرکاری تنظیموں (NGOs) کی فیکٹریزنگ کی سرگرمیوں میں بڑھ چڑھ کر حصہ لیا ہے۔ بینک نے ایک رجسٹر شدہ غیر سرکاری تنظیم ادارہ الخیر و خیر سوسائٹی کے بیکس 71 کو اپنی سرپرستی میں لیا اور اسے ایک انتہائی پسماندہ علاقے میں بچوں کو مفت تعلیم کی فراہمی کے قابل بنایا۔ بینک L.I.F.E (Learning Is For Everyone) اسکول کی بھی اعانت کر رہا ہے، جو خصوصی بچوں کو معیاری تعلیم فراہم کرنے والا ادارہ ہے، اور سائنس کے علاقے میں مقامی بچوں کی جگہ لیا ہے جس کا مقصد اپنے ملک کو صاف دھکیں کے پیغام کا فروغ ہے۔ میزان بینک کے ہیڈ آفس میں ایس ایس ایچ اسپتال کے تعاون سے خون کے عطیات کے لئے کمپ کی لگائی گئی۔ ایس ایس ایچ اسپتال ایک خیر متافع بخش ادارہ ہے جو عوام الناس کو صحت عامہ کی انتہائی معیاری، جامع اور بلا معاوضہ خدمات فراہم کرتا ہے۔ میزان بینک نے رمضان المبارک کے پورے مہینے میں اپنے ہیڈ آفس کے باہر مانگیروں کے لئے اظہار طعام کا اہتمام کیا اور سماجی شعور کے فروغ کے پیغامات کی نشر و اشاعت کے لئے اپنے سوشل میڈیا پلیٹ فارمز کا وسیع استعمال کیا۔ میزان بینک کی مسلسل کوشش رہتی ہے کہ وہ خصوصی ضروریات کے حامل افراد کو اپنی افرادی قوت کا حصہ بنائے تاکہ مختلف صلاحیتوں کے حامل افراد (Differently-abled people) کو مالی طور پر خود مختار بنا کر انہیں معاشرے کا کامیاب فرد بنایا جائے۔

میزان بینک اپنے متبادل ترسیلی ذرائع (ADC) کے استعمال کے ذریعے متعدد غلامی اداروں کی عطیات اور نوکریوں کو جمع کرنے میں معاونت کرتا ہے۔ سال 2019 میں میزان بینک کے ذریعے کل 157 ملین روپے کی رقم جمع کی گئی۔

کھیتی کے کارپوریت سماجی ذمہ داری (عمومی نظم 2009) کے تحت درکار انکشافی بیان کا قاعدہ طور پر سالانہ رپورٹ میں شامل کیا گیا ہے۔

کارپوریت انتظام کاری اور مالیاتی رپورٹنگ کی بنیادی ساخت

یورڈ آف ڈائریکٹرز، مینجمنٹ ڈیزرائیڈ ایجنسی کی پیش آف پاکستان کی جانب سے بیان کردہ کارپوریت انتظام کاری کے قاضیوں کے تحت اپنی ذمہ داری کا مکمل شعور رکھتا ہے۔ بینک کی جانب سے اس سے متعلقہ اور 31 دسمبر 2019 کو ختم ہونے والے سال کے قاضیوں کی تشکیل کی گئی ہے اور اس سے متعلق بیان سالانہ رپورٹ میں شامل ہے۔

ڈائریکٹرز باضابطہ بجا آوری کے طور پر درج ذیل کے بیان میں مسرت محسوس کرتے ہیں:

- 1- بینک کی انتظامیہ کی جانب سے تیار کردہ مالیاتی نکات غیر جانبدارانہ طور پر اس کے معاملات، عمل کاری کے نتائج، نقدی کے بہاؤ اور ان کی بنیاد پر فیصلے کیے جاتے ہیں۔
- 2- بینک کے کھاتوں کی باقاعدہ دوستانہ جائزات مرتب کی گئی ہیں۔
- 3- مالیاتی نکات کی تیار سازی میں مناسب اکاؤنٹنگ پالیسیوں کا تسلسل سے اطلاق کیا گیا ہے، مساوائے اکاؤنٹنگ پالیسی میں تبدیلی کے، جس کا بیان مالیاتی نکات کے نوٹس میں شامل ہے۔ مالیاتی تحفیہ معقول اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- 4- مالیاتی رپورٹ کی تیار سازی میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات پر عمل کیا گیا ہے اور ان سے کسی بھی قسم کے انحراف کی، اگر کوئی ہو، مناسب انداز سے نشاندہی کی گئی ہے۔
- 5- اعمرونی ضابطہ کے نظام کی ساخت مضبوط ہے اور اس کے مؤثر خاذا اور نگرانی کو یقینی بنایا گیا ہے۔ اعمرونی ضابطہ کے نظام کو کارگر بنانے اور اس کی نگرانی کی ذمہ داری یورڈ پر عائد ہوتی ہے۔ اس مقصد کے حصول کے لئے ایک آڈٹ کمیٹی تشکیل دی گئی ہے جو انتظامیہ اور اس کے ساتھ ساتھ اعمرونی اور بیرونی آڈیٹرز سے پورا سال وقتاً فوقتاً آزادانہ طور پر ملاقات کرتی ہے اور اعمرونی ضابطہ کے نظام کی افادیت اور دیگر مالیاتی رپورٹنگ امور پر تبادلہ خیال کرتی ہے۔ مزید برآں، مالیاتی منصوبے اور بجٹ کنٹرول کے طریقہ کار کا بھی زیر بحث رہتے ہیں جن کا پورا سال جائزہ اور نگرانی کی جاتی ہے تاکہ بجٹ سے مختل انحراف کی نشاندہی اور تصحیح کی جاسکے۔
- 6- انتظامیہ بینک کے مکمل طور پر عمل کار ہونے کی صلاحیت پر کسی قسم کے کوئی شکوک و شبہات موجود نہیں ہیں۔
- 7- بینک کی کمپنیز آرڈیننس، 1962 کے قاضیوں کے تحت سال 2019 میں 3 ارب روپے

کا منافع Statutory Reserve میں منتقل کیا گیا۔

8- بینک کے ڈائریکٹرز تربیت کے تمام قاضیوں پر پورے اترتے ہیں۔ ڈائریکٹرز کے تربیتی پروگرام کی تفصیل کوڈ آف کارپوریت گورننس کی فیصل کے بیان میں دی گئی ہے۔

9- چیئرمین اور یورڈ ممبران کی تقرری اور تقرری کی شرائط ان کے معاوضے سے متعلق اختیار کردہ پالیسی کھیتی کے بہترین مفاد میں ہونے کے ساتھ بہترین طریقہ کار کے مطابق ہے۔

10- گزشتہ 6 سال کے عمل کاری اور مالیات کے اہم اعداد و شمار مختصر شکل، درجے اور حصص یا قسمن کے خاکے سالانہ رپورٹ میں شامل ہیں۔

11- بینک کو درپیش بنیادی خطرات اور غیر یقینی صورتحال کو سالانہ رپورٹ میں مناسب انداز میں بیان کیا گیا ہے۔

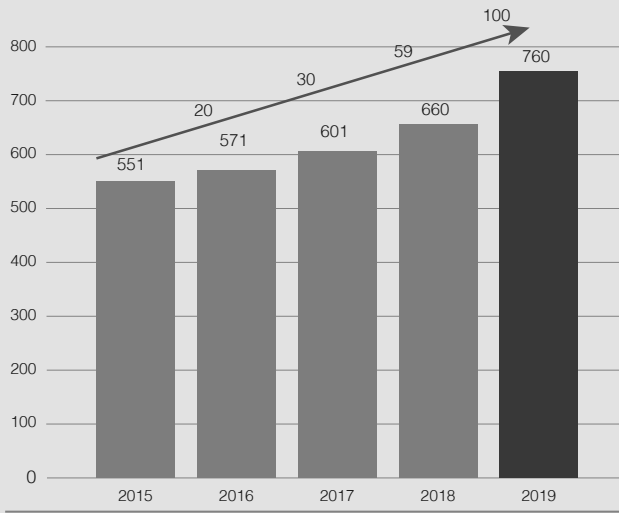
12- ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضوں کی مجموعی رقم کی علیحدہ علیحدہ تفصیلات غیر انحصاری مالیاتی نکات کے نوٹ 39 میں بیان کی گئی ہیں۔

13- بینک کے منظور شدہ پروویڈنٹ فنڈ اور گریجویٹ کے سرمائے کی مالیت 31 دسمبر، 2019 تک درج ذیل ہے:

- عملہ کا پروویڈنٹ فنڈ	3,470 ملین روپے
- عملہ کا گریجویٹ فنڈ	1,492 ملین روپے

14- ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانس، ہیڈ آف انٹرل آڈٹ اور کینی بکریٹری کی جانب سے اس سال حصص کی خرید و فروخت کی تفصیل اور حصص یا قسمن کا خاکہ سالانہ رپورٹ میں شامل ہے۔

Branch Network



برانچ نیٹ ورک میں اضافہ

'اسلامی بینکاری کو بینکاری کا اولین انتخاب' بنانے کے اپنے عزم کے تحت بینک نے اپنی جغرافیائی موجودگی میں توسیع کی اور بیالیس (42) نئے شہروں میں سو (100) نئی برانچیں قائم کیں تاکہ ان شہروں کو بھی اسلامی بینکاری کی خدمات فراہم کی جائیں جہاں اس کا کوئی متبادل موجود نہیں ہے۔ موجودہ طور پر بینک کی 223 شہروں میں 760 برانچیں قائم ہیں (2018: 181 شہروں میں 660 برانچیں)۔

بینک کی قیادہ جغرافیائی رسائی میں اضافہ اور ٹیکنالوجی میں سرمایہ کاری کے ذریعے پاکستان کی وسعت پذیر بینکاری صنعت میں اپنے مارکیٹ شیئر میں اضافہ کرنے پر مرکوز ہے۔

اصل منافع

فنانسڈ سرمایہ کاریوں اور Placement پر منافع سال 2018 کے 48.6 ارب روپے کے مقابلے میں سال 2019 میں 94.3 ارب روپے ہو گیا۔ بینک کی بیلنس شیٹ میں مستحکم اضافہ اور ایلٹ بینک آف پاکستان کی جانب سے شرح منافع میں اضافہ کی وجہ سے زیادہ منافع بخش اثاثہ جات کی قیمتوں کا از سر نو تعین 94 فیصد اضافے کی وجہ بنا۔ نتیجتاً جمع شدہ رقم اور دیگر واجب الادا رقم پر بینک کا منافع سال 2018 کے 20.5 ارب روپے کے مقابلے میں 47.7 ارب روپے ہو گیا، زیادہ شرح منافع اور جمع شدہ رقم میں اضافہ 133 فیصد اضافے کی بنیادی وجوہات تھیں۔

فیس اور کمیشن کی آمدنی میں اضافہ

بینک کی نان فنڈڈ آمدنی (NFI) اور دیگر آمدنی میں 7.5 ارب روپے کے مقابلے میں 25 فیصد اضافہ ہوا اور اس نے 9 ارب روپے کا نیٹ میل عبور کر لیا۔ بینک کے تجارتی کاروبار (درآمد و برآمد) میں بھجری کے باعث فیس کی آمدنی اور غیر ملکی زرمبادلہ کی آمدنی میں اضافہ ہوا، جس کا نتیجہ نان فنڈڈ آمدنی میں اضافہ کی صورت میں برآمد ہوا۔

آمدنی کی شرح استعداد (Income Efficiency Ratio) میں بھجری

اگرچہ اخراجات کی بڑھتی ہوئی شرح، روپے کی قدر میں کمی، آئی ٹی اخراجات، سٹریٹجی کی لاگت اور عملے، کرائے اور نئی برانچوں پر ہونے والے اخراجات (جو کہ مستقبل کے لئے ایک سرمایہ کاری ہے) کے باعث انتظامی اور دیگر اخراجات 19.7 ارب روپے سے زیادہ کر 25.5 ارب روپے ہو گئے تاہم اخراجات میں ہونے والے اس اضافہ کو بینک کی آمدنی میں خاطر خواہ اضافے کا کافی حد تک جذب کر لیا جس کے نتیجہ میں بینک کی آمدنی کی شرح استعداد گزشتہ سال کے 55 فیصد کے مقابلے میں بھجری ہو کر 46 فیصد ہو گئی۔

جیسا کہ سال 2019 پاکستان اسٹاک ایکسچینج کے لئے ایک غیر مستحکم سال رہا اور PSX-100 انڈیکس نے سال کے آغاز میں 37,067 پوائنٹس کی سطح پر پہنچنے کے بعد اگست 2019 میں 28,765 پوائنٹس تک کی دیکھی، لہذا بینک کو 381 ملین روپے سیکورٹی پر خسارے اور لہذا ایکویٹی میں سرمایہ کاریوں پر 1.1 ارب روپے کے Impairment Charge کا سامنا ہوا۔

بینک نے قومی خزانہ میں اپنا حصہ ڈالنے کا سلسلہ جاری رکھا اور اسے وزیر اعظم پاکستان کی جانب سے ٹیکس سال 2018 میں صف اول کے 50 کارپوریٹ ٹیکس دہندگان میں شامل ہونے پر تعریفی سرٹیفیکیٹ سے نوازا گیا۔ سال 2019 کے دوران بینک نے حکومت کو براہ راست ٹیکسوں کی مد میں 9.3 ارب روپے کی ادائیگی کی۔ مزید برآں، بینک نے فیڈرل بورڈ آف ریونیو اور صوبائی ٹیکس اتھارٹیز کے دو ہولڈنگ ٹیکس ایجنٹ کے طور پر خدمات (Services) پر فیڈرل ایکسائز ڈیوٹی / پروڈکٹ سٹیکس ٹیکس کی مد میں 13.7 ارب روپے جمع کئے اور دو ہولڈنگ ٹیکس کی مد میں جمع کروائے۔

فنانس ایکٹ 2019 (ایکٹ) کے ذریعے بینکنگ کمپنوں کے لئے پرنٹس میں مرحلہ وار کی 4 سے 3 فیصد کرنے کے فیصلے کو رواں سال کے لئے واپس لے لیا گیا اور ٹیکس سال 2018 (اکٹ) ٹیکس سال 2017 کے لئے 4 فیصد کے حساب سے اضافی پرنٹس بھی عائد کر دیا گیا جو پہلے عائد نہیں تھا، اور اس کے نتیجے میں رواں مدت میں 470 ملین روپے کا اضافی پرنٹس چارج کیا گیا۔ سال 2019 میں مجموعی پرنٹس چارج 1,670 ملین روپے ہوا، جسے باقاعدہ طور پر مجموعی ٹیکس چارج میں شامل کیا گیا۔

یو این ریموڈر

بینک کے برانچ نیٹ ورک اور مجموعی ترقی کی رفتار میں اضافہ کے نتیجے میں بینک کے عملے میں 1,580 ملازمین کا اضافہ ہوا اور اس طرح ان کی تعداد 11,649 تک پہنچ گئی۔ میزبان بینک موجودہ دور کی مسابقتی مارکیٹ میں اپنے یو این ریموڈر کو کامیابی کا ایک اہم جز تصور کرتا ہے اور انٹرنل اسلامی بینکاری اور منصب پر مبنی تربیت (Role-based Training) سے لے کر سافٹ اسکور ڈیولپمنٹ تک مختلف اقسام کی تربیت فراہم کر کے ان کی صلاحیتوں کی نشوونما کرتا ہے تاکہ وہ اپنے صارفین کو بہترین بینکاری خدمات فراہم کرنے کی اہلیت حاصل کر سکیں۔

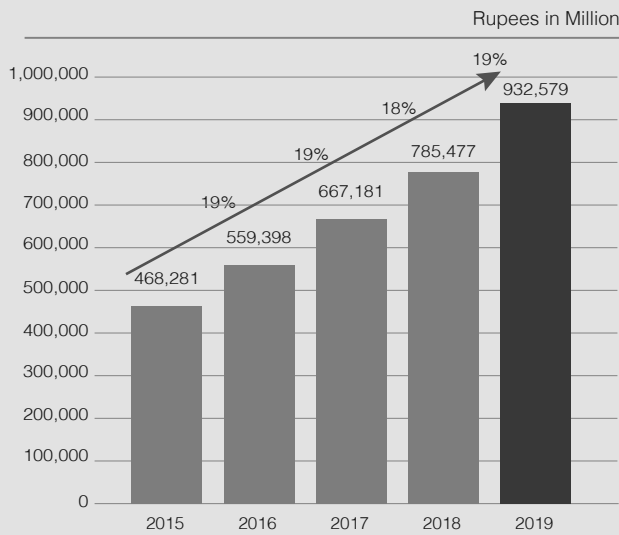
2018	2019	نفع اور نقصان کا حصہ
48,625	94,270	فنانسنگ، سرمایہ کاری اور ترقی سے حاصل شدہ منافع / آمدنی
(20,457)	(47,731)	جمع شدہ رقم پر منافع کی ادائیگی اور دیگر واجب الادا مصارف
28,168	46,539	اصل منافع
5,569	6,713	فیس کمیشن کی آمدنی اور دیگر آمدنی
1,318	2,684	غیر ملکی کرنسی میں لین دین کی آمدنی
575	(77)	سکیم ریٹیز (خسارہ) / منافع - اصل اور ڈیویڈنڈ کی آمدنی
7,462	9,320	ٹان فنڈ اور دیگر آمدنی
35,630	55,859	کل آمدنی
(19,670)	(25,522)	انتظامی اور دیگر اخراجات
15,960	30,337	پروویژن سے قبل منافع
(1,168)	(4,186)	پروویژن اور قرضوں کی معافی - اصل
14,792	26,151	منافع قبل از ٹیکس
(5,830)	(10,919)	ٹیکس
8,962	15,232	منافع بعد از ٹیکس
6.97	11.84	فیصد آمدنی - اضافہ شدہ سرمائے پر - روپے

بینک کا سرمایہ کاری پورٹ فولیو دسمبر 2018 میں 124 ارب روپے کے مقابلہ میں 82 فیصد اضافہ کے بعد 226 ارب روپے ہو گیا۔ زیرِ جائزہ سال میں بینک نے ایک اہم سنگ میل اس وقت عبور کیا جب حکومت پاکستان کی کل ملکیتی ذیلی کمپنی پاور ہولڈنگ (پرائیویٹ) لمیٹڈ نے پاکستان کے پہلے توانائی صکوک کا اجراء کیا اور میزان بینک اس اجراء کا اولین منتظم تھا۔ بینک اس اجراء کا سب سے بڑا سرمایہ کار بھی تھا، اور 200 ارب روپے کے اس اجراء میں بینک کی سرمایہ کاری 85 ارب روپے تھی۔ یہ صکوک حکومت پاکستان کی ضمانت سے جاری ہوئے اور اسٹیٹ بینک آف پاکستان کی قانونی لکویڈیٹی کی ضروریات (SLR) کی اہلیت رکھتے ہیں۔ 31 دسمبر، 2019 تک صکوک کی مارکیٹ ویلیو 97 ارب روپے تھی۔

مجموعی طور پر معیشت کی کم شرح رفتار کی وجہ سے پیدا ہونے والے ریسک فیکٹرز میں اضافہ کا اندازہ کرتے ہوئے بینک نے اپنے اسٹاک فنانسنگ کے پورٹ فولیو میں کمی کی، جو سال کے اختتام پر 494 ارب روپے پر بند ہوا۔ بینک کی حکمت عملی ایک متنوع پورٹ فولیو قائم رکھنا ہے جو اس کے کارپوریٹ، سمرٹل اور SME حصے اور کنزیومر حصے پر مشتمل ہو۔ بینک کی غیر فعال فنانسنگ کی شرح بینکاری صنعت کی اوسط شرح 9 فیصد کے مقابلے میں 1.78 فیصد رہی جو قرضہ جات کے حوالے سے بینک کے محتاط طریقہ عمل اور اس کے فنانسنگ پورٹ فولیو کے اعلیٰ معیار کا ثبوت ہے۔

مجموعی طور پر معیشت کی کم شرح رفتار کی وجہ سے پیدا ہونے والے ریسک فیکٹرز میں اضافہ کا اندازہ کرتے ہوئے بینک نے اپنے اسٹاک فنانسنگ کے پورٹ فولیو میں کمی کی، جو سال کے اختتام پر 494 ارب روپے پر بند ہوا۔ بینک کی حکمت عملی ایک متنوع پورٹ فولیو قائم رکھنا ہے جو اس کے کارپوریٹ، سمرٹل اور SME حصے اور کنزیومر حصے پر مشتمل ہو۔ بینک کی غیر فعال فنانسنگ کی شرح بینکاری صنعت کی اوسط شرح 9 فیصد کے مقابلے میں 1.78 فیصد رہی جو قرضہ جات کے حوالے سے بینک کے محتاط طریقہ عمل اور اس کے فنانسنگ پورٹ فولیو کے اعلیٰ معیار کا ثبوت ہے۔

Growth in Deposits



جمع شدہ رقم میں اضافہ

بینک کی جمع شدہ رقم کے پورٹ فولیو نے 900 ارب روپے کا سنگ میل عبور کر لیا اور گزشتہ سال کے مقابلے میں 148 ارب روپے کے اضافے کے بعد 933 ارب روپے پر بند ہوا، جو کہ گزشتہ سال سے 19 فیصد زیادہ ہے۔

بینک کی جمع شدہ رقم میں بینکاری صنعت کی جمع شدہ رقم کے مقابلے میں تقریباً ڈبل اضافہ ہوا، کیونکہ 2019 میں بینکاری صنعت کی کل جمع شدہ رقم میں صرف 9.6 فیصد اضافہ ہوا تھا۔

یہ اضافہ بینک کی جغرافیائی اعتبار سے بڑھتی ہوئی رسائی، اور صارفین کو بہتر معیار خدمت کی فراہمی اور ترقی آوری میں بینکاروں سے فائدہ اٹھانے پر بینک کی مسلسل توجہ کا براہِ راست نتیجہ ہے۔ بینک نے اپنے کرنٹ اکاؤنٹ سیونگز اکاؤنٹ (CASA) ڈپازٹ کس میں اضافہ کیا اور اس کا حصہ کل جمع شدہ رقم میں 74 فیصد رہا۔

ڈائریکٹرز کی رپورٹ برائے ممبران

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

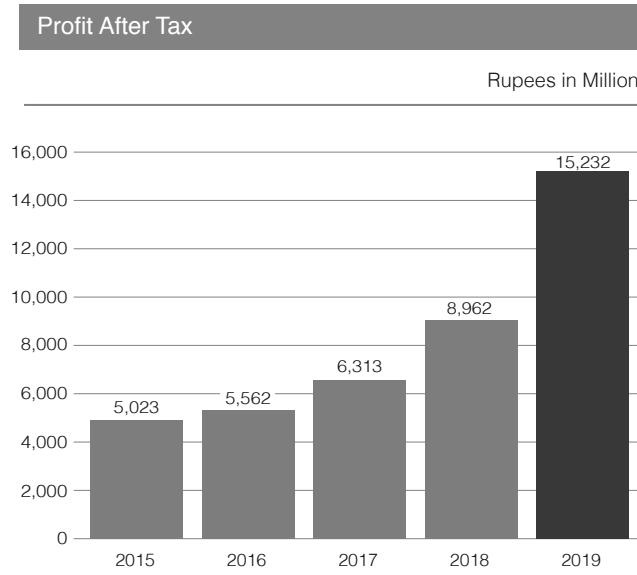
یورڈ آف ڈائریکٹرز کی جانب سے ہم 31 دسمبر، 2019 کو مکمل ہونے والے سال کے لئے میوزان بینک کے تفصیلی مالیاتی نتائج پر مبنی 23 ویں سالانہ رپورٹ پیش کرنے میں مسرت محسوس کرتے ہیں۔

معاشی جائزہ

پاکستان کے لئے سال 2019 معاشی اعتبار سے ایک آزمائشی سال تھا اور اس کی ہیڈ لائنی حکومت کی جانب سے کی گئی وہ اصلاحات تھیں جن کا نتیجہ معاشی سست رفتاری کی صورت میں برآمد ہوا۔ مالی اور کرنٹ اکاؤنٹ خسارے کی بلند شرح کے باعث مجموعی ترقیاتی پیداوار (GDP) کی شرح مالی سال 2018 کے 5.5 فیصد کے مقابلے میں کم ہو کر 3.3 فیصد ہو گئی۔ اسٹیٹ بینک آف پاکستان (SBP) نے ادائیگیوں میں توازن پر دباؤ میں کمی کرتے ہوئے مجموعی طلب کو قابو میں رکھنے کے لئے پالیسی اور چال کی شرح میں تبدیلیاں کیں۔ پالیسی شرح، جو سال 2018 میں 10 فیصد تھی، جولائی 2019 تک بڑھ کر 13.25 فیصد ہو گئی۔ حکومت پاکستان نے جولائی 2019 میں بین الاقوامی مالیاتی فنڈ (IMF) سے پاکستان کے لئے 6 ارب ڈالر کے توسیعی فنڈ منصوبے (Extended Fund Facility - EFF) کے تحت 39 ماہ کے توسیعی معاہدے پر دستخط کئے۔

حکومت کی جانب سے کی جانے والی معاشی اصلاحات کا نتیجہ بیرونی اور مالی دونوں سطحوں پر بلند رائج بہتری کی صورت میں برآمد ہوا ہے۔ عالمی مالیاتی فنڈ کے EFF پروگرام کی اقتصاد کی وصولی اور اس کے نتیجہ میں دیگر انجینیئروں کی جانب سے کثیر اطراف سے سرمائے کی آمد نے ادائیگیوں کے توازن کے بحران کا رخ بدلتے میں مدد دی ہے۔ حکومت کی جانب سے کی جانے والی کثیر الجہات ٹیکس اصلاحات اور خیر ترقیاتی اخراجات پر سخت کنٹرول کے باعث مالیاتی شعبے میں بھی بہتری دیکھنے میں آئی ہے۔ مالی سال 2019-20 کے پہلے نصف میں ٹیکس وصولی میں بھی 16 فیصد کا اضافہ ہوا۔

سال 2019 کے دوسرے نصف میں بیرونی سطح پر بہتری کے نتیجے میں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر 4.6 فیصد بڑھی۔ کرنٹ اکاؤنٹ کا خسارہ بہتر ہونے کے باعث ملکی زرمبادلہ کے ذخائر میں بھی اضافہ ہوا۔ نومبر میں آئی ایم ایف کی جانب سے پہلے کامیاب جائزے کے بعد Moody نے دسمبر 2019 میں پاکستان کی کریڈٹ ریٹنگ کے آئٹم کو مستحکم قرار دیا۔ پاکستانی اسٹاک مارکیٹ بھی وسط اگست 2019 میں 28,765 پاکستانس تک کم ہو کر تیزی سے اوپر آئی اور 40,735 پاکستانس تک پہنچ گئی۔ یہ تمام تر مثبت پیش رفت اس بات کی نشاندہی کرتی ہے کہ پاکستان کی معیشت درمیانی مدت میں ایک بار پھر ابھرنے کے لئے تیار ہے۔



عامی کارکردگی

الحمد للہ میوزان بینک نے ترقی کا سفر جاری رکھا اور 2019 میں اٹاؤں کے حجم، جمع شدہ رقم، برانچوں، آمدنی اور منافع جات میں اضافے کے ساتھ زبردست نتائج حاصل کئے۔

- بینک کے اٹاؤں کے مجموعی پورٹ فولیو نے 1.1 ٹریلین روپے کا سنگ میل عبور کر لیا اور ان میں 20 فیصد کا اضافہ کیا گیا۔
- بعد از ٹیکس منافع 2018 کے 8.96 ارب روپے کے مقابلے میں 70 فیصد کے زبردست اضافہ کے بعد 15.23 ارب روپے ہو گیا۔
- اضافہ شدہ حصص کے سرمائے پر فی حصص آمدنی 6.97 روپے فی حصص سے بڑھ کر 11.84 روپے فی حصص ہو گئی۔
- گنل ایکوٹیٹی 18.7 ارب یا 46 فیصد کے اضافہ کے بعد 40.3 ارب روپے سے بڑھ کر 59.0 ارب روپے ہو گئی، جس نے ٹیلیس شیٹ کو مزید استحکام بخشا۔
- اضافہ شدہ حصص کے سرمائے پر فی حصص یک دلیہ گزشتہ سال کے 31.36 روپے فی حصص کے مقابلے میں بڑھ کر 45.89 روپے فی حصص ہو گئی۔

اہم کاروباری نتائج

اضافہ	2018	2019	
70% ↑	8.96 ارب روپے	15.23 ارب روپے	بعد از ٹیکس منافع
82% ↑	124 ارب روپے	226 ارب روپے	سرمایہ کاریاں
4% ↓	513 ارب روپے	494 ارب روپے	فنانسنگ
19% ↑	785 ارب روپے	933 ارب روپے	جمع شدہ رقم
20% ↑	938 ارب روپے	1.1 ٹریلین روپے	کل اٹاؤں
46% ↑	40.3 ارب روپے	59 ارب روپے	ایکوٹیٹی
14% ↑	14.55%	16.58%	کسٹومرز ایکویٹی ریشو
			ذیلی بیڈ فی حصص:
43% ↑	3.50	5.00	نقد ذیلی بیڈ - روپے
-	10%	10%	پوسٹل بیڈ
15% ↑	660 برانچیں	760 برانچیں	برانچ نیٹ ورک
23% ↑	181 شہر	223 شہر	موجودگی
7% ↑	1.01 ٹریلین روپے	1.08 ٹریلین روپے	تجاراتی کاروبار (درآمدات و برآمدات)


Annexure to the Directors' Report

For the year ended December 31, 2019

The purchase and sale of shares by the Directors, Chief Executive, Chief Financial Officer (CFO) and Company Secretary, their spouses and minor children during the year are given below:

	Number of Shares as at Jan. 01, 2019	Number of Shares purchased during the year	Number of Shares sold during the year	Bonus Shares alloted during the year	Right Shares Subscribed	Number of Shares as at Dec. 31, 2019
NAME OF DIRECTORS						
Mr. Noorur Rahman Abid	3,332,057	-	-	333,205	-	3,665,262
Ms. Nousheen Ahmad	500	-	-	50	-	550
Mr. Atif Azim	500	-	-	-	-	500
Mr. Irfan Siddiqui	3,752,264	-	-	375,226	-	4,127,490
*Mr. Ariful Islam	2,094,593	-	-	209,459	-	2,304,052
CHIEF FINANCIAL OFFICER						
Mr. Shabbir Hamza Khandwala	646,115	-	-	64,611	-	710,726
HEAD OF INTERNAL AUDIT						
Mr. Ebrahim Yaqoob	-	-	-	-	-	-
COMPANY SECRETARY						
Mr. Muhammad Sohail Khan	13,242	-	-	1,323	-	14,565

*Mr. Ariful Islam Deputy CEO, has resigned from directorship on March 1, 2019.

A light gray geometric pattern consisting of interlocking stars and polygons, resembling a traditional Islamic architectural motif, covers the background of the entire page.

DID YOU KNOW!

ISLAMIC BANKS MAINTAINING DEPOSITS WITH THE STATE BANK

It is mandatory for every commercial bank to keep a specified percentage of deposits raised from Current and Saving account holders as reserves with the State Bank of Pakistan (SBP). The Cash Reserve Requirement (CRR) of Islamic banks is placed with SBP in a current account on which no return is paid to the bank. Besides CRR, Islamic Banks have to invest 14% of their deposits in Islamic financial securities such as GoP Ijarah Sukuk to fulfill Statutory Liquidity Requirement (SLR). The income earned from these securities is free from any Riba and is therefore fully Shariah-compliant. Furthermore, Islamic banking institutions are not allowed to invest in T-Bills or PIB's to maintain their SLR's.





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Our Business Model

Key Resources

Institutional Capital

- Automated 40 processes
- 30 awards won during the year
- Long-term credit rating **AA+** & Short-term credit rating **A1+**
- Largest processor of bill payments by value on 1Link
- World-renowned Shariah Supervisory Board

Financial Capital

- Highest return on equity
- Rs 59,015 Million Total Equity
- Rs 932,579 Million Deposits

Manufactured Capital

- Largest dedicated Islamic banking network in the country
- 729 biometric and cardless services enabled ATMs
- SkimGuard protection on other bank ATMs
- 3 dedicated learning centres at Karachi, Lahore & Islamabad; additional training facilities at Faisalabad, Gujranwala, Multan & Peshawar
- Internal state-of-the-art Learning Management System
- Highest rated Mobile Banking App in Pakistan on Playstore

Human Capital

- Over 11,500 total strong workforce
- 927 female employees
- 98% workforce is Graduate
- 51% workforce below the age of 31 years
- Largest liability sales force in banking industry

Social and Relationship Capital

- Largest following on Facebook, Instagram & LinkedIn in Pakistan's banking industry
- 1st dedicated Islamic banking Youtube channel in Pakistan
- Robust complaint-handling mechanism
- Intranet portal to enable cross-functional knowledge sharing within the Bank

Intellectual Capital

- Specialist expertise & track record in delivering, assessing & advising sustainable Islamic finance banking services
- Provision of index re-composition services to PSX for All Share Islamic Index & KSE Meezan Islamic (KMI) - 30 Index
- Robust IT infrastructure
- Comprehensive compliance framework
- EMV compliant debit cards
- EMV compliant ATM acquiring
- 3-D Secure compliant e-commerce

Natural Capital

- Solar power at Head Office and 10 branches
- Annual solar power generation of 360,000 Units (Kwh)
- LED based branch signage
- Energy-efficient Head Office building structure

Our Role

Support our stakeholders through a commercially successful, Shariah-compliant business that generates long-term sustainable returns

Provide superior Shariah-compliant services to our customers to help them save, invest and manage cash and payments

Provide innovative digital and technological banking capabilities and services alongwith world-class service quality

Provide wide range of liability products offering fair financial returns with sustainable impact

FY2019 Performance

Deliver long-term sustainable returns for our investors through our way of doing business

Management of business and financial risks

Work with Regulators to strengthen the Islamic banking landscape

Maintain meaningful human relationships with customers and wider stakeholders



Customers

- Over 2.6 million customers
- Over 379,000 New to Bank customers
- Over 145,000 new Asaan accounts
- 24% ↑ in new debit cards issued
- 119% ↑ in debit card e-commerce transactions
- 127% ↑ in online transactions
- 10 million QR acquiring transactions in 2019



Social and Environmental

- 225 kW shifted to green energy
- 158,000 kgs of CO2 reduced



Employees

- Rs 12,739 Million salaries & benefits
- 1,474 Training Days
- 91% return to work after parental leave
- Rs 78 million invested in employee training
- 84,983 employees trained (10,840 unique)
- 2,578 employees added to workforce
- 12% females among total new joiners
- Approx. 4% reduction in attrition rate
- 76% employee satisfaction rate



Financial

- 70% ↑ in profit after tax
- 31% Return on Average Equity
- 142% Non-performing Financing Coverage Ratio
- Rs 1.1 Trillion Trade Business Volume
- 9% improvement in Income Efficiency Ratio

Business and Operations Review

Business Review

Meezan Bank continued its growth momentum and recorded excellent results for the year 2019. The Bank's total assets grew by 20% and crossed Rs 1.1 trillion as of December 31, 2019. The asset growth was fueled by the increase in deposits base which increased by Rs 148 billion in 2019 to close at Rs 933 billion. The Bank's 2019 deposit growth of 19% was double the banking industry growth of 10%. The Bank is now the sixth largest bank in terms of deposits and branches with a network of 760 branches in 223 cities.

The Bank's higher deposit growth is attributed to its wide range of deposit products, the continuous support and patronage of its customers and its vast branch network coverage. During the year 2019, the Bank added another 100 new branches to its network while expanding its coverage to 42 new cities in Pakistan. The Bank's increasing 'brick & mortar' network is strongly supplemented by a comprehensive array of digital services, including Internet Banking, Mobile App and other Alternate Distribution Channels (ADC) which also contributed to this growth.

Despite the overall slowdown in the economy, the Bank maintained its financing portfolio across all segments comprising of top notch Corporate, Commercial, SME and Consumer clients. The Bank's financing portfolio as of December 31, 2019 closed at Rs 494 billion slightly lower than 2018 level while the Bank's ADR stood at 53%. The objective remains to provide comprehensive range of Shariah-compliant financing products across all the segments to achieve healthy growth in profitability consistent with the Bank's risk appetite. The Bank's lower infection ratio of less than 2% compared to the banking industry average of 9% is reflective of the Bank's historical prudent lending practices while the Bank's coverage ratio of 142% as of December 31, 2019 remains one of the highest in the banking industry.

In 2019, the Bank's investment portfolio increased by Rs 102 billion after investment of Rs 85 billion in Pakistan's first ever Energy Sukuk issued by Power Holding (Private) Limited, a wholly owned subsidiary of Government of Pakistan with Meezan Bank as a Lead Arranger. On December 31, 2019, the Sukuk had a market value of Rs 97 billion and the Bank accordingly, recognized unrealized surplus of Rs 8.2 billion (net of tax) in the Bank's equity. Due from Financial Institutions under Bai Muajjal also increased to Rs 224 billion from Rs 185 billion in 2018.

The Bank's continued focus on Trade Finance business has borne fruits in the shape of increase in non-funded income comprising of fee, commission and foreign exchange income while also contributing to the Bank's current account deposits improving the overall profitability. The Bank's income from ADC services also contributed to the increase in non-funded income.

MORE THAN
Rs 1.1
TRILLION
ASSETS

19% ↑
DEPOSITS

LESS THAN
2%
INFECTION RATIO

142%
COVERAGE
RATIO

Rs 102 ↑
BILLION
INVESTMENT
PORTFOLIO

**THE LARGEST
ISLAMIC BANKING
NETWORK OF PAKISTAN**



Retail Banking

Meezan Bank started its journey in 2002 as Pakistan's smallest bank with just four branches. Over the last seventeen years, the Bank has demonstrated impressive growth and in December 2019, it became the country's sixth largest Bank in terms of both deposits and branch network. The key elements behind this extraordinary growth and success have been the Bank's focus on providing a wide range of Deposit products and the continuous support and patronage of its customers. The Bank's strategy of focusing on Financial Inclusion by opening branches in remote locations has also contributed to its success by giving Islamic banking a geographically diverse footprint and making it accessible to a large portion of the country's population - an approach that is consistent with its Vision of establishing 'Islamic banking as banking of first choice...'

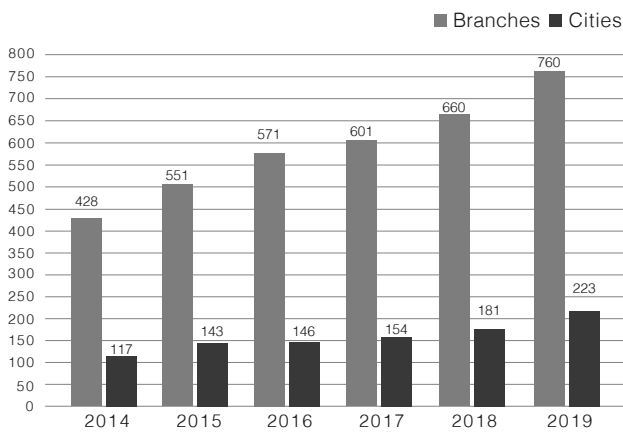
Meezan Bank opened 100 new branches during the year, bringing the branch network to 760 branches operating in 223 cities across Pakistan.

Branch Network

Branch network plays a key role in deposit mobilization. Meezan Bank opened 100 new branches during the year, bringing the branch network to 760 branches operating in 223 cities across Pakistan. In addition to a large brick-and-mortar branch network, the Bank's Alternate Distribution Channels (ADCs) provide diverse touchpoints to its customers for conveniently conducting their banking transactions. ADCs include an extensive and growing ATM network, Internet Banking, Mobile and SMS banking – the Bank's Mobile App is presently the top rated Mobile App in Pakistan on Google Playstore (see detailed write-up later in this report).



Branch Network



The Bank's focus for 2020 will be on further improving and enriching its customers' banking experience.

Deposits

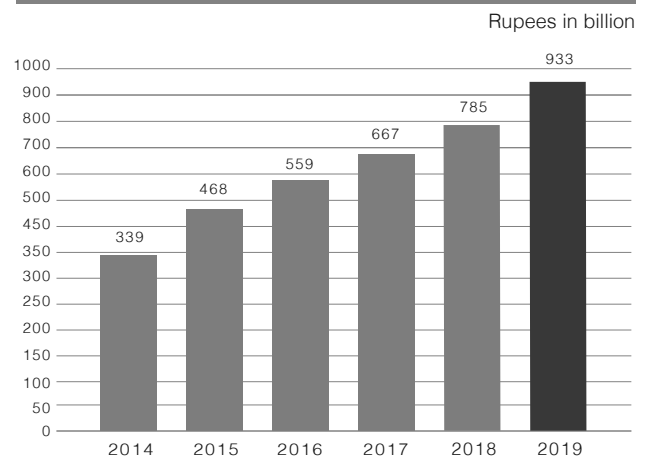
Meezan Bank offers an extensive range of deposit products - current, savings and term deposit accounts, and is a market leader in offering innovative Shariah-compliant products and services to cater to the diverse needs of both individuals and companies, ranging from SMEs to large corporates.

The Bank's wide range of deposit products, covering all categories of customers (individual & business) has enabled it to achieve exponential growth through a large, well-diversified and stable customer and deposit base.



The Bank's total deposits as of December 31, 2019 stood at Rs 933 billion, increasing 18.7% over 2018. CASA mix remained stable at 74% as compared to the previous year.

Deposits



In order to meet the financial needs for different segments like senior citizens, widows and the disabled who are an important part of our society, Meezan Bank introduced the Mudarabah-based Meezan Amdan Certificate (MAC) where they can enjoy higher returns on monthly basis for a period of 5.5 years and 7 years. This served as an important step to satisfy the needs of an important and priority segment of the society.



Meezan Kafalah

As a part of Meezan Bank's innovative products suite, the Bank offers Meezan Kafalah, a Shariah-compliant alternative to conventional Bancatakaful & insurance products available in the market. The product is designed for customers looking for long-term protection of Takaful along with an attractive savings plan to meet their future financial needs. The unique feature of Meezan Kafalah is that the Bank does not charge a high up-front commission; all of the customer's initial investment is invested to generate profits for the customer. Meezan Kafalah also provides value-added features such as 100% accidental death benefits / Takaful coverage on permanent total disability and funeral expenses. These benefits can be availed by a minimum investment of only Rs 2,000. The maximum coverage can go up to Rs 15 million having lowest Takaful expense rate of 0.130%. The tenure of Meezan Kafalah is 3 to 15 years for every individual up to 55 years of age.

By the end of December 2019, the Bank had provided Takaful coverage of approx. Rs 16.3 billion to more than 28,000 customers - an increase of over 41% from 2018.



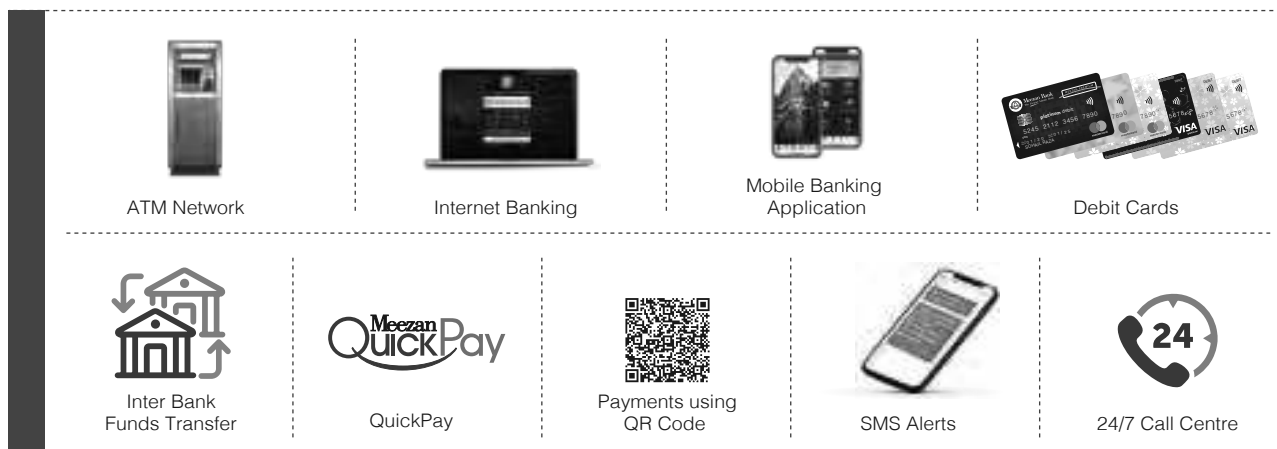
Meezan Premium Banking

Meezan Premium Banking caters to the banking needs of high net worth individual customers and provides them with exclusive services and value-added benefits – from personalized banking services to exclusive discounts and other privileges.

Premium Banking customers enjoy priority service at all Meezan Bank branches and also have access to state-of-the-art Premium Banking Centers in major cities of the country.

Alternate Distribution Channels

In addition to the traditional 'Brick and Mortar' branch network, Meezan Bank aims to make the life of its customers easier by providing instant access to banking services through a wide variety of channels, including:



These channels are often referred to collectively as Alternate Distribution Channels (ADC). In addition to these, the Bank also provides e-Statement, SMS Alert & Email Alerts facilities.

A robust state-of-the-art ADC infrastructure is an integral part of the Bank's corporate philosophy, which emphasizes digital innovation. The main focus of the Bank's digital strategy is to provide customers with convenient and secure access to their accounts for all banking requirements, wherever and whenever they require.

Customers can always perform all their basic banking transactions including; cash withdrawal, e-commerce i.e. online shopping on 3-D Secure websites, shopping & payments with debit cards, funds transfer, bill payments, balance and statement inquiries, product and services information, discount offers information and complaint registrations, among many other services.

ATM Network

Meezan Bank's ATM network grew by 17% during 2019, reaching a size of 729 ATMs countrywide. During the year, the ATM network was widely used by majority of the debit cardholders for fastest debit card activation process. Moreover, ATM channel was upgraded to achieve 100% EMV compliance to curtail security threats. Biometric access to ATM was also launched at nationwide ATM network which enables customers to perform Cash Withdrawal, Account Verification, Funds Transfer, Bill Payments & much more.

In addition, newly designed bilingual ATM screens were deployed across the fleet to provide a better customer experience.

Internet Banking

Meezan Bank Internet Banking offers user-friendly interface with aesthetically pleasing look and adaptive design that can easily be used on all types of devices including mobile and tablet. The dashboard view allows customers to access their frequently used features upfront; this helps in delivering one of the fastest Internet Banking experiences in Pakistan. The Bank's Internet Banking also witnessed unprecedented growth in IBFT and Bill Payment transactions through this channel, which grew by over 52% in 2019 as compared to 41% in the previous year.

Mobile Banking Application

The Meezan Bank Mobile Banking App has recently been revamped and has become the most preferred and fastest growing medium of digital transactions among all ADC. Financial transactions using the Mobile App grew by 104% during 2019 and it is expected to remain the Bank's fastest growing channel in the future. Currently, with over 500,000 downloads, the App has been amongst the most trending and best rated apps in its category on both Google's Play Store and Apple Store.

Debit Cards

Meezan Bank's Debit Cards offer a wide range of features and benefits such as chip-based security, NFC payments, 3-D Secure e-commerce payments and quick debit card activation. The Bank has an extensive alliances and discounts program with special focus on e-commerce and POS promotions. The Bank's discount program with leading e-commerce merchants including Daraz, Careem and Foodpanda has already become a hallmark of debit card discounts in the industry.

Meezan Bank Debit Cards portfolio continued growing in 2019. During the year, issuance rate of the new cards were 24% higher than last year. POS Transactions grew by 27% and e-commerce transactions grew by 119%. It is due to the long-standing patronage of Meezan Bank's customers that the Bank now enjoys one of the highest usage and card activation ratios in the industry.

The Bank grew its Debit Card discount program by adding 180 new brands to become one of the largest discount programs among debit card issuing banks in Pakistan.

17% ↑
ATM NETWORK

100%
**EMV COMPLIANT
ATM NETWORK**

52% ↑
**IBFT &
BILL PAYMENT
TRANSACTIONS
VIA INTERNET
BANKING**

104% ↑
**TRANSACTIONS
VIA MOBILE APP**

27% ↑
POS TRANSACTIONS

119% ↑
**E-COMMERCE
TRANSACTIONS**

Inter Bank Funds Transfer (IBFT)

Meezan Bank offers IBFT facility via its ATMs, Internet Banking and Mobile App, whereby customers can instantly transfer funds to any other bank account in Pakistan. Meezan Bank witnessed a healthy growth of 74% in IBFT transactions in 2019.

QuickPay

Meezan Bank's QuickPay service offers a wide range of bill payment options including utility bill payments, mobile top-ups, educational institutions fees, internet service providers, Government entity payments and credit card, etc. through Mobile App, Internet Banking and ATMs. With the addition of 13 new billers, the total count now stands at 103 billers. QuickPay bill payment transactions grew by 67% in 2019.

Payments using QR Code

Meezan Bank has shown significant transactional growth in QR payment space. Meezan Bank, in partnership with Fonepay, acquired over 10 million QR transactions in 2019. In order to further expand the QR eco-system, Meezan Bank has partnered with Access Group as well to grow the QR merchant network.

SMS Alerts

Meezan Bank offers one of the most extensive SMS Alerts service to its customers so that they can stay informed about all activities and transactions in their accounts. Continuous efforts are being made to provide fastest delivery of SMS as well as to maintain a high uptime by effectively managing two of the leading SMS gateway providers simultaneously. Meezan Bank is also among one of the few banks that provide e-mail alerts together with SMS alerts as a complimentary service. In 2019, the number of subscribers to the Bank's SMS Alert service grew by 23%.

24/7 Call Centre

The in-house Call Centre of the Bank is managed by a professional team of telephone banking officers. The Call Centre facilitates customers by providing product information, performing various operations such as initiating service requests, activating debit cards and taking customer complaints and suggestions, etc.

Corporate Banking

Meezan Bank offers a comprehensive array of Shariah based financing solutions to cater to the working capital finance, import, export re-finance, commodity operations financing, long-term finance, documentary credit requirements, and project based financing needs of a large number of corporate clientele comprising public sector entities and multinationals.

The Corporate Banking relationship teams work closely with Treasury, Transaction Banking, Investment Banking and Consumer Banking departments to provide improved and newly develop suitable products that accomplish diverse business needs of the Bank's corporate clients.

Despite the economic slowdown and business challenges faced during the year caused by devaluation of Pak Rupee, declining imports, and increase in policy rate, the Bank was able to perform well in terms of Corporate Banking financing and Trade Business.

The Corporate Banking Portfolio grew from Rs 312 billion in 2018 to Rs 352 billion in 2019, depicting a growth of 13%. The focused business development strategy adopted by the Bank to vigilantly build a high quality and well diversified portfolio has enabled the Bank to grow its net average corporate assets, with non-performing financing kept under 2%.



A detailed description of corporate banking products offered by the Bank is on pg. 117 of this report.

74% ↑
**IBFT
TRANSACTIONS**

67% ↑
**QUICKPAY
BILL PAYMENT
TRANSACTIONS**

**OVER
10
MILLION
QR ACQUIRING
TRANSACTIONS**

23% ↑
**SMS ALERT SERVICE
SUBSCRIBERS**



**Rs 352
BILLION**
CORPORATE ASSETS

Investment Banking Awards 2019



Major Investment Banking Transactions

 NASDA Green Energy Private Limited 50MW Wind Power Project PKR 4,703 Million Mandated Lead Advisor & Arranger, Intermediary Agent, Project Monitoring Bank, Shariah Structuring Bank, Onshore Finance & Account Bank 2019	 Gul Ahmed Electric Limited 50MW Wind Power Project PKR 4,500 Million Mandated Lead Advisor & Arranger, Musharakah Agent & Shariah Structuring Advisor 2019	 Din Energy Limited 50MW Wind Power Project PKR 4,500 Million Mandated Lead Advisor & Arranger, Project Monitoring Bank, Accounts Bank, Musharakah Agent & Shariah Structuring Advisor 2019	 Artistic Wind Power Private Limited 50MW Wind Power Project PKR 4,500 Million Mandated Lead Advisor & Arranger, Project Monitoring Bank, Musharakah Agent & Shariah Structuring Advisor 2019
 Sindh Engro Coal Mining Company Limited Syndicated Working Capital Facility PKR 5,400 Million Mandated Lead Advisor and Arranger 2019	 Engro PowerGen Thar (Private) Limited Revolving Secured Privately Placed Sukuk PKR 3,000 Million Financial Advisor & Mandated Lead Arranger, Investment Agent 2019	 Pakistan Mobile Communications Limited Syndicate Term Finance Facility PKR 45,000 Million Mandated Lead Advisor & Arranger and Shariah Structuring Bank 2019	 Hub Power Company Limited Series of Short Term Sukuk PKR 13,000 Million Financial Advisor & Lead Arranger 2019
 Daewoo Pakistan Express Bus Service Ltd Long Term Finance Facility PKR 716 Million Advisor & Structuring Agent 2019	 Hyundai Nishat Motors (Private) Limited Long Term Islamic Finance Facility PKR 2,936 Million Mandated Lead Arranger & Financial Advisor 2019	 Avari Hotels Private Ltd. Syndicated Islamic Finance Facility PKR 2,000 Million Mandated Lead Advisor & Arranger 2019	 Pak Gulf Construction Private Limited Five Star Deluxe Hotel at The Centaurus PKR 2,250 Million Mandated Lead Arranger & Advisor, Investment Agent & Shariah Structuring Bank 2019

Investment Banking

Meezan Bank provides a wide range of financing solutions including structured finance, project financing, financial advisory services, Shariah advisory services, green and brown field project finance as well as equity and debt capital market arrangements to the Bank's extensive corporate client base. With a team of highly qualified and experienced professionals that include MBAs, ACAs, ACCAs, Engineers and CFA charterholders, the Bank is well equipped to offer a complete range of Investment Banking solutions to its ever demanding clients.

Since its inception, the Bank has led advisory & arrangement mandates for a significant number of project finance, syndications & capital market transactions; bringing the total volume of Investment Banking transactions arranged by the Bank to the tune of over Rs 1 Trillion.

Highlights of Investment Banking transactions of the Bank include:

- Issued the first ever Shariah-compliant Additional Tier 1 Sukuk of Rs 7 billion in Pakistan;
- Advised the first ever series of short-term Sukuk for HUBCO, KAPCO, LALPIR and ENGRO Fertilizers for over Rs 40 billion;
- Advised and arranged the first ever innovative long term Air Time based Sukuk Issue for Pakistan Mobile Communications Limited (Mobilink);
- Undertook first ever 100% Shariah-compliant renewable energy project for Foundation Wind Energy Limited;
- Undertook first Islamic Project Financing deal in Pakistan for Attock Gen Limited;
- Issued first ever Sukuk backed Project financing deal in Pakistan of over Rs 13 billion for Liberty Power Tech Limited.

The year 2019 was yet another challenging year for Pakistan's economy.

Amidst these challenges, the Bank was able to negotiate transactions worth Rs 194 billion and added high quality assets amounting to Rs 26 billion to its total financing portfolio through its Investment Banking activities.

As a part of its efforts of supporting green financing, the Bank has achieved a key milestone for the year - the successful financial close of four Wind Power Projects out of a total of twelve wind power projects approved by the Government of Pakistan. It is pertinent to mention that Meezan Bank secured the maximum number of mandates amongst local banks. The projects include Din Energy Limited, Artistic Wind Power Private Limited, Gul Ahmed Electric Limited and NASDA Green Energy Private Limited.



The Bank also continued its efforts towards developing and supporting financial capital market by structuring and arranging Rs 13 billion series of short-term Sukuk for The Hub Power Company Limited and advised & lead managed listing of Pakistan's largest ever listed Sukuk 'Pakistan Energy Sukuk' amounting to Rs 200 billion. In addition to this, the Bank structured and executed Islamic portion of Rs 45 billion syndicated finance facility for Pakistan Mobile Communications Limited as one of the Mandated Lead Advisor and Arranger for the purpose of renewing 2G license.

During the year, the Shariah Advisory & Technical Services Unit of the Bank has been actively involved in providing Shariah Advisory services to various local and international clients. The unit is also playing a key role in creating awareness on Islamic banking and finance at large and providing training services at both the local and international level.

Meezan Bank continues to be widely recognized and acknowledged by numerous local and international bodies for its capabilities in the field of Islamic finance through various awards and accolades.

With its Vision to 'Establish Islamic banking as banking of first choice...', the Bank is committed to continue innovating in the field of Islamic investment and corporate financing, and maintain its position as the leader of Islamic banking industry in the country.

OVER
Rs 1 TRILLION
VOLUME OF
INVESTMENT
BANKING
TRANSACTIONS

SINCE INCEPTION

Rs 194
BILLION
WORTH
TRANSACTIONS

FY2019

Commercial Banking

(Including Small & Medium Enterprises (SME) and Agriculture Finance)

Meezan Bank is cognizant of the fact that in order to achieve its Vision of establishing 'Islamic banking as banking of first choice...' it must increase the outreach of Islamic banking well beyond the blue-chip corporate sector. Accordingly, the Bank has developed a very clear focus on developing the SME and Agriculture sectors, which represent the backbone of Pakistan's economy. The consistent growth of the Bank's Commercial Banking business over the years reflects the level of trust and confidence the Bank has built with its customers.

This year, in the backdrop of uncertain economic conditions, the Bank followed cautious approach to prevent the build-up of any non performing finances. Resultantly, the overall funded portfolio for this segment stands at Rs 95 billion in 2019 against Rs 108 billion in 2018.

On the side of trade (Import/Export) mobilization, the Bank has registered a decent growth of 21% achieving a business volume of Rs 501 billion in 2019 against Rs 412 billion in 2018.

Small & Medium Enterprises

Growth and development of the Small and Medium Enterprises (SME) segment is of vital importance for sustainable socio-economic development of the Country. Meezan Bank is cognizant of this fact and is focused on supporting SMEs by providing modern and efficient Islamic financial services and products.

In addition to its SME business teams working on growing the Bank's SME portfolio, Meezan Bank is also working with International Finance Corporation (IFC) for their advisory and technical services in this field. According to IFC, the Bank is well positioned to capitalize on the opportunities available in the industry. In this regard, a two-pronged approach has been adopted; the first is to strengthen & deepen relationship with the existing liability customer base by offering them products through program-based financing and the second is to attract new-to-bank financing customers through a lead generation strategy.

Due to various economic challenges, the Bank maintained the size of its SME financing portfolio in 2019, keeping non performing finances at a reasonable level. Facilitating and growing trade business has been an area of concentration and plays a pivotal role in the overall SME banking philosophy.

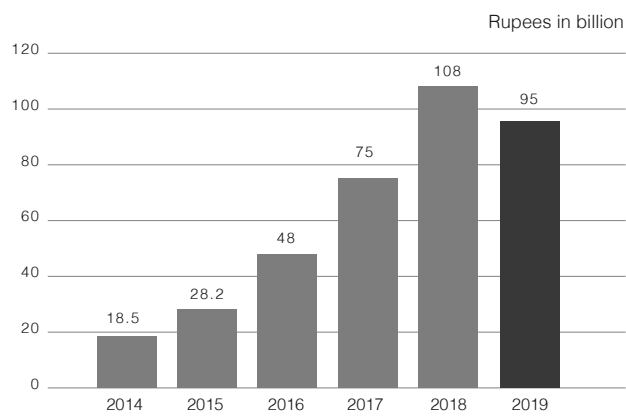
Despite an overall slow-down in trade (Import / Export) activities, especially on the import side, the Bank still managed to accelerate its pace of SME trade mobilization and recorded a growth of 22%, achieving Rs 254 billion trade volume in its SME business in 2019 as compared to Rs 208 billion in 2018.

Karandaaz Program

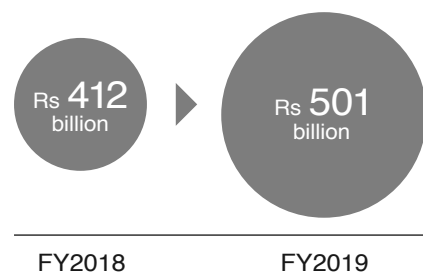
In 2015, Meezan Bank partnered with Karandaaz Pakistan to support Small & Medium size business. The partnership is based on a risk sharing mechanism between Karandaaz Pakistan and the Bank. Karandaaz Pakistan promotes access to finance for small businesses through a commercially directed investment platform and financial inclusion for individuals by employing technology enabled digital solutions.

Initially, the the program was started for structured products for financing vendors and distributors operating in organized supply chains in Pakistan. Later, the partnership was extended to cater other products like fleet financing, equipment Ijarah, agri value chain finance and other long-term & short-term products under SME financing. Meezan Bank and Karandaaz are both cognizant of the role and importance of SMEs for the growth of an economy. We are optimistic that this partnership will facilitate SMEs seeking Shariah based financing solutions to grow their businesses and contribute more towards the growth and stability of the economy.

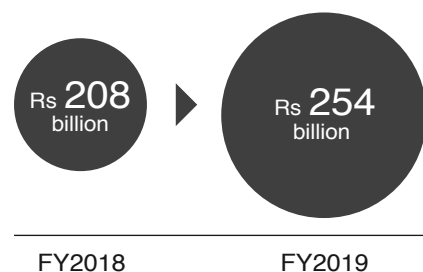
Financing Portfolio Commercial, SME & Agriculture



Trade Mobilization



SME Trade Mobilization



Commercial Vehicles Financing

Meezan Bank entered the Commercial Vehicles financing business in January, 2016. The Bank offers financing under Ijarah module to SME and Corporate segment for commercial vehicles ranging from rigid trucks, vans, coasters, buses to heavy duty trucks, Prime movers etc.

With quick and hassle-free processing, Meezan Commercial Fleet is now holding the largest market share in the industry. The specific product is tailored to assess and meet the financing needs of customer with the help of qualified and skilled professionals of the industry. This product offers to logistics, transportation, distribution, oil marketing companies etc. in a Shariah-compliant way.



Agriculture Financing

Agriculture contributes almost one fifth to the country's GDP and is recognized as the cornerstone of the country's economic wheel. Meezan Bank holds a critical responsibility in supporting agricultural production through serving the Shariah-compliant financial needs of farming communities who are the principle suppliers of raw material in the agriculture value chain. Increase in agricultural productivity leads to increase in the income of rural households, which in turn leads to more demand for industrial products. Progress of the Agriculture sector therefore provides a sound base for economic development and is considered one of the preconditions for take-off or self-sustained growth of any developing economy.

Meezan Bank offers a diverse product suite which addresses the financial needs of a vast majority of farmers. The Bank serves the needs of individual farmers as well as provides tailor-made financial solutions to the value chain actors in the Agriculture Value Chain. The Bank has partnered with some of the country's most well-reputed organizations to provide specialist banking solutions in rural communities. Through these tie-ups the Bank has been able to deliver easy access to banking solutions to the farming community.

Meezan Bank is also supplementing its outreach to rural enterprises through Kissan Baithak - an innovative initiative aimed at developing collaboration with farmers through sharing information by qualified agriculture graduates serving as Agriculture Finance Officers.



Some of the initiatives worth mentioning here are the successful implementation of computerized LRMIS-PLRA System, execution of SLAs with external Stakeholders Punjab Land Revenue Authority (PLRA), and Institutional collaborations with SEDF (Sindh Enterprise Development Fund).

Portfolio Mix

Meezan Bank has a diversified commodity financing portfolio, well-spread amongst Wheat, Edible Oil & Seed, Cotton Ginning, Fertilizer, Coal, Sugar, Rice, Feed, and Steel sectors. Furthermore, Meezan Bank is continuously exploring new and untapped sectors of the economy in order to enhance its portfolio and to diversify its risk.

Consumer Finance

Meezan Bank is the pioneer in providing Shariah-compliant consumer financing in the country and offers a diverse range of consumer asset products to its customers. The Bank's performance of this important business vertical during 2019 is detailed below:

Meezan Car Ijarah

The automobile industry of Pakistan witnessed a steep decline of 16% in overall sales during 2019 as opposed to a growth of 21% in 2018. Car sales stood at 279,102 units as compared to 331,880 units last year. The key reasons behind the decline were escalating vehicle prices due to Rupee depreciation against the Dollar and an increasing discount rate which has been making car financing less enticing for buyers.

Meezan Bank is among the leaders in the country's auto-finance industry with a portfolio comprising of 35,000 active contracts for new, used & imported vehicles. The Bank follows a strategy of maintaining stringent credit criteria for the Consumer Finance segment.



Meezan Easy Home

Islamic banking has overtaken conventional banking in terms of value in housing finance for the first time in history. The industry as a whole exhibited an impressive performance to achieve this mark. According to the State Bank of Pakistan (SBP), the Islamic banking industry's share in value stood at Rs 54.49 billion for housing finance by the end of September, 2019 against Rs 34.64 billion for conventional banking. Interestingly, the number of customers of the Islamic banking industry is slightly less than that of the conventional banking industry. The number of Islamic banking customers stood at 8,346 as against of 8,563 of conventional banks excluding their Islamic banking windows.



Working towards the cause of promoting low cost housing in Pakistan, Meezan Bank took the initiative, with Akhuwat Foundation, of providing low cost housing finance in the country to the underprivileged classes of the society in order to improve their standards of living.

Meezan Consumer Ease

Meezan Bank's Consumer Ease Unit offers Shariah-compliant consumer durable goods financing to its customers. This business segment is progressively growing and offers financing for a diverse range of Consumer Durables.



Meezan Bank allows a limit based financing facility for acquisition of consumer durable goods. Once the limit of the customer is approved, the customer can utilize the limit for purchase of durable goods offered by the Bank. This facility has been well-received by the customers since it makes the acquisition of household durables quick and convenient.



Meezan Bike Ijarah

Meezan Bike Ijarah is Pakistan's first Riba-free motorcycle financing facility which is based on the Islamic financing mode of Ijarah (leasing). In a short span of time, Meezan Bank has managed to form alliances with all major motorcycle producers of Pakistan and has financed over 5,000 bikes till December 2019 across all major cities of Pakistan.

Labbaik Hajj & Umrah

Meezan Labbaik, Hajj & Umrah Facility is a completely Halal & Riba-free travel solution for Hajj & Umrah, that was initiated by the Bank as a Corporate Social Responsibility project and has gained immense popularity over the years, especially after its enrolment in Government Hajj Scheme in 2015.

Under Labbaik, Meezan Bank is enrolled in Govt. Hajj Scheme through which customers can file their Hajj applications through its branches and be eligible for Hajj ballot conducted by the Ministry of Religious Affairs and Inter Faith Harmony (MORA & IH).

In its fifth year of enlistment i.e. 2019, the Bank collected over 30,654 Hajj applications and secured 3rd position among the fourteen Banks on MORA's panel.

Labbaik Travel Asaan provides an excellent opportunity to offer Private Hajj & Umrah to customers on convenient terms. The customer can either pay the complete cost before travelling or avail an Instalment Plan, at zero percent profit, in which the customer makes a down payment before travelling and the balance amount is paid in 12 equal monthly instalments without any additional charges.

Labbaik Savings Asaan is another option offered to customers who wish to perform Hajj or Umrah later in life (6 months to 20 years ahead) for which they can save money under a Mudarabah based deposit account that gives profit every month on the deposited amount.

Non Performing Finances

The Bank has maintained strong credit screening and Risk Management criteria, since these form the backbone of any financing institution. Testimony to the effectiveness of the Bank's credit approval criteria is the fact that its NPL ratio for the Commercial Banking segment is successfully maintained around 2.3% despite the challenges faced by banking sector owing to rising interest rates and overall economic slowdown during 2019.

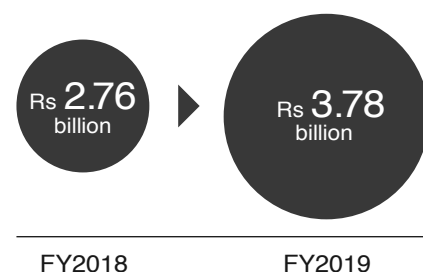
Supply Chain Financing

The Bank established a Supply Chain Finance (SCF) Unit in 2016 to meet the financing needs of vendors and distributors operating in organized supply chains in Pakistan. Financing is provided under structured financing programs as agreed with reputable local corporates. Towards this end, the Bank has signed mandates with top tier corporates operating in Automotive, Fertilizer, Lubricants, and FMCG sectors of the economy.

Through these partnerships with Corporates, the Bank has successfully brought a large number of SME customers in the financing net. The Bank grew its SCF customer base from 252 customers in 2018 to 294 customers in 2019 depicting a 16.67% growth over the year. Moreover, despite challenging financing environment, the SCF asset portfolio grew from Rs 2.76 billion in 2018 to Rs 3.78 billion in 2019, depicting growth of 37% over the year.

The Bank is committed to scaling up its SCF program further and is working on a number of initiatives including purchase of a dedicated SCF Technology Platform, new product programs for vendors (Reverse Factoring) & distributors, and increased engagement with Corporates. The Bank is also engaged with State Bank of Pakistan to grow the SCF ecosystem in Pakistan.

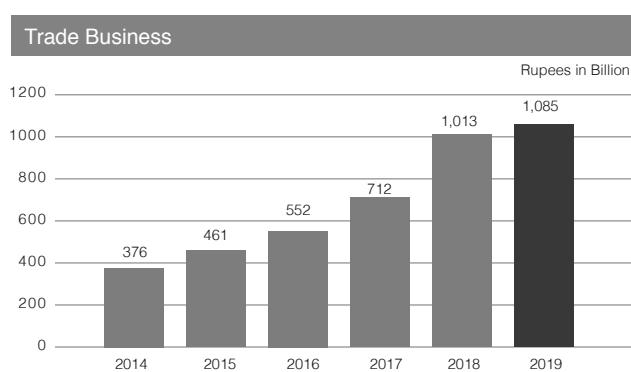
SCF Asset Portfolio



The Bank partnered with Engro Fertilizers for a pilot Agri Value Chain Financing Program. As part of this program, Meezan Bank provided financing to select farmers for their advisory, quality inputs, crop monitoring, farm support & market linkages requirements. The program included branchless banking services and clean financing facilities for the Kharif season.

Trade Business

Islamic banking is ideally suited to cater the trade finance needs of customers and the Bank's trade business (Import & Export) performed very well in 2019, with a total volume of Rs 1.1 trillion. The Bank, with excellent service delivery capabilities and well equipped teams of professionals, has been trusted both by local customers and multinational companies to be the strategic banking partner for their 360 degrees banking needs.



Transaction Banking

The Bank realigned its product offerings consisting of International Trade, Domestic Payment & Collection Management and Corporate Remittances within Transaction Banking in 2019.

The Bank successfully remained at the forefront of catering its customers for all their international trade needs and achieved a total trade (Import/Export) volume of Rs 1.1 trillion for the year 2019. The Bank is committed to ensuring the best level of services to this critical activity of the economy by providing superior services in a globally demanding market.

Rs 1.1
TRILLION
TRADE VOLUME

Meezan eBiz

With the help of Meezan eBiz, customers can view and download their account balances, account details, and account statements.

Meezan eBiz+

Meezan eBiz+ is a comprehensive customized online Cash Management solution which allows Corporate, Commercial, and SME customers to not only electronically manage their banking relationship, but also reduce operational burden by outsourcing the management of country wide collection, payment and trade related needs. Each implementation is tailor-made to meet customers' specific MIS and reconciliation requirements. Functionality available in eBiz+ includes:



Collection & Payment Module

- Manage collections through branches as well as electronic and Alternate Distribution Channels
- Manage payments like funds transfer, Inter Bank Funds Transfer, Pay Order issuance, RTGS, corporate cheques issuance, utility bills, as well as e-Dividend payments
- Real Time Information through online reporting for reconciliation and transactional alert through Secured File Transfer Protocol (SFTP), email and SMS
- Host to host integration with customer ERP system for both collection and payments execution
- Dedicated Customer Service Team with excellent system integration capabilities



Trade Module

- Online transmission of Letter of Credit (LC) application and status monitoring
- Application transmission, status monitoring, and tracking
- Online view, download, and printing of draft & transmitted SWIFT messages
- Online view, download, and printing of order form and debit advice.
- Template creation

Leveraging eBiz+, Meezan Bank continued to expand in the domestic payments & collections market, servicing a diverse base of customer segments including Manufacturing, Pharmaceuticals, Educational Institutions, Distribution Companies and Shipping.

The Bank has not only received a very positive response from local companies but also from multinational companies and acts as a trusted strategic partner for their transaction banking needs.



Home Remittance

The Home Remittance Unit (HRU) of Meezan Bank plays an active role in the nationwide drive of stimulating and formalizing home remittances through banking channels under the Pakistan Remittance Initiative (PRI) and non-PRI arrangements. A focused approach towards this business has contributed in improving the banking experience of customers and has allowed the Bank to progressively grow this business segment. To facilitate its customers, the Bank continues to run a dedicated Home Remittance Customer Support service which directly resolves queries of Home Remittance customers in order to provide them better service and prompt resolution of complaints.

In the year 2019, the Unit established presence in a new market of South Africa and increased clientele in UAE, UK and USA. Many new clients were integrated with the core system to ensure smooth and undisrupted processing of transactions. In addition to widening its customer base, the prime focus of the Unit this year was on optimizing operational efficiencies. To this end, a home remittance system was implemented in the year which has not only enabled seamless transaction processing and automation of operations but also ensured enhanced compliance checks and due diligence. Heading into 2020, the Bank's focus will be on offering tech savvy solutions and digitalization of the customer experience to further facilitate customers.



Shariah Advisory Services

Meezan Bank regularly facilitates banking as well as non-banking financial institutions, including mutual funds, stock exchange, Takaful companies, microfinance companies and other corporate entities, both locally and internationally, in developing Shariah-compliant products for their business needs. In recognition of Shariah advisory services provided, the Bank has been awarded with the GIFA special award in 'Shariah Advisory Role' 2019.

During the year, the Shariah Advisory & Technical Services Unit of the Bank has been actively involved in providing advisory services to various local and international clients. The Unit is also playing a key role in creating awareness on Islamic banking and finance at large and providing training services at both the local and international level.



The Bank has successfully facilitated the country's first electronic Commodity Murabaha transaction through Pakistan Mercantile Exchange (PMEX). Meezan Bank served as the only Shariah Technical Services and Support Provider for the development of this Shariah-compliant trading platform at PMEX.

The Bank provides Shariah advisory services in Australia to an Islamic Cooperative Financial Institution related to housing finance and conducted training for their directors and staff. The Bank has also developed Takaful product to introduce Takaful services in Australia. The Bank also conducted training on Takaful for the senior members of the institution and relevant staff.

Meezan Bank also provides services to Bahrain Institute of Banking and Finance (BIBF) through sharing its expertise, knowledge and experience by preparing content for their AAOIFI courses. For this purpose, the Bank prepared presentations simplifying the clauses, short case study / practical examples and self-assessment exercises for all AAOIFI Shariah and Accounting Standards.

The Bank also offers distance learning programs on Islamic Finance to professionals and students through an internally established unit 'International Institute of Islamic Bankers' (IIIB), which is Pakistan's first distance learning institute accredited by Finance Accreditation Agency (FAA), Malaysia.

In the area of Capital Markets, the Bank facilitated its clients in launching several investment funds and plans across the year, bringing total funds and plans under advisory to more than 60 with a total size of over Rs 170 billion.

**OVER
Rs 170
BILLION
TOTAL FUNDS &
PLANS UNDER
ADVISORY**

Financial Institutions and Correspondent Banking

In order to provide its services over a wide global network, the Bank has further expanded its financial institutions & correspondent banking network, which now spreads to over 80 countries with more than 700 correspondents. This network provides customers with a one-stop solution for their banking needs including export & import transactions, foreign remittances, etc.

The Bank has also established a Compliance Unit under the Financial Institutions Department this year in order to address the increasing need of compliance and Know Your Customer (KYC) for correspondent banking. The unit acts as a liaison and focal point for compliance and KYC responses to correspondent banks for remittance and trade transactions and also conducts KYC reviews of all trade correspondents in close co-ordination with the Compliance Department of the Bank.

**OVER
700
CORRESPONDENTS
OVER
80 COUNTRIES**

A Euroclear custody account was opened for the custody and settlement of the foreign Sukuk holding of the Bank with First Abu Dhabi Bank, which is the largest bank in UAE and has an AA credit rating by all three international credit rating agencies. This enables the safe custody and settlement of transactions of the Sukuk portfolio, which earns an Islamic return for the Bank.

The Financial Institutions Department added the Bank's confirmation to inward international letters of credit for renowned exporters whereby the Bank assumes the payment risk of LCs opened by foreign banks for exports from Pakistan. This is offered as a trade service in a Shariah-compliant manner in return for a fee.

Back-to-back guarantee business has also expanded with an increased number of international banks including China CITIC Bank, ICBC China, Commerzbank Germany, Wells Fargo USA, etc. approaching Meezan Bank to issue guarantees against their counter guarantees. This reflects on an improved image of Meezan Bank internationally and enhanced level of comfort of the correspondent banks working with the Bank. The beneficiaries of these guarantees include Government and private entities including SSGC, Pakistan Railways, CMA, Civil Aviation Authority, and various others with applicants belonging to 18 different countries.

Treasury

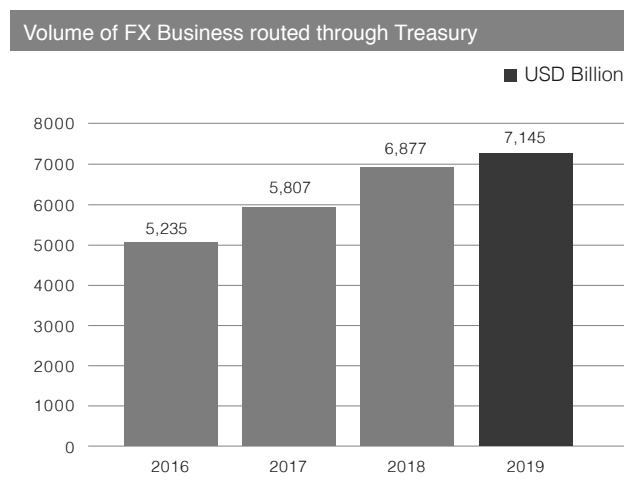
Meezan Bank has one of the most well equipped Treasuries in the country, both in terms of people and systems. The Bank offers a wide range of Shariah-compliant products that not only serves the foreign exchange needs of its clients but also makes effective utilization of excess liquidity to generate profits that are paid as return to depositors.

The year 2019 presented its fair share of challenges for banks, both in terms of a volatile FX market, a rising interest rate environment and a drop in the country's overall trade volumes. Despite these conditions, Meezan Bank's Treasury with its well-equipped systems, dedicated team and wide array of Shariah-compliant offerings not only captured higher trade volumes, but also optimized liquidity

management and prudently managed the markets risks, which led to higher profits and enhanced the value proposition of the Bank.

The Bank achieved trade volumes of approximately USD 7.14 billion, an 18% growth over the previous year. Volumes increased through strong focus of the sales team to ensure that the Bank's clientele was given the right advice to successfully navigate through a volatile market, and competitive pricing done by the FX Interbank desk.

The Bank's FX interbank desk not only continued to facilitate the sales desk in managing the flow of business, but also managed the exchange rate risk of the Bank's profitably in a market where volatility reached 7% and the overall currency value eroded by 16%-18%. The FX desk also engaged with global FX liquidity providers to broaden its execution capabilities, which in turn allowed the Bank to facilitate its customers with lean pricing.



The Bank's ALM desk successfully optimized the banking book despite a rising interest rate environment, an increasing deposit base, maturity of GoP Ijarah Sukuk 17 and 18, and limited avenues for Shariah-compliant investments. The ALM desk was able to defer the maturity of the maturing Sukuks under Bai Muajjal with both the Ministry of Finance and the State Bank of Pakistan for medium-to-long dates, with overall volume close to Rs 100 billion – this placed the Bank in a comfortable position in respect to reserve requirements as well as strengthened its position in the market. Meezan Bank was also the lead participant in the Pakistan Energy Sukuk auction with participation of Rs 85 billion against a total issue size of Rs 200 billion.



AI Meezan Investment Management Limited

Asset Management

The asset management business of Meezan Bank is managed by its subsidiary, AI Meezan Investment Management Limited (AI Meezan). The company has been in operation since 1995 and has one of the longest and most consistent track records among private sector companies managing mutual funds in Pakistan. It also has the distinction of being the only asset management company in Pakistan with the exclusive mandate of providing Shariah-compliant investments solutions to its investors. Apart from asset management, AI Meezan is also licensed to render Investment Advisory Services and manage Voluntary Pension Schemes.

AI Meezan, with a track record of 25 years of Fund Management operations, reflects strong Islamic asset-management franchise and healthy assets under management (AUM) profile with sizeable retail AUMs, adequate governance & control framework, stable & professional management team and well defined investment process. The Company has also always strived to serve its esteemed clientele with distinction and service excellence. This is evident in the fact that over these two decades, AI Meezan has managed to amass a healthy investor base of over 111,000 customers, who have entrusted the company with providing them unique investment options and competitive returns.

The Company has grown considerably, since inception, and has recorded to its credit multiple achievements. The Company offers a comprehensive product suite of 17 mutual funds and multiple investment plans spanning from basic equity and income funds to commodity funds, dedicated equity fund and aggressive asset allocation funds. The company also manages the largest Voluntary Pension Fund in Pakistan, with Assets Under Management (AUM) crossing Rs 123 billion mark as at December, 2019. AI Meezan is the largest Shariah-compliant asset management company of the country. The company, subsequent to year end, has also surpassed milestone of Rs 125 billion AUMs. The company is also increasing its presence and now has 26 branches across Pakistan.

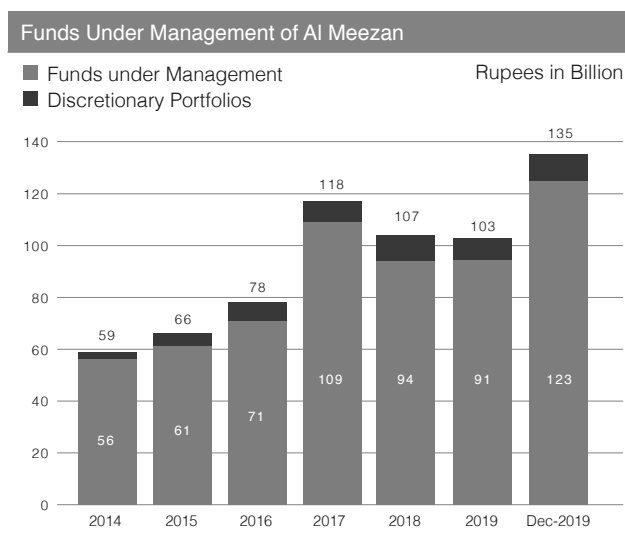
AI Meezan's AUM represents around 18.27% of the total mutual funds industry, and 49.45% of the Shariah-compliant mutual funds industry as at December 31, 2019.

Al Meezan was also granted with multiple accolades during the year 2019 as given below:

Award	Awarded By
The Islamic Asset Manager of the Year 2019, Pakistan	The Asset Triple A
Best Investment Management Company - 2019 - Pakistan	World Finance Media
Global Islamic Fund Awards – Equity 10 year: Al Meezan Mutual Fund	Refinitiv (Lipper)
Best Islamic Asset Management Company 2019	IFFSA
Most Innovative Sharia Compliant Fund – Meezan Islamic Fund – Pakistan, 2019	Global Business Outlook Magazine
Best Islamic Mutual Fund	Al Huda CIBE

Al Meezan has been assigned the highest Asset Management Quality rating of AM1 (AM-One) with stable outlook by both the VIS Credit Rating Company Limited and PACRA Limited. During the period, the outlook on the assigned rating to Al Meezan was improved by VIS to 'Stable'. The rating incorporates the company's strong brand name, structured investment process and solid track record of AUMs growth, reflecting established standing of Al Meezan in the asset management industry, as the largest AMC in terms of AUMs and pioneer in Shariah-complaint investments in Pakistan. The rating also denotes excellent management characteristics exhibited by the Fund Manager.

The AUMs of Al Meezan have recorded an average annual growth of over 18% during the last five years, as shown below:



The Product Development team at Al Meezan works proactively to introduce new Shariah-compliant investment structures, while the Product Development and Shariah Compliance teams of Meezan Bank ensure Shariah compliance of funds under management of Al Meezan.

During the year, Al Meezan successfully launched Meezan Strategic Allocation Fund III (MSAF-III), the

third instalment in the series, after an enthusiastic response from investors for MSAF-I and MSAF-II.

The fund-wise break up of assets under management along with return on these funds since inception and for calendar year 2019, are as under:

Islamic Mutual Funds	Net Assets - Rs. million (December 31, 2019)	Annualized Return since Inception till December 31, 2019	CY19 Returns
Equity Funds			
Al Meezan Mutual Fund (AMMF)	5,037	15.76%	4.51%
Meezan Islamic Fund (MIF)	29,675	16.01%	3.87%
KSE Meezan Index Fund (KMIF)	1,913	11.56%	6.77%
Meezan Energy Fund	608	-5.42%	0.65%
Meezan Dedicated Equity Fund	1,255	-7.26%	0.55%
Fixed Income Funds			
Meezan Islamic Income Fund (MIIF)	21,438	15.32%	10.83%
Meezan Cash Fund (MCF)	10,308	11.77%	10.49%
Meezan Sovereign Fund (MSF)	3,910	11.29%	10.40%
Meezan Rozana Amdani Fund (MRAF)	32,040	11.46%	11.47%
Asset Allocation Fund			
Meezan Asset Allocation Fund	1,644	0.35%	7.80%
Balanced Fund			
Meezan Balanced Fund (MBF)	4,682	12.66%	6.99%
Fund of Funds			
Meezan Financial Planning Fund of Fund			
Aggressive	327	8.65%	5.99%
Moderate	145	8.37%	8.01%
Conservative	169	7.63%	9.53%
MAAP-I	326	1.48%	-5.73%
Meezan Strategic Allocation Fund			
MSAP-I	929	-4.98%	-2.16%
MSAP-II	548	-5.78%	5.77%
MSAP-III	877	-6.98%	5.40%
MSAP-IV	967	-6.83%	5.44%
MSAP-V	239	-2.46%	5.30%
MCPPI-III	843	4.84%	9.35%
Meezan Strategic Allocation Fund - II			
MCPPI-IV	1,376	5.11%	9.10%
MCPPI-V	306	5.84%	9.31%
MCPPI-VI	300	6.23%	8.42%
MCPPI-VII	169	8.11%	9.56%
MCPPI-VIII	99	7.51%	7.75%
Meezan Strategic Allocation Fund - III*			
MCPPI-IX	99	N/A	N/A
Commodity Fund			
Meezan Gold Fund	361	11.15%	22.29%
Pension Fund			
Meezan Tahaffuz Pension Fund			
Equity Sub fund	4,666	12.90%	5.59%
Debt Sub Fund	2,897	11.96%	10.22%
Money Market sub fund	2,628	11.75%	10.14%
Gold sub Fund	92	9.88%	21.43%
Total	123,153		

*launched in CY-2019

Operations Review

For an organization to deliver products and services that consistently meet the demands of its customers, it needs to have an efficient support functions infrastructure. At Meezan Bank, the support units work together to ensure that all transactions undertaken by the Bank are in accordance with the directives of its Resident Shariah Board Member (RSBM) and the Shariah Supervisory Board (SSB) as well as with the Bank's Policies and Procedures. Following is a brief introduction of the support units and their role in the organization:

Service Quality

Service Excellence is one of the three core values of Meezan Bank along with Shariah Compliance and Integrity. In addition, customer centricity is also one of the Bank's core strategic goals as it aspires to be a World-class Customer Centric Bank.

The Bank believes in nurturing a service culture that ensures consistent delivery of its products and services to customers across all banking channels within stringent service standards monitored regularly by a dedicated team.


A Service Board, chaired by the Bank's President & CEO and comprising senior level representation from key business and support units, meets regularly to review service delivery performance of the Bank and takes measures to ensure that the Bank delivers a superior banking experience to its customers.

A dedicated Service Quality team regularly monitors the performance of branches on service standards defined by the Service Board and evaluates branch service quality. The Bank also uses service evaluation techniques such as Mystery Shopping and Customer Satisfaction Surveys for obtaining feedback for improving its products and services.

The Bank has a dedicated Complaint Management team that handles customer complaints under the Customer Grievances Handling policy approved by the Board. The Bank's robust complaint handling mechanism allows its customers to log complaints through a number of channels, including a 24/7 Call Centre, website, a dedicated email address for complaints and 'Hearing and Caring' drop boxes placed at branches nationwide. A Complaint Management Dashboard keeps the Bank's senior management updated on the status of complaints resolution.

During 2019, the Bank has paid special attention to keeping its customers as well as the general public aware of financial safety and security measures to protect them against frauds and scams.

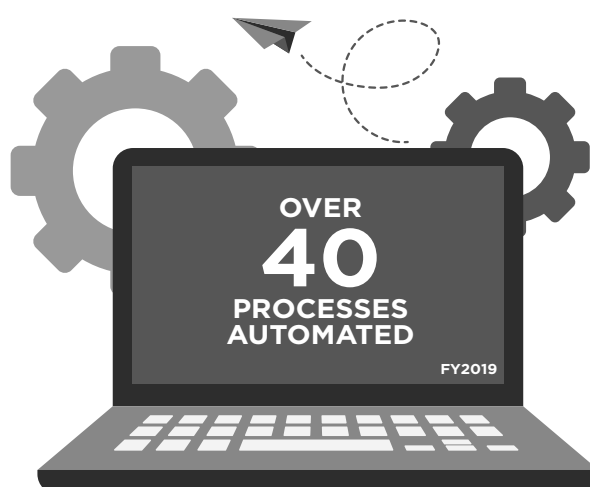
OVER
9.4 MILLION
SMS SENT IN
9 AWARENESS
CAMPAIGNS



Information Technology and Digital Banking

Meezan Bank uses state-of-the-art technology to consistently deliver a world-class banking experience that is reliable, efficient and secure. The Bank is constantly striving to improve its offerings through meticulous process streamlining, expanding its integrations with external applications, increasing customer touchpoints, continuous in-house development, persistent workflow automations and maintaining a secure and quality focused infrastructure. The Bank synergizes digital and ADC alongwith data analytics to drive innovation and automation through state-of-the-art technological solutions.

Customers, be they corporates, medium and small enterprises or individuals have the advantage of a consistent, pleasant and Shariah-compliant multi-channel experience at Meezan Bank as its services are available to them whenever, wherever and however they choose to avail them, whether digitally or in-branch.



Major technology-related initiatives of the Bank in 2019 were:

Digital Banking Platform

Easy to use mobile apps and user-friendly experience on web banking applications are only the initial steps towards digitization. Meezan Bank believes that digitization is about improving customer insights, implementing end-to-end secured digital processes and products that optimize performance, taking actions in real-time through data-driven business decisions and promoting a digital culture that supports internal transformation and responds to evolving customer behaviors.

Having established a differentiator in the mobile app and web banking space, Meezan Bank has invested in a unified digital banking platform that will enable it to maximize the use of intelligent technology for delivering innovation in customer services with an expansive set of digital capabilities.



Expanding Customer Touchpoints

Digitization and customer facilitation have been the hallmarks of Meezan Bank's recent growth initiatives. A key focus is to increase customer touchpoints and provide a consistent experience across each touchpoint.

An illustration within a dashed border showing a hand holding a Mastercard. The card is being held near a payment terminal. The terminal has a screen displaying 'PAYMENT APPROVED' and a keypad. Concentric circles around the card indicate a contactless transaction. The card itself shows the Mastercard logo, the name 'MUHAMMAD ALI', the number '4386 8412 3456', and the name 'MEEZAN BANK'.

Towards this goal, the Bank has launched a new mobile app that comes with additional security features and an improved customer experience, including the capability to register and login using fingerprints and securely add beneficiaries. Meezan Bank has also switched all its magnetic strip cards to chip-based and NFC-compliant Tap and Pay cards providing greater security to its customers when using Point-of-Sale devices and ATMs. The Bank's consistent focus on increasing and securing customer touchpoints has ensured that Meezan Bank becomes the first bank in Pakistan to launch NFC-enabled cards.

The Bank's focus on efficiency and sustainability has led it to directly integrate with Mastercard, adding speed while eliminating dependency on a local switch. The Bank's new feature of fingerprint login on ATMs enables card-less cash withdrawals, fund transfers and bill payments, providing convenience to customers by enabling them to make transactions securely without the need to carry debit cards.

Increasing External Application Integrations

The growth of Fintechs that serve diverse new customer segments and offer an assortment of services has opened new avenues for Meezan Bank to form partnerships and enrich its portfolio of services. To facilitate this integration, the Bank has continued to expand its enterprise integration architecture - adding flexibility, agility and fine-grained visibility to successfully integrate a variety of payment originating applications throughout 2019. Notable successes include inward remittance and billing applications.

Product Development

The Bank has a dedicated Product Development Unit that works as an autonomous unit under its Customer Support Group. The Bank does extensive research on new and upcoming products having prime focus on Retail, Consumer and Branchless Banking products and services.

Major functions of the Product Development Unit comprise:

- Coordination and collaboration with business support functions including IT, Operations & Compliance to competently manage product improvement and execution.
- Coordination with SBP Islamic Banking Department for Retail Banking products.
- Overall management of the Bank's deposit pools.
- Research on new Product Development, Consumer, Retail and Branchless Banking products.
- Staff training related to Retail, Consumer and Branchless Banking products.

Shariah Compliance

Shariah compliance is a way of life at Meezan Bank and the Bank has a zero-tolerance policy in this regard. Various checks and balances ensure that all the products, services, processes, policies and procedures of the Bank are fully Shariah-compliant. To continually meet this objective, a dedicated department was established in 2005 to provide a centralized hub for research and product development activities, finding practical and Shariah-compliant solutions for different financial needs and conducting Islamic banking trainings and Shariah compliance exercises.

The Shariah Compliance Department works under the guidance and direct supervision of the Bank's Shariah Supervisory Board (SSB) for the following functions:

- Facilitating new research and product development activities.
- Facilitating the refinement of existing products and procedures.
- Providing Islamic banking trainings to new and existing staff members.
- Conducting regular Shariah reviews of branches and departments.
- Coordinating with the Bank's Shariah Supervisory Board.
- Facilitating learning programs of Islamic banking, both in-house and at external avenues including educational institutes and training companies.

The Bank has achieved such success and recognition in its research and product development activities that the practices and procedures adopted by Meezan Bank are accepted as benchmarks of the Islamic banking industry, both locally and internationally.

Shariah Structuring and Review

The Bank has a dedicated Shariah structuring team that works with Product Development, clients, Shariah scholars, lawyers, law firms and accountants to advise client-specific structures for obtaining Shariah-compliant financing facilities. More than 3,000 such cases were processed during 2019. The Bank's staff also visited over 225 clients to gain hands-on understanding of their business processes to structure Shariah-compliant financing solutions that suit their needs.

During 2019, the Bank successfully played the roles of Mandated Lead Arranger, Shariah Advisor and Investment Agent for execution of Rs 200 billion Pakistan Energy Sukuk-I. The Sukuk is an SLR-eligible

instrument which also supported the Islamic Banking Institutions in maintaining their SLR instruments inventory. The Sukuk has also been listed in Pakistan Stock Exchange (PSX) and can be traded by institutions as well as individuals.



The Bank is also playing its leading role as part of Joint Financial Advisors to the Government of Pakistan for Sukuk Program.

During the year, the Bank worked on the Shariah Structure and legal documentation of GoP Ijarah Sukuk on Jinnah International Airport Karachi.

The Bank actively provided its support to SBP in adopting various AAOIFI Shariah standards in Pakistan.

The Bank launched three Shariah-compliant refinance schemes, namely Islamic Financing Facility for Renewable Energy, Islamic Financing Facility for Storage of Agricultural Produce and Islamic Financing Facility for Modernization of SMEs.

The Bank partnered with Akhuwat Foundation to provide low cost Diminishing Musharakah based housing finance product to low income segment of the society and will continue to explore more avenues for providing financial solutions to this segment.

The Bank has contributed in providing an enabling financing environment to SME and Agriculture sector by providing different Murabaha, Salam and Tijarah based solutions for addressing their financing requirements.

The Bank continued its efforts to increase Shirkat-ul-Aqd based financings, as a result of which the quantum of Running Musharakah transactions continued to rise and the total Running Musharakah financing at year-end stood at slightly over Rs 154 billion, which is now 30% of the Bank's total financing portfolio.

The Bank worked on 23 syndicated / structured transactions including a short-term Sukuk based on Shirkat-ul-Aqd, Diminishing Musharakah based Project Financing, long-term Diminishing Musharakah for Wind Power Projects through the State Bank of Pakistan's Renewable Refinance facility and Working Capital Financing based on Running Musharakah. Some of the major transactions are as follows:

3

**SHARIAH-COMPLIANT
REFINANCE SCHEMES
LAUNCHED**

**LOW COST
HOUSING FINANCE
PRODUCT**

23

**SYNDICATED/
STRUCTURED
TRANSACTIONS
PROCESSED**

The Bank has structured and developed a customized Diminishing Musharakah – Sale & Lease Bank based syndicated financing solution for RLNG based power plant of National Power Parks Management Company (Private) Limited.

In line with its commitment to support green and environment friendly projects, the Bank has provided long-term Diminishing Musharakah & short term working capital syndicated Running Musharakah-based solutions to 5 Wind Power Projects.

The Bank has structured and developed a customized short-term working capital Sukuk based on Shirkat-ul-Aqd for Hub Power Company and long-term Sukuk based on Shirkat-ul-Aqd for Engro Powergen Thar (Private) Limited.

Contributions Towards the Islamic Banking Industry of Pakistan

- The Bank continued to play a key role in supporting IBA-CEIF towards the common aim of capacity building for the Islamic banking industry. Various sessions for banking practitioners, Shariah scholars, judges and academicians were conducted at IBA-CEIF with Meezan Bank's support. The programs offered vary from a wide range of introductory level programs to AAOIFI certification level programs. Meezan Bank is also a strategic partner for Lahore University of Management Sciences (LUMS) and Institute of Management Sciences, Peshawar in supporting the activities and sessions organized by these institutes.
- The Bank has been actively working with the State Bank of Pakistan on various matters relating to the Islamic Banking industry, such as improvement of Shariah Governance Framework, issuance of AAOIFI Shariah standards, liquidity management solutions, etc.
- The Bank's senior officials held meetings with various Government officials, ministers and policy makers including those of Ministry of Religious Affairs, Pakistan Bait-ul-Mal for creating awareness about Islamic banking and finance.

Internal Training

Meezan Bank has put into place a rigorous training regime for its staff to enhance their knowledge and skills in Islamic finance. The learning initiatives include basic orientation for all new staff, specialized functional modules on various business products and processes, certificate programs on Islamic banking as well as refresher programs.

During the year, 100 training sessions comprising more than 1,450 man hours were organized for the staff members across the country catering to more than 3,800 employees of the Bank. This number includes orientation sessions for new joiners, refresher programs like Asset Refresher, Deposit Refresher, Trade Finance & Treasury Operations and certification

programs in Islamic financial products. The Bank also focused on utilizing different mediums for dispensing learning activities which include development of training videos on various topics of Islamic banking and finance and implementing a test-based learning management system.

The Bank invited a number of professionals and academicians from abroad to share their knowledge on various practical and academic issues with the Bank's middle and senior level staff.

External Training (Customer & Public Awareness Initiatives)

Meezan Bank's efforts towards realizing its Vision have led to numerous projects and partnerships focused on creating awareness about Islamic banking among different segments of the society. The Bank arranged approximately 143 seminars in major cities of Pakistan which were attended by more than 13,800 participants. During the year, the Bank arranged specialized full day workshops for its corporate clients in 5 cities of Pakistan which were well attended by corporate customers of those cities.

The Bank's staff members conducted various training programs at IBA-CEIF, National Institute of Banking & Finance (NIBAF) and Institute of Bankers Pakistan (IBP). Meezan Bank's staff taught Islamic banking courses and conducted seminars in a number of reputable universities across the country.

In the academic field, Meezan

Bank also provided support to Journal of Islamic Banking and Finance through contribution of academic and scholarly articles / research papers.

Shariah Audit

Meezan Bank has a dedicated and independent Shariah Audit Department that plays a vital role in ensuring that all the Bank's operations are carried out according to the rules and principles prescribed by its Shariah Supervisory Board, Resident Shariah Board Member (RSBM) and the State Bank of Pakistan. This department also serves to ensure that a robust Shariah control system is in place and is working effectively to mitigate Shariah non-compliance risks associated with the Bank's operations. This department is equipped with a large team of Shariah Auditors and Advisers certified by AAOIFI. In recognition of the Bank's efforts, it has been recognized as 'Shariah Auditor of the Year' for the second consecutive year & received 'Shariah Authenticity Award' by Global Islamic Finance Awards (GIFA) UK in 2019.



100
TRAINING SESSIONS

OVER
1,450
MAN HOURS

OVER
3,800
EMPLOYEES TRAINED

143
SEMINARS

OVER
13,800
PARTICIPANTS
TRAINED



To ensure the effectiveness of Shariah controls, the Bank emphasizes on the following areas:

- Preparation of comprehensive 'Yearly Shariah Audit Plan' to ensure coverage of all high risk areas.
- Eradication of Shariah non-compliant income, if any, and evaluation of Shariah-compliant returns.
- Conducting on-site sessions with staff members to enhance their Islamic banking knowledge;
- Conducting training sessions on 'How to improve Shariah Audit Rating' at every Region of the Bank.
- Evaluation of Treasury operations on an on-going basis to assist Treasury in ensuring Shariah compliance in their day-to-day operations
- Conducting quarterly audits of pool management, profit calculation and distribution process in order to ensure Shariah-compliance in the profit calculation & distribution process.
- Continuous improvement through changes in manual, risk based evaluation methodologies, audit programs and checklists to cope with the constantly evolving and improving Islamic banking environment, products and structures.
- Conducting specialized training programs on Shari'ah Audit and Islamic Financial Reporting in collaboration with prestigious Islamic Finance Institutions for capacity building of the industry.

Human Resources

Meezan Bank believes in building a dynamic and professionally competent workforce that is fully capable of providing a world-class banking experience to its customers. The Bank has a large network of 760 branches in more than 220 cities supported by a workforce of over 9,900 full-time employees and 1,600 outsourced staff.

With an aim to become 'Employer of First Choice' in the industry, this year the Bank's focus remained on attracting, developing, engaging and retaining its team members.

The Bank uses various strategies for sourcing talent. For entry-level positions, recruitment is primarily done through Batch-hiring and Campus-drives besides lateral hiring; while for middle to senior-level positions where skilled and experienced professionals are required, the talent is sourced from both within and outside the Bank.

In 2019, the Bank inducted 2,628 staff in total. Out of which, Approx. 28% were inducted through Batch-hiring. Main job families for batch-hiring were Branch Service Officers, Personal Banking Officers, Trade Officers, Credit Officers, Head Office-based Operations staff and other supporting staff. Batch-hiring enables the Bank to develop a pipeline of young talent for fulfilling its Human Capital needs in various functions.

The Bank strongly believes in developing its people. It not only provides learning opportunities to its staff but also offers career growth by filling vacancy gaps through internally-sourced talent using Internal Job Posts (IJP) or Elevations. This year, 94 Jobs were filled via IJP, whereas, 595 Elevations were made across the Bank at different levels.

With 'Diversity' being a key area of focus, emphasis during the year was on getting more females in new hires. As a result, 322 female staff joined the Bank that comprises 12% of the total new joiners of 2019, resulting in increasing the overall female employee ratio of the Bank to 9.3%.

For retaining talent, the Bank has a comprehensive reward system in place based on Performance and Conduct. Meezan Bank believes in appreciating

Region-wise staff count

	2018	2019
Central	3,078	3,698
South	2,392	2,732
North	1,196	1,375
Head Office	1,891	2,132
Total	8,557	9,937

2,628
TOTAL INDUCTIONS
APPROX. **28%**
THROUGH
BATCH HIRING

94
INTERNAL JOB
ROTATIONS

595
ELEVATIONS

12%
NEW JOINERS
ARE FEMALES

performers by rewarding them with lucrative increments and bonuses and at the same time having zero-tolerance towards integrity lapses, policy violations and negligence. This culture creates transparency in the system. The Bank's last year's Performance Appraisal was appreciated across the industry.

In addition to the above, employee benefit initiatives such as amendment in profit rate of staff house financing, advance accelerated bonus, cash-handling allowance, Saturday allowance, revision in medical coverage, rewards upon passing JAIBP qualification etc. also played a key role in motivating and retaining employees.

Employee engagement being at the core of its culture, the Bank regularly holds Employee Satisfaction Survey (ESS) exercises. In 2019, the Bank launched its 4th ESS. It has served as an effective retention tool since it has enabled the Bank to take a number of initiatives for staff under 'Your Voice Matters' in terms of policy, system and process changes, resulting in enhancing staff motivation and loyalty and thereby reducing the attrition rate.

In line with the Bank's drive towards automation, the Bank has successfully migrated to the latest version of Enterprise Resource Planning (ERP) system. This update includes several significant functional innovations around user-experience and will enable new functionalities with more agility. Moreover, several system generated automated alerts have been implemented this year helping the staff perform their duties with ease and accuracy.

Meezan Bank has always been cognizant of the importance of caring for its employees and their families. The Bank established Employee Benevolent Fund Trust (EBFT) in 2012 for providing financial assistance to its employees and their families regarding medical, marriage and education purely on need and merit basis. This year, the Bank supported 187 families through EBFT.

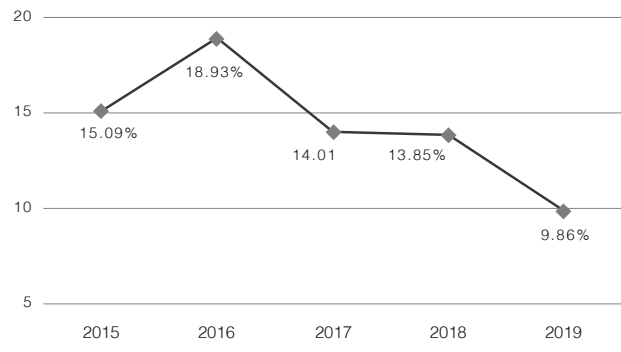
Learning & Development

The Bank believes in creating a culture of continuous learning through trainings, enabling its people to constantly evolve and develop. Following this belief, the Bank ensures that the Learning and Development agenda is in synchronization with its future capability and knowledge needs.

In 2019, the Bank provided 807 class-room trainings including 603 internal training sessions (over 999 training days) covering 18,797 (7,851 unique) staff and 204 external training sessions (over 475 training days) covering 765 (563 unique) staff. In addition, 16 learning interventions were launched via Learning Management System.



Attrition Trend (%)



NB: The attrition rate has gone down significantly over the last few years

**LATEST VERSION OF
ERP
SYSTEM
IMPLEMENTED**

187 FAMILIES
SUPPORTED
VIA EBFT

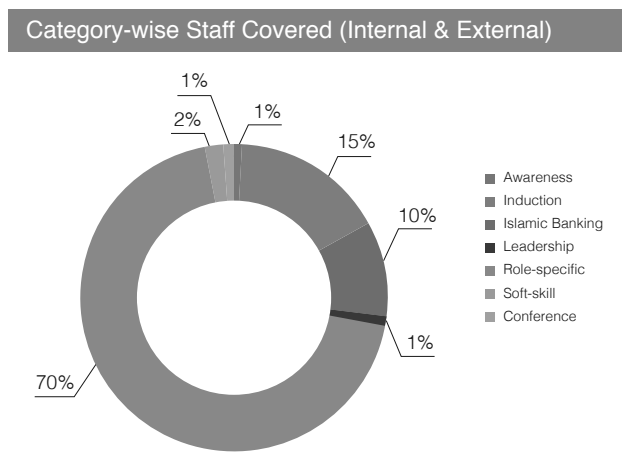
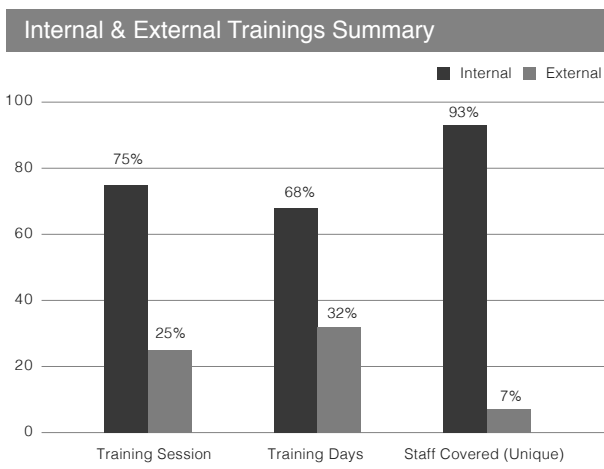
603
INTERNAL
CLASSROOM
TRAININGS

7,851
UNIQUE STAFF
TRAINED
(INTERNAL)

204
EXTERNAL
CLASSROOM
TRAININGS

563
UNIQUE STAFF
TRAINED
(EXTERNAL)

The Bank conducts a wide range of training programs covering areas such as staff Induction & Orientation, Islamic Banking, Role-specific trainings, Leadership & Soft-skill etc.



Staff Induction

Induction Training Programs are for new joiners to familiarize them with the Bank's Vision, Mission, Culture, Values, History, and key Policies & Procedures. In 2019, 2,263 new staff members were trained through Induction Trainings.

Currently, there are six types of Induction Training Programs:

- Orientation Learning Program for New Joiners
- Branch Services Officers Batch Training
- Personal Banking Officers Batch Training
- Trade Batch Training
- Operations Officers Batch Training
- Credit Officers Batch Training

Islamic Banking Training

Under Islamic Banking trainings, this year, 94 training sessions were held. These trainings mainly included Advance Certification in AAOIFI Shariah Standards, Islamic Finance for Managers, Islamic Banking Certification Level II, Asset Refresher Programs, Retail Refresher Programs etc.

Role-specific Training

Role-specific trainings are focused on imparting the knowledge and skills needed for specific roles. This year, 563 such trainings were held. Key trainings for frontline roles included Sales Management Process and Sales Process with 51 sessions across Pakistan covering 1,721 staff. Customer Service Excellence is another area of training for frontline roles covering 1,239 staff in 49 sessions. Other trainings in this category were Product Knowledge, Wealth Management & X-Sell, Account Opening Refresher, Branch Operations Refresher, etc.

Compliance Training

As Compliance & Governance was the highlighted theme across the Bank in 2019, 105 sessions were held on the subject including Anti-Money Laundering and Combating The Financing of Terrorism (AML/CFT), Trade-based Money Laundering, covering more than 2,900 staff. Besides this, leveraging technology, the Bank also launched short-video training on AML/CFT covering more than 6,600 employees. Other trainings in the area of Compliance and Governance include Prevention of Fraud & Forgery, Operational Risk and Control, Information Security, Fair Treatment of Customers (FTC), etc.

94
ISLAMIC BANKING
TRAININGS

563
ROLE-SPECIFIC
TRAININGS

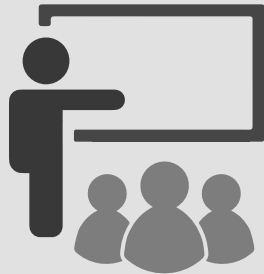
105
AML/CFT
TRAININGS

Leadership & Soft-skill

In the area of Leadership and Soft-skills, the key trainings conducted were in Management Development Program, Building High Performance Teams, Shaping-up for Higher Realities, Negotiation Skills and Communication for Personal and Organizational Effectiveness from renowned institutes. It is worth mentioning that besides engaging several renowned institutes, the Bank also launched in-house courses on Ethics & Values and Positive Psychology and a short video-training on Personal Grooming.

International Trainings / Certifications

For giving international exposure, some of the key trainings/certifications during the year were OMEGA CSA, Advance Certification related to AAOIFI Shariah Standards, Executive Financial Training Program and Kaplan-Norton Balanced Scorecard Certification. In addition to this, the Bank participated for the first time in Asian Management Games (which is an International Competition of Strategy & Management) and secured 3rd Position.



Diversity & Inclusion

With its special focus on Diversity and Inclusion (D&I), the Bank nominated 41 female staff members to participate in various D&I Conferences and Seminars including 9th International Women Leaders' Summit, 11th Women In Business Leadership Conference (WIBCON) 2019 and OICCI Women Empowerment Awards 2019.

Awards & Recognition

Meezan Bank has been regularly recognized at different forums for its best HR practices. This has also helped the Bank in developing a better understanding of best practices being followed at successful organizations. During 2019, the Bank was awarded 3rd position as 'Employer of the Year' by Employer's Federation of Pakistan (EFP), which is the largest representative body of employers in Pakistan.



Operations

Meezan Bank's Operations Department works as a partner of all business units and is responsible for end-to-end operations of Retail Banking, Trade Finance, Credit Administration, Centralized Operations, Debit Cards, Cash Houses, Treasury and Capital Market Operations, Mutual Funds, Reconciliation, SWIFT and Central Bank Reporting. The primary function of the Operations Department is to ensure that all transactions are accurately processed in line with Meezan Bank's internal policies, procedures and standard operating procedures (SOPs) as well as Shariah guidelines, SBP regulations and all related legal requirements. Proper alignment of operations capabilities with overall organizational goals and objectives has a significant impact on business performance, and consequently, on competitive strength. Cognizant of this fact, Meezan Bank has developed its Operations function into a strong, resilient and effective business partner for revenue generating functions, thus providing the needed impetus to its efforts of establishing 'Islamic banking as banking of first choice...'

The Bank has focused on continuous improvement of policies, procedures and turnaround time (TAT), thus enhancing controls, operational efficiency and improving effective utilization of resources. The emphasis has been on leveraging latest technologies to improve operating efficiency and staff productivity. The Bank is committed to making substantial investments to achieve this objective.

Compliance

Meezan Bank has a zero tolerance policy on non-compliance with regulatory requirements and has worked hard to inculcate an entity-wide compliance culture. A dedicated Compliance Department, driven by a team of experience professionals, is primarily responsible for assisting the various business and support units in designing and implementing adequate controls to safeguard the Bank from various compliance risks. The Bank's Compliance Department also assesses the compliance risk faced by the Bank and escalates the findings to the Board and management committees on a periodic basis.

The implementation and execution of policies and procedures relating to regulatory affairs and Anti-Money Laundering/Combating Financing Terrorism (AML/CFT) function is rigorously performed. The Bank has taken a number of specific measures to strengthen its management of Compliance risks including utilization of a technologically advanced transactions monitoring system (Oracle Financial Crime Compliance Management 'FCCM') and customers screening solution (Acuity Compliance Link). The Bank will further upgrade itself to use technology to prevent Trade Based Money Laundering.

The Bank will continue to invest in both technology and people to ensure that a robust and strong Compliance framework is implemented across all levels of the Bank.

Major Capital Expenditure for 2019 & Next Year

The major capital expenditure of the Bank during the year was its investment in expanding its branch network by 100 branches. The Bank, true to its Vision of establishing 'Islamic Banking as banking of first choice...' believes that expansion in branch network provides the outreach it requires to gain new customers and increase its deposit base. A large geographical footprint also strengthens the Bank's online banking services, thus improving customer facilitation that ultimately contributes to strengthening the Bank's deposit base. Deposits play a key impact on the Bank's profitability and the size of the branch network directly influences the deposit base.

For the year 2020, the Bank aims to further invest in expanding its branch network, enhancing the reach of Islamic banking.

Our Focus on Cyber Security

Digital technology is revolutionizing economic and social interaction and is transforming the way we do business, educate ourselves, buy and sell products and share data. The use of Internet is growing and the ways in which it is being used are also diversifying. Malicious cyber attackers are fully aware of this revolution and are taking full advantage of it. Cyber risk has therefore emerged as a significant threat to the financial system. Successful attacks result in data breaches in which hackers gain access to confidential information and the financial sector is especially vulnerable to such attacks.

With increase in the number of digital transactions, Cyber Security threats are expected to increase and the Bank has taken steps to enhance its internal capabilities to cope with such threats. To strengthen Meezan Bank's security posture on a continuous basis, local and international experts of the Cyber Security domain are regularly engaged to review the Bank's information assets and controls and to conduct Penetration Test exercises. Security awareness initiatives are also rolled out for staff and customers to keep them aware of social scams such as Phishing and Skimming.

The Bank is also investing in resources to develop its expertise in areas such as IT, Information Security and Internal Audit to further strengthen and secure its operations, assessment and IT audits.

To cope with the rapidly increasing Cyber Security challenges, the Bank has implemented state-of-the-art threat protection technologies & regularly upgrades its defence structures to minimize the risk of any Cyber Attack.





OUR FOCUS ON SHARIAH COMPLIANCE

Meezan Bank, being an Islamic Financial Institution, does not invest in non-Shariah compliant shares. However, investment can be made in companies which are Shariah-compliant as per the criteria set by Shariah scholars. Islamic Indices are also available at PSX which consist of various Shariah-compliant companies.

Currently, there are two Islamic Indices, under the name of KMI 30 Index and PSX-KMI All Share Index. KMI 30 Index reflects the performance of thirty most liquid Shariah-compliant stocks, whereas PSX-KMI All Share Index reflects all available Shariah-compliant stocks.

These Indices have the following objectives:

- To create awareness for the general public regarding Shariah-compliant shares
- To provide investors relevant benchmark for returns on Shariah-compliant equity investments

List of Shariah-compliant companies on PSX website updates semi-annually.

Key Figures at a Glance

	2019	2018	2017	2016	2015	2014
Profit and Loss Account						
Return on financings, investments and placements	94,270	48,625	36,427	31,027	32,893	28,487
Return on deposits and other dues expensed	47,731	20,457	15,684	13,239	15,181	15,539
Net Spread earned	46,539	28,168	20,743	17,788	17,712	12,948
Fee, commission, forex and other income	9,396	6,887	5,622	4,102	3,617	3,387
(Loss) / gain on securities - net and dividend income	(76)	575	2,002	1,622	971	1,432
Total income	55,859	35,630	28,367	23,512	22,300	17,767
Operating and other expenses	25,522	19,670	16,832	14,787	13,313	10,402
Profit before Provisions	30,337	15,960	11,535	8,725	8,987	7,365
Provisions and write offs - net	4,186	1,168	1,283	(218)	535	467
Profit before Taxation	26,151	14,792	10,252	8,943	8,452	6,898
Taxation	10,919	5,830	3,939	3,381	3,429	2,328
Profit after Taxation	15,232	8,962	6,313	5,562	5,023	4,570
Statement of Financial Position						
Islamic Financing and Related Assets	493,775	512,564	420,029	311,530	207,569	175,712
Total Assets	1,121,258	937,915	788,808	662,055	535,864	440,149
Total Deposits	932,579	785,477	667,181	559,398	468,281	378,744
Share Capital	12,861	11,692	10,629	10,027	10,027	10,027
Sub-ordinated sukuk	14,000	14,000	7,000	7,000	-	-
Total Shareholders Equity (incl. Surplus / Deficit on rev. of Assets)	59,015	40,333	35,077	30,474	26,347	23,890
Market Capitalization	122,348	108,022	71,321	67,422	45,875	47,129
Number of Staff	11,649	10,069	9,551	9,168	8,581	7,429
Number of Branches	760	660	601	571	551	428
Ratios						
Book Value (Rs)	45.89	34.50	32.31	28.07	25.49	23.21
Market Value per Share (Rs)	95.13	92.39	67.10	67.24	45.75	47.00
Price to Book Value Ratio	2.07	2.68	2.08	2.40	1.79	2.02
Cash Dividend (%)	50.00	35.00	30.00	30.00	30.00	27.50
Stock Dividend (%)	10.00	10.00	-	-	-	-
Right Shares at par (%)	-	-	6.00	-	-	-
Price Earning Ratio	8.03	13.26	12.07	12.34	9.13	10.31
Earnings per Share (Rs)	11.84	6.97	5.56	5.45	5.01	4.56
Net Spread to Gross Return (%)	49.37	57.93	56.94	57.33	53.85	45.45
Profit Before Tax to Gross Income (%)	25.24	26.37	23.27	24.33	22.55	20.71
Profit After Tax to Gross Income (%)	14.70	15.98	14.33	15.13	13.40	13.72
Operating & Other Expenses to Income before provisions (%)	45.69	55.21	59.34	62.89	59.70	58.55
Financing / Advances to Deposit Ratio-ADR (%)	52.9	65.3	63.0	55.7	44.3	46.4
Investment to Deposit Ratio - IDR (%)	24.20	15.75	17.87	23.27	31.24	30.12
Capital Adequacy Ratio (%)	16.58	14.55	12.89	12.91	10.98	11.88
Return on Average Assets (%)	1.48	1.04	0.87	0.93	1.03	1.18
Return on Average Equity (%)	30.66	23.77	19.26	19.58	20.00	21.35

(Comparative information has been reclassified / rearranged for better presentation)

Rupees in Million

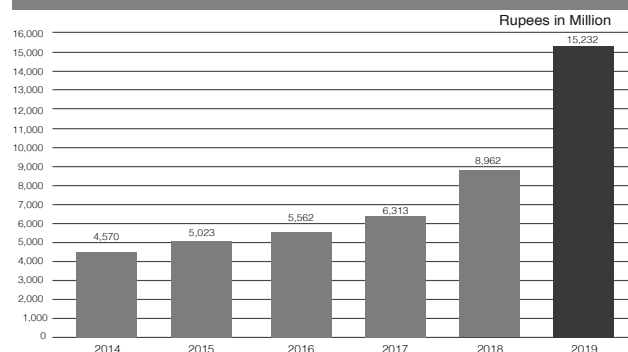
2013	2012	2011	2010	2009
23,016	21,592	17,809	12,094	9,911
12,658	11,385	8,666	6,606	4,970
10,358	10,207	9,143	5,488	4,941
1,971	1,413	1,347	2,056	1,332
1,539	986	1,158	419	266
13,868	12,606	11,648	7,963	6,539
8,128	6,925	5,903	4,340	3,267
5,740	5,681	5,745	3,623	3,272
93	451	1,389	1,497	1,532
5,647	5,230	4,356	2,126	1,740
1,690	1,722	965	477	715
3,957	3,508	3,391	1,649	1,025

127,623	88,678	70,377	60,265	46,985
332,095	278,084	203,439	157,389	126,677
288,433	229,892	169,429	131,070	100,333
10,027	9,034	8,030	6,983	6,650
-	-	-	-	-
18,913	16,563	13,781	11,080	9,184
39,488	27,147	13,956	11,801	10,467
6,248	5,953	4,900	4,364	3,669
351	310	275	222	201

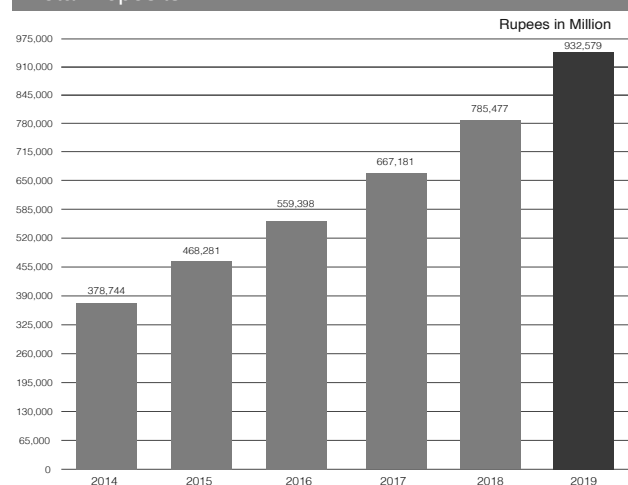
17.86	17.14	16.60	15.38	13.67
39.38	30.05	17.38	16.90	15.74
2.20	1.75	1.05	1.10	1.15
20.00	15.00	10.00	-	-
-	11.00	12.50	15.00	5.00
-	-	-	-	-
9.97	8.59	4.63	8.24	9.72
3.95	3.50	3.75	2.05	1.62
45.00	47.27	51.34	45.38	49.85
21.29	21.80	21.44	14.59	15.12
14.92	14.62	16.69	11.32	8.91

58.61	54.93	50.68	54.50	49.96
44.2	38.6	41.5	46.0	46.8
52.56	66.32	58.13	41.94	23.21
12.48	14.08	14.89	12.41	12.77
1.30	1.46	1.88	1.16	0.95
22.31	23.12	27.28	16.28	13.52

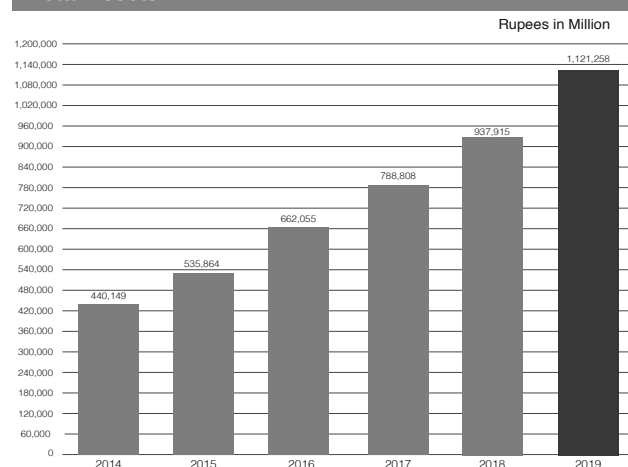
Profit After Taxation



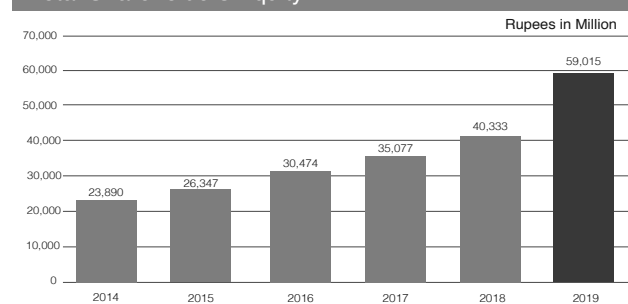
Total Deposits



Total Assets



Total Shareholders Equity



Six Years' Horizontal Analysis

Statement of Financial Position / Profit & Loss Account

Rupees in Million

Statement of Financial Position												
	2019 19 Vs 18		2018 18 Vs 17		2017 17 Vs 16		2016 16 Vs 15		2015 15 Vs 14		2014 14 Vs 13	
Assets	%		%		%		%		%		%	
Cash and balances with treasury banks	92,194	42	65,022	1	64,556	15	56,037	28	43,686	47	29,729	4
Balances with other banks	15,372	86	8,255	69	4,896	(59)	12,021	8	11,175	103	5,501	55
Due from financial institutions	223,689	21	184,815	26	147,229	14	129,115	28	101,079	11	90,766	1,119
Investments	225,646	82	123,743	4	119,238	(8)	130,156	(11)	146,305	28	114,089	(25)
Islamic financing and related assets	493,775	(4)	512,564	22	420,029	35	311,530	50	207,569	18	175,712	38
Fixed assets	23,285	77	13,129	16	11,364	34	8,470	11	7,596	32	5,748	8
Intangible assets	780	25	625	22	512	13	455	(1)	461	(12)	525	96
Deferred tax asset	-	(100)	983	-	-	-	-	-	-	(100)	815	522
Other assets	46,517	62	28,779	37	20,984	47	14,271	(21)	17,993	4	17,264	129
	1,121,258	20	937,915	19	788,808	19	662,055	24	535,864	22	440,149	33
Liabilities												
Bills payable	17,187	(28)	23,751	38	17,175	25	13,757	36	10,100	38	7,298	46
Due to financial institutions	42,047	15	36,408	(1)	36,813	15	32,006	135	13,610	(12)	15,465	36
Deposits and other accounts	932,579	19	785,477	18	667,181	19	559,398	19	468,281	24	378,744	31
Sub-ordinated Sukuk	14,000	-	14,000	100	7,000	-	7,000	-	-	-	-	-
Deferred tax liabilities	2,830	-	-	(100)	8	(99)	1,362	247	393	-	-	-
Other liabilities	53,600	41	37,946	48	25,554	42	18,058	5	17,133	16	14,752	76
	1,062,243	18	897,582	19	753,731	19	631,581	24	509,517	22	416,259	33
Net Assets	59,015	46	40,333	15	35,077	15	30,474	16	26,347	10	23,890	26
Represented by:												
Share capital	12,861	10	11,692	10	10,629	6	10,027	-	10,027	-	10,027	-
Reserves	18,207	20	15,161	13	13,369	38	9,700	13	8,588	18	7,289	105
Unappropriated profit	18,546	37	13,526	31	10,340	23	8,422	21	6,942	17	5,958	38
Surplus / (Deficit) on revaluation of assets	9,401	204 times	(46)	(106)	739	(68)	2,325	194	790	28	616	(39)
	59,015	46	40,333	15	35,077	15	30,474	16	26,347	10	23,890	26
Profit & Loss Account												
	2019 19 Vs 18		2018 18 Vs 17		2017 17 Vs 16		2016 16 Vs 15		2015 15 Vs 14		2014 14 Vs 13	
	%		%		%		%		%		%	
Profit on financing, investments and placements	94,270	94	48,625	33	36,427	17	31,027	(6)	32,893	15	28,487	24
Profit on deposits and other dues expensed	(47,731)	133	(20,457)	30	(15,684)	18	(13,239)	(13)	(15,181)	(2)	(15,539)	23
Net spread earned	46,539	65	28,168	36	20,743	17	17,788	-	17,712	37	12,948	25
Fee, commission, forex and other income	9,396	36	6,887	23	5,622	37	4,102	13	3,617	7	3,387	72
(Loss) / gain on securities - net and dividend income	(76)	(113)	575	(71)	2,002	23	1,622	67	971	(32)	1,432	(7)
Total income	55,859	57	35,630	26	28,367	21	23,512	5	22,300	26	17,767	28
Operating and other expenses	(25,522)	30	(19,670)	17	(16,832)	14	(14,787)	11	(13,313)	28	(10,402)	28
Profit before Provisions	30,337	90	15,960	38	11,535	32	8,725	(3)	8,987	22	7,365	28
Provisions and write offs - net	(4,186)	258	(1,168)	(9)	(1,283)	(689)	218	(141)	(535)	15	(467)	402
Profit before taxation	26,151	77	14,792	44	10,252	15	8,943	6	8,452	23	6,898	22
Taxation	(10,919)	87	(5,830)	48	(3,939)	17	(3,381)	(1)	(3,429)	47	(2,328)	38
Profit after taxation	15,232	70	8,962	42	6,313	14	5,562	11	5,023	10	4,570	15

(Comparative information has been reclassified / rearranged for better presentation)

Six Years' Vertical Analysis

Statement of Financial Position / Profit & Loss Account

Rupees in Million

Statement of Financial Position										
Assets	2019	%	2018	%	2017	%	2016	%	2015	%
Cash and balances with treasury banks	92,194	8	65,022	7	64,556	8	56,037	8	43,686	8
Balances with other banks	15,372	2	8,255	1	4,896	1	12,021	2	11,175	2
Due from financial institutions	223,689	20	184,815	20	147,229	19	129,115	20	101,079	19
Investments	225,646	20	123,743	13	119,238	15	130,156	20	146,305	27
Islamic financing and related assets	493,775	44	512,564	55	420,029	53	311,530	47	207,569	39
Fixed assets	23,285	2	13,129	1	11,364	1	8,470	1	7,596	2
Intangible assets	780	-	625	-	512	-	455	-	461	-
Deferred tax assets	-	-	983	-	-	-	-	-	-	-
Other assets	46,517	4	28,779	3	20,984	3	14,271	2	17,993	3
	1,121,258	100	937,915	100	788,808	100	662,055	100	535,864	100
Liabilities										
Bills payable	17,187	2	23,751	3	17,175	3	13,757	2	10,100	2
Due to financial institutions	42,047	4	36,408	4	36,813	5	32,006	5	13,610	3
Deposits and other accounts	932,579	83	785,477	84	667,181	84	559,398	84	468,281	87
Sub-ordinated Sukuk	14,000	1	14,000	1	7,000	1	7,000	1	-	-
Deferred tax liabilities	2,830	-	-	-	8	-	1,362	-	393	-
Other liabilities	53,600	5	37,946	4	25,554	3	18,058	3	17,133	3
	1,062,243	95	897,582	96	753,731	96	631,581	95	509,517	95
Net Assets	59,015	5	40,333	4	35,077	4	30,474	5	26,347	5
Represented by:										
Share capital	12,861	1	11,692	1	10,629	1	10,027	2	10,027	2
Reserves	18,207	2	15,161	2	13,369	2	9,700	2	8,588	2
Unappropriated profit	18,546	2	13,526	1	10,340	1	8,422	1	6,942	1
Surplus / (Deficit) on revaluation of assets	9,401	-	(46)	-	739	-	2,325	-	790	-
	59,015	5	40,333	4	35,077	4	30,474	5	26,347	5
Profit & Loss Account										
	2019	%	2018	%	2017	%	2016	%	2015	%
Profit on financing, investments and placements	94,270	91	48,625	87	36,427	82	31,027	85	32,893	87
Profit on deposits and other dues expensed	(47,731)	(46)	(20,457)	(37)	(15,684)	(36)	(13,239)	(35)	(15,181)	(41)
Net spread earned	46,539	45	28,168	50	20,743	46	17,788	50	17,712	46
Fee, Commission, forex and other income	9,396	9	6,887	12	5,622	13	4,102	11	3,617	10
(Loss) / gain on securities - net and dividend income	(76)	-	575	1	2,002	5	1,622	4	971	3
Total income	55,859	54	35,630	63	28,367	64	23,512	65	22,300	59
Operating and other expenses	(25,522)	(25)	(19,670)	(35)	(16,832)	(38)	(14,787)	(40)	(13,313)	(36)
Profit before Provisions	30,337	29	15,960	28	11,535	26	8,725	25	8,987	23
Provisions and write offs - net	(4,186)	(4)	(1,168)	(2)	(1,283)	(3)	218	1	(535)	(1)
Profit before taxation	26,151	25	14,792	26	10,252	23	8,943	24	8,452	22
Taxation	(10,919)	(10)	(5,830)	(10)	(3,939)	(9)	(3,381)	(9)	(3,429)	(9)
Profit after taxation	15,232	15	8,962	16	6,313	14	5,562	15	5,023	13

(Comparative information has been reclassified / rearranged for better presentation)

Review of Six Years' Performance

The summary of financial performance of Meezan Bank Limited over the last six years (2014 – 2019) is as under:

Statement of Financial Position

Assets

In 2019, the Bank's total assets grew to Rs 1.1 trillion from Rs 332 billion in 2013 recording a six year Compound Annual Growth Rate (CAGR) of 22%. The proportion of Islamic Financing and related assets to total assets increased to 44% in 2019 as compared to 38% in 2013, growing at a six year CAGR of 25%. During the six year period, the Bank continued to actively pursue growth in financings in all segments including Corporate, SME/Commercial and Consumer Financing (primarily Car Ijarah and Easy Home), consequently, the Bank's Advances to Deposits Ratio (ADR) stood at 53% in 2019 as compared to 44% in 2013.

The Investment portfolio of the Bank represents 20% of its total assets as of 2019 as compared to 46% in 2013 which substantiate that liquidity deployment remains a key challenge for Islamic Banking Industry of Pakistan as there are limited investment avenues despite sufficient liquidity. The Energy Sukuk issued by Power Holding (Private) Limited during 2019 has partially addressed this liquidity deployment challenge and the Bank expects that with the continued efforts of the Government of Pakistan and the State Bank of Pakistan, there will be further issue of Sovereign Sukuk in 2020 Insha'Allah. The share of 'Due from Financial Institutions' in relation to Total Assets has also, accordingly, increased to 20% as compared to 2% in 2013.

The Bank's fixed assets (excluding right-of-use assets recognized under IFRS 16) has increased to Rs 16 billion in 2019 from Rs 5 billion in 2013. Over the last six years, the Bank has made sizable investment in its Branch network and IT infrastructure to ensure seamless delivery of its banking services across the length and breadth of Pakistan. The Bank has doubled its branch network from 2013 as it has added 409 new branches in this period to bring its network to 760 branches in 2019. This expansion in Branch Network has reaped fruits for the Bank, as is evident from the strong growth in deposits and profits over the years. The Bank has duly complemented its extended branch network with comprehensive array of digital services, including Internet Banking, Mobile App and other Alternate Distribution Channels.

Liabilities

On the liabilities side, deposits of the Bank grew from Rs 288 billion in 2013 to Rs 933 billion in 2019 growing at a six year CAGR of 22%. More importantly, the Bank's current deposits grew at six year CAGR of 26% during the six year period. This growth in Bank's deposits was significantly higher than banking industry deposits which grew at six years CAGR of 12% in the same period. The significant increase in the Bank's footprint of 760 branches in 223 cities in 2019 as compared to 351 branches in 103 cities in 2013 played a pivotal role in its deposit growth. The wide range of deposit products and the continuous support and patronage of Bank's customers also contributed to this growth. With deposits of Rs 933 billion and 760 branches as of December 2019, the Bank became the sixth largest bank of Pakistan in terms of both deposits and branches.

Due to significant growth in the Bank's business, the strategic direction set by the Board of Directors, and the enhanced capital adequacy requirement of the State Bank of Pakistan under Basel Framework; the Bank successfully issued subordinated Tier II sukuk of Rs 7 billion in 2016. This was followed by issuance of first ever Shariah-compliant Additional Tier I Sukuk of Rs 7 billion in 2018 to further strengthen its regulatory capital base. Both issues received an overwhelming response from the investors and the Bank was able to issue these Sukuk at a very attractive pricing under Mudaraba arrangement which is indicative of the strong brand value and standing of the Bank.

Equity

The Bank's total equity stood at Rs 59 billion as of December 31, 2019. The Bank's Board and management is committed to maintaining a sound balance between depositors' liability and shareholders' funds so that optimal capital / debt ratio is maintained. This optimal capital / debt ratio provide reasonable assurance to depositors about safety and security of their funds and at the same time provide impetus to the management to invest these funds into profitable ventures without compromising the risk profile of the Bank. The Bank's equity (excluding surplus on revaluation of assets) recorded a threefold increase as it reached to Rs 50 billion from Rs 18 billion in 2013 while maintaining the record of unbroken payout since the date of listing on the Stock Exchange.

Profit and Loss Account

The Bank's net spread grew to 49% in 2019 as compared to 45% in 2014 on the backdrop of strong balance sheet growth, particularly growth in Current Account as mentioned above. The Bank's fee, commission, foreign exchange and other income increased three times from Rs 3.3 billion in 2014 to Rs 9.3 billion in 2019. This growth was achieved through increase in the Trade Finance business volume handled by the Bank which grew to Rs 1.1 trillion in 2019 compared to Rs 376 billion in 2014 – a three time growth. The increase in customer base, range of products and services including ADC business, number of branches, and coverage of new cities also played a significant role in this achievement.

The Bank's operating expenses rose to Rs 26 billion in 2019 from Rs 10 billion in 2014, mainly due to opening of 409 branches, higher IT infrastructure, inflation, Rupee devaluation and staff related cost. The Bank now employs more than 11,600 staff across Pakistan as compared to 7,429 staff in 2014. Despite the increase in operating expenses, the Bank's Cost to Income Ratio improved to 46% in 2019 from 59% in 2014. The Bank further strengthened its NPL coverage ratio which stood at 142% in 2019 as compared to 110% in 2014.

The Bank's direct contribution to national exchequer also increased manifold with the total taxation charge for the year 2019 increasing to Rs 10.9 billion from Rs 2.3 billion for 2014 on account of higher profitability and imposition of Super Tax by the Government.

Resultantly, the Bank's Profit after Tax has grown from Rs 4.6 billion in 2014 to Rs 15.2 billion in 2019 with an Average Return on equity of more than 20% during the six years' period while maintaining an unbroken payout to its shareholders.

Financial Analysis

Statement of Financial Position

The Bank's deposits grew by 19% in 2019 – almost twice the average banking industry growth of 10%, closing at Rs 933 billion. The Bank's market share of deposits grew to 6.4% as compared to 5.9% in 2018. The Bank is now the sixth largest bank in Pakistan in terms of deposits and branches as of December 31, 2019.

The total assets of the Bank grew by 20% to reach Rs 1.1 trillion from Rs 938 billion in 2018. The Bank's investments increased to Rs 226 billion as compared to Rs 124 billion in 2019 after investment of Rs 85 billion in Pakistan's first ever Energy Sukuk issued by Power Holding (Private) Limited, a wholly owned subsidiary of Government of Pakistan with Meezan Bank as a Lead Arranger. The Sukuk has a market value of Rs 97 billion. Accordingly, the surplus on revaluation of the Sukuk amounting to Rs 8.2 billion (net of tax), is reflected in the Bank's equity. Due from Financial Institutions under Bai Muajjal also increased to Rs 224 billion from Rs 185 billion in 2018.

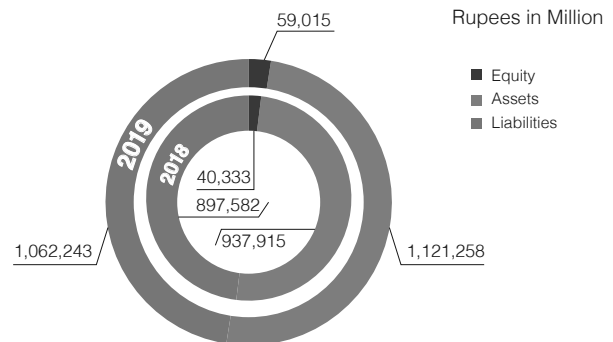
Financing portfolio of the Bank stood at Rs 494 billion, slightly lower than 2018 in line with the overall slowdown in the economy of Pakistan. The Bank has one of the lowest infection ratio of 1.8% - as compared to the industry average of 9%. The Bank's coverage ratio increased to 142% as compared to 139% in 2018 - one of the highest in the Banking industry in Pakistan. The Advance to Deposits ratio (ADR) of the Bank stood at 53%.

During the year, the Bank further expanded its foot prints and opened 100 new branches bringing the total number of branches to 760 in 223 cities from 660 branches in 181 cities last year. The Bank remains committed to continuously raise service quality standards and set new benchmarks in customer care to ensure service delivery across all channels.

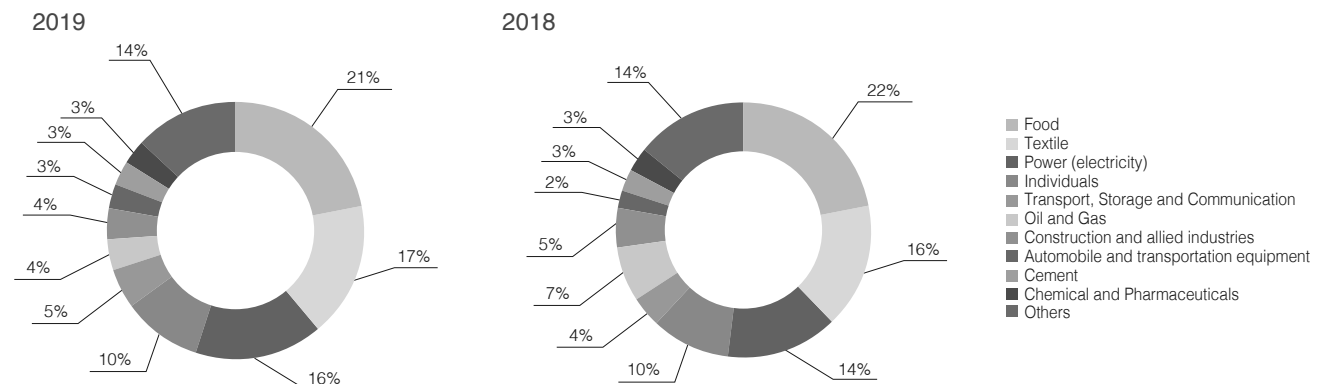
The Bank's equity increased to Rs 59 billion as compared to Rs 40 billion last year on account of higher profitability and unrealized surplus on Energy Sukuk. The Board has recommended the final cash dividend of Rs 2 per share (20%) bringing the total payout to Rs 5 per share (50%) as Rs 3 per share i.e. 30% interim cash dividend was paid during the year in addition to issuance of 10% Bonus Shares.

The Bank maintains a comfortable Capital Adequacy Ratio of 16.58% over and above the minimum regulatory requirement of 12.50% as of December 31, 2019. To further strengthen regulatory capital base, in January 2020, the Bank successfully issued second tranche of Sub-ordinated Tier II Sukuk of Rs 4 billion in the form of regulatory compliant unsecured, subordinated privately placed Sukuk.

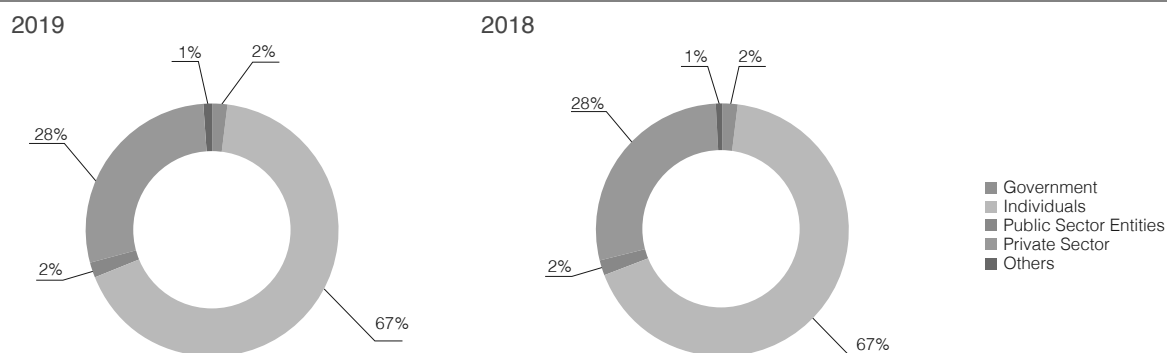
Statement of Financial Position



Islamic Financing and Related Assets (Gross)



Deposits



Profit and Loss Account

The Bank recorded Profit after tax of Rs 15.23 billion as compared to Rs 8.9 billion in 2018 – a growth of 70%. The return on average equity (including surplus) increased to 30.7% while Earnings Per Share – on enhanced capital clocked at Rs 11.84 per share as compared to Rs 6.97 in 2018.

The Bank's net spread grew by 65% primarily due to higher return on financings, investments and placements which rose by 94% due to the Bank's strong balance sheet growth and re-pricing of earning assets due to increase in SBP's Target Rate. The Bank's return on deposits and other dues also increased significantly from Rs 20.5 billion in 2018 to Rs 47.7 billion in 2019 – an increase of 133% primarily due to higher profit rates and increase in deposits.

Fee and commission income of the Bank grew by 17% to Rs 6.1 billion with major contribution from trade finance related income, branch banking income and income from Alternate Distribution Channels. The Bank considers trade finance as a core business activity which while contributing to fees and foreign exchange income, also attracts current account balances thereby contributing to the overall profitability of the Bank. The Bank's foreign exchange income crossed Rs 2.5 billion as compared to Rs 1.3 billion last year.

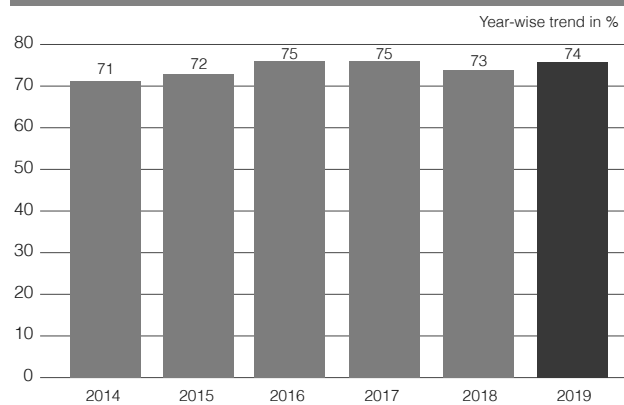
The Bank's total provision against financing amount to Rs 3.1 billion – Rs 1.6 billion specific provision (net) and Rs 1.5 billion – general provision duly approved by the Board. The Bank also incurred a capital loss of Rs 381 million and provided an impairment charge of Rs 1.1 billion on the listed equity investments owing to volatile movement in PSX-100 index.

Operating and other expenses increased to Rs 25.6 billion from Rs 19.7 billion primarily due to increase in costs associated with hundred new branches, IT infrastructure cost, rising inflation and rupee devaluation. However, the rise in expenses is sufficiently absorbed by the growth in the Bank's income resulting in improvement in income efficiency ratio to 46% - lower by 9% from last year.

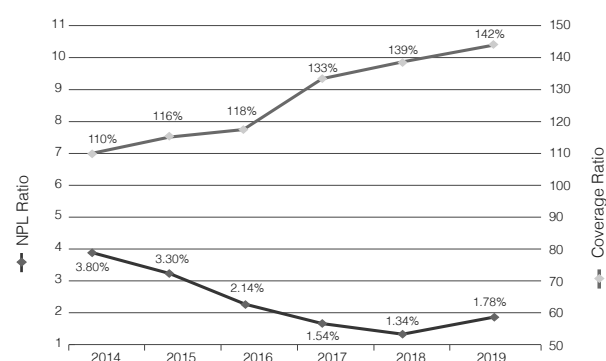
The Bank is in the process of forming Meezan Bank Foundation to promote development and advance the welfare and well-being of the people of Pakistan. The Board has approved an initial contribution of Rs 200 million for the Foundation which is included under donations in the financial statements for the year.

The total tax charge for the year, including Super Tax charge, increased to Rs 10.9 billion as compared to Rs 5.8 billion due to higher profitability. The Super Tax charge for the year included an additional Super Tax charge of Rs 470 million (4% for Tax Year 2018 / Accounting Year 2017) levied through Finance Act, 2019.

CASA to Total Deposit

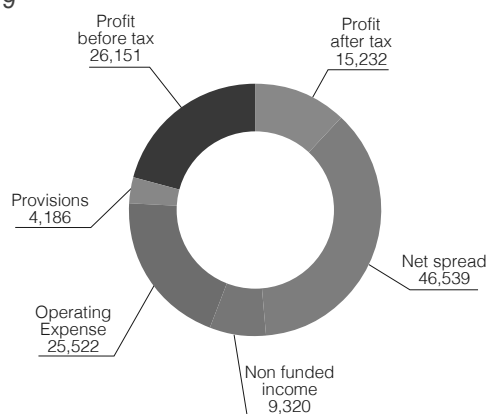


NPL and Coverage Ratios

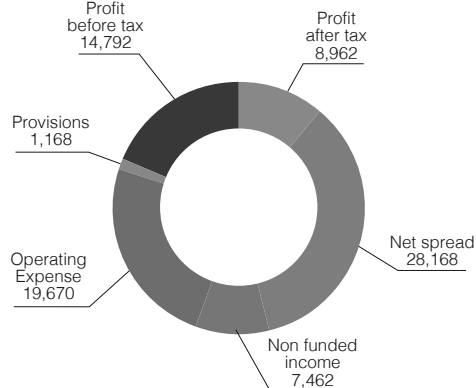


Profit and Loss

2019



2018



DuPont Analysis

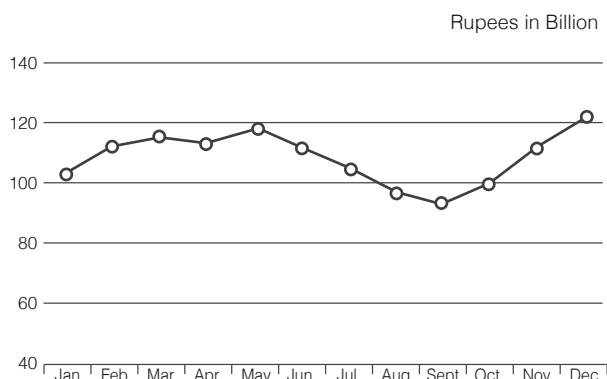
Description	2019	2018	2017	2016	2015	2014
Profit Margin - %	14.7%	16.0%	14.3%	15.1%	13.4%	13.7%
Asset Turnover	0.10	0.06	0.06	0.06	0.08	0.09
Equity Multiplier - Times	20.73	22.90	22.13	21.08	19.43	18.04
Return on Equity (ROE) - %	30.66%	23.77%	19.26%	19.58%	20.00%	21.35%

Following are the main DuPont analysis highlights:

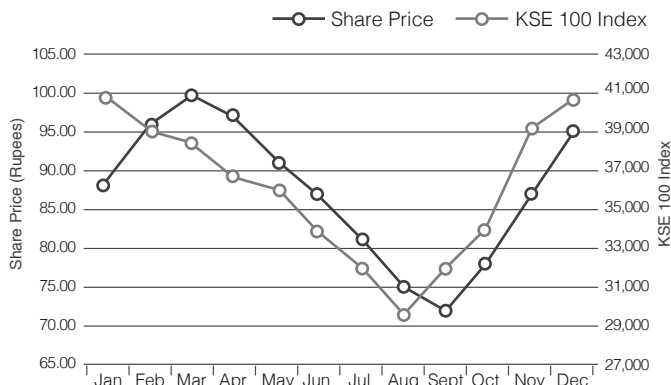
- The Bank's profit margin depicts an increasing trend due to strong balance sheet growth, increase in non-funded income and improvement in the income efficiency ratio
- The asset turnover also depicts an increasing trend pursuant to repricing of earning assets due to increase in the SBP's target rate
- The equity multiplier is directly dependent on the Bank's equity in relation to total assets
- The Bank's Return on Equity is dependent on above mentioned three factors

Market Statistics of Meezan Bank's Share during 2019

Market Capitalisation



Share Price Sensitivity



	Share Price			Daily average Volume	Number of trading days	Market Capitalization	
	High	Low	Closing			Share Capital	Value
	Rupees					Rupees in Million	
First Quarter	105.98	86.50	99.05	456,825	63	11,692	115,809
Second Quarter	101.00	81.31	87.16	590,229	59	12,861	112,097
Third Quarter	89.39	69.00	72.04	366,992	60	12,861	92,651
Fourth Quarter	100.00	72.15	95.13	756,346	65	12,861	122,348

Below are the key factors that may influence the share price of the Bank:

- Bank's Performance
- Regulatory Changes specifically in Banking sector
- Changes in Macro Economic scenario of Pakistan
- Changes in Political Environment of Pakistan

Analysis of Non-Financial Performance

Non-financial measures form an important element of how the Bank evaluates its performance towards achieving its targets as well as delivering sustainable results for its stakeholders. Non-financial performance measures include the impact the Bank has on its key stakeholders and are monitored through strict adherence to the Bank's internal policies and guidelines.

Human Capital

Meezan Bank remains focused on creating a diverse and inclusive workforce; encouraging participation of female employees as well as specially-skilled individuals. The Bank also ensures an equitable environment where all employees are given an equal opportunity to realize their full potential.

In line with these goals, the Bank, throughout the year, provided a multitude of training and coaching opportunities to its employees. The Bank also has in place a comprehensive compensation framework that maintains a more direct link between employee performance and compensation. During 2019, the Bank continued to drive fair practice to increase gender diversity and inclusion across its entire workforce.

A key element of this year's performance was the Bank's focus on automation and digitization which has also had a significant impact on HR processes and operations. The Bank successfully migrated to the latest version of Enterprise Resource Planning (ERP) system which has provided significant functional innovations around user-experience and has enabled new functionalities with more agility. Moreover, several system generated automated alerts have been implemented this year helping the staff perform their duties with ease and accuracy.

Rs 78m Invested In Training

91% Return-to-work after Parental Leave

76% Employee Satisfaction Rate

Approx. 4% Reduction in Attrition Rate

12% Females Among Total New Joiners

2,578 New Recruitments

595 Elevations

Over 11,500 Total Strong Workforce

Manufactured Capital

The manufactured capital of the Bank includes its branches, computer systems, Alternate Distribution Channels as well as all such operational tools that contribute to the flow of information across and outside the organization. During the year 2019, Meezan Bank opened 100 new branches, bringing the branch network to 760 branches operating in 223 cities across Pakistan.

Meezan Bank's ATM Network grew by 17% during 2019, reaching a size of to 729 ATMs countrywide. The ATM channel was also upgraded to 100% EMV-compliant network to curtail security threats. Biometric access to ATM was also launched nationwide which enables customers to perform cash withdrawal, account verification, funds transfer, bill payments & much more.

The Bank's Internet Banking also witnessed unprecedented growth in IBFT and Bill Payment transactions through this channel, which grew by over 52% in 2019 as compared to 41% in the previous year.

6th Largest Bank Network in Pakistan

729 Biometric and Cardless Services Enabled ATMs

SkimGuard Protection on ATMs of Other Banks

24% Increase in New Debit Cards

Natural Capital

During 2019, the Bank has made good progress in increasing access to green finance and has taken lead among all local financial institutions by handling the highest number of wind power projects. The Bank has also installed Solar Systems in 10 Branches and the Head Office in an effort to reduce its Carbon footprint.

The Bank further aims to convert 100 branches to Solar Energy in the future thus creating a positive contribution towards clean energy initiatives.

The Bank is also working towards the aim of educating its staff towards more responsible energy consumption through workshops on 'Energy Saving and Mitigation of Adverse Effects of Climate Change' that shall cover all branches.

Solar power installation at Head Office and 10 branches
225 kW shifted to green energy
158,000 kgs of CO ₂ reduced

Intellectual Capital

The Bank's intellectual capital is composed of all intangible assets that are related to the Bank's brand as well as its intellectual property such as patents, licences, etc. It also includes all solutions in information technology as well as operational and functional improvements.

During 2019, the Bank focused on enhancing customer experience by automating a total of 40 processes for both internal and external customers. The Bank also aims to build brand affinity by ensuring consistent delivery of service across all branches in Pakistan. In addition, with a focus on technological innovation, the Bank focused on digital security to become 100% EMV compliant.

As Pakistan's largest Islamic bank, Meezan Bank has specialist expertise & track record in delivering, assessing & advising sustainable Islamic banking services. The Bank also provided index re-composition services to PSX for All Share Islamic Index & KSE Meezan Islamic (KMI) - 30 Index.

EMV compliant debit cards
EMV compliant ATM acquiring
3-D Secure compliant e-commerce

Social and Relationship Capital

The Bank believes in maintaining close ties with its stakeholders to create long-term value and to support individual as well as collective growth. Throughout 2019, the Bank continued dialogue and interactions with its customers through various channels to understand and meet their needs and to gather feedback. In addition, in an effort to increase awareness regarding digital threats and financial frauds, the Bank ran various education and awareness campaigns via SMS, emails and on social media platforms for its customers.

During 2019, the Bank maintained its social media presence with the largest footprint in the industry providing its customers with a responsive channel as well as product and service awareness.

Over 2.6 million customers
379,484 New to Bank customers
145,081 new Asaan accounts
9,437,220 customer awareness SMS sent

Cash Flow

Direct Method

For the year ended December 31, 2019

	2019	2018
	Rupees in Million	
Profit / return and other income received	84,051	52,066
Profit / return paid	(44,572)	(19,380)
Payment to employees, suppliers and others	(16,805)	(16,555)
	22,674	16,131
(Increase) / decrease in operating assets		
Due from financial institutions	(38,875)	(37,585)
Islamic financing and related assets	15,732	(93,412)
Other assets	1,154	(4,322)
	(21,989)	(135,319)
Increase / (decrease) in operating liabilities		
Bills payable	(6,564)	6,576
Due to financial institutions	5,640	(405)
Deposits and other accounts	147,102	118,296
Other liabilities	(1,457)	8,604
	144,721	133,071
Income tax paid	(9,325)	(5,151)
Net cash flow from operating activities	136,081	8,732
CASH FLOW FROM INVESTING ACTIVITIES		
Net (investments) / redemption in		
- available for sale securities	(116,446)	(7,113)
- held to maturity securities	28,000	-
- associated entities	-	1,060
Dividends received	342	589
Investments in fixed assets	(4,914)	(3,338)
Investments in intangible assets	(410)	(332)
Proceeds from sale of fixed assets	164	140
Net cash used in investing activities	(93,264)	(8,994)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(2,448)	-
Issuance of Sub-ordinated Sukuk - Additional Tier I	-	7,000
Dividend paid	(6,080)	(2,913)
Net cash (used in) / flow from financing activities	(8,528)	4,087
Increase in cash and cash equivalents	34,289	3,825
Cash and cash equivalents at the beginning of the year	73,277	69,452
Cash and cash equivalents at the end of the year	107,566	73,277

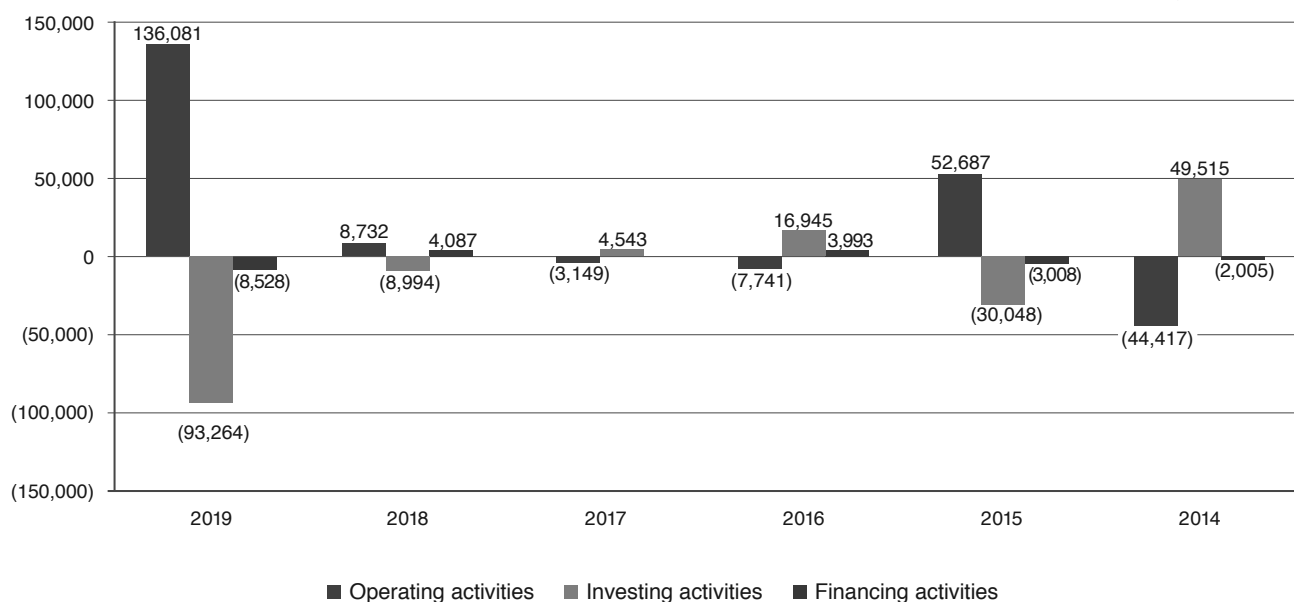
Cash flow statement in annual financial statements is required to prepare in line with the format prescribed by the State Bank of Pakistan under its BPRD Circular No. 02 dated January 25, 2018, 'Revised Forms of Annual Financial Statements'.

Summary of Cash Flow

Rupees in Million

	2019	2018	2017	2016	2015	2014
Cash flow from / (used in) operating activities	136,081	8,732	(3,149)	(7,741)	52,687	(44,417)
Cash (used in) / flow from investing activities	(93,264)	(8,994)	4,543	16,945	(30,048)	49,515
Cash (used in) / flow from financing activities	(8,528)	4,087	-	3,993	(3,008)	(2,005)
Cash and cash equivalents at the beginning of year	73,277	69,452	68,058	54,861	35,230	32,137
Cash and cash equivalents at the end of year	107,566	73,277	69,452	68,058	54,861	35,230

Rupees in Million



Allocation of Income and Expenses to Remunerative Depositors' Pool

For the year ended December 31, 2019

	2019	2018
	Rupees in '000	
Income from financing activities	51,368,119	29,061,728
Income from investments	19,726,781	6,139,566
Income from placements with financial institutions	17,334,544	11,522,776
Other income attributable to pools	5,267,122	2,717,152
Total Income	93,696,566	49,441,222
Less: Directly attributable charges to pools including takaful (Note)	(1,844,037)	(1,431,931)
Less: Profit on assets allocated to IERS and other special pools	(23,858,852)	(8,676,943)
Less: Profit share allocated to bank's equity and other pools in Mudaraba pools	(15,058,921)	(11,717,502)
Gross distributable Income	52,934,756	27,614,846
Mudarib (Bank) share of profit before hiba	26,905,125	14,057,355
Less: Hiba from Mudarib (Bank) share	(8,987,680)	(1,388,628)
Net Mudarib (Bank) Share of profit	17,917,445	12,668,727
Rab-ul-Maal share of profit	35,017,311	14,946,119
Rab-ul-Maal share of profit is distributed as follows:		
Remunerative depositor's profit share in Mudaraba pools	35,017,311	14,946,119

The Bank maintain following four remunerative general pools:

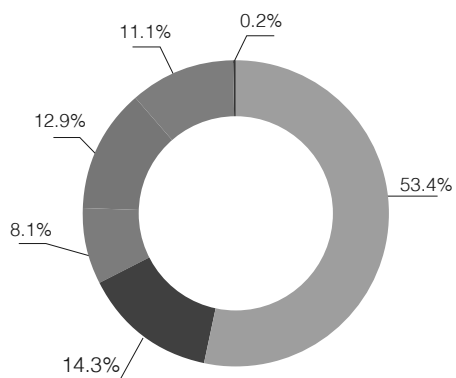
	Net Income allocated to General Pool and bank's equity	Profit share allocated to bank's equity and other pools	Mudarib (Bank) share of profit	Hiba from Mudarib (Bank) share	Net Mudarib (Bank) share of profit	Remunerative depositors' share in Mudaraba pool
	2019 Rupees in '000					
Rupee deposit pool	65,737,333	14,515,984	25,610,676	8,987,680	16,622,996	34,598,353
Dollar deposit pool	2,158,183	507,406	1,238,082	-	1,238,082	412,695
Pound deposit pool	79,988	30,654	44,400	-	44,400	4,934
Euro deposit pool	18,173	4,877	11,967	-	11,967	1,329
	<u>67,993,677</u>	<u>15,058,921</u>	<u>26,905,125</u>	<u>8,987,680</u>	<u>17,917,445</u>	<u>35,017,311</u>
	2018 Rupees in '000					
Rupee deposit pool	38,060,143	11,430,491	13,314,826	1,388,628	11,926,198	14,703,454
Dollar deposit pool	1,231,221	270,257	720,723	-	720,723	240,241
Pound deposit pool	37,775	15,365	20,169	-	20,169	2,241
Euro deposit pool	3,209	1,389	1,637	-	1,637	183
	<u>39,332,348</u>	<u>11,717,502</u>	<u>14,057,355</u>	<u>1,388,628</u>	<u>12,668,727</u>	<u>14,946,119</u>

Note: Administrative and operating expenses (including salaries and marketing costs) are paid by the Bank and not charged to the Depositors' pool as per the guidelines of Mudaraba pools.

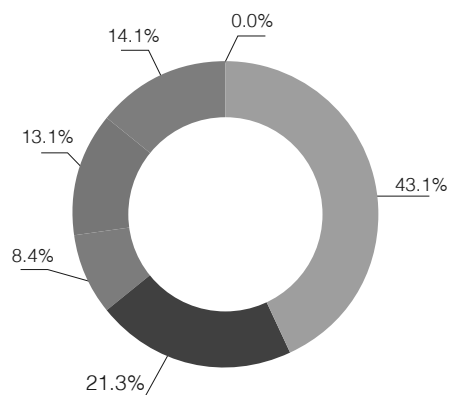
Statement of Value Added and Distributed

Value Added	2019 Rupees in '000	%	2018 Rupees in '000	%
Profit / return on Islamic financings, investments and placements - net of provision	90,084,031	100.8%	47,456,407	100.0%
Fee and commission income	6,174,644	6.9%	5,257,170	11.1%
Dividend income	341,464	0.4%	567,429	1.2%
Foreign Exchange Income	2,684,097	3.0%	1,318,460	2.8%
Gain on securities and other income	119,981	0.1%	319,444	0.7%
	99,404,217		54,918,910	
Operating and other expenses excluding salaries, depreciation, amortisation and workers welfare fund	(10,004,864)	(11.2%)	(7,471,033)	(15.8%)
	89,399,353	100%	47,447,877	100%
Value allocated as follows:				
To Depositors / Financial Institutions Profit on deposits and other dues expensed	47,731,080	53.4%	20,456,948	43.1%
To Employees Salaries, allowances & other benefits	12,739,695	14.3%	10,092,557	21.3%
To Shareholders Cash Dividend	6,079,801	6.8%	2,922,981	6.2%
Bonus Shares	1,169,192	1.3%	1,062,902	2.2%
	7,248,993	8.1%	3,985,883	8.4%
To Government Workers Welfare Fund	609,524	0.7%	363,001	0.8%
Income Tax	10,918,605	12.2%	5,830,206	12.3%
	11,528,129	12.9%	6,193,207	13.1%
To Expansion Depreciation & Amortisation - owned assets	1,965,875	2.2%	1,735,045	3.6%
Retained in business	7,983,081	8.9%	4,976,317	10.5%
	9,948,956	11.1%	6,711,362	14.1%
To promote development and welfare of the society Donations	202,500	0.2%	7,920	0.0%
	89,399,353	100%	47,447,877	100%

Statement of Value Added & Distributed 2019



Statement of Value Added & Distributed 2018



■ To Depositors/Financial Institutions ■ To Employees ■ To Shareholders ■ To Government ■ To Expansion ■ To Society

How We Distribute the Value Created

In fulfilling our promise to our stakeholders, Meezan Bank distributes the value created in relevant and meaningful ways – and for some stakeholders, beyond financial means. Stakeholders receive intangible benefits ranging from employee upskilling programmes to diverse avenues of alternate Shariah-complaint investments & financings, in our effort to ‘Establish Islamic Banking as banking of first choice...’



Statement of Inventory

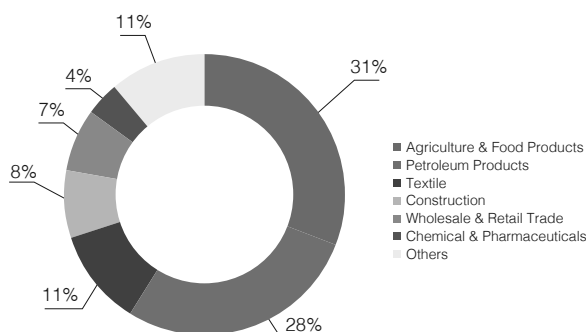
Meezan Bank Limited provides financing through various sale-based modes including Murabaha, Musawamah, Istisna, Tijarah, Salam, etc. Under these modes, the Bank either purchases the goods to be financed or gets them manufactured. It then sells the goods to the customer on spot / deferred basis.

This statement signifies the difference of Islamic modes of financing that is based on trade of real assets and goods. It also demonstrates the exposure that the Bank takes in different sectors.

The goods lying unsold at the date of the financial statements are carried as inventory in the financial statements of the Bank. The sector wise detail of inventory held by the Bank as at December 31, 2019 is as follows:

Sector	Nature of Inventory	2019 Rs in '000	2018 Rs in '000
Agriculture & Food Products	Corn, Sugar, Soyabean, Ghee, Canola, Rice (Grain, Paddy), Wheat, Syrups, Oil Cake, Edible Oil	11,597,939	14,588,574
Petroleum Products	High Speed Diesel, Low Sulphur Furnace Fuel Oil, High Sulphur Furnace Fuel Oil, Premium Motor Gasoline	10,689,500	7,274,000
Textile	Cotton (Raw Cotton, Bales, Fabric, Yarn), Bed Sheets, Garments, Home Textile Products (Towels, Pillow Covers, etc)	4,325,201	5,906,976
Construction	Iron & Steel, Sanitary items & Fittings, Pipes, Cement Bags	2,837,677	797,283
Wholesale & Retail Trade	Rock Phosphate, Coal, Caps and Corks, Confectionary Items, Medical Machinery	2,683,854	1,617,206
Chemical & Pharmaceutical	Chemicals, Medicines, Paints, Fertilizer, Polymers	1,594,852	3,291,088
Others	Poultry Feed, Float Glass, Copper Wire, Bottle Caps, Ship Scrap, Battery Lead Panels, Electronic Components, Sport Goods, Cars, ATM Machines, Fans, Foam, Auto Spare, Finished Leather, Parts, Paper, Packaging & Material (Chip Boards, Glass Vials, Glass Bottles)	4,218,848	3,113,706
Grand Total		37,947,871	36,588,833

Sector-wise Breakup



Statement of Financing Portfolio Income

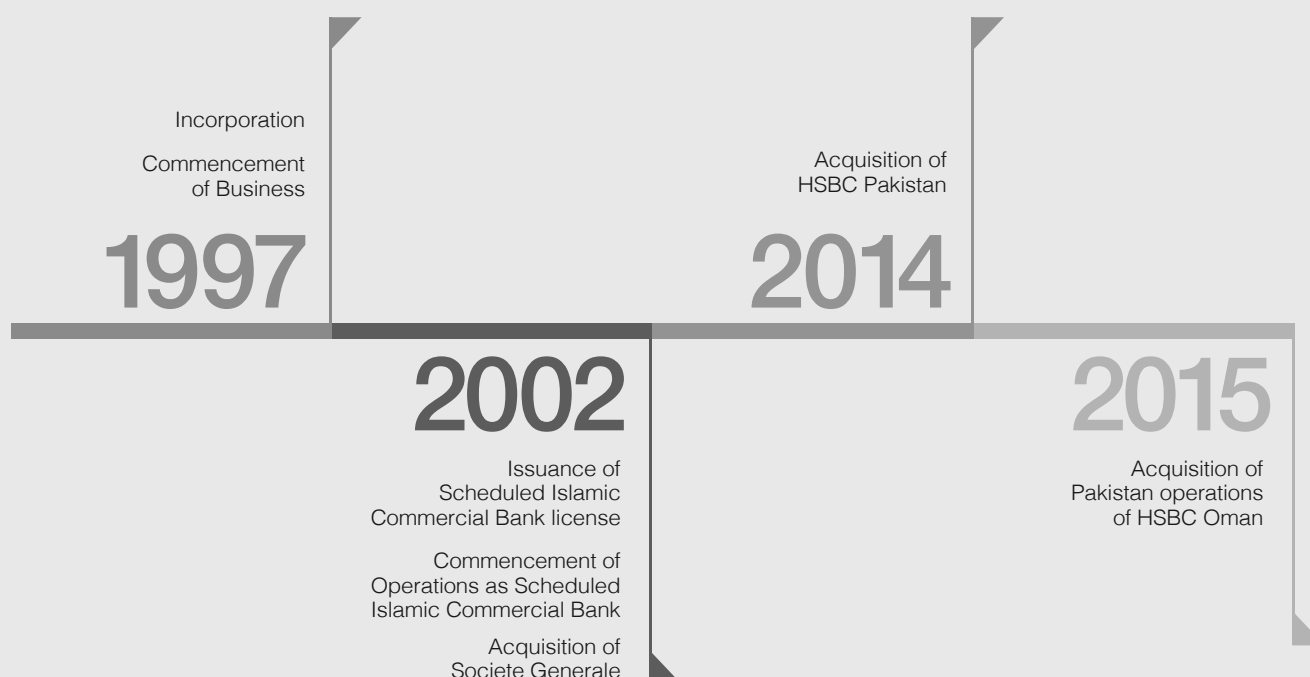
Meezan Bank provides financing to its Corporate, Commercial, SME, Agriculture and Consumer banking customers using a variety of Shariah-compliant modes of financing. The below mentioned matrix shows the percentage of income earned on different financing modes, and depicts a well balanced and diversified financing portfolio of the Bank.

The diversification has been achieved by using arrangements based on trade, rent, joint ownership, profit / loss partnership and agency, to suitably meet the needs of customers and provide a halal return.

Rs in Million

Islamic mode of financing	Amount	2019 %	Amount	2018 %
Running Musharakah	18,892	34.51%	9,425	31.20%
Diminishing Musharakah	12,390	22.64%	7,403	24.51%
Istisna	5,603	10.24%	3,084	10.21%
Ijarah	5,052	9.23%	3,173	10.50%
Wakalah	4,704	8.59%	2,888	9.56%
Musawamah	3,375	6.17%	1,820	6.03%
Murabaha	1,762	3.22%	1,196	3.96%
Tijarah	1,530	2.80%	614	2.03%
Salam	930	1.70%	292	0.97%
Others	500	0.90%	311	1.03%
Total	54,738	100%	30,206	100%

Calendar of Major Events



Financial Calendar

2019

1 st Quarter Results issued on	April 25, 2019
2 nd Quarter Results issued on	August 28, 2019
3 rd Quarter Results issued on	October 24, 2019
Extraordinary General Meeting (EOGM)	December 18, 2019
Annual Results issued on	February 12, 2020
24 th Annual General Meeting	Scheduled on March 26, 2020

2018

1 st Quarter Results issued on	April 19, 2018
2 nd Quarter Results issued on	August 29, 2018
Extraordinary General Meeting (EOGM)	October 2, 2018
3 rd Quarter Results issued on	October 24, 2018
EOGM/Election of Directors held on	November 17, 2018
Annual Results issued on	February 21, 2019
23 rd Annual General Meeting	March 28, 2019

2017

1 st Quarter Results issued on	April 20, 2017
2 nd Quarter Results issued on	July 26, 2017
3 rd Quarter Results issued on	October 25, 2017
Annual Results issued on	February 14, 2018
22 nd Annual General Meeting	March 28, 2018

Marketing & Corporate Communication

During 2019, the Bank launched several initiatives for re-enforcing its Vision of establishing 'Islamic banking as banking of first choice...', enhancing its brand image and increasing visibility to existing and potential customers.

Major Initiatives

The marketing campaigns listed below utilized Print, Radio and Social & Digital Media.

- Deposit Account with Free Services
- Senior Citizens MAC campaign
- Smart Remittance Wallet and Easy Remit campaign
- Government Hajj Application collection campaign
- To support the Islamic pages of major newspapers, Meezan Bank also placed a weekly masthead ad on these pages. A number of corporate and product related ads like Car Ijarah, Easy Home, Bike Ijarah, Labbaik etc. were placed here.



Events & Sponsorships

The Bank sponsored and participated in more than 30 public events nationwide that provided excellent marketing mileage and increased its brand visibility. The Bank also organized more than 30 Area-wise Islamic banking seminars, including a few at Chambers of Commerce in various cities, to increase awareness of Islamic banking in the general public.



The Bank also conducted the following activities exclusively on Digital & Social Media:

- 28 product-focused campaigns for Home Remittance, Kafalah, Consumer Ease, Meezan Express Account, Bike Ijarah, Car Ijarah, Easy Home, etc.
- Over 60 videos on corporate, as well as product campaigns
- Ramadan campaign based on good deeds
- Blessed Friday discount campaign
- Campaigns on major days including Independence Day, Pakistan Day, International Day of Disabled Persons and Quaid-e-Azam Day
- Coverage of CSR initiatives such as Tree Plantation Drive, Cleanliness Drive, adoption of Idara Al Khair Welfare Society school, etc.



Corporate Publications

- **Annual Report:** The Bank's Annual Report is a comprehensive document which comprises financial highlights and accomplishments of the past year.
- **PR & Newsletter:** The Bank regularly disseminates information to its customers, general public about its achievements as well as business and operational milestones through Press Releases in print, electronic and social media. The Bank's official newsletter- PAGES and its intranet portal- 'Meezan World' both serve as very effective channels to disseminate news, information and announcements to the Bank's staff across the country.
- **Calendars:** The Bank continued to research, design and produce informative calendars for distribution to existing and potential customers. These calendars are developed in English and Urdu languages. A digital calendar is also made available on the Bank's website.
- **Ramadan Cards:** The Bank continued to distribute Ramadan cards to highlight the importance of this Holy Month.



LinkedIn

Followers

More than

123,200

Growth

78%

since 2018

The highest number of followers amongst all banks in Pakistan

YouTube

Followers

More than

10,200

Growth

77%

since 2018

First dedicated Islamic Banking Channel in the country

MEEZAN BANK'S SOCIAL MEDIA FOOTPRINT

facebook

Likes

Over

1.98m

Largest fan base in Pakistan's banking industry

19th

in World's Top 100 Banks on Facebook by The Financial Brand

Launch of Meezan Careers Facebook Page

More than

12,300 Likes

Instagram

Followers

More than

38,500

Growth

125%

since 2018

The highest number of followers amongst all banks in Pakistan

twitter

Followers

More than

6,600

Growth

39%

since 2018

facebook

www.facebook.com/MeezanBank
www.facebook.com/MeezanBankCareers

twitter

www.twitter.com/MeezanBankLtd

LinkedIn

www.linkedin.com/company/meezan-bank-ltd

YouTube

www.youtube.com/c/MeezanBankLtd1

@

www.instagram.com/meezanbanklimited





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SWOT Analysis

Being aware of the environment in which one operates, as well as of one's own strengths and weaknesses, is a key element in the success or failure of any business. Meezan Bank's management is cognizant of the fact that the economy and the banking industry are in a state of flux and regularly conducts SWOT analysis of the organization to capitalize on its strengths and work on its weaknesses in view of the opportunities available in its environment and the threats that it needs to overcome. A SWOT summary of the business as it stands today is given below:



STRENGTHS

Pakistan's largest Islamic bank

Brand image

Shariah credibility

Comprehensive product suite

Dedicated Shariah Supervisory Board of comprising of world-renowned Shariah scholars



WEAKNESSES

Limited opportunities for investment of surplus liquidity

Limited availability of human resources with Islamic banking knowledge



OPPORTUNITIES

Increasing awareness about Islamic financial services and demand for Shariah-compliant products and services

Growing local and international Islamic banking market

Significant potential for market penetration



THREATS

Conventional banks entering Islamic banking market

Alternate business models

Macroeconomic uncertainty

Strategic Objectives

Formulation, execution and monitoring of strategic goals and initiatives are keys to ensuring optimum organizational productivity. Meezan Bank has continued to ensure that its direction and the pace with which it moves in a given direction is constantly reviewed, deliberated upon and monitored to keep it aligned with the organizational Vision and Mission. In line with the vision and mission, Meezan Bank has established for itself the following set of objectives:

Long Term Objectives

- Establish Islamic banking as banking of first choice
- Enhance and reinforce the Bank's brand by maintaining its values and Shariah credibility

Medium Term Objectives

- Become the best customer franchise by offering innovative and value added services
- Collaborate with educational institutes to nurture Islamic bankers

Short Term Objectives

- Provide financial solutions aligned with needs and expectations of an increasingly technology-oriented customer base
- Ensure consistent profitability to exceed shareholder and market expectations

Strategies in Place

With nearly two-thirds of the country's population in the millennial and post-millennial age group, proliferation of smart devices and internet connections throughout Pakistan, and adoption of digital channels is increasing at an exponential pace. Customers now demand the ability of conducting both personal as well as business transactions using digital channels and Meezan has put strategies in place to provide end-to-end digital solution to all customers.

Moreover, Meezan Bank keeps recalibrating its product portfolio and financing mix to deliver the optimum results to its customer base as well as all other stakeholders. Meezan Bank focuses on developing creative action plans in accordance with the market dynamics.

Meezan Bank has always conducted awareness sessions on Islamic banking throughout Pakistan, with audiences from all age groups, professions and socio-economic strata. As a consequence, Meezan Bank's efforts in increasing the size of the Islamic banking market have borne tremendous fruit. This effort will continue with renewed vigour and will constitute a central strategy for achieving long-term and medium-term organizational objectives.

Significant Plans and Decisions

To achieve organizational objectives, the senior management discusses various strategies and monitors their implementation and efficacy routinely. These strategic objectives form the basis of the high level organizational Balanced Scorecard. Meezan Bank will continue to expand its branch network and product portfolio, and invest in latest technologies to not just keep abreast of the changing transactional climate but to also stay ahead of the market.

Significant Changes in Objectives and Strategies

There have been no significant changes in organizational objectives or strategies over the past year.

Strategy to Overcome Liquidity Problem

The Bank has one of the largest branch networks in the country that supports its deposit generation efforts. The strategy to overcome liquidity shortage is two pronged. At one end, the Bank is constantly focusing on increasing its deposits base, which allows the liquidity to fund its financing activities (Advances). The deposit base of the Bank is also highly granular, meaning that it does not run the risk of liquidity shortage due to losing a single large deposit. The stable and regularly growing deposit base ensures that the supply side of the Bank's liquidity never comes under stress.

On the financing end, the Bank manages a Deposit to Advances ratio (ADR) within prudent levels, thus ensuring that the financing facilities being provided are within comfortable limits of the total deposits available with the Bank.

Resource Allocation

Human Capital

Meezan Bank reaffirms its dedication towards codifying and putting to use the organization's combined human capability for solving business problems. This includes capacity enhancement through job rotations, formal and informal mentorship and counselling programs, trainings and specific engagements in order to promote a learning culture throughout the organization. Meezan Bank will provide an environment where an individual's learning can translate into optimal business improvement. The organization will redeploy resources to afford an even better work-life balance for its employees. It is foremost among the organization's priorities to develop its employees professionally and intellectually, as well as to imbue the new individual depth into the organizational culture.

Manufactured Capital

Meezan Bank will increase its investment in providing physical infrastructure that is sustainable and more flexible than ever before. Branches, IT infrastructure and locations will reflect this drive. The organization will ensure that its physical infrastructure exceeds customer expectations and generates greater returns by employing design thinking principles and utilizing resources in an optimal manner.

Financial Capital

The Bank's Board and the management is committed to maintaining a sound balance between depositors' liability and shareholders' funds so that optimal capital / debt ratio is maintained. The Bank prepares Annual Budget and Three Year Plan for purpose of the growth map and future direction. Bottom up approach is used to prepare Annual Budget and detailed deliberations are held while preparing Three Year Plan. The capital requirement of the Bank is determined based on the projected growth plan to be achieved in the next 3 years in all areas of business operations.

Natural Capital

Meezan Bank will decrease its carbon footprint per employee by maintaining its movement towards digitalization of back-end services, centralization of processes in certain key areas, as well as digitizing processes to place minimal burden on the environment. Reduced use of paper will be complemented with greater investment in green power for various physical locations spread throughout the country.

Intellectual Capital

Meezan Bank will gather and collate all the banking and service wisdom spread throughout the organization and transform its processes accordingly to provide the best possible banking experience to its customers. Concurrently, Meezan Bank will seek to further enrich its social fabric by weaving Shariah and regulatory compliance into the organizational cultural tapestry. The organizational value will be developed via an emergent process focused on the capability to leverage, develop and enhance the values inherent in Islamic banking.

Social and Relational Capital

Meezan Bank will invest in deepening customer relations by introducing more touch points for customers, gathering and synthesizing data for deepened customer insights, and designing customer journeys to better suit the banking needs and taste preferences of the burgeoning customer base. Moreover, the organization will take measures to enhance its brand position as the premier Islamic bank as well as one of the leading and fastest growing banks of the nation and utilize its network to add value to its offerings.

Key Performance Indicators and Future Relevance

Key Performance Indicators (KPIs) are a tool for measuring the success and performance of specific initiatives, projects, as well as routine operational activities. Meezan Bank uses KPIs at multiple levels so that smart business decisions may be made regarding the direction of all current and future projects.

- Meezan Bank tracks the growth of the Islamic banking industry continuously, and as a corollary, tracks its share in the Islamic as well as the conventional banking industry, employing branch expansion and relocation, deposit products, tailored services for individual and commercial customers as tools to augment market position.
- Meezan Bank focuses on diverting its financing mix towards the most profitable business segments, and keeps working towards the target by introducing new products and services, inducting an immersive customer experience for specific segments. This focus leads to greater shareholder returns and a favourable market perception.
- Meezan Bank keeps track of all traditional financial and profitability ratios.
- Meezan Bank keeps interacting deeply with all business segments, and determines the Net Promoter Score so as to retain focus on what customers really value. Customer feedback is collected continuously and studied to determine where and in what form would a given organizational response provide the greatest value for customers. This interaction and study of customer preferences helps in identifying new opportunities and redesigning process flows.
- Meezan Bank keeps a keen eye on the regulatory regime and strives to predict future courses of action from relevant national and international bodies which could have a bearing on its financial performance and sustainability. Systems are in place to stay ahead of the curve with respect to regulatory compliance, as well the high internal Shariah-compliance standards the organization has set for itself.

The above mentioned KPIs will remain relevant for future endeavours.

Products and Services

Meezan Bank offers a diverse range of Shariah-compliant banking products and services to cater customer requirements. All products of the Bank are approved by the Shariah Supervisory Board and are completely Riba-free.

Meezan Rupee Current Account

This is a checking account that works on the basis of 'Qard' and provides the convenience of conducting day-to-day transactions with ease and comfort. There is no restriction on withdrawals or number of transactions and there is no deduction of service charges if the balance maintained is low. The account is ideal for daily transactional needs of individuals and business entities.



Meezan Rupee Savings Account

Meezan Bank's Rupee Savings Account is ideal for savings, investments and transactional needs. It works on the basis of 'Mudarabah' and provides monthly profit, along with a variety of free packaged benefits. Profit is calculated on daily balance and credited into the account on a monthly basis. Minimum investment required for opening an account is Rs 100 and there is no deduction of service charges if the balance maintained is low.



Meezan Asaan Current Account

Meezan Asaan Current Account is specifically designed for low income, unbanked and under-banked population that provides swift and hassle-free account opening process, since there is no requirement of submitting any proof of income document for opening this account. It works on the basis of 'Qard' and can be opened with a minimum deposit of Rs 100 and a valid CNIC. Maximum credit balance and withdrawal limit is Rs 500,000 per month.



Meezan Asaan Savings Account

Meezan Asaan Savings Account is specifically designed for low income unbanked and under-banked population with the motive of saving money in a bank account. It provides swift and hassle-free account opening process, since there is no requirement of submitting any proof of income document for opening this account. Account works on the basis of 'Mudarabah' and can be opened with a minimum deposit of Rs 100 and a valid CNIC. Maximum credit balance and withdrawal limit is Rs 500,000 per month.



Meezan Express Current Account

Meezan Express Current Account has been designed to facilitate the beneficiaries of home remittance and encourage them to use formal banking channels. The biggest advantage of Meezan Express Current Account is that it can be opened on the basis of a CNIC only* & there is no withholding tax on cash withdrawals through cheque or ATM. Meezan Express Current account can only be fed through home remittances, no other credits are allowed.

**Terms and conditions apply*



Meezan Express Savings Account

Meezan Express Savings Account is based on Mudarabah and has been designed to facilitate the beneficiaries of home remittance and encourage them to use formal banking channels. The biggest advantage of Meezan Express Savings Account is that it can be opened on the basis of a CNIC only* & there is no withholding tax on cash withdrawals through cheque or ATM. Meezan Express Savings account can only be fed through home remittances, no other credits are allowed.

**Terms and conditions apply*



Foreign Currency Current Account

Meezan Foreign Currency Current Account is a 'Qard' based account that can be opened with just 100 USD / Pound / Euro. There is no deduction of service charges if the balance maintained is low.



Foreign Currency Savings Account

Meezan Foreign Currency Saving Account is an excellent business tool for individuals and corporate clients to meet their business needs and to diversify their investment in different foreign currencies. It works on the basis of 'Mudarabah' and allows customers to earn Halal profits every month and safeguard their investment against currency fluctuations. Meezan Foreign Currency Savings Account can be opened by individuals, sole-proprietorships, partnerships and limited companies in 100 USD / Pound / Euro only.



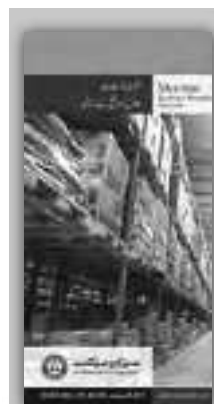
Meezan Bachat Account

Meezan Bachat Account is a premium savings account that offers a higher expected profit. The minimum investment required for opening an account is Rs 50,000. Profit is calculated with a higher weightage for account balance. There is no restriction on withdrawals or numbers of transactions and there is no deduction of service charges if the balance maintained is low.



Karobari Munafa Account

Karobari Munafa Account is specifically tailored for large corporates or GoP controlled entities where profit is calculated on daily balance and credited into the account on a monthly basis. The minimum investment required for opening an account is Rs 1 million. There is no restriction on withdrawals or number of transactions and there is no deduction of service charges if the balance maintained is low.



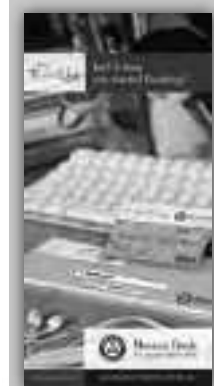
Meezan Kids Club Account

Meezan Kids Club Account is introduced for children under the age of 12 years to cultivate the habit of saving in the early years. The account can be opened with Rs 500 only. The profit is paid on monthly basis. VISA debit card fee is waived for the first year. Exciting gifts are given to Kids Club members on account opening.



Meezan Teens Club Account

Meezan Teens Club Account is designed to cater the requirements of the age group of 12 to 18 years. It can be opened from Rs 1,000 only. The profit is paid on monthly basis. VISA debit card fee is waived for the first year. Exciting gifts await the Teens Club members upon account opening.



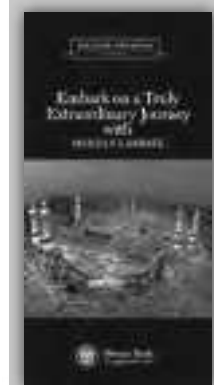
Meezan Kafalah

Meezan Kafalah is a savings plan with Takaful coverage up to Rs 15 million through which customers can save for their future plans such as education or wedding of their child, going for Hajj, planning for old age etc. Meezan Kafalah is a Shariah-compliant alternative to bancassurance with easy exit option at any time. An individual can start his plan with monthly contribution as low as Rs 2,000. Plans are available from 3 to 15 years.



Meezan Labbaik

Meezan Labbaik facilitates customers who wish to perform Hajj & Umrah via renowned agents on the Bank's panel. Customers have multiple Travel Asaan payment options allowing them to decide when and how they want to pay off the plan. Alternatively, customers can also avail Mudarabah based Labbaik Savings Asaan Account in which customers can save for Hajj & Umrah of their parents, spouse, children or other family members on some future date. Customers can also apply for Hajj through the Bank's branches on the Govt. Hajj Scheme as announced by the Government of Pakistan from time to time.



Monthly Mudarabah Certificate

The Monthly Mudarabah Certificate is a short-term deposit product for an investment period of one month only. Profit is paid on maturity with re-investment option available on a continuous basis. Minimum investment required is Rs 50,000. Pre-mature withdrawal can be made as per the approved schedule.



Certificates of Islamic Investment

Certificates of Islamic Investment are Term Deposit Certificates for investment periods ranging from 3 months to 5 years with profit payment on monthly and maturity basis. Minimum investment required is Rs 50,000. There is no limit on maximum investment. Pre-mature withdrawal can be made as per the approved schedule.



Mobile Banking App

Meezan Bank Mobile Banking App is a one-stop solution to all day-to-day banking needs of customers including mobile top-ups, bill payments, funds transfer or donations. The new Meezan Bank Mobile App has been designed to provide customers with an easy and fast user experience while maintaining absolute security at all times. Using the biometric login feature, users can now perform their transactions in seconds. Moreover, now customers can stay updated with all Meezan Bank Debit Card discounts and promotions, locate and navigate to Meezan Bank branches and ATMs and find the Qibla direction, all within the App.



Meezan Bank Platinum Debit Card

Meezan Bank Platinum Debit Card is designed to meet the needs of high net-worth customers who are frequent travellers and high spenders. It offers maximum usage limits with exclusive discounts at partnered brands across the country along with complimentary access to CIP lounges at airports in Pakistan. Meezan Bank Platinum Debit Card gives access to premium customers at over 20 airport lounges worldwide and comes with NFC feature to provide quick transaction (Tap & Go) experience at all NFC enabled terminals globally. Moreover, this card is secured with CHIP & PIN for POS transactions and 3-D Secure for e-commerce transactions.



Internet Banking

Meezan Bank Internet Banking is a safe and convenient way to bank for customers who feel comfortable with desktop computers. Internet Banking offers various features such as mobile top up, bill payments, funds transfer, making donations and viewing and downloading the account statements. In addition to this, customers can also lodge complaints, request cheque books & pay orders as well as issue stop cheque instructions. Moreover, customers can also manage their investments in Al-Meezan Mutual Funds.



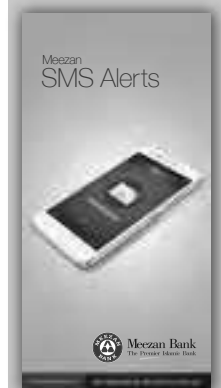
Meezan Bank Titanium Debit Card

Meezan Bank Titanium Debit Card is designed to meet the needs of emerging affluent customers who seek unique life experiences. It not only comes with higher limits for shopping and withdrawals but also offers amazing deals and discounts at hundreds of retail brands as well as e-commerce merchants across Pakistan. This card is NFC enabled and secured with CHIP & PIN for POS transactions and 3-D Secure for e-commerce transactions. With Meezan Bank Titanium Debit Card, customers can access selected international lounges as well.



SMS Alerts

Meezan Bank's SMS Alerts service keeps customers updated about the activity in their accounts on real time basis enabling them to keep track of their financial transactions along with latest account balance. Meezan Bank customers also get email alerts of their transactions which is particularly helpful for customers travelling abroad. For institutional clients, corporate SMS Alert service is also available tailored to their specific needs.



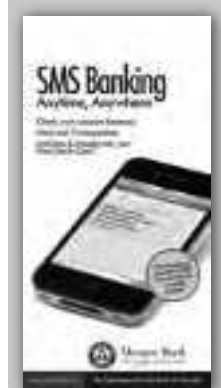
Meezan Bank Gold Debit Card

Meezan Bank Gold Debit Card is designed to meet the needs of customers in pursuit of higher value than the basic category. Gold card customers can also avail hundreds of deals and discounts all over Pakistan. These cards are NFC enabled and secured with CHIP & PIN for POS transactions and 3-D Secure for e-commerce transactions.



SMS Banking

Meezan SMS Banking is an interactive service that allows customers to access their account anytime, anywhere by using the SMS channel. It is particularly useful for customers who have limited access to smartphones or internet.



Meezan Bank Classic Debit Card

Meezan Bank Classic Debit Cards are designed to meet the needs of day-to-day payments. Cardholders are eligible to avail discounts at partner merchants nationwide. These cards are NFC enabled and secured with CHIP & PIN for POS transactions and 3-D Secure for e-commerce transactions.



Meezan PayPak Debit Card

Meezan Bank PayPak Debit Card is designed to meet the needs of customers who are looking for seamless ATM withdrawal and POS purchasing within Pakistan. Meezan Bank PayPak Debit Cards are also secured with CHIP & PIN.



Discounts & Privileges

Meezan Bank offers its customers best in class deals and discounts at over 200 brands & merchants nationwide. The Bank also offers attractive discounts at leading e-commerce websites throughout the year. Meezan Bank Platinum Debit cardholders can avail airport CIP lounge facility in major cities of Pakistan. Additionally, Meezan Bank Mastercard Platinum and Titanium Debit Card customers can enjoy the lounge facility at various International Airports.



For further details, please visit the Bank's official website.

Supplementary Debit Cards

Meezan Bank Supplementary Debit Cards allow our customers to offer the convenience of debit card to their family members so that they become financially independent. Supplementary Debit Card offers the same features and benefits as a primary card. For easy tracking, all transactions on Supplementary Cards are shown in the account statement of primary cardholder.



Meezan ATM Network

Meezan Bank offers a nationwide network of over 725 ATMs across the country both with branches and at prominent off-site locations. All Meezan Bank ATMs are EMV compliant and are equipped with biometric functionality to allow card-less access for withdrawal and other ATM based services. In addition to conventional services, Meezan Bank ATMs offer various value-added services like Debit Card Activation, ATM PIN Change and Biometric Account Verification etc.



Contactless Payments – NFC Tap & Go

Meezan Bank is the first bank to introduce Near Field Communication (NFC) Cards in Pakistan. All Meezan Bank Debit Cards are NFC enabled, providing the convenience to make contactless payments seamlessly across the globe. Customers can now experience faster payments on NFC powered terminals showing [NFC] sign by simply tapping the card instead of dipping or swiping it.



SkimGuard

Meezan Bank has introduced an innovative 'SkimGuard' security mechanism for the first time in Pakistan to reduce exposure to skimming frauds. When a high value transaction is initiated on Meezan Bank's ATM, a passcode is sent via SMS on customer's registered mobile number and after entering the same on ATM, the transaction is completed successfully. Similarly withdrawal transactions from other bank ATMs in Pakistan are verified over a Robocall sent to registered numbers of our customers on real-time basis.



Fonepay

Meezan Bank has partnered with Mastercard and Fonepay to launch the latest award-winning innovation in payments based on QR technology. Meezan Bank customers can now simply scan Fonepay QR displayed at shops to make the payment at thousands of merchants in Pakistan.



Online Branches

Meezan Bank offers free online banking facility on all Pak Rupee accounts to online banking customers. This enables the Bank's customers to access their accounts and conduct transactions from any of Meezan Bank's 760 branches nationwide, regardless of which branch or city they have their account in. This facility provides great convenience for depositing and withdrawing cash, making pay orders and availing numerous other banking services.



Smart Remittance Wallet

Smart Remittance Wallet is a unique wallet account with a saving facility that allows customers to receive remittances directly in their account and get free airtime of Rs 2 against each dollar credited. The Smart Remittance Wallet holder can maintain balance up to Rs 1.5 million. The account also gives good profit rates on savings, with the flexibility to use the money at any time. Key features of the product include no minimum deposit requirement, no withholding tax on withdrawals and instant account registration through the use of biometric technology. Along with availability of ATMs, Mobile App and Internet Banking services, the introduction of biometric cash withdrawal from Meezan Bank Branches will provide an option of instant access to cash for the customers.



Takaful Coverage

In line with its customer-oriented strategy, Meezan Bank is offering Takaful coverage to all of its account holders in case of Accidental Death or Permanent Disability. Customers maintaining an average monthly balance of Rs 10,000 or above, are entitled to a Takaful cover of up to Rs 1 million. In addition, ATM cash withdrawal Takaful Coverage, on the amount withdrawn from any ATM, is offered to all the account holders, in case money is snatched within the radius of 2 kms and 45 minutes.

**Terms and conditions apply*



Dollar Mudarabah Certificate

Dollar Mudarabah Certificate is a foreign currency term deposit certificate through which the customer can invest US Dollars for defined period ranging from 3 months to 3 years and earn profit six-monthly or at maturity. Minimum investment required is \$10,000 and there is no maximum investment limit. Pre-mature withdrawals can be made as per approved schedule.



Meezan Amdan Certificate for Senior Citizens, Widows & Disabled Persons

Meezan Amdan Certificate (Senior) is a long-term investment product that offers a higher expected monthly profit to investors for periods of 5 1/2 & 7 years. It is solely structured to cater the needs of the special segment of our society who are in need of a regular stream of monthly income. Elderly individuals (60+ years of age), widows and disabled persons only can avail this product. Minimum investment required is Rs 50,000. However, there is no limit on maximum investment. Pre-mature withdrawal can be made as per the approved schedule.



Smart Payroll Solution

Smart Payroll Solution enables companies to manage payments (salary, pension, staff reimbursements and bonus) in a cost effective, secure and efficient manner. It not only allows cash withdrawals through ATMs, but also allows customers to pay bills, top-up mobile credits and transfer funds to any 1Link member bank through Meezan Bank ATMs, Mobile Application and Internet Banking. Companies can easily disburse salary to their employees and once employees' salaries are loaded onto Smart Payroll Wallets, the account holders can immediately utilize the funds through the aforementioned channels.



Meezan Premium Banking

Meezan Premium Banking is the Bank's Shariah-compliant priority banking service developed to cater the banking needs of high-net worth customers. Premium Banking customers enjoy special privileges such as:

- Meezan Platinum Debit Card - a very prestigious card, offering discounts at selected retail outlets and restaurants across the country, along with higher transactional, withdrawal and fund transfer limits.
- Access to International Airport lounges at selected Airports in major cities of Pakistan and abroad during international flights.
- Dedicated Premium Banking Centres at Karachi, Lahore, Islamabad, Rawalpindi, Faisalabad and Sialkot.
- Premium Phone Banking is a dedicated Call Centre exclusively for Premium Banking customers.
- Fee waivers on selected basic banking transactions and ADC services.



Meezan Consumer Ease Durable Goods

Meezan Consumer Ease – Durable Goods Financing is first ever Shariah-compliant limit based financing facility, which allows customers to purchase laptops, generators and various consumer durable items such as LED screens, air conditioners, washing machines, mobile phones etc. on easy and affordable monthly instalments. A one-time limit approval makes the process simple and hassle-free for the customer, making him / her eligible for multiple financing facilities for Riba-free goods. The Consumer Ease products are based on Shariah concept of Musawamah, which is a general and regular kind of sale.



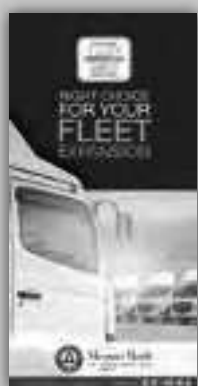
Meezan Amdan Certificate

Meezan Amdan Certificate is a long-term investment product that offers a higher expected monthly profit to investors for periods of 5 1/2 & 7 years. It is ideal for those individuals and organizations that need a regular stream of monthly income. Minimum investment required is Rs 100,000. However, for senior citizens, widows and disabled persons, minimum investment required is Rs 50,000. Pre-mature withdrawal can be made as per the approved schedule.



Commercial Vehicle Financing

Meezan Commercial Vehicle offers financing facility under Ijarah module to SME and Corporate segment. This facility ranges from rigid trucks, vans, coasters, buses to heavy duty trucks, Prime movers etc. With quick and hassle-free processing, Meezan Commercial Fleet is now holding the largest market share in the industry. The specific product is tailored to assess and meet the financing needs of customer with the help of qualified and skilled professionals of the industry. This product is offered to logistics, transportation, distribution, oil marketing companies etc. in Shariah-compliant way.



Bike Ijarah

Meezan Bike Ijarah is a Shariah-compliant solution which is based on Ijarah principle, under this facility; the Bank purchases the bike and rents it out to the customer for a period of 1 to 3 years, agreed at the time of the contract. Rental payments start after delivery of vehicle to the customer. The facility includes full comprehensive Takaful cover as well.



Car Ijarah

Based on Ijarah principle, Meezan Car Ijarah is an auto finance facility. It is a car rental agreement under which the Bank purchases a new / used / imported car of the customer's choice and rents it out for a period of 1 to 7 years, agreed at the time of the contract. Car Ijarah rental payment is inclusive of comprehensive Takaful and tracker facility which is applicable after one month delivery of vehicle to the customer. Meezan Bank Car Ijarah also offer residual value (RV) package for new variants' that allows the customer to take a car on significantly lower rental amount. The Bank bears the Withholding Tax amount.



Easy Home

Based on the principle of Diminishing Musharakah, Meezan Easy Home is a Shariah-compliant home financing facility, in which a customer can buy or build a house, renovate an existing house or replace the conventional house loan with Islamic house finance. With flexible financing tailored to support the customer's need, Meezan Easy Home provides one of the best home financing solutions in the country with hassle-free process and quick turn-around time.



Financing Products

Meezan Bank offers a wide range of products to its Corporate, Commercial and SME Customers to meet their financial needs. Following is a list of generic products that are used to offer financing solutions:

Murabaha

Meezan Bank offers a convenient and easy-to-use solution for financing raw material and inventory requirements of the customer through Islamic mode of Murabaha. Murabaha is a sale transaction where the seller discloses the cost and profit to the buyer at the time of execution of sale. Murabaha is a short-term Islamic facility for meeting asset-based working capital requirement of customers where instead of providing a loan, Meezan Bank sells the required asset to the customer on spot or deferred basis.

Musawamah

Musawamah is a bargain sale in which the Bank does not disclose the cost and profit to the customer.

Istisna

Meezan Bank offers an Istisna based solution to finance complete working capital requirements of its customers. Istisna is a type of sale transaction where the buyer places an order with the seller to manufacture certain asset and the sale is completed upon delivery of the asset to the

buyer. Under this facility, Meezan Bank provides funds to customers for manufacturing certain assets for the Bank and then, upon delivery, sells the assets in the market.

Commodity Salam

This is a working capital financing solution whereby the Bank and customer enter into a sale contract in which sale price is paid by the Bank in advance and customer delivers the commodity / goods on deferred basis. Upon delivery, the Bank sells the goods in the market.

Tijarah

This is a working capital solution especially for those customers who sell their inventory on credit and require funds for operations during the credit period. In Tijarah, the Bank purchases the finished goods from the customer and after taking the delivery, sells the goods in the market.

Ijarah

Meezan Bank provides Ijarah based products to provide flexible solution for meeting long term financing requirements of the customers. Ijarah technically means to give something on rent. The Bank uses this product for medium and long-term financing purposes where the Bank acquires the asset required by the customer and then leases it to the customer for a fixed period. This product is used for the financing of fixed assets such as plant, machinery, generators, equipment, vehicles etc.

Running Musharakah

This is a Shirkatul-aqd based financing facility offered to the customers where the Bank participates in the operating activities of the customer and shares profit and loss as per the actual performance of the business. This product is also used as a viable financing solution for the service industry and travel agents whose financing needs are generally not addressed by other asset backed products. This product is used to meet the working capital requirement of the customer.

Diminishing Musharakah

This is a medium and long-term financing product, where the Bank and the customer jointly purchase an asset and create joint ownership in the asset. The Bank then leases its share in the asset to the customer while the customer purchases units of ownership in the asset from the Bank at periodic intervals. Upon purchase of all the units, the customer becomes the owner of the asset. This mode is used for financing of fixed assets such as land, factory, building, machinery, equipment, vehicles etc.

Structured Finance Solutions

In order to provide solutions to unique financing requirements of the customers such as project financing, CAPEX and BMR requirements, short-term retail Sukuks etc, Meezan Bank offers specialized hybrid solutions that are specifically developed as per the special financing requirement of the customer.

Shariah-compliant range of Trade Financing Solutions Import Financing

Meezan Bank offers a comprehensive solution for all the import related financing requirement of its customers. Some of the major import financing products are as follows:

Letter of Credit Services

In order to facilitate imports of customers, Meezan Bank offers letter of credit establishment services on Wakalah basis at competitive rates and unmatched service quality.

Short-term Import Financing

Meezan Bank offers flexible and convenient import financing facility on the basis of Musawamah / Murabaha. If the customer wants to finance its letter of credit, the Bank appoints the customer as its agent to import the goods and customer establishes the LC as an agent of the Bank. Upon receiving possession of the goods, the Bank sells the goods to the customer on a deferred payment basis.

Finance against Imported Merchandize

Meezan Bank also offers finance against imported merchandize facilities to its customers on the basis of Musawamah / Murabaha. Under this facility, the Bank appoints the customer as its agent to import the goods and the customer establishes the LC as an agent of the Bank. Upon receiving possession of the goods, the Bank sells the goods to the customer on deferred payment basis and then keeps the same goods under its pledge for securing the payment obligations of the customer.

Hedging Facilities

In order to hedge the risk of foreign currency price fluctuations, Meezan Bank offers a Shariah-compliant hedging facility on the basis of Wa'ad.

Long-term Import Financing

Meezan Bank offers long-term import finance facilities on the basis of Ijarah or Diminishing Musharakah where the customer imports the asset either as the Bank's agent (in case of Ijarah) or as the Bank's partner (in case of Diminishing Musharakah). Upon receipt of the asset, the asset is leased to the customer for a specified period as per the rules of Ijarah.

Export Financing

Meezan Bank also offers a full range product menu for exporters where all the requirements of the exporters can be fulfilled under one roof in a convenient manner. Some of the major facilities for exporters are as follows:

Hedging Facilities

In order to hedge the risk of foreign currency price fluctuations, Meezan Bank offers Shariah-compliant hedging facility on the basis of Wa'ad.

Salam & Murabaha as alternative to Export Bill Discounting

In order to provide financing for the immediate financing needs of the exporters, Meezan Bank offers a Shariah-compliant alternative to export bill discounting where instead of providing loan against the export order, Meezan Bank keeps the export bill as security and extends a fresh Murabaha financing facility to the customer or purchases FCY against Pak rupees from the customer on Salam basis at spot rates to cater to the financing requirements of the customer.

Islamic Export Refinance Scheme

Meezan Bank with the collaboration of the State Bank of Pakistan offers subsidized rate financing solutions through modes of Murabaha, Istisna, Tijarah and Running Musharakah under Islamic Export Refinance Scheme.

Islamic Long-term Finance Facility

Meezan Bank with the collaboration of the State Bank of Pakistan provides subsidized rate long term financing facilities through modes of Ijarah and Diminishing Musharakah under Islamic Long Term Finance Facility.

Guarantee Services

In order to facilitate trade, Meezan Bank offers Shariah-compliant guarantee facility to its customers where the Bank provides different types of payment and performance guarantees on behalf of the customer.

Meezan eBiz

Meezan eBiz allows customers to execute critical banking transactions in real time over the internet while maintaining the security of information exchanged over this channel. With the help of Meezan eBiz, customers can view their account balances, account details, account statements as well as efficiently conduct their day-to-day transactions such as fund transfers, IBFT, salary payments, bill payments, payment orders etc. via an automated, secure and versatile electronic processing platform.



Meezan eBiz+

Meezan eBiz+ is a comprehensive customized Cash Management solution which allows Corporate, Commercial and SME customers to not only electronically manage their banking relationship, but also reduce operational burden by outsourcing the management of country wide collection, payment and Trade related needs. Each implementation is tailor-made to meet customers' specific requirements including MIS, reconciliation and Host to Host integrations with customer ERP system. Functionality available, in addition to features of eBiz+, includes:



Collection & Payment Module:

- Manage collections through branches as well as electronic and Alternate Distribution Channels
- Manage payment like Funds Transfer, Inter Bank Funds Transfer, Payorder Issuance, RTGS, Corporate Cheques issuance, Utility Bills as well as e-Dividend payments.
- Real-time Information through online reporting for reconciliation and transactional alert through Secured File Transfer Protocol (SFTP), email and SMS and web services (API) based alerts.
- Host to host integration with customer ERP system for both collection and payments execution
- Dedicated Customer Service / Client Service Team with excellent system integration capabilities.

Trade Module:

- Online transmission of Letter of Credit (LC) application and status monitoring
- Online view, download and printing of draft & transmitted SWIFT messages.
- Online view, download and printing of order form and debit advice
- Template creation

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- Instant account opening
- No Withholding Tax on cash withdrawals
- Simplest cash withdrawal at any Meezan Bank branch through biometric verification
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RISK MANAGEMENT

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Risk Management Framework

The Risk Management Framework in Meezan Bank includes policies, procedures and manuals, Board of Directors' and Senior Management oversight, internal controls, and management information system. Risk Management activities are performed at strategic, macro and micro levels. The overall responsibility for risk management rests with the Board of Directors and it has constituted Board Risk Management Committee, comprising Board members, with well-defined terms of reference. The Bank's risk governance is mainly exercised through the following management committees:

- Credit Risk Management Committee (CRMC)
- Asset Liability Management Committee (ALCO)
- Compliance & Operational Risk Management Committee (CORMC)

The CRMC ensures that credit risk activities of the Bank fall within the ambit of approved policies, regulatory requirements and risk appetite thresholds. CRMC also provides support and guidance to business units in managing their portfolio with a prudent approach. ALCO reviews market, liquidity and country risk exposures, assets and liabilities mix and maturity profile, sets pricing and takes decisions for sound liquidity management. The CORMC focuses on issues arising from compliance risk along with operational risk and control issues.

An entity wide 'Three Lines of Defence' model for risk management with clearly defined roles and responsibilities is at the core of Bank's operations. Business lines serve as first line of defence and are primarily responsible for managing risks on day-to-day basis. Risk management and other control functions being the second line of defence are responsible for assisting business lines in designing and implementing adequate controls to manage risks. The Internal Audit being the third line of defence, provides independent assurance on adequacy of Bank's internal controls.

The Bank has been identified as Sample Domestic Systemically Important Bank (D-SIB) by State Bank of Pakistan. Accordingly, the Board has established a comprehensive Recovery Plan dealing with various crisis scenarios along with trigger events, appropriate remedial action plans and communication strategy. The Internal Capital Adequacy Assessment Process is in line with the Board approved Risk Appetite Statement. Macro stress

tests take into account the impact of changes in macro indicators on the Bank's business portfolio.

The scope of Risk Management Group (RMG) has been continuously broadened mainly focusing on improving policies and procedures, limit structuring and strengthening systems and controls. Under Risk Management Group, the credit risk function caters Corporate, Investment Banking, Commercial & Sme, Agriculture, Supply Chain and Consumer business segments. The Bank has successfully implemented automated financing approval system for Corporate, Commercial and SME customers that has further streamlined the approval process. Enterprise Risk Management (ERM) under RMG caters to market, liquidity, financial institutions, operational, business continuity risks. It also deals with Basel implementation and development of risk related policy framework. The ERM function also plays an important role in IFRS-9 implementation, capital strategy formulation and green banking practices in the Bank.

The Bank recognizes the importance of environmental, sustainability, compliance and information security risks as distinct types of risks and continuously improves upon catering to these risks. Shariah Compliance Risk Management principles and practices are at the heart of business practices of the Bank. Various reports for all types of risk exposures, approval processes, awareness programs and growing understanding to view risk profile at enterprise level will further strengthen the risk management culture in the Bank.

Definition of Our Three Lines of Defence

First Line

■ Business Units / Front Offices

Primarily Responsible for managing risk on day-to-day basis

Second Line

■ Risk Management, Compliance & other control functions

Responsibility for assisting business units for designing and implementing adequate control to manage risk with in prescribed limits.

Third Line

■ Internal Audit, Shariah Audit & Business Review functions

Provides independent assurance on adequacy of Bank's internal controls.

Risk and Opportunity Report

Opportunity loss is one of the most important concerns haunting all entities, irrespective of the nature, size and complexity of their business; caused by missing opportunities that arise when necessary risks are not taken. Pursuing opportunities requires taking risks, which people are often reluctant to do because of fear of the potential negative consequences. This requires periodic review of risk appetite in line with strategic objectives and goals. This equally applies to the Banking business which by its very nature is risky coupled with enhanced opportunities in a rapidly changing environment.

Key Sources of Uncertainty

Banks are typically exposed to commercial and financial risks such as credit, concentration, liquidity, market, operational, information security/ cyber and compliance risks. Importantly, Meezan Bank being the largest Islamic Bank in the country is fully cognizant of the importance of Shariah compliance risk.

Changing dynamics result in uncertainties for different sectors of the economy. Pakistan entered into Extended Fund Facility arrangement with IMF to reduce economic vulnerabilities and generate sustainable and balanced growth focusing on fiscal consolidation, public debt reduction, building foreign reserves and having flexible exchange rate to restore competitiveness. Hike in the policy rate, high level of inflation rate, low GDP growth, gap in tax revenue and implementing structural reforms remained key sources of challenges at the macro level. These factors contributed to slowdown in the private sector financing and may continue to affect in the near future. Regulatory reforms aimed at to get removal from the FATF grey list necessitated for banks to improve upon their compliance culture. Shrinking current account deficit in the backdrop of reduced imports and increased exports, recent surge in the stock market, improved foreign exchange reserves, correction in the exchange rate, tax revenue growth though still lower than the targets and improvement in the credit rating outlook of the country are seen as positive signs for the economy and banking sector. The issuance of Energy Sukuks to manage circular debt provided some respite to Islamic banks in managing their high liquidity position. The Banking sector remained well capitalized to bear shocks. Initiatives of elected Government with reference to austerity measures, ease of doing business environment, environmental protection drives and plans to give relief to trodden down segments of the society are steps in the right direction. Increase in policy rate has positive impact on performance of Banks; however, it may also lead to increased level of non-performing financing and this requires a cautious approach in booking new assets.

The management of foreign currency reserves, exchange rate parity, movement of policy rate, balance of payment position, circular debt management, requirements for private and public sector funding and structural reforms will play a major role in determining the course of economy that will also have a direct bearing on the performance of banking sector.

In the context of Islamic banks, deployment of excess liquidity remains a challenge that needs continuous support from regulators and Government at par with conventional banks, especially in medium to long-term scenario.

Meezan Bank has a 'Three Lines of Defence' model for risk management with clearly defined roles and responsibilities that are at the core of Bank's operations.

Statement of Board of Directors on Risk Assessment

The Board of Directors and its sub-committees comprising of Board members thoroughly assessed all principal risks including but not limited to credit, liquidity, solvency and compliance risks through various reports and early warning indicators so as to ensure that the Bank has in place necessary policies, procedures, systems and controls to mitigate risks that may affect its business objectives, further performance, financial viability and sustainability.

Materiality Approach

The Bank gives due consideration to materiality concept while managing its risks. Resources are deployed efficiently to medium to high risky areas while minor risks are typically managed through transfer and outsourcing arrangements. The Bank manages all of its core operations on its own. Regulatory and Shariah compliance is at the heart of materiality approach while managing existing operations and taking new initiatives.

The Bank will continue to explore new business opportunities equally supported by effective risk measures, robust products and technological support to serve a wide range of customers Insha'Allah.

Following are the key financial and non-financial risks faced by the Bank which may impact its capital adequacy, profitability, liquidity and reputation.

Risk Type	Materiality	Strategy / Controls in place
Market Risk Market Risk is the risk of loss due to change in market factors like profit rates, foreign exchange, equity prices, commodity prices, etc.	Medium Considering the trend in profit benchmark rates, exchange rate and stock market	<ul style="list-style-type: none"> Bank has a well-defined governance structure in place in shape of approved policies and procedures to measure monitor & report market risk exposures faced by the Bank & ensure that these are within the defined risk appetite of the Bank. Comprehensive limit structure is already in place to monitor the market risk. Tools like value at risk, internal Stress Testing, and re-pricing mismatches are used to monitor and control the risk. Comprehensive Recovery Plan provides framework to manage unforeseen circumstances on proactive basis.
Capital Adequacy Risk The risk that the Bank is unable to meet sufficient capital to continue business or meet regulatory Capital Adequacy Ratio (CAR) requirement.	Medium Bank has maintained its CAR well above the regulatory thresholds throughout the year under the prescribed Basel-III regulations	<ul style="list-style-type: none"> Bank manages its demand for capital by aligning its capital strategy in line with the business objectives, assets mix and regulatory requirements. The Bank closely monitors its Risk Weighted Assets (RWA) growth and actively manages its risk assets under its risk appetite. The Internal Capital Adequacy Assessment Process (ICAAP) is updated and reviewed on annual basis. Close monitoring of capital adequacy in view of the business targets supported the Bank to have an effective capital plan in place ahead of the regulatory capital adequacy road map without sacrificing its growth journey.
Credit Risk Credit Risk is the possibility of a loss resulting from a borrower's failure to repay financing or meet contractual obligations.	High Considering the size of financing portfolio coupled with challenging economic situation and significant hike in profit benchmark rates of the Bank	<ul style="list-style-type: none"> Bank manages credit risk through effective credit appraisal mechanism, well established approving and reviewing authorities, limit structures, internal credit risk rating system, collateral management and post disbursement monitoring so as to ensure prudent and sound financing portfolio under the umbrella of number of Board approved financing policies. The Bank also ensures diversification of its portfolio into different business segments, products and sectors. Further, to avoid risk concentration; counter party limits and industry concentration limits are also established and monitored. Comprehensive Recovery Plan deals with scenarios to manage its credit risk through various strategies.
Liquidity Risk Liquidity Risk refers that the Bank is unable to meet its financial obligations.	High Considering the surplus liquidity available with Islamic Banks, Bank has ability to meet its contractual or any un foreseen outflow	<ul style="list-style-type: none"> Tools like Internal stress testing, maturity mismatches, and liquidity ratios are used to monitor and control the risk. Comprehensive Recovery Plan is already in place that covers the mechanisms to overcome crisis like situation including liquidity risk. Compliance of regulatory requirements of Cash Reserve Requirement (CRR), Statutory Liquidity Requirement (SLR), Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) is ensured and closely monitored to mitigate liquidity risk.

Risk Type	Materiality	Strategy / Controls in place
Operational Risk Operational Risk is the prospect of loss resulting from inadequate or failed procedures, systems or policies. Employee errors. Systems failures. Fraud or other criminal activity.	High As the Bank is growing with tremendous pace, the magnitude of operational risk is also increasing	<ul style="list-style-type: none"> The Bank has strengthened its risk management framework by developing policies, strategies, manuals and standard operating procedures. Improved organizational structure, defined job descriptions, periodic job rotations, application of maker and checker concept, internal and external trainings and availability of adequate human resources, process and systems are key factors in managing operational risk of the Bank. The Bank continued its efforts for collection, consolidation and reporting of operational risk losses and key risk indicators along with conducting risk and control assessment of various functions.
Compliance Risk Compliance Risk is the potential for losses and legal penalties due to failure to comply with laws and regulations.	High Considering the international environment of curbing money laundering and terrorist financing along with recent Government's focus on enhancing compliance culture in financial sector had resulted in importance of compliance risk	<ul style="list-style-type: none"> Compliance Risk Strategy has been devised to support overall Bank's Risk Management Strategy. Compliance risk management principles and practices are implemented all across the organization by using a risk-based approach in line with regulatory requirements and best industry practices. Bank manages Compliance risk through advising and supporting the management and functions regarding adherence to rules and regulations as well as acting to implement effective procedures for compliance and reporting to the management and Board as per regulatory requirements. The Bank has internal policies, rules and procedures to ensure that the Bank complies with relevant laws and regulations.
Country Risk Country Risk refers to the uncertainty associated by taking exposure in a particular country, and more specifically the degree to which that uncertainty could lead to loss.	Low Bank's Country Risk Exposure is diversified in shape of different countries, counter parties, and products	<ul style="list-style-type: none"> Country Risk is managed through the Country Risk Policy approved by the Board of Directors. Country Risk limits are reviewed and approved on annual basis and country risk exposures are monitored on periodic basis to ensure that exposures are within approved limits. Limits like FX Limits with foreign Banks, Nostro Limits, and other limits are also in place to ensure diversification of country risk exposure.
Information/Cyber Security Risk Loss arising due to technological disruption or cyber-attack.	High Considering the continuous growth of digital banking, it had resulted in high risk	<ul style="list-style-type: none"> Selection and implementation of counter measures against the identified information technology and cyber security risks along with reduction of those risks to acceptable levels is being ensured. Continuous awareness of cyber security risk and mitigation to staff and customers of the Bank is a continuous process.
Shariah Compliance Risk Shariah Compliance Risk refers to involvement in any activity against the parameters of Shariah resulting in reputational risk/loss to the Bank.	High Being the largest Islamic Bank in Pakistan	<ul style="list-style-type: none"> A very strong Shariah Supervisory Board comprising of internationally renowned Shariah scholars provides necessary guidance and framework to manage Shariah Compliance Risk. The Bank has robust Shariah-compliance setup that comprises of dedicated Product Development Department and Shariah Compliance Department and a Resident Shariah Board Member. The Bank provides periodic trainings to its staff and conducts awareness sessions for its customers on Shariah related matters. The Shariah audit department also conducts regular audits to ascertain the level of Shariah-compliance.

Risk Type	Materiality	Strategy / Controls in place
Domestic Systemically Important Bank (D-SIB) Risk It refers to the risk that the Bank may be declared as D-SIB by regulator and it has to comply with the prescribed requirement imposed by regulator.	High The Bank was declared as sample D-SIB by State Bank of Pakistan	<ul style="list-style-type: none"> The Bank has successfully implemented the requirements of sample D-SIB prescribed by State Bank of Pakistan including preparation of comprehensive Recovery Plan, implementation of Macro Stress Testing, and preparation of comprehensive Risk Appetite of the Bank. All other risk management policies, procedures, techniques and tools including recovery plan helps in managing risks that may arise to a domestic systemically important bank.

Information about Defaults in Payment of any Acceptances/Borrowings/ Capital Sukuk Obligations

There is no default by the Bank in payments of any acceptances/ borrowings/ Capital Sukuk obligations during the year.

Inadequacy in the Capital Structure and Plans to Address such Inadequacy

The Bank is not facing any kind of inadequacy in capital structure. Rather, the Bank is maintaining sufficient capital over and above the regulatory requirements.

Risk Type	Materiality	Strategy to Materialise
External	Increasing Market Share of Islamic Banking	<ul style="list-style-type: none"> Expanding the outreach of its branch network all across the country Continuous development of Islamic banking products & services to meet the needs of a wide range of customers Coordination with regulator and industry players to promote the cause of Islamic banking
External	Digital Banking / Channels	<ul style="list-style-type: none"> Improving digital penetration through business partnership with financial technology companies
External	Green Banking	<ul style="list-style-type: none"> Booking of financing portfolio in the green banking segment and reducing carbon footprint
Internal	Expansion in the assets base	<ul style="list-style-type: none"> Exploring business opportunities in all business segments supported by sufficient capital adequacy ratio and expanded branch network

Factors Affecting the External Environment

High level of inflation rate, low GDP growth, gap in the tax revenue, slowdown in the private sector demand for financing and regulatory reforms aimed at removal from the FATF grey list, increase in digital footprint and environmental hazards; all are factors that have an impact on the banking industry.

Considering the performance of various sectors of the economy, the financing decisions are being taken within the Bank's risk appetite limits. To promote social well-being of the society, Meezan Bank has been working as a socially responsible institute. The Bank has been booking assets in environmentally friendly avenues and implementing use of alternate energy resources to perform its operations.

The Bank has also been continuously striving to improve upon its information security framework and compliance culture through necessary capacity building. Upgrade of Mobile App and enhancement of the level of security features of its Alternate Distribution Channels too, have helped to promote the cause of digitization of economy and paperless environment. The Bank also ensures adequacy of its people, processes and systems on an on-going basis.

Significant Changes from Prior Years

The Bank has further elaborated and emphasized its Three Lines of Defence under the Risk & Opportunity Report. Major risk types, their materiality and controls are described in detail. Scope of the Bank's risk control environment being strengthened over the period of time has been emphasized upon.

Board's Efforts for Determining the Level of Risk Tolerance

Meezan Bank's Risk Appetite statement under the Internal Capital Adequacy Assessment Process (ICAAP) approved by the Board of Directors is in place to manage its risk profile and exposures within the parameters established by the Board. The Risk Appetite statement is being updated on proactive basis after necessary deliberations at various levels in the Bank. The scope of risk appetite/tolerance levels and risk management policies has been enhanced to capture variety of risks in view of the external environment and overall strategy of the Bank.

Following are the major comprehensive risk policies, criterion and plans in place to control and monitor the risks at entity level

- Financing Policy
- Market & Liquidity Risk Policy
- Country Risk Policy
- Stress Testing Policy
- Operational Risk Management Policy
- Operational Risk Loss Data Management Policy
- Internal Credit Risk Rating Policy
- Recovery Plan
- Disaster Risk Management Policy
- Criterion for establishing limits for Takaful companies and financial institutions

Statement from the Board of Directors

The Board of Directors and its sub-committees comprising Board members thoroughly assessed all principal risks including but not limited to credit, liquidity, solvency and compliance risks through various reports and early warning indicators so as to ensure that the Bank has in place necessary policies, procedures, systems and controls to mitigate risks that may affect its business objectives, further performance, financial viability and sustainability.

Business Continuity Management

Business Continuity Management (BCM) is a management process to avoid and manage risks associated with disruption of mission critical activities so as to ensure resilience of the Bank's operations. It details plans and procedures to be implemented before, during and after disaster events. In Meezan Bank, the business continuity is managed at strategic, tactical and operational level. It involves well defined approved plans, effective decision-making processes, description of distressed scenarios, coordinated efforts among stakeholders and operational continuity to safeguard the interests of the Bank's key stakeholders, reputation, brand image and value creating activities. The Bank has in place a comprehensive business continuity framework with clear set of governance structure, business continuity plans, clearly defined roles and responsibilities of individuals and teams for disaster response, recovery, resumption and restoration of activities to a pre-defined level of operation following disruption.

BCM is in line with the guidelines issued by the regulator and industry standards and is subject to periodic reviews and exercises. It sets out the agreed arrangements for bringing disaster events under control and ensures availability of necessary resources for maintaining critical business functions. Having a BCM framework in place helps the Bank to ensure safety of human resources, protection of critical assets and resumption of mission critical activities from alternate processing site(s) in case the primary site(s) are not accessible or available. In Meezan Bank, the first priority is always to ensure the safety of human life in case of any disaster.

Meezan Bank has the following BCM Structure:

- Board approved Master Business Continuity Plan (BCP)
- BCP at Regional and Departmental levels
- Business Continuity Steering Committee
- Three Alternation Processing Sites in Karachi
- Periodic Evacuation and Mock drills
- Board Approved IT Disaster Recovery Plan
- Branch Evacuation Procedure
- Emergency Response Team
- IT Disaster Recovery Setup in Islamabad

The Bank's Alternate Processing Sites are aimed at ensuring resumption of Mission Critical Activities (MCAs) in case of disaster. The Bank's BCM team continuously strives to improve upon business continuity preparedness which enables the Bank to continuously deliver its mission critical services and products to its customers. Over the period, the Bank has streamlined the process of active communication and escalation of events that may impact business continuity. Rapid response to such events lead to minimal disruptions. Coordination among various stakeholders has been further strengthened for cohesive planning and response. Moreover, the Bank has continued testing the effectiveness of business continuity arrangements through periodic drills and performance of critical operations from alternate sites. Emergency response teams have been further streamlined to help to identify the gaps and provides an opportunity to address and close these corrective actions over time. The Bank continued with its practice of conducting evacuation drills for its entire branch network successfully that further strengthens the Bank's preparations to cope with unwarranted eventualities. To ascertain the resilience of the banking system as a whole, State Bank of Pakistan organized joint industry wide BCP/ DR drills. Meezan Bank actively participated in the drills so as to achieve the objectives set by SBP.

The drills help in strengthening the confidence of stakeholders regarding the availability of products and services under stress scenarios and embeds business continuity within the organizational culture of the Bank.

[BEWARE]

Meezan Bank or its Employees
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[خبردار!]

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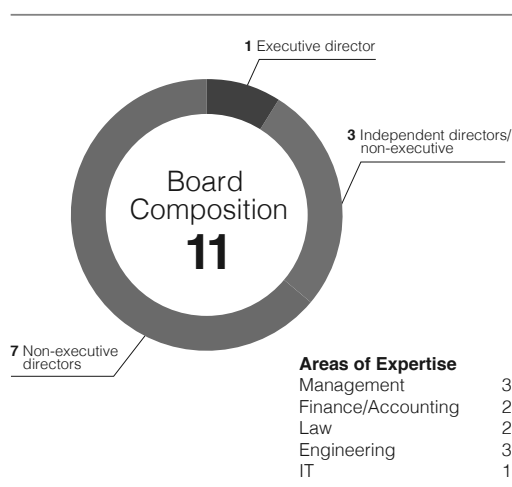
Best Corporate Governance Practices

Governance practices positively impact long-term corporate performance and therefore, the Bank is careful about their implementation. The Bank has a system in place to ensure that it is fully compliant to all the legal requirements for e.g. Company Secretary's Office itself ensures that all the relevant regulatory requirements are complied with within the given deadlines. Furthermore, a dedicated Compliance Department is also functional which remains in contact with the regulators as well as with the internal departments to ensure timely compliance with the legal requirements.

The Bank's Best Corporate Governance Practices include the following:

Build a Strong, Qualified Board of Directors and Evaluate Performance	The Board comprises of Directors who are knowledgeable and have expertise relevant to the business, are qualified and competent, and have strong ethics and integrity, diverse backgrounds and skill sets. Further, as per regulatory requirement, the Board performance is evaluated periodically.
Define Roles and Responsibilities	The Board establishes clear lines of roles and responsibilities among the Directors, Chairman and CEO.
Emphasize Integrity and Ethical Dealing	The Directors declare conflicts of interest and refrain from voting on matters in which they have an interest. The Bank has adopted a Conflict of Interest Policy, a Code of Business Conduct that sets out the Bank's requirements and a Whistle-blowing Policy.
Formation of Various Board Committees	The Board of Directors has constituted various sub-committees, namely Board Audit Committee, Board Human Resources and Remuneration Committee, Board Risk Management Committee, Board IT Committee and Board IFRS9 Implementation Oversight Committee to manage the relevant areas and to give their recommendations to the Board. The TORs of these Committees are approved by the Board of Directors.
Engage in Effective Risk Management	The Board has established its sub-committees, who regularly identify and assess the risks including financial, operational, reputational, environmental, industry-related and legal risks.

Board Composition



Category	Names
Non-Executive Directors	Mr. Riyadh S.A.A. Edrees – Chairman Mr. Faisal A.A.A. AlNassar Mr. Bader H.A.M.A. AlRabiah Mr. Mubashar Maqbool Mr. Saad Fazil Abbasi Mr. Basil Y.A.Y.R. AlBader* Mr. Mohamed Guermazi
Independent Directors	Mr. Noorur Rahman Abid Ms. Nausheen Ahmad (Female Director) Mr. Atif Azim
Executive Director	Mr. Irfan Siddiqui - President & CEO

*The Bank has already submitted application for the Fit and Proper Test of the Director to the State Bank of Pakistan which is in process of reviewing the same.

Directors' Profiles and their Involvement / Engagement in other Companies

This information has been incorporated in the Directors' profiles.

Independent Directors

The Board has three (3) Independent Directors who meet the criteria of independence under Companies Act 2017 and the directive issued by the State Bank of Pakistan.

Representation of Female Director on Board

Ms. Nausheen Ahmad is the female Director on the Board.

Non-Executive Directors

At present all Directors on the Board are non-executives except the President & CEO.

Executive Director serving as Non – Executive Director in other Company

The Executive Director does not serve as a Non-Executive Director in any other company.

Security Clearance of Foreign Directors

Security clearance of Foreign Directors is initially done by the sponsor shareholders being their nominee directors. Subsequently Meezan Bank conducts verification as per FPT requirements. Finally it is carried out by the Regulators as per law / regulatory requirements, as their appointment is subject to clearance by the Regulators.

Payment of Directors' Remuneration

As per Policy, the Board of Directors shall, from time to time, determine and recommend remuneration of the Non-Executive Directors (Chairman, Vice Chairman and members of the Board) for attending Board Meetings, for approval by the shareholders on a pre or post facto basis in the Annual General Meeting (AGM), as per State Bank of Pakistan Prudential Regulations.

Remuneration from Nomination on the Board of Other Companies

If an employee receives any fee exceeding Rs 25,000/- in a tax year (July 1st to June 30th) on account of director's fee or attendance fee from any one board membership, the entire fee will be passed on to Meezan Bank. This amount will not be counted towards the income of employee but will be credited towards the Bank's income.

Details of Board Meetings held outside Pakistan

A total of four meetings were held during the year 2019, and all were held in Pakistan.

Board of Directors

Mr. Riyadh S.A.A. Edrees Chairman/Non-Executive Director

Mr. Riyadh S.A.A. Edrees has been a Director of Meezan Bank since October, 2012. In addition to being the Chairman of the Board, he is also a member of the Human Resources and Remuneration Committee, Information Technology Committee and IFRS 9 Implementation Oversight Committee of the Board. Mr. Riyadh has also previously served as the Vice Chairman of Meezan Bank's Board.

Mr. Riyadh S.A.A. Edrees holds a B.Sc. degree in Chemical Engineering from Newcastle Upon Tyne University, U.K. and M.Sc. in Chemical Engineering from Kuwait University. He has held directorships in other offices including as Vice Chairman, Airport International Group – Jordan, Board Member in Investment Committee of Bunyah Fund of Kuwait Investment Co. – Bahrain, Vice Chairman of Gas & Oil Fields Services Co. – Kuwait, Board member at Kuwait Rock Company - Kuwait, Vice Chairman at Eastern United Petroleum Services – Kuwait, Board member at Kuwait Ceramic Company – Kuwait, Director at Sajaa Gas Private Limited Co. – UAE, Board Member at United Gas Transmissions Company Limited Co. – UAE, Advisory Board Member, Markaz Energy Fund – Kuwait.

Current Directorships

- Deputy CEO, National Industries Group Holding – Kuwait
- Chairman, Privatization Holding Company – Kuwait
- Chairman & CEO, Ikarus Petroleum Industries – Kuwait
- Chairman, IT Partners Information Technology Company – Kuwait
- Chairman, Middle East Complex for Engineering, Electronics and Heavy Industries Company – Jordan
- Board Member, Noor Financial Investment Company – Kuwait
- Chairman, Audit Committee, Noor Financial Investment Company – Kuwait
- Member, Risk Management Committee, Noor Financial Investment Company – Kuwait
- Member, Nomination & Remuneration Committee, Noor Financial Investment Company – Kuwait
- Board Member, Sahara International Petrochemical Company (SIPCHEM) – KSA
- Advisory Board Member, Cleantech I & II Zouk Venture Limited – U.K.
- Board member, K-Electric – Pakistan

Mr. Faisal A.A.A. AlNassar Non-Executive Director

Mr. Faisal A.A.A. AlNassar has been a Director of Meezan Bank since March, 2015. He is Vice Chairman of the Board and Chairman of the Risk Management Committee as well as member of the Audit Committee and Information Technology Committee of the Board.

Mr. Faisal A. A. AlNassar has a Bachelor's degree in Accounting and Finance from Kuwait University and has occupied many Senior Managerial positions in the Financial Sector including Deputy CEO for Finance and Administration at National Industries Group Holding Co., Auditor for government agencies in Kuwait Bureau of Accountancy and Head of Taxation Department, Ministry of Finance, Kuwait. He has vast experience across industries in Board positions in Kuwait and abroad.

Current Directorships

- Deputy CEO, Finance and Administration, National Industries Group Holding Company – Kuwait
- Chairman and CEO, Al Durra National Real Estate Company – Kuwait
- Chairman and Director, Noor Al Salhia Real Estate – Kuwait
- Director, Noor Financial Investment Company – Kuwait.
- Member Audit Committee, Noor Financial Investment Company – Kuwait
- Member Risk Management Committee, Noor Financial Investment Company – Kuwait
- Member Nomination & Remuneration Committee, Noor Financial Investment Company – Kuwait
- Director, Proclad Group Limited – UAE
- Chairman of Audit and Risk Committee, Proclad Group Limited – UAE
- Chairman, Shorfat Al Safwa – KSA
- Chairman, Durrat Al Shameya Investment – KSA
- Vice Chairman, Abu Dhabi Marina Real Estate Investment – UAE
- Director and Chairman Audit Committee, Abu Dhabi Marina Real Estate Investment – UAE
- General Manager, IKARUS Real Estate – UAE
- Executive Committee Member, ARADI Abu Dhabi Investment – UAE
- Board Member, Hotels Global Group – Jordan
- Board Member, Al Ruwad Company – Kuwait
- Chairman, Al Manar Financing & Leasing – Kuwait
- Chairman, Nomination & Remuneration Committee, Al Manar Financing & Leasing – Kuwait

Mr. Bader H.A.M.A. AlRabiah Non-Executive Director

Mr. Bader H.A.M.A. AlRabiah has been a Director of Meezan Bank since November, 2015. He is also a member of the Audit Committee of the Board.

Mr. Bader H.A.M.A. AlRabiah has a strong academic background in accounting and a focused experience in investments honed over the past 14 years. He was involved in establishing the Real Estate Investment Department at Noor Financial Investment Company and served as the Chairman at Arab Investment, Real Estate and Agricultural Development Group, Egypt.

Current Directorships

- Vice Chairman & CEO Noor Salhia Real Estate Company – Kuwait
- Chairman, Palms Agro Production Company – Kuwait
- Vice Chairman, Al-Manar Financing and Leasing Company – Kuwait
- Board Member, Noor Financial Investment Company – Kuwait
- Member Audit Committee, Noor Financial Investment Company – Kuwait
- Chairman Risk Management Committee, Noor Financial Investment Company – Kuwait
- Board Member, Savola Group – KSA
- Board Member, International Hotels Group – Jordan
- Reserve Director, Kuwait Finance House – Kuwait
- General Manager, Tamouh National General Trading & Contracting Company – Kuwait
- Vice Chairman, Al-Durra National Real Estate Company – Kuwait
- General Manager, Ikarus Real estate – UAE
- Board Member, Abu Dhabi Marina Real Estate Investment – UAE

Mr. Mubashar Maqbool Non-Executive Director

Mr. Mubashar Maqbool has been a Director of Meezan Bank since October, 2019. He is also a member of the Risk Management Committee and Chairman of Information Technology Committee of the Board.

Mr. Mubashar Maqbool holds an MBA degree in Finance and International Business from University of Miami, U.S.A. and another MBA in Finance from Quaid-e-Azam University, Pakistan.

Mr. Mubashar has a long, diversified and successful track record in Corporate Banking, Corporate Finance, Project Finance, Commercial Banking, SME Banking as well as General Management. In a career spanning over thirty years, he has held senior positions in renowned local and multinational organizations like Citigroup, Samba Financial Group, Habib Bank Limited etc. both in Pakistan and abroad.

Mr. Mubashar started his banking career with Citibank Pakistan where he held various positions in Corporate Banking Group. In 1997, he was transferred to Saudi American Bank (Samba), Saudi Arabia. He was Division Head, Corporate Banking in Samba Bank till 2004. Mr. Mubashar joined Habib Bank Limited in 2004 and held various senior positions there including Corporate Head – Central, Group Head – Commercial Banking & Retail Lending, Group Head – Commercial Banking and Country Manager / CEO, HBL – UAE. He also represented HBL on the Board of Pakistan Agricultural Storage and Services Corporation (PASSCO).

Current Directorships

- Managing Director, Pak Kuwait Investment Co. (Private) Limited

*Mr. Basil Y. A. Y. R. AlBader Non-Executive Director

Mr. Basil AlBader joined Meezan Bank as a Board Member in December, 2019. He has 16 years of diversified experience in accounting, finance and control. Mr. Basil holds the position of Division Manager of Future Generations Fund Accounts at Kuwait Investment Authority (KIA). He started his career in accounting and financial control in investment sector with progressive and diverse responsibilities, followed by that, he oversaw the internal audit activities in telecom sector before joining the KIA.

Mr. Basil has a Bachelor's degree in Accounting from Kuwait University in 2002, and holds several professional certifications i.e. Certified Management Accountant (CMA), Certified Financial Manager (CFM), Diploma in Financial Reporting Standards from EY, and a registered auditor (Non-practitioner) by Ministry of Commerce and Industry in Kuwait.

Recent Directorships

- Board Member, Gulf Bank – Kuwait
- Vice Chairman, Audit Committee, Gulf Bank – Kuwait

**The Bank has already submitted application for the Fit and Proper Test of the Director to the State Bank of Pakistan which is in process of reviewing the same.*

Mr. Saad Fazil Abbasi Non-Executive Director

Mr. Saad Fazil Abbasi joined the Board of Directors of Meezan Bank in February, 2018. He is also a member of the Risk Management Committee of the Board. Mr. Saad Fazil Abbasi holds an LL.M. degree in International Economics & Business Law from Kyushu University, Japan.

Mr. Saad Fazil Abbasi is a Joint Secretary to the Government of Pakistan and is presently posted in the Regulation Wing of the Ministry of Finance. He has served as the Joint Secretary to the Government of Pakistan (Privatization Division) / Director General (Privatization Commission). Apart from Government of Pakistan, he has also worked with multilateral agencies such as the Asian Development Bank and the Department for International Development (DFID) as a consultant. His Government experience includes serving in all major Ministries at the Federal level and on the Provincial Government level as an aide to the Chief Minister of KPK. He has also worked with Regulators such as PEMRA and PPRA where he drafted Pakistan's first law on procurement.

Mr. Mohamed Guerhazi Non-Executive Director

Mr. Mohamed Guerhazi joined the Board of Directors of Meezan Bank in 2018. He is also a member of the Risk Management Committee of the Board.

He is currently serving as Senior Awqaf Investment Specialist in the Islamic Development Bank (IsDB).

Mr. Guerhazi holds a Master's Degree in Engineering from the National School of Bridges and Roads in Paris (Ecole Nationale des Ponts et Chaussées - Ponts PariTech). He is also serving as Member of the Board of Irada for Microfinance Co. Ltd. which is part of Bank of Khartoum Group in Sudan.

Prior to joining the IsDB in 2010, and over a period of 15 years, he had been serving as Director of Equities, Asset Management, Treasury and Financial Markets at Banque de Tunisie, one of the most prominent private commercial banks in Tunisia. Besides his operational responsibilities within Banque de Tunisie, he also served as Chairman of the 'Société de Bourse de Tunisie' – a subsidiary of the bank specialized in brokerage in securities; General Manager and Chairman of the Board of 'Placements de Tunisie' – an affiliated investment company; Board Member and Chairman of the Audit Committee of ASTREE Insurance company; Board Member of the Tunis Stock Exchange, as well as Board Member of several companies in which Banque de Tunisie holds a participation of reference.

Previously, Mr. Guerhazi had also served as Deputy Managing Director of the Investment Loan Department at Banque de Tunisie, Project Officer at the Tunisian Qatari Bank for Investment and Senior Engineer in charge of the budget and follow-up of the activity of the fertilizer plants at the Tunisian Chemical Group.

Mr. Guerhazi has been nominated by the Islamic Development Bank to be its representative on the Board of the Waqf BID Guinée (WBG), which is a not-for-profit organization to support the development of the education and health sectors in Guinea.

Current Directorship

- Irada for Microfinance Co. Ltd.

Mr. Noorur Rahman Abid Independent Director

Mr. Noorur Rahman Abid has been a Director of Meezan Bank since January, 2014. He is also the Chairman of the Audit Committee and Human Resources & Remuneration Committee of the Board.

Mr. Noorur Rahman Abid is a Fellow Chartered Accountant from Institute of Chartered Accountants in England and Wales and has held several senior management positions including Assurance Leader for Ernst & Young Middle East and North Africa, Engagement Partner for audits of large wholesale bank based in Bahrain as well as the largest investment bank based in Bahrain, Chairman of Auditing Standards Committee and Deputy Chairman of Accounting and Auditing Standards Board of AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions). He played an instrumental role in promoting several successful initiatives, including the Islamic Banking Center of Excellence in Bahrain and was declared winner of the World Islamic Banking Conference 2012 Industry Leadership Award in recognition of his contribution to Islamic banking.

Current Directorships

- Kuwait Finance House – Kuwait
- Kuwait Finance House – Bahrain
- Kuwait Finance House – Malaysia
- Arcapita Investment Management – Bahrain
- Member of Board of Trustees, Accounting and Auditing Organization for Islamic Financial Institutions
- Dr Solaiman Fakeeh Hospital – Saudi Arabia

Ms. Nausheen Ahmad Independent Director

Ms. Nausheen Ahmad joined the Board of Directors of Meezan Bank in April, 2019. She is also a member of the Human Resources & Remuneration Committee of the Board.

She holds an LL.B. from Kings College London, and LL.M. degree from the University of London and a degree in the Philosophy of Religion from Kings College London. She was called to the Bar from the Honorable Society of Grays Inn London and is registered as an Advocate of the Sindh High Court. She was also accredited as a mediator and master trainer by the Centre for Effective Dispute Resolution, UK.

She currently serves as the General Counsel, Company Secretary & Head of Corporate Communication at ICI Pakistan Limited. Having spent over three decades in the corporate sector, Ms. Ahmad brings with her a tremendous amount of experience and expertise in the legal field, as well as proven leadership skills. She began her legal practice with the corporate law firm Surridge and Beechono. Later, she went on to hold the position of Legal Counsel at Pakistan Petroleum Ltd., Unilever Pakistan Ltd. and ICI Pakistan Ltd. before moving on to Habib Bank Limited as the Company Secretary and General Counsel.

Ms. Ahmad has been associated with the Legal and Regulatory Committees of the Pakistan Bank Association and the Pakistan Business Council and has held several leadership positions throughout her professional career. She was Non-Executive Director of First Women Bank Limited (FWBL) and played an active role in setting up the Pakistan Mortgage Refinance Company (PMRC). With her strong interest in Corporate Governance and Training, Ms. Ahmad has been undertaking training assignments with the Pakistan Mediators Association, SZABIST and the Institute of Business Administration, Karachi.

Current Directorship

- International Steels Limited (ISL)

Mr. Atif Azim Independent Director

Mr. Atif Azim has been a Director of Meezan Bank since July, 2019. He is also a member of the Information Technology Committee of the Board.

Mr. Azim holds a Master's degree in Computer Science from Stanford University in California and B.Sc. degree in Electrical Engineering from Imperial College of Science, Technology and Medicine, London.

He is a seasoned professional with over 15 years' experience in the technology industry across the Silicon Valley in the United States, United Arab Emirates and Pakistan. He is the Founder and Chief Executive of VentureDive, a technology solutions company that develops and invests in products and services that positively impact the lives of millions globally. VentureDive's customers include Careem and Islamic Finder. Prior to this, Mr. Azim was Founder and Vice President of Solutions at Perfigo, a San Francisco based technology startup that was acquired by Cisco Systems. While at Cisco, he was responsible for growing the network security product line to a \$200m business.

Mr. Azim is actively involved with the entrepreneurial ecosystem in Pakistan. He is a Founder and Board Member of DotZero, a first of its kind technology incubator in Pakistan. He has also served as an advisor and mentor to a number of entrepreneurs and has also been an early investor in a number of technology startups. He is also part of the Angel Investor Community at Invest to Innovate. He was the Director of Al-Meezan Investment Management Ltd.

Current Directorships

- Director, Cleanry (Pvt) Ltd.
- Director, Dotzero (Pvt) Ltd.
- Director, Artsy (Pvt) Ltd.

Mr. Irfan Siddiqui President & CEO/Executive Director

Mr. Irfan Siddiqui is the Founding President and Chief Executive Officer of Meezan Bank. He is also a member of the Information Technology Committee and of IFRS 9 Implementation Oversight Committee of the Board. Having articulated with Coopers & Lybrand, London from 1975 - 1979, Mr. Irfan Siddiqui qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales. He has held several senior management positions including Chief Executive Officer at Al Meezan Investment Bank Limited, General Manager at Pakistan Kuwait Investment Company, Advisor to the Managing Director at Kuwait Investment Authority, Manager Finance and Operation at Abu Dhabi Investment Company and Senior Business Analyst at Exxon Chemical (Pakistan) Ltd.

Directorships and other recent offices held

- Member of Board of Trustees, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) – Bahrain
- Member of Managing Committee, Overseas Investors Chamber of Commerce and Industry
- President of the Islamic Finance Association of Pakistan
- Chairman of Steering Committee on Media Campaign – Improving Islamic Finance Literacy
- Member of Government of Pakistan Steering Committee for 'Promotion of Islamic Banking in Pakistan' (2013 – 2016)
- Member of Government of Pakistan sub-committee on awareness, training and capacity building for Promotion of Islamic Banking in Pakistan
- Member of IBA CEIF Board of Management
- Member of PBA Sub-Committee on Islamic Banking

Shariah Supervisory Board

Justice (Retd.) Muhammad Taqi Usmani Chairman – Shariah Supervisory Board

Justice (Retd.) Muhammad Taqi Usmani is a renowned figure in the field of Shariah, particularly in Islamic finance. He currently holds advisory positions in a number of financial institutions practicing Islamic banking and finance.

Justice (Retd.) Muhammad Taqi Usmani has vast experience in Islamic Shariah, teaching various subjects on Islam for more than 50 years. He has served as a Judge in the Shariat Appellate Bench, Supreme Court of Pakistan from 1982 to 2002. He is also a permanent member of the International Islamic Fiqh Academy, an organ of OIC based in Jeddah, Saudi Arabia. He has served as the Vice Chairman of the above mentioned Academy for nine years.

He is generally known as one of the leading Shariah scholars active in the field of Islamic finance. For more than a decade he has served as Chairman or Member of Shariah supervisory boards of a dozen Islamic banks and financial institutions in various parts of the world. He presently serves as Chairman of the International Shariah Council for the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain.

He has held many positions in the higher echelons of the education sector of Pakistan and has participated in numerous commissions set up by the Government of Pakistan in the field of education and economics. Since 1967, he has been the Chief Editor of the monthly Urdu-Language magazine 'Albalagh' and since 1990, he has been Chief Editor of the monthly English-language magazine 'Albalagh International'. He has also contributed articles to leading Pakistani newspapers on a range of issues. He has authored more than 60 books in Arabic, English and Urdu.

Justice (Retd.) Muhammad Taqi Usmani graduated from Punjab University, Pakistan in 1970 and also holds an LL.B. from Karachi University, Pakistan. Prior to these, he completed the Takhassus course, which is the specialization course of Islamic Fiqh and Fatwa (Islamic Jurisprudence) from Jamia Darul Uloom Karachi, Pakistan. In March 2004, His Highness Sheikh Mohammad Bin Rashid Al Maktoum (Dubai Crown Prince and UAE Minister of Defense) presented a special award to Justice (Retd.) Muhammad Taqi Usmani in recognition of his lifetime service and achievement in Islamic finance at the occasion of International Islamic Finance Forum, Dubai, which is one of the biggest events in the Islamic finance industry.

Justice (Retd.) Muhammad Taqi Usmani is the Chairman of Meezan Bank's Shariah Supervisory Board since inception of Meezan Bank.

Current Board Memberships:

- Vice President and Shaikul-Hadith, Jamia Darul Uloom Karachi
- Chairman International Shariah Standard Council set up by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain.
- Permanent Member International Islamic Fiqh Academy, Jeddah, sponsored by OIC
- Member, Islamic Fiqh Academy of Rabita-al-'Alam-e-Islami, Makkah
- Fellow of the Royal Al al-Bayt Academy, Jordan
- Chairman Centre for Islamic Economics Pakistan since 1991
- Chairman Shariah Board, Abu Dhabi Islamic Bank U.A.E.
- Chairman Shariah Board, Meezan Bank Ltd. Karachi, Pakistan
- Chairman Shariah Board, Pak-Kuwait Takaful, Karachi
- Chairman Shariah Board, Arif Habib Investments – Pakistan International Islamic Fund, Karachi

- Chairman Shariah Board Arcapita Investment Fund, Bahrain
- Member Unified Shariah Board Islamic Development Bank Jeddah
- Member Shariah Board Guidance Financial Group, USA

Awards Received

- | | |
|--|--------------|
| His Highness King Abdullah (of Jordan) Award
(Royal Aal al Bayt Institute for
Islamic Thought, Jordan) | 2019 |
| IDB Prize in Islamic Banking and Finance
Lifetime Achievement Award presented by the
Islamic Business and Finance Magazine | 2014
2011 |
| His Highness King Abdullah (of Jordan) Award
Wisamul Istiqlal Award presented by | 2011 |
| His Highness King Abdullah of Jordan | 2010 |
| His Highness Prince Muhammad bin
Raashid Aal Maktoum Award | 2004 |

Dr. Muhammad Imran Ashraf Usmani Board Member – Shariah Supervisory Board

Dr. Mufti Muhammad Imran Ashraf Usmani, son of Justice (Retd.) Mufti Muhammad Taqi Usmani, graduated with specialization in Islamic Fiqh (Islamic jurisprudence) from Jamia Darul-Uloom, Karachi, where he has been teaching Fiqh since 1990. He also holds an LL.B. and Ph.D. in Islamic finance. He is a member of the administration board of Jamia Darul Uloom, Karachi. Presently Dr. Usmani is a Member of Shariah Supervisory Board at Meezan Bank.

Dr. Usmani is the author of numerous publications related to Islamic finance and other Shariah related subjects. He has presented papers in numerous national and international seminars and has delivered lectures at academic institutions including Harvard, LSE, LUMS and IBA. In the past, Dr. Usmani has served as an advisor / member of Shariah Boards of several renowned institutions since 1997 including the State Bank of Pakistan, HSBC - Amanah Finance, UBS - Switzerland, Guidance Financial Group USA, Lloyds TSB Bank - UK, Japan Bank for International Cooperation (JABIC), Credit Suisse Switzerland, RBS Global, Old Mutual Albarakah Equity & Balanced Funds South Africa, AIG Takaful, ACR ReTakaful Malaysia, Capitas Group USA, Bank of London and Middle East Kuwait, BMI Bank Bahrain, Al Khaliji Bank Qatar, Sarasin Bank Switzerland, DCD Group Dubai, International Centre for Education in Islamic Finance (INCEIF) and other mutual and property funds, Takaful Companies and international Sukuk etc.

Dr. Muhammad Imran Ashraf Usmani had served as the Resident Member of Meezan Bank's Shariah Supervisory Board since inception of Meezan Bank, and is serving as member Shariah Supervisory Board since inception.

At present, Dr. Usmani is serving at different capacities at various organizations which are as under:

Current Board Memberships:

- Director – Hira Foundation School
- Director – Center for Islamic Economics (CIE)
- Member Shariah Supervisory Board – Meezan Bank
- Faculty Member – Jamia Darul Uloom
- Research Faculty Member – Department of Economics Karachi University
- President & Founder Trustee – Ihsan Trust
- Academic Committee Chairman / Board Member / Faculty Member – Center for Excellence In Islamic Finance (CEIF) at IBA
- Shariah Board Member – Chairman Shariah Board NBP Fullerton Asset Management Company (NAFA)
- Shariah Board Member – Al Meezan Mutual Funds
- Chairman – Islamic Index Pakistan Stock Exchange (PSX)
- Shariah Board Member – AAOIFI Shariah Committee
- Shariah Advisor / Shariah Board Secretary – Guidance Financial Group USA
- Member Central Shariah Supervisory Board – Chartis Takaful Company (Global)
- Shariah Board Member – Sarasin Bank Switzerland
- Shariah Board Member – AAOIFI Dubai
- Shariah Board Member – International Islamic Financial Market Bahrain IIFM
- Board Member – International Islamic Rating Agency Bahrain
- Shariah Board Member – Amanah Islamic Finance (AIFA) Australia
- Chairman Shariah Supervisory Council – Amanah Bank Sri Lanka
- President and CEO – Usmani and Co. PVT Ltd.
- President and CEO – Usmani and Co. Shariah Advisors PVT Ltd.

Sheikh Esam Mohamed Ishaq Board Member – Shariah Supervisory Board

Sheikh Esam Mohamed Ishaq graduated from McGill University, Montreal, Canada. He was born in Bahrain and studied Shariah with a number of Sheikhs in the traditional manner.

He is a member of the High Council of Islamic Affairs of the Government of Bahrain and holds various Shariah positions in many social, commercial and educational institutions. Currently, he also teaches Fiqh, Aqeeda and Tafseer courses in various Centers of Islamic studies, supervised by the Ministry of Islamic Affairs in Bahrain.

Sheikh Esam Mohamed Ishaq has served as member Shariah Supervisory Board since inception of Meezan Bank.

He holds memberships of the following institutions:

Current Board Memberships:

- The Governance Board of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain
- The Shariah Council of the Maldives Monetary Authority (MMA), Maldives
- The Shariah Panel of International Islamic Financial Market (IIFM), Bahrain
- Advisory Panel in Bahrain Institute of Banking and Finance (BIBF), Bahrain

In addition to membership of the Shariah Supervisory Boards of a number of local, regional and international Islamic Financial Institutions (IFIs), he is the Chairman of Shariah Supervisory Boards of the following IFIs:

- The Family Bank for Microfinance, Bahrain
- Tamweel Africa Holding, Senegal
- Investment Dar Bank, Bahrain
- Eco Islamic Bank, Kyrgyzstan
- Al Barakah Islamic Bank, Pakistan

Furthermore, Sheikh Esam is Chairman of the Muslim Educational Society, Vice Chair & Shariah Advisor for Discover Islam Centre & member of the Board of Trustees of Al- Iman Islamic Schools, Bahrain.

Mufti Muhammad Naveed Alam Resident Shariah Board Member

Mufti Muhammad Naveed Alam holds a Masters in Islamic Banking and Finance from University of Karachi and Shahadat ul Alamiyah and Takhassus (specialization in Islamic Jurisprudence and Fatwa) from Jamia Darul Uloom, Karachi. He is also a Certified Shariah Advisor & Auditor (CSAA) from Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). Mufti Muhammad Naveed Alam joined Meezan Bank in 2013 as a member of the Shariah Compliance Department of the Bank. His main responsibilities include Islamic banking training, Shariah Compliance review and Shariah Audit of different departments and branches.

He is an active teacher / trainer at Center for Excellence in Islamic Finance (CEIF) of Institute of Business Administration (IBA) Karachi, Center of Islamic Economics (CIE) of Jamia Darul Uloom Karachi, as well as several other renowned universities.

He is also a member of the Shariah Board of NBP Funds. Prior to joining as RSBM, Mufti Muhammad Naveed Alam has served as Shariah Advisor of Premier Window Takaful Operations and also as Shariah Coordinator at Indus Hospital.

Mufti Muhammad Naveed Alam is serving as the Resident Member of Meezan Bank's Shariah Supervisory Board since October 1, 2018.

Board Committees

Board Human Resources and Remuneration Committee

Mr. Noorur Rahman Abid (Chairman) – Independent Director
Mr. Riyadh S.A.A. Edrees – Non-Executive Director
Ms. Nausheen Ahmad – Independent Director

Terms of Reference

The Board Human Resources and Remuneration Committee (BHR&RC) is responsible for ensuring that the Bank manages its Human Resource in light of the best practices of the industry. The responsibilities of the BHR&RC include reviewing and recommending Human Resource Management policies to the Board of Directors in light of local and international best practices which also include but is not limited to remuneration practices defined by the State Bank of Pakistan, recommending to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of key personnel. The Committee also makes recommendations to the Board regarding the structure of compensation package of Executive Directors, President & Chief Executive Officer, Key Executives and of any other employee or group of employees along with ensuring implementation of separate remuneration structures for material risk takers and material risk controllers. The Committee also monitors the training activities, utilization of training and development budget and implementation of approved training and development policy of the Bank to ensure that members of staff are adequately trained for the job they are expected to perform.

Board Risk Management Committee

Mr. Faisal A.A.A. AlNassar (Chairman) – Non-Executive Director
Mr. Saad Fazil Abbasi – Non-Executive Director
Mr. Mohamed Guermazi – Non-Executive Director
Mr. Mubashar Maqbool – Non-Executive Director

Terms of Reference

The Board Risk Management Committee (BRMC) is responsible for assessing the Bank's policies on all major risk categories including credit, market, liquidity and operational risk and adequacy of the risk management function of the Bank. The BRMC reviews adequacy of the Bank's capital in accordance with laid down rules and regulations as per Basel Accord. It also reviews the techniques developed and implemented to measure the Bank's risk exposure. Its responsibilities also include evaluation of the risk profile and appetite of the Bank and ensuring that systems are in place for monitoring overall risk of the Bank. The Committee reviews exception reports highlighting deviations from the approved policies as well as deliberates upon risk related reports including early warning signals of potential risks emerging from Bank's activities.

Board Audit Committee

Mr. Noorur Rahman Abid (Chairman) – Independent Director
Mr. Faisal A.A.A. AlNassar – Non-Executive Director
Mr. Bader AlRabiah – Non-Executive Director

Terms of Reference

The Board Audit Committee (BAC) is responsible for determination of appropriate measures for safeguarding the Bank's assets; review of quarterly, half-yearly and annual financial statements; review of management letter issued by external auditors and management's response thereto; review and implementation of the scope, extent and plan of internal audit / Shariah audit; review of internal audit strategy; consideration of major findings, internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto; ascertaining that the internal control systems are adequate and effective; determination of compliance with relevant statutory requirements; monitoring compliance with the best practices of corporate governance and identification of significant violations thereof and oversight of implementation of Internal Controls over Financial Reporting (ICFR) program across the Bank, review effectiveness of whistle blowing procedures; ensure effectiveness of overall management of compliance and AML risk and consideration of any other issue or matter as may be assigned by the Board of Directors.

Board Information Technology Committee

Mr. Mubashar Maqbool (Chairman) – Non-Executive Director
 Mr. Riyadh S.A.A. Edrees – Non-Executive Director
 Mr. Faisal A.A.A. AlNassar – Non-Executive Director
 Mr. Atif Azim – Independent Director
 Mr. Irfan Siddiqui – (President & CEO) – Executive Director

Terms of Reference

The Board Information Technology Committee (BoIT) is responsible for advising and reporting to the Board on status of technology activities and digital initiatives for their ease in decision making, reviewing IT and digital strategies as well as relevant policies before submission to Board. BoIT reviews and approves technology-related policies periodically in light of major technological/regulatory developments and ensures risk management strategies are designed and implemented to achieve resilience such as ability to respond to wide scale disruptions, including cyber-attacks and attacks on multiple critical infrastructure sectors. The Committee also receives periodic updates from IT Steering Committee to monitor all technology-related projects and ensures that technology procurements are aligned with the IT strategy approved by the Board. If deemed necessary, the Committee may seek expert opinion from independent sources wherein the quorum will comprise of any two members.

Board IFRS 9 Implementation Oversight Committee*

Mr. Riyadh S. A. A. Edrees (Chairman) – Non-Executive Director
 Mr. Irfan Siddiqui – (President & CEO) – Executive Director

Terms of Reference

The Committee is responsible for reviewing and approving the Bank's transition plan for IFRS 9 implementation. It is required to review progress against the transition plan on a quarterly basis. The Committee is also responsible to ensure smooth implementation of IFRS 9 within the timelines stipulated by the State Bank of Pakistan.

Board and Committees' Composition and Attendance - 2019

		Board of Directors	Board HR & R Committee	Board Risk Management Committee	Board Audit Committee	Board IT Committee
Total No. of Meetings held during the year		4	4	4	4	4
Name of Director	Nature of Directorship	Meetings Attended**				
Mr. Riyadh S.A.A. Edrees	Non-Executive Director / Chairman	4	4	N/A	N/A	N/A
Mr. Faisal A.A.A. AlNassar	Non-Executive Director	4	N/A	4	3	N/A
Mr. Bader H.A.M.A. AlRabiah	Non-Executive Director	4	N/A	N/A	3	N/A
Mr. Mubashar Maqbool	Non-Executive Director	1	N/A	1	N/A	1
Mr. Saad Fazil Abbasi	Non-Executive Director	4	N/A	4	N/A	N/A
Mr. Mohamed Guermazi	Non-Executive Director	2	N/A	1	N/A	N/A
Mr. Noorur Rahman Abid	Independent Director	4	4	N/A	4	2
Ms. Nausheen Ahmad	Independent / Female Director	3	2	N/A	N/A	N/A
Mr. Atif Azim	Independent Director	2	N/A	N/A	N/A	2
Mr. Irfan Siddiqui - President & CEO	Executive Director	4	N/A	N/A	N/A	2

Mr. Ariful Islam - Deputy CEO***	Executive Director	1	N/A	1	N/A	1
Mr. Mansur Khan***	Non-Executive Director	2	N/A	2	N/A	2
Mr. Alaa A. Al- Sarawi***	Non-Executive Director	3	3	N/A	3	N/A

NOTES:

*Board IFRS 9 Implementation Oversight Committee was constituted on January 2, 2020.

**The number of meetings attended by a Director will vary depending on his / her tenure.

The State Bank of Pakistan (SBP) conveyed its in principle clearance to Mr. Mohamed Guermazi on April 8, 2019. He is a member of Board Risk Management Committee.

Ms. Nausheen Ahmad was appointed as Director on February 21, 2019 (Subject to clearance of SBP) and SBP conveyed its in principle clearance on April 8, 2019. She is a member of Board Human Resource & Remuneration Committee.

Mr. Mubashar Maqbool was appointed as Director on May 24, 2019 (Subject to clearance of SBP) and SBP conveyed its in principle clearance on October 15, 2019. He is Chairman of the Board IT Committee and Member of the Board Risk Management Committee.

Mr. Atif Azim was appointed as Director on April 25, 2019 (Subject to clearance of SBP) and SBP conveyed its in principle clearance on July 11, 2019. He is a Member of Board IT Committee.

Mr. Irfan Siddiqui is a Member of Board IT Committee.

***Mr. Ariful Islam, Mr. Mansur Khan and Mr. Alaa A. Al-Sarawi resigned from the Board with effect from March 1, May 15, and November 20, 2019 respectively.

Management Committees

Asset Liability Management Committee

President & CEO - Chairman
Deputy CEO - Alternate Chairman
Chief Financial Officer & Group Head Finance
CRO & Group Head Risk Management
Group Head Retail, Commercial,
SME & Agriculture Finance
Group Head Corporate & Institutional Banking
Group Head Consumer Finance
Head Treasury & Home Remittances

Terms of Reference

The Asset Liability Management Committee (ALCO) is responsible for reviewing the Asset and Liability structure of the Bank, transfer pricing, monitoring the liquidity situation, evaluating asset classes and taking decisions with regards to risks and rewards associated with purchasing and selling of these assets. Market and liquidity risks are examined based on stress testing exercises and gap analysis while considering the overall economic environment of the country. The ALCO is also responsible for monitoring policy rate movements and taking necessary steps across all assets and liabilities to ensure that the overall profitability of the Bank is maximized. This is mainly performed by alterations in the profit rates offered across different deposit products. It is also responsible for ensuring that the Bank's overall operations are fully compliant with regulatory framework for the business as provided by the State Bank of Pakistan.

Business Continuity Steering Committee

Deputy CEO - Chairman
CRO & Group Head Risk Management
Group Head Operations
Group Head Retail, Commercial,
SME & Agriculture Finance
Group Head General Services &
Special Assets Management
Group Head Information Technology & Digital Banking
Head Compliance
Manager IT Disaster Recovery
Head Enterprise Risk Management

Terms of Reference

The Business Continuity Steering Committee (BCSC) is responsible for ensuring that adequate business continuity / disaster recovery plans are prepared, tested and that decision making authority in the event of a crisis is clearly defined. The BCSC reviews and recommends Business Continuity Plan (BCP) for approval of the Board. It facilitates in execution of BCP as and when invoked and in resumption of critical business activities. BCSC steers BCP project(s) and their implementation and provides guidance on project direction to ensure that organizational requirements are met. It is also responsible for reviewing the findings of mock drills / actual disasters and facilitating in removal of identified gaps.

Management Committee

Group Head Information Technology &
Digital Banking
Group Head Retail, Commercial,
SME & Agriculture Finance
Group Head Treasury & Home Remittances
Group Head Consumer Finance
Chief Financial Officer & Group Head Finance
Group Head Corporate & Institutional Banking
Group Head Operations
Group Head Human Resources,
Learning & Development
Group Head Shariah Compliance
Group Head Customer Support
Group Head General Services &
Special Assets Management
CRO & Group Head Risk Management
Company Secretary
Head Internal Audit & Business Risk Review
Head Compliance
Head Shariah Audit & Advisory
Head Legal Affairs
Head Investment Banking & Advisory
Senior Advisor to CEO

Terms of Reference

The Management Committee (MC) is responsible for monitoring and overseeing the administrative, operational and business matters of the Bank to ensure that they are carried out keeping the founding principles, objectives and values in view. It also spearheads the adoption of best practices in all operations of the Bank, makes all processes and procedures efficient and effective and encourages and facilitates improvement at all levels and in all functions of the Bank. The MC achieves this objective by scanning the market for latest developments in banking practices and procedures, with focus on effective delivery of Islamic banking to Meezan Bank's customers. It also makes recommendations to the CEO / Deputy CEO in light of local and international best practices in both business and operations. The MC is also responsible for keeping the CEO / Deputy CEO fully informed of their actions and ensures reporting and obtains approval from the CEO / Deputy CEO before making decisions.

Credit Risk Management Committee

President & CEO - Chairman
Deputy CEO
Chief Financial Officer & Group Head Finance
CRO & Group Head Risk Management
Group Head Retail, Commercial,
SME & Agriculture Finance
Group Head Corporate & Institutional Banking
Head Treasury & Home Remittances
Head Credit Risk

Terms of Reference

The Credit Risk Management Committee (CRMC) is responsible for overseeing credit risk activities on Bank-wide basis while ensuring compliance with regulatory requirements and internal policies. The CRMC's responsibilities also include providing support and guiding front lines in managing their businesses, performing finance portfolio review, establishing financing standards and benchmarks, maintaining adequate industry diversification and deciding upon provisioning. It is also required for delegating financing approval powers and prudential limits on large financing exposures.

Disciplinary Action Committee

Head of Compliance - Chairman
Group Head General Services &
Special Assets Management
CRO & Group Head Risk Management
Group Head Human Resources,
Learning & Development
Head Internal Audit & Business Risk Review

Terms of Reference

The Disciplinary Action Committee (DAC) is responsible for taking action on any violation of policies and procedures, acts of fraud and forgery, breaches of discipline and code of conduct, ethics and business practices, law of the land and statutory regulations of SBP by employees.

Disciplinary Action Review Committee

Deputy CEO - Chairman
Company Secretary
Head Legal Affairs

Terms of Reference

The Disciplinary Action Review Committee (DARC) is responsible for reviewing the appeals of the staff against whom DAC has already taken disciplinary action. The DARC is formed with a view to ensure a fresh review of each appeal filed against the DAC decision.

Compliance & Operational Risk Management Committee

President & CEO - Chairman
Deputy CEO
Chief Financial Officer & Group Head Finance
Group Head Information Technology & Digital Banking
Group Head Retail, Commercial, SME &
Agriculture Finance
Group Head Operations
Group Head Shariah Compliance
CRO & Group Head Risk Management
Group Head Human Resources
Learning & Development
Head Compliance
Head Enterprise Risk Management

Terms of Reference

The Compliance & Operational Risk Management Committee (CORMC) is responsible for overseeing compliance risk by reviewing the adequacy of controls in place to meet regulatory requirements. The Committee is responsible for promoting compliance culture in the Bank, facilitate in implementation of Compliance Program and oversee Money Laundering and Financing Terrorism risk. In addition, the Committee also oversees Operational Risk Framework by ensuring that policies and procedures are in place in all key risk areas and by reviewing Key Risk Indicators. The Committee also monitors level of compliance of major unresolved and recurring issues pointed out in the Internal Audit, Shariah Audit and SBP Inspection Report.

IT Steering Committee

Deputy CEO - Chairman
Group Head Information Technology & Digital Banking
Group Head Operations
CRO & Group Head Risk Management
Head Compliance
Group Head Consumer Finance
Group Head Corporate & Institutional Banking
Group Head Retail, Commercial
SME & Agriculture Finance
Group Head Customer Support
Manager Information Security

Terms of Reference

The IT Steering Committee (ITSC) is responsible for assisting the Senior Management in implementing IT and digital strategies approved by the Board of Directors and for playing an advisory role to the Senior Management in all technology-related matters. The ITSC monitors implementation of technology-related projects, ensuring that the IT procurement is in line with the business plan. It shall ensure an efficient IT operating environment that supports the institution's goals and objectives. The ITSC may also review and determine the adequacy of training plan(s) and shall review significant incidents, major risks and breaches submitted by Information Security. The ITSC may also further review the status of projects assigned to PMO on periodic basis.

Investment Committee

Deputy CEO - Chairman
Chief Financial Officer & Group Head Finance
Chief Executive Officer Al Meezan
Investment Management Limited
Chief Investment Officer Al Meezan
Investment Management Limited

Terms of Reference

The Investment Committee (IC) is responsible for ensuring that the Bank's investments in listed equity securities are made in compliance with the:

- (i) Investment Policy of the Bank
- (ii) Limits prescribed under Prudential Regulations issued by the State Bank of Pakistan and
- (iii) Directives of Shariah Supervisory Board of the Bank

The IC also reviews the performance of equity investment portfolio through its regular meetings and discussions wherein the members also discuss the forgoing investments and future strategies in line with investment policy and market dynamics.

Service Board

President & CEO - Chairman
Deputy CEO
Group Head Operations
Group Head Information Technology & Digital Banking
Group Head Retail, Commercial, SME &
Agriculture Finance
Group Head Consumer Finance
Group Head Customer Support
Group Head Human Resources,
Learning & Development
Group Head General Services &
Special Assets Management
Head Service Quality
Unit Head - Service Analytics

Terms of Reference

Service Board is responsible for overseeing service quality of the Bank. The Board chaired by the President & CEO has representation of respective Group Heads with an objective of reviewing performance against service standards to ensure quality banking experience for customers. Service Board drives the continuous improvement process and provides direction for achieving service excellence in line with the Bank's strategic aspiration to be a world class customer-centric bank.

IFRS 9 Project Steering Committee

Deputy CEO - Chairman
Chief Financial Officer & Group Head Finance
CRO & Group Head Risk Management
Group Head Information Technology &
Digital Banking

Terms of Reference

The Committee is responsible to ensure compliance with the requirements of SBP in respect of IFRS 9 implementation. It is also responsible to perform initial diagnostic and quantitative impact analysis to determine gaps and develop transition plan for the application of IFRS 9. The Committee is required to inform the Board / Board IFRS 9 Implementation Oversight Committee about the progress made and key issues that need to be addressed. It is responsible for developing appropriate staffing and training strategies, collect data and other risk inputs, assess existing infrastructure and provide recommendations on the required changes or upgrades and monitor progress against defined timelines.

Performance Evaluation of the Board of Directors

The Board of Directors of Meezan Bank sets the Bank's strategic direction and ensures that the organization stays true to this direction - enabling it to achieve its long-term objectives while ensuring regulatory compliance. To discharge its fiduciary responsibility of safeguarding the stakeholders' interests, the Board of Directors has developed criteria for its performance evaluation as required by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.

The Board of Directors discusses strategic objectives, budgetary expenses and projected national and international macroeconomic indicators to ensure that the Bank's business strategy stays aligned with the macroeconomic indicators. The Board of Directors and its sub committees are competent and experienced, representing diversified educational and vocational backgrounds which are invaluable in determining the overall direction of the organization.

As per the guidelines issued by the State Bank of Pakistan, the Board decided to opt for an in-house approach with quantitative technique; and accordingly evaluated performance of overall Board, Board Committees and individual Board Members as per the following categories:

- | | | |
|-------------------------|---------------------------|------------------------|
| ■ Complete Board | ■ Chairman | ■ Individual Directors |
| ■ Independent Directors | ■ Chief Executive Officer | ■ Board Committees |

Performance Evaluation by External Consultant

Evaluation of Board of Directors is conducted annually as per the State Bank of Pakistan's requirement. Further, SBP Guidelines also require that at least once in every three years, the evaluation should be conducted by an external independent evaluator. The Bank engaged Pakistan Institute of Corporate Governance (PICG) during the year as an independent evaluator to conduct the Board's evaluation.

Criteria for Performance Evaluation

The Board of Directors, while ensuring regulatory compliance, is also vested with fiduciary responsibility on behalf of the shareholders to protect the Bank's interests, provide strategic direction and monitor the achievement of strategic objectives. The Companies Act 2017, Banking Companies Ordinance 1962, SBP's Prudential Regulations and Code of Corporate Governance (the Code) describes the role of Board of Directors along with its responsibilities and functions.

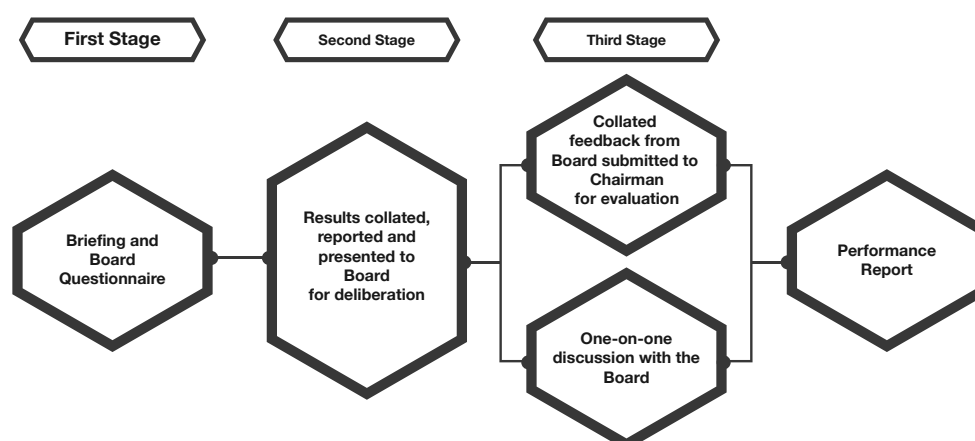
To comply with the requirement of the Code, the Board, in the year 2014, put in place an effective mechanism for Board Evaluation. All individual Board members answer a comprehensive questionnaire focused on evaluating, from various angles, whether the Board has discharged its duties diligently and with foresight. A committee of Directors is designated to collate individual responses and present them to the Board for deliberation and discussion. As per process, the responses / feedback from the Directors on each of the above-mentioned categories is compiled and submitted to the Chairman.

The Chairman discusses the results / findings with each individual Board Member. The authorized Independent Directors communicate the feedback in respect of the Chairman for incorporation in the consolidated Performance Report.

Accordingly, the analysis comprises of consolidated evaluation results and Action Plan forwarded by the Chairman to further strengthen comparatively weaker areas and is submitted to the Board of Directors for consideration in its meeting.

This exercise in critical self-assessment allows the Board to evaluate its performance and overall effectiveness in setting strategies, devising control processes, reading market trends by monitoring micro and macroeconomic factors, and responding to adverse unforeseen situations to further the cause of a learning organization. This process also ensures that the Board is constantly growing intellectually and the responsibility of steering the Bank to new heights of success is discharged effectively and efficiently.

Board Evaluation Process



Induction and Training of Directors

The Bank places keen focus on regular trainings regarding updates in law / regulations for the Directors. During 2019, a training on 'Listed Companies (Code of Corporate Governance) Regulations' was done. In addition, Shariah training is also arranged for the Directors as per the State Bank of Pakistan's 'Shariah Governance Framework for Islamic Banking Institutions'.

Members of Meezan Bank's Board are experienced and qualified professionals who bring a diverse range of professional and technical expertise to the organization.

Directors Training Program - DTP

The Bank is compliant to the training requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019. During 2019, Mr. Saad Fazil Abbasi attended the Director Training Program from Pakistan Institute of Corporate Governance (PICG). No Director availed exemption during the year 2019.

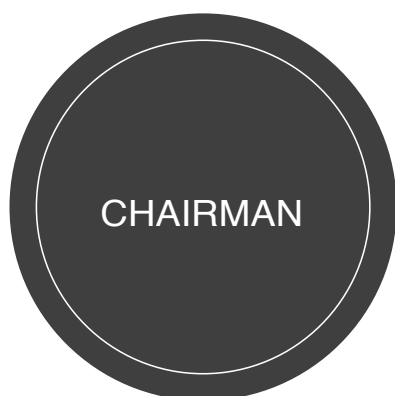
Roles and Responsibilities


Role and Responsibilities of the Board of Directors

The Board of Directors is involved in strategic level decisions to establish and review the strategies and medium to long-term goals of the Bank, overseeing the business and affairs of the Bank in light of emerging risks and opportunities. The Management of the Bank is responsible for managing day-to-day business affairs in an effective and ethical manner in conformity with the strategies and goals approved by the Board and to identify and manage the principal risks and opportunities which could impact the Bank in the course of carrying out its business. It is also the responsibility of the Management, with the oversight of the Board and its sub-committees, to produce financial statements that fairly present the financial conditions and results of operations of the Bank in accordance with applicable accounting standards and to make timely disclosures to investors as required under regulatory requirements. Further, the Management also stays aware of the business and competitive environment and develops strategies to maintain the Bank's competitive business edge.

Role and Responsibilities of the Chairman

The Chairman of the Board of Directors ensures that the organization keeps true to its long-term Vision. Responsible for leadership of the Board, the Chairman ensures that the Board plays an effective role in fulfilling all its responsibilities. The role entails the following:



-  All members of the Board may participate in all meetings and have the opportunity to express their opinion.
-  Dissent of Directors, if any, is properly recorded in the minutes.
-  Minutes truly reflect what transpired during the meeting.
-  The Board discharges its role effectively and swiftly in line with regulatory requirements.
-  The Board sub-committees perform their designated functions with due diligence.

Role and Responsibilities of the President & CEO

The President & CEO's role constitutes an absolutely engaged position, demanding complete involvement and shepherding of the organization. The role entails the following:



- Provide an enabling environment within the Bank to facilitate promulgation of a culture of Shariah compliance.
- Ensure execution of the strategy developed by the Board.
- Ensure that the Bank maintains its business position and brand image as the leading Islamic Bank of the country.
- Efficiently allocate and manage organizational resources and budgets to ensure achievement of short and medium term objectives that contribute to the attainment of the long-term strategic goals.
- Establish a system of checks and controls to supplement the fast-paced growth of the Bank.
- Provide liaison between the Board and the Bank's management to ensure alignment of managerial efforts with Board's directives.
- Foster a culture of professionalism and high ethical standards within the Bank.
- Facilitate an organizational culture of development of innovative products and services to meet the growing needs of a diverse range of customers.

Performance Review of the President & CEO

The President & CEO of Meezan Bank is responsible for supervising and leading the strategic and managerial affairs of the Bank. Various elements of the President & CEO's performance are monitored continuously and discussed periodically by the Board. As leader of the organization and executor of the strategy approved by the Board to further the interests of all stakeholders of the Bank, the President & CEO is evaluated on parameters such as financial performance and profitability, budget allocation and utilization of resources, organizational expansion, sustainability of product lines, credit ratings and inculcation of the desired organizational culture which is conducive to professional and ethical excellence.

Role of Shariah Supervisory Board

The Shariah Supervisory Board (SSB) is entrusted with the duty of directing, reviewing and supervising the activities of the Bank in order to ensure that they are in compliance with the rules and principles of Shariah. All products and services of the Bank are launched with the approval of the Shariah Supervisory Board whose role also entails the following:



- To develop a comprehensive Shariah compliance framework for all areas of operations of the Bank that serves as a guiding principle to the Bank for maintaining its commitment towards adherence to principles of Shariah.
- Ensure Shariah-compliance of all aspects of the Bank by virtue of having unhindered access to all books of accounts, records and documents.
- Guide and direct the Bank through rigorous deliberation on issues placed before the Shariah Supervisory Board.
- Monitor the Shariah compliance of the Bank through Shariah Audit and Shariah compliance reviews and prescribe appropriate enforcements whenever needed.

Election of the Board of Directors

Procedures for Appointment

Election and Removal of Directors

There are formal, considered and transparent procedures for nominating candidates to stand for election as directors. The process of composition of the Board is ongoing to ensure that the Board retains its effectiveness at all times. Directors are subject to re-election / re-appointment at regular intervals defined under the relevant laws and regulations. The sponsor shareholders of Meezan Bank nominate Directors on the Board as per their respective shareholding. The Independent Directors also file their nomination and are elected as per law. Minority shareholders are also given the right to participate in election as per law.

The Board of Directors fixes the number of Directors for the next term of the Board, 35 days before election of the Board as per Companies Act 2017.

Election of Directors is held as per law and all regulatory requirements are complied with.

Appointment and Election of Directors

Election of Directors at the General Meetings

According to Companies Act, 2017, at General Meeting, the shareholders entitled to vote for the election of directors must, by unanimous resolution, elect or appoint a Board for a term of three years, consisting of the number of directors for the time being set, as per provisions of Companies Act.

All on the directors cease to hold office immediately before such election or appointment, but are eligible for re-election or re-appointment.

Directors may Fill Casual Vacancies

Any casual vacancy in the Board may be filled by the Directors and the person so appointed shall hold office for the remainder of the term of the Director in whose place he/she is appointed.

Information on the Directorship Candidates

To enable shareholders to make an informed decision on their election at a General Meeting, names of all candidates submitted for election or re-election as a director are set out in a Notice sent to shareholders prior to the meeting, as per Companies Act, 2017.

Removal of Directors

Removal of Director by Shareholders

Shareholders may remove any director before the expiration of his or her term of office by a resolution in General Meeting, as per section 163 of the Companies Act 2017.

Resignation / Removal of Director by Board

The Board may remove any Director before the expiration of his or her term of office, or the Director may resign at his / her own, if the Director ceases to be qualified to act as a Director of a company and the Board may appoint a Director to fill the resulting casual vacancy as per Companies Act 2017.

Other Matters Related to Corporate Governance

Governance Practices Exceeding Legal Requirements

The Board of Directors, as a whole respects the country laws and ensures meticulous compliance of applicable laws, rules & regulations and being the Premier Islamic Bank, Meezan Bank always adheres to provide information and disclosures above the minimum regulatory requirements. The Board never gives room for any sort of non-compliance and takes it as reputational risk for the Bank. The Management also regularly updates the Board with the latest developments in regulatory environment and maintains stringent control over regulatory compliance, through designated resources.

Following are some of the practices of the Bank which exceed the minimum legal requirement:

- The Bank has only one Executive Director (President & CEO) though it has been permitted two executive directors by SBP.
- The Bank reports additional information in the Annual Report for stakeholders which is not required by law.

Code of Conduct & Ethical Standards for Directors

The Bank has also developed 'Code of Conduct & Ethical Standards for Directors' as per requirements of Code of Corporate Governance which is signed by every Director of the Bank.

Presence of the Chairman of Audit Committee at the AGM

The Chairman of the Audit Committee attends the Annual General Meeting (AGM) and this is duly recorded in the minutes of AGM.

Policies for Sustainability and Corporate Social Responsibility (CSR)



Policies for Sustainability and Corporate Social Responsibility (CSR) are annexed in Policies and Guidelines Section of this report.

Statement of Compliance with the Code of Corporate Governance



The Statement of Compliance with Code of Corporate Governance is annexed with this annual report.

Informing the Company Secretary's Office on Sale or Purchase of Meezan Shares

Executives are required to inform the Company Secretary about any change in the shareholding in his/her own name, in the name of his/her spouse and/or dependent/minor children to the Company Secretary through a written notice regarding complete details of the actual transaction within two days of its execution, enabling the Company Secretary to immediately notify the transaction to Pakistan Stock Exchange in terms of the revised listing rules and also to subsequently report the transaction to the Board of Directors.

Diversity

The Board of Directors firmly believes that the diverse mix of gender, knowledge, expertise and skill sets of the members / employees enhances the effectiveness of the Bank.

The Bank embraces and encourages employees with a diverse mix of age, family ethnicity, language, socio-economic status, physical disability and other characteristics that make its employees unique.

Investor Grievances

Meezan Bank has established a robust grievance reporting mechanism which seeks to resolve any complaints or unattended issues if, despite all vigilance, do occur. The mechanism put in place allows for such matters to be reported electronically, in writing or over the phone. To ensure that the stakeholders may register their complaints conveniently, a multitude of online forms are available on Meezan Bank's corporate website (www.meezanbank.com). The Investor Complaints Form, on submission, is sent directly to the Office of the Company Secretary. Similarly, a general complaints form for reporting and resolution of business-related complaints sends registered issues to relevant departments. A dedicated email (complaints@meezanbank.com) is also in place for the express purpose of reporting issues if the stakeholder feels the need to email rather than use online forms.

Furthermore, grievances may also be lodged by calling the Bank's Call Center (UAN: 111-331-331 & 111-331-332), which is functional round the clock, where officers are available to assist stakeholders with their queries and complaints.

Managing Conflict of Interest

The Bank has a policy in place for dealing with conflicts of interest relating to members of the Board. Under this policy, any Director who has a business interest in a matter being presented at a Board meeting does not participate in neither the discussion nor the decision on that matter. The policy is applied consistently and there was no breach of this policy during the year.

Board's Function and Decision Making

The Board plays an effective role and provides entrepreneurial leadership and direction to the Management of the Bank within a framework of prudent and effective controls. It promotes collective Vision of the Bank's purpose, its culture, values and also demonstrates ethical leadership.

Matters delegated to the Management


The Board sets the strategic objectives and takes the overall responsibilities of overseeing its implementation. The Board performs its duties by giving guidelines to the Management, setting performance targets and monitoring their achievement. The Management is primarily responsible for implementing the strategies as approved by the Board of Directors in conducting the operations of the Bank effectively.

Responsibility of the Management and the Board of Directors towards preparation and presentation of Financial Statements

The Management has fulfilled its responsibility for preparation and fair presentation of the financial statements in accordance with the financial reporting frameworks as applicable in Pakistan. These include the requirements of Banking Companies Ordinance 1962 and the Companies Act 2017 (XIX of 2017). The Management also acknowledges its responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements. The Bank's Board of Directors is responsible for overseeing the financial reporting process.

Unreserved Compliance of International Financial Reporting Standards

The Management believes in ensuring unreserved compliance with the applicable International Financial Reporting Standards (IFRSs) issued by International Accounting Standard Board (IASB) for true and fair presentation of financial statements of the Bank.

The financial statements of the Bank for the year ended December 31, 2019 have been prepared in accordance with the accounting and reporting standards (including IFRSs). For further details please refer to the Statement of Compliance in note 3 of the financial statements of the Bank. 

Human Resources Management Policies and Succession Planning

Human Resources Policies are approved by the Board of Directors of the Bank on the recommendation of Human Resource & Remuneration Committee of Board in order to provide clear and definitive directions on Human Resource (HR) related matters.

Board's Review of Business Continuity Plan

The Board of Directors reviewed and approved Business Continuity and Information Technology Disaster Recovery Plans. This exercise is being performed on an annual basis.

Stakeholders' Engagement



Stakeholders' engagement and the steps taken to solicit and understand the views of the shareholders is detailed in stakeholders' engagement section of this report.

Accessibility of Annual Report



Annual Reports and other information of the Bank are accessible on Bank's website: www.meezanbank.com

During 2019, the key areas that the Board focused on included:

Areas of Focus



Strategic direction



Cyber resilience



Risk review and monitoring



Annual and quarterly accounts reporting



Policy reviews and updates



Regulatory and external affairs



Digital banking



Capital structure and planning

Report of the Board Audit Committee

Board Audit Committee (BAC) comprises of four non-executive directors having vast experience and knowledge of finance and accounting. The Chairman of BAC is an independent director. Bank has adopted Committee of Sponsoring Organizations (COSO) Integrated Internal Control Framework and the Charter of Internal Audit & BRR Department (IAD) provides complete independence to Head - IAD along with free access to BAC.

BAC has been proactively focusing on effectiveness of internal controls, risk management, compliance and governance processes in accordance with the requirements of Code of Corporate Governance and Audit Committee Charter (ACC) also referred to as Terms of Reference (ToRs) of BAC duly approved by the Board of Directors. During the year 2019, four BAC meetings were held and following major activities were performed by BAC in accordance with its approved Charter.

- BAC reviewed quarterly, half yearly and annual financial statements of the Bank and recommended the same for approval of the Board.
- BAC reviewed management letters issued by the external auditors, management's response and their compliance status and held discussions with external auditors on major observations. BAC also recommended the appointment of external auditors and their fees to the Board.
- BAC reviewed and approved the audit plan, scope and extent of the work to be performed by internal audit (IAD) and Shariah audit and recommended the audit strategy for approval of the Board. BAC also reviewed adequacy of resources as per the scope.
- BAC reviewed significant findings of internal audit and Shariah audit along with monitoring of its timely compliance. BAC also reviewed the whistle blowing mechanism.
- BAC reviewed major findings of internal investigations with respect to fraud & forgery and whistle blowing along with management's action thereto. BAC also reviewed annual review report of fraud, forgeries and robberies.
- BAC reviewed related party transactions and recommended the same for Board's approval.
- BAC reviewed the AML environment, compliance and AML activity report, compliance policy, AML policy, compliance program, Institutional Risk Assessment Framework (IRAF) – Self Assessment Questionnaire, details and action plan of SBP penalty items and SBP inspection reports along with monitoring of its compliance status. BAC also reviewed minutes of Compliance and Operational Risk Management Committee meetings.
- BAC reviewed Internal audit manuals, programs, revision in policies, IAD Charter, ACC and recommended the same for Board's approval.
- BAC reviewed Shariah audit manual and ensured compliance of corrective actions determined by Shariah Supervisory Board on the reports of Shariah audit.
- BAC reviewed the independent assurance report on compliance with Shariah rules and principles along with monitoring of its compliance status.
- BAC reviewed and had an oversight of implementation of Internal Controls over Financial Reporting (ICFR) program across the Bank.
- BAC reviewed Internal Audit Department assessment, internal quality assurance reviews and compliance of SBP guidelines on Internal Audit function along with progress and implementation status.
- BAC conducted self assessment of its performance to review compliance with SECP Code of Corporate Governance and SBP circulars. Self-assessment report was also presented to the Board.
- BAC reviewed statement on internal control system and recommended the same for endorsement by the Board.
- BAC also held separate meetings with external auditor and internal auditor without the CFO and the management in line with the Code of Corporate Governance.



Mr. Noorur Rahman Abid
Chairman-BAC



Building a better
working world

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To the members of Meezan Bank Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Meezan Bank Limited (the Bank) for the year ended 31 December 2019 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the bank. Our responsibility is to review whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the bank's personnel and review of various documents prepared by the Bank to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Bank's corporate governance procedures and risks.

The Regulations require the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Bank's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended 31 December 2019.

Chartered Accountants

Place: Karachi

Date: 20 February 2020

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Meezan Bank Limited for the year ended December 31, 2019

The Bank has complied with the requirements of the Code of Corporate Governance Regulations, 2019 ("Regulations" or "Code") in the following manner:

1. The total number of directors are eleven including CEO as a deemed director as per the following:

- a. Male: Ten (10)
- b. Female: One (1)

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Noorur Rahman Abid Ms. Nausheen Ahmad Mr. Atif Azim
Non-Executive Directors	Mr. Riyadh S.A.A. Edrees – Chairman Mr. Faisal A.A.A. AlNassar Mr. Bader H.A.M.A. AlRabiah Mr. Mubashar Maqbool Mr. Saad Fazil Abbasi Mr. Basil Y.A.Y.R. AlBader* Mr. Mohamed Guermazi
Executive Directors	Mr. Irfan Siddiqui - President & CEO
Female Director	Ms. Nausheen Ahmad

**The Bank has submitted application for Fit and Proper Test of the Director in the State Bank of Pakistan, which is in process of reviewing the same.*

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Bank.
4. The Bank has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.
5. The Board has developed a Vision/Mission statement, overall corporate strategy and significant policies of the Bank. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Bank.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and the Board has complied with the requirements of the Companies Act, 2017 (Act) and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations; and directives of the State Bank of Pakistan (SBP).
9. The Bank is compliant to the training requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019. During 2019, Mr. Saad Fazil Abbasi has attended the Director Training Program from Pakistan Institute of Corporate Governance (PICG).
10. There was no appointment of CFO, Company Secretary and Head of Internal Audit during the year. The Board has approved their remuneration and terms and conditions of their employment are complied with relevant requirements of the Regulations.
11. The Chief Financial Officer and the Chief Executive Officer duly endorsed the Financial Statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

Committees	Composition
Audit Committee	Mr. Noorur Rahman Abid - Chairman Mr. Faisal A.A.A. AlNassar Mr. Bader AlRabiah
HR and Remuneration Committee	Mr. Noorur Rahman Abid - Chairman Mr. Riyadh S.A.A. Edrees Ms. Nausheen Ahmad
Risk Management Committee	Mr. Faisal A.A.A. AlNassar - Chairman Mr. Saad Fazil Abbasi Mr. Mohamed Guermazi Mr. Mubashar Maqbool
Information Technology Committee	Mr. Mubashar Maqbool – Chairman Mr. Riyadh S.A.A. Edrees Mr. Faisal A.A.A. AlNassar Mr. Atif Azim Mr. Irfan Siddiqui
IFRS 9 Implementation Oversight Committee*	Mr. Riyadh S.A.A. Edrees – Chairman Mr. Irfan Siddiqui

*The Committee was formed on January 2, 2020.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the Committee was as follows:
- a) Audit Committee Quarterly
 - b) HR and Remuneration Committee Quarterly
 - c) Risk Management Committee Quarterly
 - d) Information Technology Committee Quarterly
15. The Board has set up an effective internal audit function / team who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Bank.
16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Bank.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied.



Irfan Siddiqui
President & CEO

February 12, 2020



Riyadh S.A.A. Edrees
Chairman

Statement of Internal Controls

This statement is presented to comply with the requirements of State Bank of Pakistan (SBP)'s BSD Circular No. 7 of 2004 dated May 27, 2004 "Guidelines on Internal Controls" and SBP's OSED Circular No.01 dated February 07, 2014 "Instructions on Internal Controls over Financial Reporting (ICFR)".

The management of the Bank is responsible for establishing and maintaining an adequate and effective system of internal controls which has the main objective of ensuring effectiveness and efficiency of operations, reliability of financial reporting, safeguarding of assets and compliance with applicable laws and regulations.

The control activities are being closely monitored across the Bank through Compliance, Risk Management, Shariah and Internal Audit departments, which covers all banking activities in general and key risk areas in particular. The Management has Compliance and Operational Risk Management Committee (CORMC) which focuses on compliance risk issues and reviews the adequacy of controls and systems to meet the regulatory requirements. The Board of Directors has formed an Audit Committee which has direct oversight responsibility to ensure the independence of the internal and external audit function. The Audit Committee meets at least once every quarter to discuss the scope and results of the work performed by the Compliance, Shariah and Internal Audit departments. The Audit Committee also meets with external auditors prior to approval of half-yearly and annual results of the Bank.

Based on observations and weaknesses found and identified by the auditors both internal and external and the Compliance, Risk Management and Shariah audit teams, improvements are brought about by the management in internal controls to ensure non-recurrence of those exceptions and elimination of such weaknesses to the maximum possible level.

While the Internal Controls System is effectively implemented and monitored, there are inherent limitations in the effectiveness of any system, including the possibility of human error or system failure, circumvention and overriding of controls. Accordingly even an effective internal control system can provide reasonable but not absolute assurance that the system's objective will be achieved.

Alhamdulillah, the Bank had successfully completed all stages of its ICFR program during 2014 and has been granted exemption from the requirement of submission of Auditor-issued Long Form Report through SBP OSED letter /SU-12/017(01)/358/15 dated January 05, 2015. As required by the State Bank of Pakistan, the Bank now submits annual assessment report on efficacy of ICFR duly signed by the Chairman, Audit Committee within the regulatory timeline. Having successfully achieved closure on ICFR, the Bank remains cognizant of its responsibility to continuously improve and with this view continues to strengthen its system of Internal Controls on an on-going basis.

Based on the above, the Board of Directors endorses the management's evaluation of Internal Controls.

On behalf of the Board.



Ariful Islam
Deputy CEO



Irfan Siddiqui
President & CEO

February 12, 2020

Shariah Supervisory Board Report - 2019

الحمد لله رب العالمين، والصلاة والسلام على خاتم الأنبياء والمرسلين، محمد المصطفى الأمين، وعلى آله وأصحابه أجمعين، وبعد:

All praises to Allah (ﷻ). This was the eighteenth year of Islamic commercial banking for Meezan Bank which is under review. During the year, the Shariah Supervisory Board (SSB) of Meezan Bank held five meetings to review various matters referred to them by the Bank.

Meezan Bank has a team of professionals in the Shariah Compliance Department (SCD) working under the guidance of SSB. The main objective of this department is to facilitate and ensure Shariah-compliance in all the new processes, procedures and products, refine existing products and procedures, manage Islamic banking trainings and awareness sessions and conduct Shariah-compliance reviews of transactions. The SCD also serves as secretariat to the Bank's Shariah Supervisory Board.

In addition to the above, a separate Shariah Audit Department (SAD) is working under the Board of Director's Audit Committee to review Shariah-compliance in the Bank's activities. This department submits its Audit report to the Resident Shariah Board Member (RSBM) and Shariah Supervisory Board for their information, review and determination of appropriate corrective actions.

We appreciate the efforts of the staff of Shariah Compliance Department and Shariah Audit Department for their efforts in promoting and strengthening the environment of Shariah compliance in the Bank.

It gives us comfort to observe high level of commitment of the staff, management and the Board members of the Bank. It is also encouraging to know that there are more than 11,500 staff members in the Bank who are a source of halal income for their families.

We are pleased to share the major achievements of Meezan Bank towards the cause of Islamic banking during the year ending December 31, 2019.

Research and New Product Development

The SSB recognizes the efforts of the SCD for conducting around 225 customer and industry visits to understand the business model and reviewing more than 3,000 different types of transactions as per the guidance of RSBM/SSB.

During the year, more than 23 Shariah-compliant syndicated transactions involving various structures such as Ijarah, Diminishing Musharakah and Running Musharakah were executed by the Bank under the supervision of RSBM/SSB. These transactions provided Shariah-compliant financial solutions to various Government and private entities such as National Power Parks Management Company (Private) Limited, Hub Power Company, Engro Powergen Thar (Private) Limited, Sindh Engro Coal Mining Company (SECMC). These syndicated transactions provided support to various needs including infrastructure development, capital expansion and project financing.

SSB is pleased by the Bank's efforts towards the execution of Rs 200 billion Pakistan Energy Sukuk which not only helped in reducing the issues of circular debt but also supported the liquidity deployment needs of the Islamic Banking Industry. It is also to be noted that during 2019, the Sukuk was also listed in Pakistan Stock Exchange and can be traded by institutions as well as individuals.

In line with the UNDP's Sustainable Development Goals and Meezan Bank's commitment to promote and lead Shariah-compliant Green Banking initiatives, the Bank provided Green Islamic syndicated financing solutions for five projects based on wind power generation plants to its customers NASDA

Green Energy (Private Limited), Metro Wind Power Limited, Gul Ahmed Electric Limited, Artistic Wind Power (Private Limited), and Din Energy Limited.

The Bank has actively supported the State Bank of Pakistan for adoption of various AAOIFI Shariah Standards in Pakistan and for resolution of numerous issues faced by the Islamic Banking Industry.

During the year, the Bank conducted Islamic Banking awareness programs for religious scholars, Parliamentarians, Bureaucrats and Government officials, both independently and in collaboration with IBA CEIF. The Bank's staff also met various Government officials to discuss and promote Islamic banking in Pakistan.

During the year, the SSB provided guidance for different matters, most noteworthy of them being:

- Approval for Shariah Structure of GoP Ijarah Sukuk on Jinnah International Airport Karachi
- Development of Product manuals for three Shariah-compliant refinance schemes namely Islamic Financing Facilities for Renewable Energy, Storage of Agricultural Produce and Modernization of SMEs
- Development of guidelines for development of a digital platform for providing FinTech financing solutions to its retail customers
- Development of guidelines for dealing with Fintechs under Electronic Money Institutions (EMI) regulations that are involved in facilitating payments and settlement related needs of the customers
- Approval for tailor made specialized low-cost housing finance product based on Diminishing Musharakah for the under-privileged segment of the society

Training & Development

SSB is pleased to note that the year 2019 was highly productive in terms of training and awareness of Islamic Banking Products. A special training session was also arranged for members of the Board of Directors of the Bank which was delivered by Dr. Imran Ashraf Usmani and Sheikh Esam M. Ishaq.

During the year, 100 training sessions comprising more than 1,450 man-hours were organized for staff members across the country catering to more than 3,800 employees of the Bank. This number includes orientation and batch trainings for new joiners, refresher programs like Asset Refresher, Deposit Refresher, Trade Finance & Treasury Operations and certification programs in Islamic financial products. Two Islamic Banking e-Learnings were launched covering 4,900 staff.

In order to create awareness of Islamic banking in the general public, the Bank conducted 143 seminars in major cities such as Karachi, Islamabad, Lahore, Peshawar, Rawalpindi, Faisalabad, Multan, Hyderabad, Azad Jammu & Kashmir, Hazara, Abbottabad and DG Khan which were attended by more than 13,800 participants representing customers, general public, professionals, Ulema, Muftian-e-karam and students of various universities.

During the year, the Bank developed various learning videos on Islamic banking concepts and has disseminated them through an internal learning management system for their optimal use and effectiveness. During the year, around 32 members of the senior management and executives of the Bank were given training on Islamic banking.

The Bank also arranged 5 special workshops for its corporate customers in major cities of Pakistan in collaboration with IBA CEIF. We are hopeful that the Bank will continue such initiatives in the future.

It is heartening to observe that in order to disseminate the teachings of Holy Quran, 12 Quran learning sessions on 7 topics were held for Head Office staff.

Shariah Advisory and Industry Support

SSB is also pleased to share that the Bank is actively supporting the Islamic finance industry across the globe by providing tailor-made Shariah advisory solutions. Following are the notable advisory services provided by the Bank during the year:

- Advisory services to Islamic Co-operative Finance, Australia related to Takaful services in Australia
- Capacity building & training session in Australia and Bahrain on Islamic banking & finance
- Technical services and support to Akhuwat Islamic Microfinance for Islamic housing finance product development along with training to their senior team members
- Representation in Capital Market session of AAOFI-World Bank Conference held in Bahrain in November, 2019
- Facilitation of Bank's capital market clients for launching various Shariah-compliant funds and plans; bringing the total number of funds and plans under its advisory to more than 60 which covers a major share of the Islamic mutual funds industry

Review of Assets

During the year, the Bank primarily used Diminishing Musharakah, Running Musharakah, Istisna, Ijarah, Murabaha, Musawamah, Salam – Bills, Wakalah Tul Istithmar, Tijarah, Salam – Commodity, Musharakah and Bai Muajjal for its financing activities.

We appreciate that the Bank is keenly focused on promoting Green and Sustainable banking products by financing alternative energy projects to reduce Carbon footprint.

The Bank has moved towards diversification in the usage of various financing products and has reduced the reliance on Murabaha, as is evident from the Bank's financing portfolio. There is a growth of 16.79% in Diminishing Musharakah from previous year. Bank has mainly focused on financing through Musharakah modes, including Diminishing Musharakah and Running Musharakah and these modes of financing constitute 53% of the Bank's total financing. The Bank's total financing portfolio reached Rs 507 billion (gross) as of December 31, 2019.

Financing Modes	2019 % in total portfolio	2018 % in total portfolio	Growth / (Decline)% in total portfolio
Diminishing Musharakah	22.58	18.75	3.83
Musharakah & Running Musharakah	30.48	30.50	(0.02)
Istisna	11.52	14.06	(2.54)
Ijarah	10.91	10.57	0.34
Murabaha	3.27	3.82	(0.55)
Musawamah	5.42	7.63	(2.21)
Salam - Bills	1.47	1.10	0.37
Wakalah Tul Istithmar	8.06	7.82	0.24
Tijarah	2.57	2.57	0.00
Salam - Commodity	2.07	1.82	0.25
Other	1.65	1.36	0.29

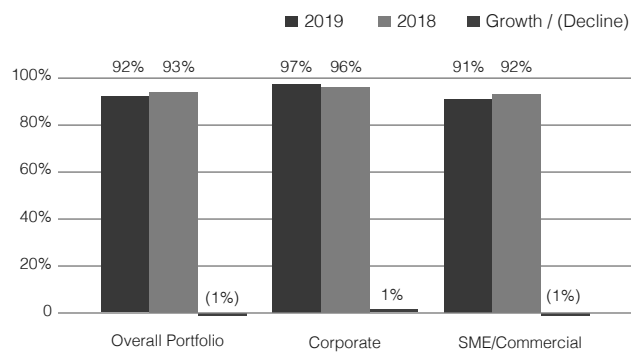
We have noted that as per our guidelines, the Bank reversed the financing of Rs 648 million provided to its customers under Murabaha & Musawamah without any profit as those transactions could not be converted into real trade due to genuine business reasons. Similarly, in Ijarah financing, the Bank being the owner of asset bore the loss of Rs 0.58 million resulting from shortfall in Takaful claims.

Summary of Direct Payment in Murabaha Financing

During the year, direct payment for Murabaha financings to Corporate and SME/Commercial customers was 92%. It is highly recommended that efforts be continued to increase this percentage of direct payment of Murabaha transactions.

	2019 %	2018 %	Growth/ (Decline)%
Overall Portfolio	92	93	(1)
Segment wise			
Corporate	97	96	1
SME/Commercial	91	92	(1)

Summary of Direct Payment in Murabaha Financing



It is worth mentioning that to strengthen the Shariah-compliance control, physical inspection of delivery of goods was carried in almost all the Istisna and Tijarah transaction.

Liquidity Management

For the purpose of the liquidity management, the Bank invested Rs 85 billion in Pakistan Energy Sukuks. Also, due to lack of availability of venues for Shariah-compliant investments, Bai Muajjal transactions worth Rs.222 billion were outstanding at the year end.

Review of Deposits

The Bank continued to offer deposit products based on Shariah-compliant modes such as 'Mudarabah' & 'Qard'. It is heartening to see deposits grow by 19% to reach a sum of Rs 933 billion as on December 31, 2019. During the year, the process of allocation of assets and funds to various deposit pools, announcement of overall profit sharing ratios for Mudarabah-based deposits, monthly allocation of weightages, and distribution of income to deposit accounts was monitored and reviewed in accordance with the respective pool management guidelines of SBP and Meezan Bank Limited.

During the year, the Bank continued to develop and revamp its deposit products. COII of 1.5 Years with monthly profit payment option was introduced during the year for those depositors who seek high yielding monthly income products.

Shariah Audit

The Shariah Audit function plays a key role in ensuring Shariah-compliance by evaluating adherence to Shariah guidelines in each and every activity undertaken by the Bank.

In compliance of the Shariah Governance Framework, issued by the State Bank of Pakistan (SBP), a separate Shariah Audit Department reporting to the Board of

Directors' Audit Committee is in place. This department ensures Shariah compliance by evaluating adherence to Shariah guidelines prescribed by Shariah Supervisory Board, Resident Shariah Board Member and Shariah guidelines of Islamic Banking Division of SBP. The Shariah Audit function keeps a continuous check on all activities starting right from the time of opening of a branch and goes hand in hand at each step of product offering till the stage of final profit distribution to the customers.

During the year under review, Shariah Audit of 615 branches, Area offices, Consumer and Corporate hubs and Head Office departments was conducted as a part of the Bank's efforts to strengthen the internal Shariah control mechanism. These audits not only cover the assessment of financial transactions and operational activities that the branches and departments undertake but also include an evaluation of Islamic finance knowledge of staff.

Charity

During the year, an amount of Rs 64.2 million was transferred to the Charity Payable Account. This includes Rs 5.27 million to eliminate the non-compliant income portion which was identified during Shariah audits, Rs. 9.8 million to purify the dividend income earned from the investment made in Shariah-compliant stocks by the Bank and Rs 49.11 million transferred to Charity Payable Account in the normal course of business on account of non-timely payments by customers in various financial transactions. An amount of Rs 49.85 million was disbursed from the Charity Account after approval of the RSBM/SSB.



Details of Charity Account are available in note # 20.4 of this Annual Report.

Suggestions

For the purpose of further improving the Bank's business, the SSB suggests the following:

- In line with the vision of an Islamic welfare state, the Bank should approach the Government for creation of a high power committee for elimination of Riba from society.
- As a socially responsible organization, the Bank should focus on providing green financing solutions that have a positive effect on the energy sector and also ensure environmental preservation.
- The Bank should explore new avenues for providing solutions to various business needs of small entrepreneurs, youths and startups.
- Government has taken the initiative of providing low cost housing schemes for the low income group of society. The Bank should coordinate and collaborate with SBP and Government of Pakistan to maximize the financing of this project through Islamic mode of finance.
- It is suggested that the Bank should launch innovative and user-friendly digital banking products to promote financial inclusion and well-being in the banking ecosystem.
- It is suggested that public-private sector partnership be encouraged for issuance of Sukuk to support financing requirements of the Government.
- The Bank should collaborate with SBP for implementation of IFSB standard on Capital Adequacy for Islamic Financial Institutions.
- The Bank is encouraged to work with the SBP for introduction of Shariah-compliant alternatives for Discount Window and Liquidity Management Framework.
- Government has undertaken several infrastructure projects like Dams, Motorways etc. The Bank should pursue the Government to generate maximum financing for these projects under Islamic modes of finance.
- It is suggested to explore the possibility of launching welfare Sukuk for uplifting the underprivileged segment of the society.

Recommendations

Based on the review of various transactions, reports of Internal and External Shariah Audit and Shariah Compliance of the Bank, it is recommended that:

- The Bank should work on modernizing and upgrading the controls and oversight mechanism based on digital technology, to create efficiency.
- Proper measures should be adopted with regards to commitment and mind-set of the resources in the hiring process.
- The Bank should work on developing learning and awareness programs to disseminate religious, moral and ethical values among its staff.

- For liquidity management purposes, the Bank should use Bai Muajjal when other avenues like Musharakah placement and Sukuk are not available.
- The Bank should continue to focus on creating awareness regarding misconceptions of Islamic banking by conducting seminars / programs and awareness sessions for the masses at public level.
- The Bank, in collaboration with academia, Higher Education Commission and educational text boards, should take initiatives to design the courses or chapters related to the benefit of Islamic financial system on society.
- Training should be conducted for relevant departments to update them regarding current practices, manuals and guidelines prescribed by Shariah Supervisory Board and SCD.
- Conventional insurance is not permissible from Shariah perspective. Therefore, it is again recommended to convert more clients to Islamic Insurance i.e. Takaful as soon as possible

Conclusion

It is mandatory on the Management and employees to ensure application of Shariah principles and guidelines issued by the Shariah Supervisory Board and Resident Shariah Board Member and to ensure Shariah compliance in all its activities. The prime responsibility for ensuring Shariah-compliance of the Bank's operations thus lies with the Board of Directors and Executive Management.

Based on the extensive reviews of sample cases for each class of transaction, related documentations, processes, profit distribution mechanism for the depositors by SCD, review of Internal Shariah Audit and External Shariah Audit reports and Management's representation made in this regard, the Bank, in our opinion, has complied with the rules & principles of Islamic Shariah in light of the guidelines and directives given by the Shariah Supervisory Board, Resident Shariah Board Member of Meezan Bank and guidelines issued by Shariah Supervisory Board of SBP related to Shariah-compliance. The non-compliant income identified during the review is being transferred to Charity Account through a well-defined system and being utilized properly in accordance with the instructions of SSB.

Based on the strength and capacity of the full-fledged SCD and policies and guidelines for Shariah-compliance issued at the Bank, we are of the opinion that an effective mechanism is in place to ensure Shariah compliance in overall operations of the Bank.

May Allah (ﷻ) bless us with the best Tawfeeq to accomplish His cherished tasks, make us successful in this world and in the life hereafter and forgive our mistakes.

Wassalam Alaikum WaRahmat Allah Wa Barakatuh.

اللہ ﷻ سے دعا ہے کہ وہ ہماری رہنمائی ان راہوں کی طرف کرے جو اس کی رضا کا باعث ہوں، ہمیں دنیا اور آخرت میں کامیابیوں سے نوازے اور ہماری غلطیوں اور خطاؤں سے درگزر فرمائے۔ آمین۔

والسلام علیکم ورحمۃ اللہ وبرکاتہ



Mufti Muhammad Naveed Alam
Resident Shariah Board Member



مفتی محمد ناید عالم
ریزیڈنٹ شریعہ بورڈ ممبر



Sheikh Esam Mohamed Ishaq
Member Shariah Supervisory Board



شیخ عصام محمد اسحاق
ممبر شریعہ سپروائزری بورڈ



Dr. Muhammad Imran Ashraf Usmani
Member Shariah Supervisory Board



ڈاکٹر محمد عمران اشرف عثمانی
ممبر شریعہ سپروائزری بورڈ



Justice (Retd.) Muhammad Taqi Usmani
Chairman Shariah Supervisory Board



جسٹس (ریٹائرڈ) محمد تقی عثمانی
چیئر مین شریعہ سپروائزری بورڈ

Dated: 3rd Jamadi us Sani 1441 H / January 29, 2020

۳ جمادی الثانی ۱۴۴۱ ہجری مطابق ۲۹ جنوری ۲۰۲۰

بینک کے معاملات کو مزید بہتر بنانے کے لئے شریعہ بورڈ کی تجاویز درج ذیل ہیں:

- سہولیت کے انتظام کے لئے بینک بیج موصول کا معاملہ صرف اس وقت کرے جب سرمایہ کاری کے دیگر مواقع جیسے مشارکہ یا صلواک میسر نہ ہوں۔
- بینک کو چاہئے کہ اسلامک فائننس سے متعلق قلمی کمیشن کو دور کرنے کے لئے دعویٰ منع پر آگاہی سپینارڈ کے انعقاد کو جاری رکھے۔
- شعبہ تدبیر سے وابستہ افراد، انٹرنیٹ کمیشن کمیشن اور قلمی ٹیکس بک بورڈ کی ہم آہنگی سے ایسا قلمی مواد تیار کرنے کی کوشش کرنی چاہئے جو معاشرہ پر اسلامی نظام معیشت کے مثبت اثرات پر روشنی ڈالے ہو۔
- حلقہ ڈیپارٹمنٹس کو شریعہ سپروائزر کی بورڈ اور SCD کی جانب سے جاری کردہ ہدایات اور پالیسیز سے آگاہ کرنے کے لئے ترجیحی نشستوں کا انتہاء دیکھا جائے۔
- انٹورنس کا معاملہ شرعی احکام کے مطابق نہیں ہے لہذا اس بات کی مرکز ہدایت دی جاتی ہے کہ جتنا جلد ممکن ہو مزید کلائنٹس کو کلائنٹ کی طرف منتقل کیا جائے۔

خلاصہ کلام

بینک کے چارٹر کے تحت تمام انتظامیہ اور ملازمین کے لئے ضروری ہے کہ وہ شریعہ سپروائزر کی بورڈ اور ریزنڈنٹ شریعہ بورڈ ممبر کی طرف سے جاری کردہ بینک کے تمام معاملات سے متعلق ہدایات پر عمل درآمد کو یقینی بنائیں۔ بینک کے معاملات کے شریعت کے مطابق ہونے کی بنیاد پر ذمہ داری بورڈ آف ڈائریکٹرز اور بینک کی انتظامیہ پر عائد ہوتی ہے۔

SCD کی جانب سے بینک کے انجام کردہ مختلف خطوط کے جائزے، ان کی متعلقہ دستاویزات کی جانچ پڑتال، ڈیپازٹرز کو تقسیم ہونے والے نفع کے طریقہ کار کے مشاہدہ، اور ان کے متعلق اندرونی شریعہ آڈٹ رپورٹ، بیرونی شریعہ آڈٹ رپورٹ اور انتظامیہ کی دی گئی رائے کے جائزہ کی بنیاد پر ہماری رائے میں رواں سال میں بینک کی طرف سے کئے گئے حقوق اسلامی شریعہ کے ان اصولوں اور ہدایات کے مطابق ہیں جو میزان بینک کے شریعہ سپروائزر کی بورڈ، ریزنڈنٹ شریعہ بورڈ ممبر اور اسٹیٹ بینک آف پاکستان کی طرف سے جاری کی گئی ہیں۔ اس جائزہ کے دوران جو غیر شرعی آمدنی پائی گئی وہ چھپائی میں منتقل کی جارہی ہے جس کو شریعہ سپروائزر کی بورڈ کی ہدایات کے مطابق خرچ کیا جائے گا۔

مستقل شعبہ SCD کی صلاحیت اور استعداد کو دیکھتے ہوئے اور بینک کی طرف سے جاری کردہ شریعہ کمپلائنس کی ہدایات اور احکامات کے جائزے کے بعد ہماری رائے میں بینک میں تمام شعبوں کی نگرانی اور شریعہ کمپلائنس کو یقینی بنانے کے لئے ایک مؤثر نظام موجود ہے۔

■ ایک اسلامی نظامی ریاست کے تصور کے مطابق بینک کو چاہئے کہ حکومت سے اس بات کی درخواست کرے کہ معاشرہ سے سود کے خاتمہ کے لئے ایک اعلیٰ اختیارات والی سمیٹ تشکیل دی جائے۔

■ مزید برآں ایک معاشرتی طور پر ذمہ دار بینک کی حیثیت سے بینک کو کوآپرائی کے ایسے منصوبوں کی حوصلہ افزائی کرنی چاہئے جو انسانی بیکسر پر مثبت اثرات رکھنے کے ساتھ ساتھ ماحول کے لئے نیچا کم نقصان دہ ہوں۔

■ بینک کو چاہئے کہ چھوٹے کاروبار کے مالکان، نو جوانوں اور سستے کاروباروں کو سرمایہ کاری فراہم کرنے کے لئے نئے مواقع تلاش کرے۔

■ معاشرہ کے کم آمدن والے افراد کے لئے حکومت نے سستی ہاؤسنگ اسکیم فراہم کرنے کا آغاز کیا ہے۔ بینک کو چاہئے کہ SBP اور حکومت پاکستان کے ساتھ کام کرتے ہوئے اس منصوبہ کی زیادہ سے زیادہ موصول شریعہ کمپلائنس معاملات کے ذریعہ کروائے۔

■ یہ تجویز دی جاتی ہے کہ معاشی فلاح و بہبود کے فروغ کے لئے بینک آسان فہم ڈیجیٹل بینکنگ پراڈکٹس اور سہولیات متعارف کروائے۔

■ اس بات کی بھی تجویز دی جاتی ہے کہ حکومت کی موصولی ضروریات کے لئے فنی-سرکاری شرکت پر مبنی صلواک جاری کرنے کی حوصلہ افزائی کی جائے۔

■ بینک کو چاہئے کہ اسلامی بینکوں کی Capital Adequacy کے لئے IFSB کے معیار کو اپنانے کے لئے اسٹیٹ بینک کے ساتھ تعاون کرے۔

■ بینک کو چاہئے کہ ڈسکاؤنٹ وٹرو اور سہولیت کے انتظام کے طریق کار کا اسلامی قبائل متعارف کروانے کے لئے اسٹیٹ بینک کے ساتھ کام کرے۔

■ حکومت پاکستان نے متحدہ انفراسٹرکچر کے منصوبوں کا آغاز کیا ہے مثلاً ڈیم و موٹروے وغیرہ، بینک کو چاہئے کہ حکومت کو اس بات پر آگاہ کرے کہ ان منصوبوں کے لئے زیادہ سے زیادہ موصول اسلامی طریقہ کار موصول کے تحت لی جائے۔

ہدایات:

متحدہ خطوط، بینک کے شریعہ آڈٹ کی رپورٹس، اور بینک کی شریعہ کمپلائنس کا جائزہ لینے کے بعد درج ذیل ہدایات دی جاتی ہیں:

■ بینک کو چاہئے کہ ڈیجیٹل بینکنگ کا استعمال کرتے ہوئے نگرانی اور انتظام کے طریقہ کار کو مزید موثر بنایا جائے۔

■ نئے ملازمین کو ملازمت فراہم کرتے ہوئے ان میں اسلامی بینکاری کے مقاصد کے حصول کے لئے عزم و ہمت کو خصوصی طور پر مد نظر رکھنا ضروری ہے۔

■ ملازمین میں مذہبی اور اخلاقی اقدار کو فروغ دینے کے لئے ترجیحی پروگرامز پر کام کرنا چاہئے۔

فرینٹنگ اور ڈیولپمنٹ

شرعیہ سپر وائزری بورڈ اس بات کا مشاہدہ کر کے خوش محسوس کرتا ہے کہ سال 2019 اسلامی بینکار کی پروڈکٹس کی ٹرینڈنگ کے حوالے سے انتہائی موثر رہا۔

یورڈ ڈائریکٹرز کے ممبران کے لئے ڈائریکٹر عمران اشرف عثمانی اور شیخ عصام اسحاق کی جانب سے ایک خصوصی تربیتی مجلس کا انعقاد کیا گیا۔

دوران سال بینک نے 100 تربیتی مجالس منعقد کیں جن کی کل تعداد 1450 محفطوں سے زائد رہی، ان تربیتی مجالس میں میزبان بینک کے 3800 سے زائد ملازمین نے شرکت کی۔ ان تربیتی مجالس میں اسلامک فنانس سے متعلق ابتدائی تربیتی مجالس، ریفریشرز جیسے Asset Refresher, Deposit Refresher، ٹریڈ فنانس اور ٹریڈی آپریشنز اور دیگر سرٹیفکیٹ پروگرامز شامل ہیں۔ ان اعداد میں نئی برانچز کے اسٹاف کی تربیت کے لئے منعقد کئے جانے والے تربیتی پروگرام بھی شامل ہیں۔ دوائی۔ لرننگ e-learning پروگرام بھی متعارف کروائے گئے جن سے 4900 ملازمین مستفید ہوئے۔

ملازمین کی تربیت کے علاوہ میزبان بینک نے بڑے شہروں مثلاً کراچی، اسلام آباد، لاہور، پشاور، راولپنڈی، فیصل آباد، مٹان، حیدرآباد، آزاد جموں و کشمیر، ہزارہ، اہل بیت آباد اور ڈی جی خان میں تقریباً 143 سینیار ذہنی منعقد کئے جن میں تقریباً 13,800 افراد بشمول کسٹمرز، عوام، اس، پروفیشنل، مفتیان، کرام اور مختلف یونیورسٹیز کے طلباء نے شرکت کی۔

دوران سال بینک نے اسلامک بینکنگ سے متعلق متعدد تقابلی ویڈیو تیار کیں اور ان کی زیادہ سے زیادہ افادیت کے لئے یوٹیوبز اور ویڈیو learning management system کے ذریعہ شریکی ہوئی۔ دوران سال اعلیٰ انتظامیہ اور اعلیٰ افسران کے تقریباً 32 افراد کو اسلامک بینکنگ کی تربیت دی گئی۔

IBA CEIF کے ساتھ تعاون کرتے ہوئے بینک نے اپنے کارپوریٹ کسٹمرز کے لئے ملک کے بڑے شہروں میں پانچ خصوصی تربیتی نشستیں منعقد کروائیں۔ ہمیں امید ہے کہ بینک مستقبل میں بھی اس طرح کے اقدامات کرتا رہے گا۔

یہ بات خوش آمد ہے کہ قرآن مجید کی تعلیمات کو عام کرنے کی غرض سے ہیڈ آفس اسٹاف کے لئے 7 مضامین پر دس قرآن کی 12 مجالس منعقد کی گئیں۔

پرمکوز بھی جس میں رنگ مشارکہ اور شرکت متناقصہ شامل ہے۔ شرکت کی بنیاد پر کی جانے والی فنانسنگ بینک کے مجموعی پورٹ فولیو کا 53 فیصد ہے۔ بینک کا مجموعی حوالی پورٹ فولیو (برطانیہ 31 دسمبر، 2019) 507 ارب روپے تک پہنچ چکا ہے۔

شرعیہ ایڈوائزری

یہ بات بڑی قابل تحسین ہے کہ میزبان بینک دنیا بھر میں کلائنٹ کی ضرورت کے موافق شرعیہ ایڈوائزری حل فراہم کر کے اسلامک فنانس ایڈوائزری کو تعاون فراہم کرنے میں پیش پیش رہا ہے، دوران سال بینک کی طرف سے فراہم کردہ چند قابل ذکر ایڈوائزری خدمات درج ذیل ہیں:

- اسلامک کوآپریٹو فنانس آسٹریلیا کو آسٹریلیا میں بینکنگ کھپتی کو متعارف کروانے کے لئے ایڈوائزری خدمات کی فراہمی
- آسٹریلیا اور بحرین میں اسلامک بینکنگ کی تربیتی ورک شاپس کا انعقاد
- اخوت اسلامک مانگرو فنانس بینک کو اسلامک باؤسنگ فنانس کی قبولیت کی تیاری میں تکنیکی تعاون کی فراہمی کے ساتھ ساتھ اعلیٰ عہدہ داران کی تربیت
- نومبر 2019 میں منعقد ہونے والی آپینی۔ ورلڈ بینک کاغذیوں کے کنوینشن مارکیٹ سیشن میں بینک کی شمولیت
- کنوینشن مارکیٹ کلائنٹس کے ساتھ تعاون جس کے نتیجہ میں شرعیہ ایڈوائزری کے تحت کام کرنے والے فنڈز کی تعداد 60 تک پہنچ گئی ہے جو اسلامک میوچل فنڈ ایڈوائزری کا ایک بڑا حصہ ہے

ادائیگوں کا جائزہ

دوران سال میزبان بینک نے بنیادی طور پر مراعات، اجارہ، شرکت متناقصہ، مساومہ، استصناع، تجارت، مشارکہ، وکالہ الاستثمار، بیج موہل اور سلم کی بنیاد پر قبولیت فراہم کیں۔

ہم اس بات کو سراہتے ہیں کہ بینک متبادل توانائی کے منصوبوں کی قبولیت پر خصوصی توجہ دے رہا ہے جس سے ماحولیاتی آلودگی کم کرنے میں مدد ملے گی۔

بینک نے اس سال بھی محض مراعات پر انحصار کرنے کے بجائے کئی دیگر طریق قبولیت کو اختیار کیا، جیسا کہ قبولیت تناسب سے واضح ہے۔ پچھلے سال کے مقابلے میں اس سال شرکت متناقصہ کے تناسب میں 16.79 فیصد کا اضافہ ہوا۔ بینک نے سب سے زیادہ توجہ مشارکہ کی بنیاد پر قبولیت

شرعی طریقہء تمويل	2019 %	2018 %	شرح ترقی/تثزلی
مشارکہ متناقصہ	22.58	18.75	3.83
رنگ مشارکہ اور مشارکہ	30.48	30.50	(0.02)
استصناع	11.52	14.06	(2.54)
اجارہ	10.91	10.57	0.34
مراحتہ	3.27	3.82	(0.55)
مساومہ	5.42	7.63	(2.21)
بل۔سلم	1.47	1.10	0.37
وکالہ الاستثمار	8.06	7.82	0.24
تجارہ	2.57	2.57	0.00
کموڈٹی۔سلم	2.07	1.82	0.25
دیگر	1.65	1.36	0.29

الحمد لله رب العالمین، والصلاة والسلام علی خاتم الأنبیاء والمرسلین، محمد المصطفی الأمین، وعلی آلہ وأصحابہ أجمعین، وبعد:

الحمد لله، میزان بینک لمیٹڈ کی اسلامی تجارتی بینکاری کے اٹھارویں سال کا تجزیہ آپ کے سامنے ہے۔ دو دہائیوں میں میزان بینک کے شریعہ سپروائزری بورڈ کی طرف سے پانچ مجالس کا انعقاد کیا گیا جن میں بینک کی طرف سے پوچھے گئے مختلف مسائل کا حل شریعہ سپروائزری بورڈ کی طرف سے پیش کیا گیا۔

میزان بینک لمیٹڈ میں ماہرین کا ایک مستقل شعبہ ”شریہ کمیٹی“ (SCD) ”شریہ سپروائزری بورڈ کی زیر نگرانی کام کر رہا ہے۔ اس شعبے کی بنیادی ذمہ داریوں میں تمام نئے پراسس، طریقہ کار، عمل اور پروڈکٹ ڈویلپمنٹ میں شرعی اصولوں کی پاسداری کو یقینی بنانا، موجودہ پروڈکٹس اور طریقہ کار میں عمل میں مزید بہتری، اسلامی بینکاری کی تربیت، حقوق کو انجام دینے کے طریقہ کار کی شرعی تعمیل کا جائزہ لینا ہے۔ شریعہ کمیٹی انکس ڈپارٹمنٹ، بینک کے شریعہ سپروائزری بورڈ کے لئے سکرٹری کی کردار بھی ادا کرتا ہے۔

مزید برآں، ایک مستقل شریعہ آڈٹ ڈپارٹمنٹ بورڈ آف ڈائریکٹرز کی ماتحت بورڈ آڈٹ کمیٹی کے تحت کام کر رہا ہے، جو مجموعی طور پر بینک میں رائج تمام معاملات بشمول مالیات، انتظامات اور بینک میں اسلامی ماحول کے قیام کے لئے تجویز کردہ شرعی اصولوں کی تعمیل کا جائزہ لیتا ہے اور اپنی رپورٹ اور کارگزاری ریزولوشن شریعہ سپروائزری بورڈ کے چارٹر سے، اور مختلف معاملات میں اصلاحات کے تعین کے لئے پیش کرتا ہے۔

ہم SCD اور شریعہ آڈٹ ڈپارٹمنٹ کی کاوشوں کو سراہتے ہیں کہ انہوں نے بینک کے ماحول کو شریعت کے احکامات کے مطابق ڈھالنے میں اہم کردار ادا کیا۔ یہ بات ہمارے لئے قابل اطمینان ہے کہ بینک کے مختلف شعبہات اور بورڈ ممبران میں اسلامی بینکاری کی ترویج اور ترقی کے لئے اہلی دہیکہ عزم دیکھا جاسکتا ہے۔ ہمیں اس بات پر بھی خوشی ہے کہ میزان بینک لمیٹڈ میں 11,500 سے زائد افراد ماضی میں شریعہ سپروائزری بورڈ کے لئے رزوقی حلال کی فراہمی کا ذریعہ ہیں۔ رواں سال بینک میں درج ذیل اہم امور انجام پائے:

(Ahmed Electric Limited، آرٹیک وینڈ پاور پرائیویٹ لمیٹڈ (Artistic Wind Power Private Limited) اور وین انرجی لمیٹڈ (Din Energy Limited) شامل ہیں۔

بینک نے اسلامک بینکنگ انڈسٹری سے متعلق متعدد امور میں اسٹیٹ بینک کے ساتھ بھرپور تعاون کیا، ان امور میں آئی سی کے متعدد شرعی معیارات کا نفاذ شامل ہے۔

دو دہائیوں میں میزان بینک نے انفرادی طور پر اور IBA CEIF کے اشتراک سے علماء کرام، ارکان پارلیمان، سوداگرش اور سرکاری افسران کے لئے اسلامی بینکاری کا پیغام عام کرنے کے لئے آگاہی نشستوں کا انعقاد کر دیا۔ بینک نے متعدد سرکاری افسران سے ملاقات کر کے ان سے پاکستان میں اسلامی بینکاری کے فروغ کے لئے گفتگو کی۔

دو دہائیوں میں میزان بینک نے جن مختلف مسائل میں رضامندی فراہم کی ان میں سے چند قابل ذکر امور درج ذیل ہیں:

- جناح انٹرپرائس ایئرپورٹ پر جاری ہونے والے حکومت پاکستان کے اجارہ صکوک کے شریعہ معائنہ کی منظوری
- رہائشی قرض کی سہولیات Refinance schemes برائے زرعی سہولیات، رہائشی انرجی پروجیکٹ اور چھوٹے اور درمیانے کاروبار (Renewable Energy, Storage of Agricultural Produce and Modernization of SMEs) کے پرائیویٹ سہولیت کی منظوری
- ڈیجیٹل پلٹ فارم کے ذریعہ ڈیجیٹل کمپنیز کو سہولت فراہم کرنے کی سہولت کی منظوری
- کم آمدن والے طبقہ کو کسٹمر فراہم کرنے کے لئے شریعہ متفقہ رہتی خصوصی قرض کی سہولت کی منظوری

نئی پروڈکٹس کی تیاری اور تحقیق

شریہ سپروائزری بورڈ بینک کی اس کاوش کو سراہتا ہے کہ دو دہائیوں میں 225 کمپنیز سے ملاقاتیں کی گئیں اور ان کے کاروبار کا مشاہدہ کیا گیا تاکہ ان کے معاملات کے طریقہ کار کو عملی طور پر سمجھا جاسکے، اور اس کے ساتھ ساتھ 3000 سے زائد مختلف معاملات کا ریزولوشن شریعہ سپروائزری بورڈ شریعہ سپروائزری بورڈ کی ہدایت کے مطابق جاری رکھی گیا۔

مزید یہ کہ SCD ممبران نے ریزولوشن شریعہ سپروائزری بورڈ کی زیر نگرانی 23 سے زائد سٹنڈیکٹڈ معاملات کے دستاویزات کی نظر ثانی کی اور ان کا جائزہ لیا۔ یہ معاملات مختلف قرضوں، اجارہ، شریعہ متفقہ، اور دیگر مشابہہ وغیرہ پر مشتمل تھے۔ تمام سٹنڈیکٹڈ معاملات حکومتی اور نجی اداروں کے ساتھ مختلف قوانین کی سہولیات فراہم کرنے کے لئے کئے گئے۔ ان اداروں میں پاور پاورکس مینجمنٹ کمپنی (National Power Parks Management Company)، حسب پاور کمپنی، اینگرو پاور جن تھار (Engro Powergen Thar (Private) Limited)، سندھ اینگرو پاورکس مینجمنٹ کمپنی شامل ہیں۔ ان سٹنڈیکٹڈ معاملات کے ذریعہ مختلف ضروریات کو پورا کیا گیا جیسے کہ انفراسٹرکچر میں ترقی، جائیدادوں کی تعمیر و ترمیم اور پرائیویٹ کی سرمایہ کاری کا حصول۔

بینک کی جانب سے 200 ارب روپے کی مالیت کے پاکستان انرجی صکوک کے اجراء کے لئے کی گئی کاوشیں خوش آئند ہیں۔ پاکستان انرجی صکوک سے گروڈی قرضہ کے مسائل کو حل کرنے میں اور اسلامی بینکوں کی سہولت کے انتظام میں مدد ملی۔ مئی سال 2019 کے دوران یہ صکوک پاکستان اسٹاک ایکسچینج میں بھی لسٹ کئے گئے جس کے بعد اس کی تجارت میں ادارے اور افراد دونوں حصہ لے سکتے ہیں۔

اقوام متحدہ ڈویلپمنٹ پروگرام (UNDP) کے سبز ٹیک اہداف (SDGs) کے پیش نظر بینک نے ماحول دوست گرین بینکنگ کے لئے مؤثر اقدامات کرتے ہوئے ہوائی توانائی کے پانچ منصوبوں کے لئے اپنے سبز ریزولوشن کی سہولت فراہم کی، جن میں NASDA گرین انرجی پرائیویٹ لمیٹڈ (NASDA Green Energy Private Limited)، میٹرو وینڈ پاور لمیٹڈ (Metro Wind Power Limited)، گل احمد انرجی ٹیک لمیٹڈ (Gul Ahmed Energy Tech Limited)

Statement of Sources and Uses of Charity Fund

For the year ended December 31, 2019

	2019	2018
	Rupees in '000	
Opening Balance at January 01	1,086	2,398
Additions during the year		
Received from customers on delayed payment	49,110	32,376
Dividend Purification Amount	9,847	3,396
Non-shariah Compliant Income	5,269	1,150
Profit on Charity Saving Account (net of bank charges)	238	166
	<u>64,464</u>	<u>37,088</u>
	65,550	39,486
Distribution of Charity		
Education	(38,100)	(30,250)
Health	(4,450)	(5,050)
Community Development	(7,300)	(3,100)
	<u>(49,850)</u>	<u>(38,400)</u>
Closing Balance at December 31	<u>15,700</u>	<u>1,086</u>

Note:

Details of charity payments of Rs 100,000 and above are disclosed in note 20.4.1 to the financial statements of the Bank.

Policies and Guidelines

Standards of Ethics, Business Practices & Code of Conduct

The objective of these standards is to promote business practices within Meezan Bank, which are Shariah - compliant, fair, reasonable and reflect high standards of ethical behavior.

The standards of ethics and business practices, which the Bank expects from all of its employees, is a condition of employment with the Bank and may be considered at the time of performance appraisal of an employee.

- Code of Conduct, during office hours or otherwise, shall always be that of a good citizen.
- Act with integrity, competence, dignity, and ethically while dealing with the customers, shareholders, vendors and colleagues.
- Understand and comply with the legal / regulatory requirements and internal policies and procedures of the Bank that apply to the duties assigned to the employee.
- Never willingly enter into a business transaction, which shall violate any law or principles of Islamic finance.
- Never use their position to force, induce, coerce, harass and intimidate any other person, including sub-ordinate to provide any force, gift or benefit, whether financial or otherwise, to themselves or others.
- Avoid professional misconduct involving dishonesty, fraud, deceit or misrepresentation. Any unintentional mistake, wherever possible, shall be immediately rectified and reported to the line manager.
- Not make use of any information including Bank's trade secrets, proprietary, confidential information, gained in the performance of official Bank duties as a means of making any personal profit, gain or benefit for themselves or connected persons.
- Immediately report to the management of pre-existing personal relationship with any existing or potential customer, industry representative or government employee with whom the Bank has a business relationship. Pending clearance from the management, the employee shall take no further action associated with the business in which a personal relationship exists.
- Will not use the Bank's services or facilities for private purposes except with prior permission.
- Conduct Bank's business with honesty, integrity and in a professional manner.
- Avoid any action on his / her part that may be repugnant, unethical or unlawful.
- Avoid any action on his / her part that may be viewed as repugnant, unethical or unlawful by customers or public at large or the Bank itself.
- Avoid any activities that could involve or lead to involvement in any unlawful or unethical governance practice.
- Avoid participation in any political activities.
- Avoid participation in any other subversive activities.
- Abstain from gambling, betting and wagering contracts.
- Be exemplary in personal conduct towards the Bank, other employees and customers of the Bank.
- Safeguard the confidential information of the Bank and its customers.

- Avoid actual or potential conflicts of interests in transactions on behalf of the Bank.
- Provide accurate and reliable information in records submitted.

Code of Conduct

Confidential Information

Employees shall maintain strict secrecy regarding the Bank's affairs and shall not (except so far as is necessary and appropriate in the normal course of their employment) disclose to any person, any information as to the practice, dealing or affairs of the Bank or any of their customers, which may come to their knowledge by reason of their employment.

During the course of employment and after its termination for whatever reason, the employee must not disclose to anyone (nor use for any purpose other than the business of the Bank) any information relating to the Bank or its employees which is not already available to the public, unless authorized to do so. Such information includes customer data, product manuals, technical secrets, confidential research work, technical processes, operating manuals, marketing plans and strategies and other confidential financial or business information of the Bank.

Recording of Information

No unrecorded fund or assets of Bank shall be established or maintained for any reason. No false, artificial or misleading entries in the books and records of Bank shall be made for any reason. All reporting of information should be accurate, honest and timely and should be a fair representation of the facts.

Conflict of Interest

It is obligatory that:

- An employee may not hold a position of director, consultant, employee, representative or agent with any supplier, competitor, customer, individual or organization either doing or seeking to do business with the Bank without prior written consent of the Bank's President & CEO. If any immediate family member holds a position, with any organization doing or seeking to do business with the Bank, a written disclosure must be made promptly to line manager / HRD.
- An employee may not hold any interest in any organization doing business with the Bank without the written consent of Regional Manager or Department Head, unless it is a company / establishment quoted on a Stock Exchange and the interest is less than 1 percent.

Mis-declaration/Concealment of Facts

An employee shall not make any mis-declaration or conceal the facts in knowledge. The following are illustrative examples, but are not all-inclusive:

- An employee issuing an incorrect account statement,

salary certificate or any other information for any customer or staff member.

- An employee issuing a fake claim for reimbursement of any expenses whereby either the expenses are inflated and/or the difference between expenses claimed and actually incurred are pocketed by the staff member.
- An employee at the time of induction in Meezan Bank (i.e. during interview and in testimonials) provided a false, forged, misleading information or concealed, hide, incompletely stated, any information regarding credentials, academic record(s), previous employment(s) and demographic details.

Know Your Customer, Vendors and Counter Parties

In order to safeguard the Bank's reputation and integrity, it is not only necessary for employees to discipline their own actions, it is also necessary to be aware of the character and actions of customers, vendors and counter parties. Care must be exercised in selecting those with whom we deal. Each Meezan Bank business must have processes in place for checking on the credit and character of customers, vendors and counter parties.

Employees must ensure that the Bank establishes relationship with only those individuals, businesses, and entities who have a sound reputation and whose true identity has been established. Employees should conduct maximum caution in opening new accounts and before opening, ensure that due diligence steps are completed.

Gifts & Entertainment

At certain times of the year, some customers, suppliers, contractors and consultants to the Bank may present gifts or arrange entertainment for employees. While the sentiments behind such actions are usually genuine, there is a possibility that others may misconstrue them. In a minority of cases such actions may not be in the best interest of good working relationships. Gifts may be presented locally or internationally in the form of Cash or in kind of Services, either free or discounted.

Bribery & Misconduct

An employee will be guilty of an offence, who, without lawful authority or reasonable excuse:

- Solicits or accepts any advantage as an inducement or reward for doing or intending to commit any action in relation to the Bank's affairs or business.
- Showing or intending to show favors or disfavor to any person in relation to the Bank's affairs or business.
- Offers any advantage to any one as an inducement or reward for any favor/disfavor or otherwise.
- Intends to deceive the Bank by using any receipt, account or other document which is false or erroneous or defective in any way and which to employee's knowledge is intended to mislead the Bank.
- Take any cash or near-to-cash benefit from any stake holder of the bank to provide undue advantage.
- Pay any cash or near-to-cash benefit to any stake holder of the Bank to take undue advantage.

Fraud, Theft or Illegal Activities

Employees shall be alert and vigilant with respect to

frauds, thefts or illegal activities committed within the office. If any such activity comes to the attention of an employee, the employee must immediately report the same to the Head of Audit, Head of Operations and Head of Human Resources; who will arrange for appropriate follow-up action to be taken. Failure to report any such activity will be subject to disciplinary action.

Money Laundering

The Bank has set its priority not to become implicated, in any way, with individuals or firms involved in criminal activities and money laundering. The employees are expected to exercise maximum caution in this regard.

The employee should know the customer, be vigilant for unusual circumstances and immediately report any suspected case to the Manager / Area Manager / Regional Manager / Compliance Department/Audit Department, who will arrange for appropriate follow-up action to be taken. Failure to report any such activity will be subject to disciplinary action.

Courtesy & Manners

Employees of Meezan Bank shall maintain utmost courtesy and exemplary manners when interacting with clients or with each other. Employees are dealing on behalf of the Bank, so they are required to keep high standards of professionalism and ethics. Any violations of this code shall be brought to the attention of supervising officials as well as the Human Resources Department for their information, record and remedial disciplinary action.

Honesty & Integrity

Employees shall serve the Bank, devote whole time during office hours and discharge their duties honestly, faithfully and use their utmost endeavors to promote the interest of the Bank. They shall behave with decorum, integrity, show courtesy and attention in all dealings with customers, government officials, senior officers, colleagues, subordinates and general public.

Participation in Political Organizations

No employee shall take part in, subscribe in aid of, or assist in anyway in any political movement in Pakistan during the office timing at the office premises. No employee shall use official influence in connection with or take part in any election to a legislative body, whether in Pakistan or elsewhere.

Ideology of Pakistan

No employee shall express views detrimental to the ideology or integrity of Pakistan.

Direct Representations to the High Govt. & Meezan Bank Officials

No employee shall make any personal representations directly to Chairman, Directors or Members of the Board, or Government functionaries. Such representations must be addressed to the President & CEO through the immediate supervisor of the employee. However this policy does not, in any way, seek to block a citizen's redress to the judiciary and other statutory redresses.

Core Values

- Shariah Compliance
- Integrity
- Service Excellence

Meezan Bank's Personality

The Bank expects its employees to be:

- Sober
- Truthful
- Committed to excellence
- Empathetic
- Professional
- Extremely loyal
- Dependable friend
- Trustworthy business partner
- Committed to the cause of Islamic banking

Health & Hygiene

Personal Hygiene is the most important aspect of our daily life. The personality is perceived by its degree of neatness. The personal hygiene covers care of body odor, bad breath, teeth, nails, ears, nose, hair, daily shower, shave (if not keeping proper beard), daily wear washed, clean, pressed clothes etc.

Computer, E-mail, Information Security

Meezan Bank computer system contains an e-mail facility,

access rights, information and software, which are intended to promote effective communication within and outside the Bank, on matters relating to its business and facilitate routine information flow and smooth and safe transactions.

The e-mail system should therefore only be used for official/business purpose. All communication and information are the property of Meezan Bank and the Bank reserves the right to retrieve the contents of the messages for the purpose of monitoring. The employee shall be held accountable for all activities under his/her password.

Dress Code & Professional Attire

Attire is a reflection of professionalism as well as that of the Bank's brand and personality. A professional business appearance together with a high standard of personal hygiene is expected from all employees. The Official Dress Code of Meezan Bank is professional corporate attire inline with traditional Islamic modesty. At Meezan Bank every staff member is expected to have a professional business appearance together with a high standard of personal hygiene.

Guidelines on Whistle-Blowing

The purpose of these whistle blowing guidelines is to provide a mechanism to Bank's stakeholders (employees, customers, vendors, etc.) to report any activity which in their opinion may cause financial and/or reputational loss to the Bank. The major objectives of whistle blowing policy can be classified as:

- To provide an environment whereby stakeholders feel confident to blow the whistle without any fear of reprisal, subsequent discrimination and of being disadvantaged in any way;
- To develop a culture of accountability and integrity;
- To create awareness amongst stakeholders regarding the whistle blowing function; and
- To be a source of early warning signal.

Scope

The scope of these guidelines includes, without limitation, disclosure of all types of unlawful acts / orders, fraud, corruption, misconduct, collusive practices or any other activity which undermines Bank's operations, financial position, reputation and mission.

Who must blow the whistle and how?

It is the responsibility of each and every stakeholder of the Bank, instead of limiting it to a particular department or senior management only, that if any stakeholder observes any suspicious, fraudulent or unethical activity, transaction or act that may cause a potential threat to the Bank or could be against the interest of the Bank, he / she must immediately report this to Whistle Blowing Unit through various modes including but not limited to Meezan Bank's website, E-mail, fax, mobile and landline.

Confidentiality & protection of whistle blowers

The whistle blowing mechanism has been designed to ensure complete confidentiality of the entire process and also enables the Bank to take immediate corrective measures. Identification of the whistleblower is kept completely confidential except as required by law or who have legitimate right to know. The Bank stands committed to protect whistleblowers for whistle blowing and any subsequent harassment or victimization of the whistleblower is not tolerated.

Guidelines for Safety of Records of the Company

Comprehensive guidelines are in place at Meezan Bank for ensuring that physical documents are being archived in an organized, efficient and reliable manner. These guidelines encompass detailed processes for preservation, organization, transfer, retrieval and destruction of physical records. The guidelines comprise of the following elements:

General Guidelines

This section deals with the role of the Administration Department in providing an Archive facility outside the branch and provides guidelines on when old records will be transferred to the archive, signatories that may authorize retrieval of records, treatment of records under litigation / dispute, type of records that may be kept under fire-proof cabinet, and the convention to be followed for allocating serial numbers to archived records.

Preservation of Old Records

This section deals with maintenance of old records in a secured environment and the procedure for documenting their complete details to facilitate retrieval and destruction after expiry of retention timelines. This section also defines the responsibilities of the Archiving Officer.

Procedures to Handle Records at Archives

These are detailed procedures with clearly allocated

responsibilities of Branch / Head Office departments and archiving officers for transferring/retrieval of records to and from Archives.

Destruction of Records

This section provides guidelines about the type of records that need to be retained permanently or till the time approval from Regulators is obtained for their destruction. e.g. cases in litigation, records relating to suspicious transactions, etc.

Relevant Branch Manager / Area Manager / Departmental Head is responsible for checking and verifying the list of records that need to be destroyed. For branch records, Head Office operations will finally approve branch's request for destruction of record, which will be carried out in the presence of Branch Manager & Operations Manager.

Retention of Old Records

These guidelines outline the various types of records and the recommended period for their retention and subsequent destruction in view of the Banking Companies Ordinance, SBP Prudential Regulations and other regulatory requirements.

Standardized Formats

Formats for forms and registers have been provided to facilitate standardization and controls across Meezan Bank's network.

Summary of Corporate Social Responsibility Policy

Scope of Corporate Social Responsibility Policy

The CSR Policy pertains to all corporate social responsibility activities undertaken by Meezan Bank and applies to all employees of the Bank.

Activities undertaken by the Bank may include projects being implemented independently by Meezan Bank or projects undertaken in coordination with other entities.

Objective of Meezan Bank's CSR initiatives

To contribute as a responsible corporate citizen to the community and environment in which the Bank is operating.

Areas of Focus

Meezan Bank may contribute in the form of financial assistance, providing logistic support and availability of human resources for charitable causes in various sectors including, but not limited to the ones mentioned below, as per the Management's discretion:

- Health
- Social & Environment Sustainability
- Education
- Creating awareness about the prohibition of Riba and the available alternatives

The Bank may also encourage its employees to volunteer and contribute to its own or other organizations' CSR initiatives.

Summary of Sustainability Policy

Purpose

The purpose of the Sustainability Policy is to provide a framework for incorporating sustainability into the Bank's business operations and to minimize the environmental, social, ethical and financial and Shariah risks to the Bank's stakeholders and to the organization itself.

Scope of Sustainability Policy

The Sustainability Policy shall support business decision

making at all levels of the Bank and will provide a frame of reference for dealing with direct and indirect sustainability risks.

It is applicable to all of the Bank's products and services, organizational units and departments and may include projects and activities being implemented independently by Meezan Bank or projects undertaken in coordination with other entities.

Summary of Green Banking Policy

Scope and Objective

The Green Banking Policy of Meezan Bank Limited has been prepared in light of the 'Green Banking Guidelines' issued vide IH & SMEFD Circular # 08 dated October 09, 2017 of State Bank of Pakistan. The objective of this policy is to institutionalize Green Banking across Meezan Bank by focusing on the following major aspects:

- Governance Structure and Responsibilities
 - Organizational Structure
 - Environmental Risk Management Framework
 - Green Business Facilitation
 - Own Impact Reduction/ In-house Environment Management
 - General Guidelines
-

Summary of Information Security Policy

Information Security relates to protection of valuable assets against loss, misuse, disclosure or damage. Each asset has to be reviewed from the perspective of its Confidentiality, Integrity and its Availability to the authorized personnel. A number of factors play a critical role in the successful implementation of information security.

Information Security Policy

The Information Security Policy defines the policies and supporting standards that guide the consistent application of information security and ensure that the interests / information are adequately protected against loss, improper disclosure and unauthorized modification. Meezan Bank's Information Security Policy is based on ISO 27001. The policy comprises of the following domains:

Organization of Information Security

In order to manage information security within the Bank, a framework has been established by the Bank's management to initiate and control the implementation of information security within the organization.

Risk Assessment & Treatment

To review IT System and Operation for identifying and mitigating the risk that could affect Meezan Bank's infrastructure through internal and external attacks. The basis of these assessments is the Confidentiality, Integrity and Availability (CIA) of the information assets and services.

Human Resources Security

This segment of the policy ensures that the Bank's employees, contractors and third party users understand their responsibilities and are suitable for the roles they are considered for, thereby reducing the risk of theft, fraud or misuse of facilities.

Asset Management

To achieve and maintain appropriate protection of the Bank's Information Assets.

Access Control

To control the access to information, information processing facilities and business processes based on business and security requirements.

Cryptography

To protect the confidentiality, authenticity and integrity of information by Cryptography (The conversion of data into a secret code for transmission over a public network.)

Physical and Environmental Security

To prevent unauthorized physical access, damage to, and interference with the Bank's premises (head office and branches) and information.

Operations Security

To ensure correct and secure operation of information processing facilities.

Communications Security

To maintain the integrity and availability of information and information processing facilities.

Information Systems Acquisition, Development and Maintenance

To ensure that security measures are always built into and are an integral part of all information systems.

Supplier Management

To ensure the protection of the organization's information assets that is accessible by IT suppliers for providing IT service delivery.

Information Security Incident Management

To ensure that information security events and weaknesses associated with the Bank's information systems are communicated in a manner that allows timely corrective action to be taken.

Information Security Aspects of Business Continuity Management

To counteract interruptions to business activities and to protect critical business processes from the effects of major failures of information systems or disasters and to ensure their timely resumption.

Compliance

To ensure that any law, statutory, regulatory or contractual obligations and security requirements are not breached.

Information Security Trainings and Awareness

Appropriate awareness programs and regular updates in organizational IT security policy and procedures, as relevant for their job function are conducted.

Each of the above domains comprise of multiple processes and controls to ensure promotion of an information security.

IT Governance Policy

Scope

This policy creates the governance for the Information Technology Division for the Bank under the supervision of IT Steering Committee, Board IT Committee and Board of Directors. This policy describes and create a framework that will pave the roadmap on which IT Division will provide services to Bank's business functions and to ensure that the Bank's business operations are driven based on Technology Solutions.

Objective

To put in place the policy framework for IT Governance at the Bank in order to provide services to the Bank's Business functions. This policy framework is also aligned with the IT Security Policy of the Bank which is based on the standard ISO 27001.

Executive Summary

Establish Partnership with business to enrich Business and IT alignment and by delivering cost effective technology solutions and services.

This model describes all functions of the IT Division in the form of services which results in business benefits. It consists of five core services area (IT Service Strategy, IT Service Design, IT Service Transition, IT service Operations and Continual IT Service Improvement) that covers best practices and guidelines within IT management.

Key Areas – IT Management Policy

Key areas in Meezan Bank IT Management Policy are as follows:

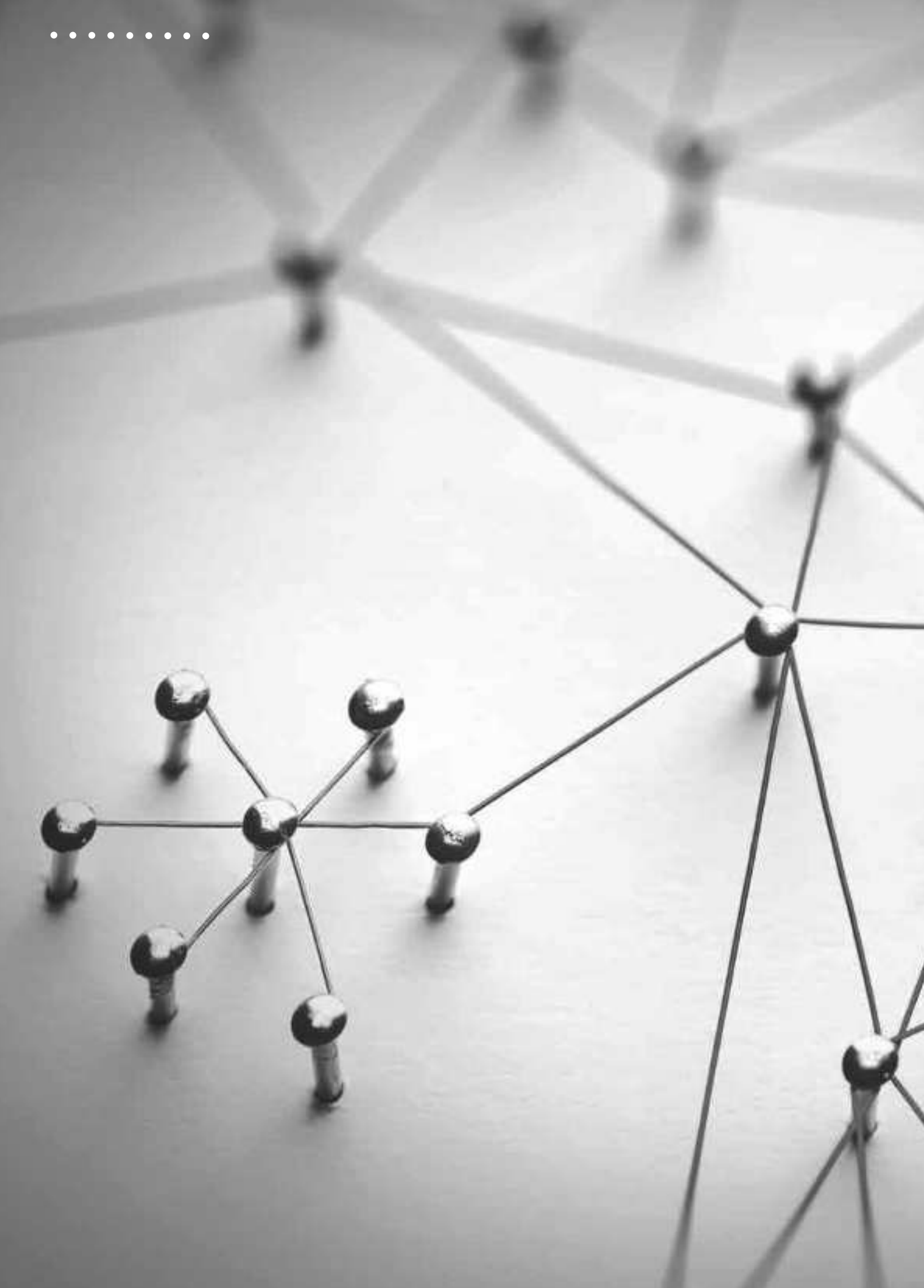
1. IT Capacity and Performance Management provides guidelines for maintaining scalable IT capacity and making the best and optimal use to meet the performance requirements expected by the business.
2. IT Project Management defines standard and best practice guidelines for project management to assure that they are accomplished in timely, cost effective manner. It is governed by PMO Charter.
3. Change Management emphasizes on managing all changes within the IT environment including emergency changes, fixes and patch management to minimize the disruption in services.
4. IT Helpdesk and Problem Management ensures incidents and problems related to systems are reported, tracked investigated and resolved in effective and efficient manner.
5. Service Level Agreement Management ensures the SLA's are established, agreed between vendors and IT in line with Business needs to gauge the service delivery performance.
6. IT System Acquisition Management caters the way the IT Systems should be procured in line with Bank's expenditure policy.
7. Configuration Management covers the rules for configuration of information technology devices and infrastructure for tracking and controlling all changes to information systems of the Bank.
8. IT Compliance Management defines the way ITD works under compliance guidelines.
9. IT Continuity Management covers the aspect of Business Continuity Plan and Disaster Recovery Plan in case of any service disruption.
10. IT Backup and Restoration Management defines the rules for backup and storage of electronic information within the entity that are responsible for electronic data stored in archive.
11. IT Outsourcing Management defines the framework for outsourcing of IT services.
12. Software Solution Development and Maintenance Management facilitates the effective development and maintenance of Software solutions to compliment business functions.
13. IT Infrastructure Management determines the process for requirements analysis, planning, design, deployment and on-going operation management. It also ensures technology is accessible and equipped with current hardware and software for application management.
14. Network Management defines the principles covering internal and external network environment operated by the Bank including Logical Access Management, Infrastructure security, Operational Management and Bandwidth Management.
15. Database Management aims at ensuring the availability, integrity, security, consistency and accuracy of the Bank's database.
16. Virus and Malware Management ensures that systems, database and software are protected against the risk to malicious software and unauthorized code.
17. Internet and Intranet Usage Management defines the rules for Internet usage.
18. Desktop Support Management defines the principle covering the IT related Support activities and covers the Installation and configuration of desktops in branches and providing first level support.

Salient Features - Directors' Remuneration Policy

1. Remuneration shall be fixed in Pakistani Rupees (PKR) invariably; nevertheless, payment of the same can be made to foreign Directors in equivalent foreign currency(ies), where necessary, after obtaining the regulatory approvals as may be required from time to time.
2. No single member of the Board of Directors shall determine his/her own remuneration.
3. Proper and transparent disclosure of remuneration and other benefits/facilities provided to the Board members shall be made in the annual financial statements of the Bank, as per SBP instructions issued from time to time.
4. The Fees for attending the Board and its Committee meetings shall be as follows:

	Board Meeting Fee Rs. per meeting	Committee Meeting Fee Rs. per meeting
Chairman	960,000	650,000
Other Non-executive Directors	800,000	650,000

5. The Board and Committee meeting fees will be approved by the shareholders in Annual General Meeting on pre or post facto basis on the recommendation of the Board and Board HR&R Committee. The meeting fee, in any case, shall not exceed the limits prescribed by the Regulators.
6. All traveling/boarding/lodging expenses of the Directors related to Attendance of Board Meeting(s)/ Committee Meetings will be borne by the Bank at actuals. Expenses such as hotel stay etc. incurred due to personal reason or reason other than performance of Bank' duties and business will be borne by the concerned Director.
7. No additional payments or perquisites will be paid to the Non-Executive Directors and Chairman except as mentioned in above clauses.
8. No consultancy or allied work shall be awarded to a Director or to the firm(s), institution(s) or company(ies) etc. in which he/she individually and/or in concert with other Directors of the Bank, holds substantial interest.
9. No remuneration under this policy would be paid to the Executive Directors except travel and boarding costs as per the Bank's standard rules and regulations and relevant laws.





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How we engage with our Stakeholders

Meezan Bank is committed to sustain and maintain stakeholder relationship and keep them at the core of its business strategy. These relationships are long-term, which are handled professionally and with sincerity. It is our Mission to optimize stakeholders' value through an organizational culture of fairness and respect.

The following table provides an overview of stakeholder engagements at Meezan Bank:



For detailed disclosure, please refer to the Sustainability Report 2019 annexed in this report.


Stakeholder	Why do they matter?	How did we engage them?	Frequency of Engagement	Our Key Initiatives
Owners	To maintain long-term shareholder value and generate long-term sustainable returns for the shareholders.	Financial statements	Quarterly, semi-annually and annually	<ul style="list-style-type: none">▪ Two analyst briefings held▪ Consistent payment of dividends▪ Participated in the Tundra Fonder ESG Questionnaire 2019▪ Participated in the Terra Nova ESG due diligence Questionnaire▪ Participated in the Overseas Investors Chamber of Commerce and industry (OICCI) CSR report▪ Participated in the OICCI Gender Survey 2019▪ Participated in Global Islamic Bankers' Survey 2020 Titled Beyond Digitalization: Fintech and Customer Experience
Minority Shareholders		Annual reports	Annually	
Individual and Institutional Investors		Annual General Meeting	Annually	
Analysts		Extraordinary General Meeting	On need basis	
		Press releases	Continuous	
		Analyst briefing followed by Q&A session	On need basis	
		Feedback from institutional investors and ESG analysts	On need basis	
		Dedicated investor relations mailbox / email	Continuous	
		Focused investor presentations	On need basis	
		Media releases	Continuous	

Stakeholder	Why do they matter?	How did we engage them?	Frequency of Engagement	Our Key Initiatives
Employees	The Bank's employees are considered as its most valuable asset. The Bank engages with its employees for the following: <ul style="list-style-type: none"> To ensure that the employees stay motivated and committed to the cause of Islamic banking. To ensure that the Bank remains an employer of choice by providing the employees an inclusive environment that recognizes and rewards their contributions. 	Frequent CEO communication to all colleagues on regular and topical subjects	On need basis	<ul style="list-style-type: none"> Incorporated employee feedback in enhancing training programmes and people management skills Fire & safety drills Awareness campaign on water conservation & energy wastage Invested Rs 78 million in training our employees Incorporated employee feedback in enhancing compensation & benefits policies
		Training and workshops	Regularly	
		Employee Satisfaction Survey	Bi-annual	
		HR policies and procedures	Continuous	
		Compensation & benefits	Continuous	
		Medical benefits	Continuous	
		End of Service benefits	Continuous	
		Performance bonus	Annual	
		Offsite strategy session	Annual and on need basis	

Stakeholder	Why do they matter?	How did we engage them?	Frequency of Engagement	Our Key Initiatives
Employees	<ul style="list-style-type: none"> To ensure fair and equitable opportunities for all staff To encourage feedback, promote teamwork, maintain workplace health and safety and to empower our staff to be informed and effectively engaged 	One-on-one sessions with managers	On need basis	<ul style="list-style-type: none"> Added 360-degree feedback to the strategy and performance assesment sessions Launched a series of Employee Testimonial Messages on Official Facebook Page for the 'International Week of Happiness at Work' Launched an Employee Branding Video on social media titled: 'Best Bank ki Best Life' to highlight the Bank's work environment as well as to share why our employees feel happy working at this organization.
		Periodic performance reviews	Annual and on need basis	
		Regular town hall meetings	Annual	
		Internal newsletter and intranet	Quarterly and Continuous	
		Inter-departmental games and recreational activities	Regularly	
		Employee induction training	Regularly	

Stakeholder	Why do they matter?	How did we engage them?	Frequency of Engagement	Our Key Initiatives
Customers/ Depositors	<p>Customers are at the core of our business strategy. The Bank engages with customers for the following:</p> <ul style="list-style-type: none"> To provide them awareness on Islamic Banking concepts and misconceptions. To maintain the highest levels of professionalism and service quality To focus on the personal and business financial needs of our customers when designing our products and services To provide information & advice Ensure timely access to our products & services and ensure fair treatment 	Face-to-Face meetings	Regularly and on need basis	<ul style="list-style-type: none"> 9,437,220 customer awareness SMS sent through 9 campaigns Upgraded systems to provide more secure financial services as well as protection of data and privacy Partnered with Fintechs to deepen engagement of our customers Launch of New Mobile Banking App for greater convenience Helped educate more than 1,075 farmers through Kissan Baithak initiative 143 Islamic banking awareness seminars conducted nationwide, attended by more than 13,500 participants Held an exclusive Islamic banking seminar for our females customers only Branch opening events Independence Day celebration events at Head Office & branches
		Interactions at branches	Continuous	
		Call Centre service	Continuous	
		Website and social media channels and campaigns	Continuous	
		Free Islamic banking education initiatives including workshops and seminars	Regularly	
		News generated and covered in the media	Regularly	
		Marketing and advertising campaigns	Regularly	
		Mystery shopping programmes	On need basis	
		Various branch-based events to engage customers	Regularly	

Stakeholder	Why do they matter?	How did we engage them?	Frequency of Engagement	Our Key Initiatives
Government & Regulators	<p>The Bank engages with Government and Regulators for the following:</p> <ul style="list-style-type: none"> ▪ To maintain transparent relationship and ensure meticulous compliance with legal and regulatory requirements ▪ To facilitate development of legislations and policies pertaining to Islamic banking ▪ To build strong and constructive relationship with Government, both as a partner in the development of the country and as a potential client ▪ To contribute in the legislative development in order to support the Islamic banking industry ▪ To counter the financing of terrorism ▪ To maintain financial stability 	Regular engagement with regulators for compliance matters through written and telephonic communication	Daily, weekly, quarterly	<ul style="list-style-type: none"> ▪ Contributed to development of local economies through efforts such as achieving financial close for 4 wind power projects ▪ Active support to the State Bank of Pakistan for adoption of various AAOIFI Shariah Standards in Pakistan ▪ Lead Arranger of issuance of Rs 200 billion Pakistan Energy Sukuk to help in reducing circular debt ▪ Enhanced focus on the Bank's AML/CFT compliance systems and capabilities ▪ Enhanced training on AML/CFT compliance and risk management across the Bank
		One-on-one meetings with authorities to address matters impacting business	On need basis	
		Submission of regulatory and statutory information. Responding on various queries and information	On need basis	
		Consultations with regulatory bodies	On need basis	
		Annual reports	Annual	
		Audit reports	Annual	

Stakeholder	Why do they matter?	How did we engage them?	Frequency of Engagement	Our Key Initiatives
Suppliers / Service Providers	<p>The Bank engages with suppliers for the following:</p> <ul style="list-style-type: none"> ▪ Adhere to proper procurement regulations while maintaining a good business relationship with service providers ▪ Ensure integrity in all purchasing decisions 	Rigorously following internal procurement policies and upgrading the policy regularly to ensure strong control and fair treatment of suppliers	 <p>Routine basis/ on need basis</p>	<ul style="list-style-type: none"> ▪ The Bank is working on creating a Central Procurement System to improve efficiency and to ensure fair vendor selection and ethical conduct in its purchase decisions
		Requests for quotations and proposals		
		Vendor briefings		
		Purchase agreements		
		Annual reviews		

Stakeholder	Why do they matter?	How did we engage them?	Frequency of Engagement	Our Key Initiatives
Communities	<p>The Bank engages with Communities for the following:</p> <ul style="list-style-type: none"> ▪ To fulfil its social responsibilities as a responsible corporate entity ▪ To create an inclusive workplace through local talent induction ▪ To understand the needs of the communities the Bank serves 	Active participation in various social work initiatives as part of its corporate social responsibility	Regularly	<ul style="list-style-type: none"> ▪ Increased the number of employees with special abilities ▪ Provided financing to projects for clean energy and worked on Government's low cost financing programme ▪ Made monetary contributions to two schools providing education for the underprivileged ▪ Engaged employees in providing Islamic finance education in various graduate and post graduate programmes at the top business schools of the country ▪ Co-authored case studies and research papers for Centres for Excellence in Islamic Finance ▪ Provided Islamic Finance Literacy through International Institute of Islamic Bankers (IIIB) which is a dedicated initiative of Meezan Bank to develop the Islamic Financial industry in Pakistan.
		Hiring individuals with hearing and visual impairments	Regularly	
		Sponsoring various outreach programmes, education programmes, prize distribution ceremonies etc.	On need basis	
		Financial literacy initiatives	Regularly	
		Sponsoring various fundraising events	On need basis	
		Donations in cash or in kind to support various causes related to education and health	Regularly	
		Zakat collection and contribution	Continuous	
		Building the Islamic Financial Industry	Continuous	

Stakeholder	Why do they matter?	How did we engage them?	Frequency of Engagement	Our Key Initiatives
Media	<p>The Bank engages with Media for the following:</p> <ul style="list-style-type: none"> ▪ Provide timely and transparent information/updates on subjects relevant to the Bank, its industry and stakeholders ▪ To encourage prompt and accurate reporting of the Bank's initiatives, developments and progress 	Advertisements through print, electronic, social media, website	Regularly	<ul style="list-style-type: none"> ▪ Interacted regularly and frequently with the local, regional and international media ▪ Issued more than 25 press releases to keep the media abreast of developments in the Bank ▪ Issued multiple interviews of Senior Management in local and international publications ▪ Support to Journal of Islamic Banking and Finance through contribution of academic and scholarly articles/ research papers. ▪ Responded relevantly to media queries ▪ Generated social media content to increase financial literacy and awareness
		Media interviews	Regularly	
		Ongoing engagement sessions with media in person	Regularly	
		Social media platforms	Continuous	

Investors' Relations Section on Corporate Website

Meezan Bank places great emphasis on ensuring two-way, regular engagement with its investors through various channels. The Bank's corporate website is one such channel that is regularly updated with all important business announcements, financial results as well as regulatory information. The Investor Relations section of the Bank's website serves to connect its stakeholders with the Bank as per the applicable regulatory framework.

The Bank's website also includes all latest information regarding the Bank, including its financial highlights, dividend information, investor information and a link to Securities and Exchange Commission of Pakistan's (SECP) investor education portal – Jamapunji.

For the shareholders, analysts and for investors; the Bank also updates contact details for investor relations and Company Secretariat.



The relevant section is available on the Bank's website:
<https://www.meezanbank.com/investor-relations/>

Steps to encourage minority shareholders' participation in Annual General Meeting (AGM)

The Bank ensures that the interest of the minority Shareholders is protected. In order to ensure their participation in general meetings, the Bank takes the following measures:

- All notices of the Shareholders' meetings are timely announced on Pakistan Stock Exchange (PSX), published in nationwide newspapers
- All notices of the Shareholders' meetings are dispatched at the registered addresses of the Shareholders as per regulatory requirement
- Annual Reports are sent to each member of the Bank before the AGM in hard copy and/or in electronic form
- Shareholders are facilitated in appointing proxies in case they are unable to attend the AGM in person
- Shareholders are provided with a detailed overview of the Bank's performance, future outlook in both English and Urdu languages
- Shareholders are encouraged to comment, raise queries and provide feedback related to the Bank's operations
- The Bank also ensures compliance to all the regulatory requirements and takes all possible steps to encourage attendance of minority shareholders in their meetings.

Matters Raised in the Last Annual General Meeting (AGM)

No significant issue was raised in the last AGM.

Summary of Analyst Briefings

Analyst briefings provide the Bank and the investor community with an opportunity to share business updates that are relevant to the analysts' coverage areas. As per the requirements of the SECP, the Bank held two analysts briefings during the year, which were attended by leading global and local investors, brokerage houses, fund managers as well as other stakeholders. The interactive session served to apprise the investor community of a detailed overview of the Bank's performance, its business environment as well as future prospects and strategy.

The audience was also informed about the Bank's focus on digital transformation and process innovation. The engagement session served to give the right perspective of the Bank's business affairs. To accommodate regional analysts and fund managers, conference call facilities are provided to ensure full access to all necessary stakeholders. The information and presentations are subsequently uploaded onto the Investor Relations segments on the Bank's website.

Dates

February 26, 2019

August 29, 2019



Meezan Bank
The Premier Islamic Bank

#Consumer Protection

Meezan Bank Cares!

For any complaints, feedback and suggestions you may reach us through the following channels:



**Call our 24/7 helpline at
+92 (21) 111-331-331 & +92 (21) 111-331-332
to speak to one of our representatives.**



Email at complaints@meezanbank.com



A black and white photograph of a sunlit forest floor. In the foreground, there are several ferns and patches of moss. The background is a soft-focus view of a forest with sunlight filtering through the trees, creating a bright, hazy atmosphere. A dark, semi-transparent rectangular box is positioned in the lower right corner, containing white text.

SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY

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Nations Sustainable Development Goals

Corporate Social Responsibility Report

As Meezan Bank continues to grow as a nationwide leader in Islamic banking, it stands aware of its responsibility for developing and implementing sustainable business practices that fully meet the expectations that the society has from responsible corporate citizens. Meezan Bank's consciousness of its responsibility towards society and stakeholders is also expressed in its Vision and Mission statements.

Some of our most recent projects are mentioned below:

Education

The Citizens Foundation (TCF)

The Citizens Foundation (TCF) is one of Pakistan's leading non-profit organizations in the field of education for the less privileged set up in 1995 by a group of citizens concerned with the dismal state of education in the country.

In an effort to help educate the less privileged children of our society, Meezan Bank supported the 16th Annual TCF Golf Tournament 2019 – a fundraiser event held on December 15, 2019 at Karachi Golf Club, Karsaz. The event supported TCF in educating 252,000 children at 1,567 schools across Pakistan.



Idara Al-Khair Welfare Society

Idara Al-Khair Welfare Society is a non-profit private organization which has been working for the cause of education for over 30 years. Meezan Bank has signed an agreement with Idara Al-Khair to support the school - Campus VI Yaroo Goth, Karachi, that is currently providing free education to 400 children. The Bank has provided financial assistance to the Campus, playing a key role in spreading education in hard-to-reach and under-privileged areas that are currently not fully covered by the country's education system.



LIFE School

Meezan Bank believes in having an inclusive culture in all walks of life. In line with this belief, the Bank provided support to Learning Is For Everyone (LIFE) School – a school in Karachi for special children – in terms of education material, furniture and other expenses.



Centres for Excellence in Islamic Finance at Institute of Business Administration (IBA), Lahore University of Management Sciences (LUMS) and IM Sciences (Peshawar)

Meezan Bank supports many educational institutions to help foster the learning and development of Islamic banking and finance across the country including Institute of Business Administration (IBA), Lahore University of Management Sciences (LUMS) and IM Sciences (Peshawar), which are among Pakistan's leading private sector educational institutions.

With an altruistic motivation to support the cause of Shariah-compliant banking services and increase the awareness of Islamic finance, Meezan Bank supports their Centres for Excellence in Islamic Finance to facilitate development and launch of training programs on Islamic banking and finance and co-author case studies and research papers. **The strategic partnership with IBA in particular has proven to be a great success and during 2019, 33 events including awareness seminars and executive learning programs were held at IBA Centre for Excellence in Islamic Finance, which were attended by over 500 participants.** Meezan Bank's employees also participated as guest speakers in several executive programs at these educational institutions. This contribution plays an instrumental role in the promotion of ethical practices across the country, as the Bank aims to equip students and executives with adequate Islamic knowledge as well as professional skills.

Charity Funds Management through Ihsan Trust

Meezan Bank has a social purpose culture that focuses on applying its principles and values in areas where they create a positive impact on people and communities. The Bank has adopted stringent Shariah Compliance and Shariah Audit standards that allow it to screen all income and in case of any non-compliance, to transfer the same to a charity account. During 2019, the Bank supported a number of NGOs and philanthropic organizations including Omair Sana Welfare Foundation, The Indus Hospital, Alamgir Welfare Trust, Afzaal Memorial Thalassemia Foundation, Bait-Us-Salam Welfare Trust, Patients Behbud Society, AKUH, Diya Pakistan and many others. As an extension of the same initiative, Ihsan Trust was launched as the operator of Ihsan Trust Fund which is a 'Waqf' made through a separate Waqf deed. Meezan Bank is the biggest supporter of

Ihsan Trust, supporting the organization through its human resource and other utility-related expenses. Ihsan Trust is the largest interest-free loan provider for higher education in Pakistan that reaches out to the under-privileged sector of the society to help such individuals escape the cycle of poverty that they are stuck in. The Trust provides Qarz-e-Hasna (Interest-free loan) facility to students who want to pursue higher education. More than 2,600 students from 140 universities, educational institutions and professional bodies across Pakistan have benefited from this facility since its inception, including Institute of Business Administration (IBA), Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI), COMSATS University Islamabad, FAST National University, National University of Sciences and Technology (NUST), DOW University of Health Sciences (DUHS) etc.

Healthcare

The Indus Hospital

Since its inception in 2005, The Indus Hospital (TIH) has been running an unparalleled and unique healthcare business model, whereby it provides premium healthcare at no cost at all to low income populations. The Bank, in addition to hosting collection boxes at all branches has taken the following initiatives as part of its CSR activities:

Blood Donation Drive

Since 2014, the Bank is supporting TIH through successful voluntary Blood Donation Drives at its Head Office located in Karachi. Staff members from Head Office and branches participated in this activity with great enthusiasm. In addition to proper screening for blood donation, the staff members were also screened for various diseases including Hepatitis and other infectious diseases for free.



TIH Golf Fundraiser

Meezan Bank, supported The Indus Hospital in its 3rd Indus Annual Golf Tournament 2019. The event engaged more than 100 golfers and top CEOs of several organizations. This fundraiser not only helped create awareness about the network and philanthropic activities of TIH, Karachi, but also helped collect voluntary financial support to expand and continue providing free quality health care to all.

Layton Rahmatulla Benevolent Trust (LRBT)

Layton Rahmatulla Benevolent Trust (LRBT) is Pakistan's largest non-governmental organization working to fight blindness in the country. Meezan Bank participated in the 3rd LRBT Golf Tournament fundraiser event. This event was held to raise funds for the free treatment of eye diseases such as Cataract, Glaucoma, retinal and corneal diseases among children and adults in Pakistan.



Aga Khan University Hospital (AKUH)

Over 60,000 infants in Pakistan are born with congenital heart disease (CHD) each year and most are unable to survive beyond their first few years. In an effort to raise funds and awareness for CHD, Meezan Bank participated in AKUH's annual AKU Golf Tournament to support the Mending Kids' Hearts Campaign.

Lady Dufferin Hospital

The Dufferin Hospital has been providing exceptionally high quality services to a large population of low-income women and children at subsidized rates or even free of cost. In an effort to create awareness of maternal mortality and raise funds to save lives of mothers during childbirth, Meezan Bank supported the Lady Dufferin Hospital Golf Tournament – a fundraiser event held at Karachi Golf Club. Honourable Dr. Arif Alvi – President of Pakistan also attended this event.



Other Initiatives

Alamgir Welfare Trust

Meezan Bank welcomed the Trustees of Alamgir Welfare Trust at Meezan House to raise awareness about the Trust's charitable work.

Alamgir Welfare Trust has been giving back to the society for the past many years through its various initiatives in health, education, provision of food, marriage assistance, emergency relief and rescue services amongst many others.



Cleanliness Drive in Karachi's SITE Area

With a strong belief that everyone should play their role in keeping our country clean, Meezan Bank conducted a Cleanliness Drive in Karachi's SITE Area as part of its Corporate Social Responsibility programme.



Iftar & Dinner for the General Public during Ramadan-ul-Mubarak

In line with the true spirit of giving during the Holy Month of Ramadan-ul-Mubarak, Meezan Bank arranged iftar for the general public outside its Head Office in Karachi throughout the Holy Month. The Bank's staff served iftar and dinner to people outside the Head Office.



Donation for Diamer-Bhasha and Mohmand Dams

Meezan Bank continues to collect donations and contributions for the Diamer-Bhasha and Mohmand Dams through its nationwide network of 760 branches as well as ATMs, internet banking and mobile banking channels, in accordance with the directives of the State Bank of Pakistan, fulfilling its commitment to Corporate Social Responsibility and this national cause.

Raising Awareness of Social Causes on Social Media

Meezan Bank has raised awareness of various social causes on social media on a regular basis including food wastage, water preservation, taking care of the environment, the importance of cleanliness, inclusion of disabled persons, etc.



Sustainability Report

As Pakistan's leading Islamic Bank, Meezan Bank believes in playing a prominent role in contributing to the United Nations Sustainable Development Goals (SDGs). With a key focus on responsible growth as well as its environmental, social and governance impact, the Bank aims to develop and implement sustainable business practices that fully meet the expectations that the society has from responsible corporate citizens. Meezan Bank's consciousness of its responsibility towards society and stakeholders is also expressed in its Vision and Mission statements.

Stakeholders

Stakeholder Engagement

Meezan Bank's stakeholders are the people and organizations that affect or are affected by its operations. The Bank's commitment to its stakeholders is central to its sustainability strategy and reflects the values that allow it to create shared success with its clients, communities and other stakeholders.

Meezan Bank engages its stakeholders through numerous channels, while maintaining focus on its Mission to optimize stakeholders' value through an organizational culture based on learning, fairness, respect for individual enterprise and performance.

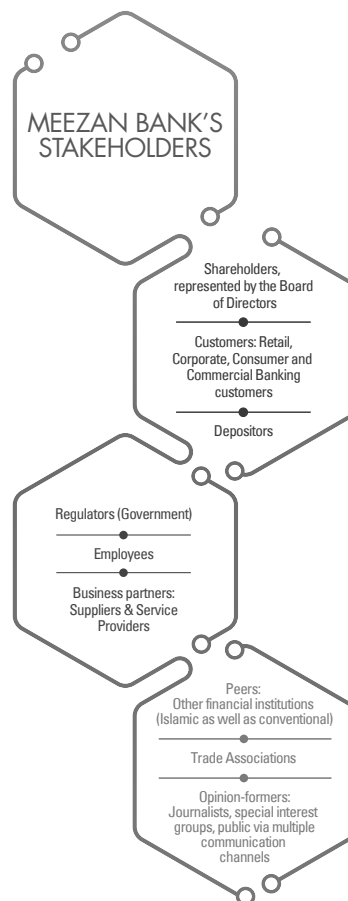
Institutional Investors

Meezan Bank holds regulatory and internal meetings with its Institutional Investors which are planned and announced on a periodic basis.

Shareholders

Shareholders' engagement is ensured through Annual General Meeting held every year, which all shareholders are invited to attend. This meeting provides the shareholders an opportunity to interact with the Bank's senior management and share their suggestions, concerns and views.

The Bank held an Annual General Meeting and one Extraordinary General Meeting in 2019.



Customers & Public

Meezan Bank's customers include individual and corporate depositors, large corporations as well as small & medium enterprises. The Bank ensures that all customer segments are engaged through numerous forums and via multiple channels. To achieve this, the Bank regularly conducts a number of activities during the year for its customers as well as the general public, such as Islamic banking seminars, workshops, local get-togethers on new branch openings and occasion based activities.

Islamic Banking Seminars & Workshops

are a series of free Islamic banking education initiatives that are conducted across the country on a regular basis in order to enhance awareness and dispel common confusions about Islamic banking. Developed in partnership with the Bank's leading Shariah finance experts who break-down Islamic finance topics into approachable and tailored content; the seminars help individuals understand the concepts of Islamic finance and thereby promote the cause of Islamic banking as a whole. The Islamic banking seminars and workshops are open-to-public local events that are attended by residents and traders of the locality as well as members of local trade bodies and chambers. The seminars also give the Bank an opportunity to interact, understand and get feedback from customers for further improvement of products and services.



In 2019, 143 Islamic banking seminars and workshops were conducted nationwide that were attended by more than 13,800 participants.

Branch Opening Events

offer another opportunity where all staff members of a new branch meet the residents and businessmen of the locality. This event adds value by giving a jump-start to the business activities as well as giving the potential customers an opportunity to meet the new branch team and develop a better understanding of Islamic banking, and the products and services that Meezan Bank offers.



Independence Day Celebrations

are hosted across the country including the Bank's Head Office, Branches and Regional Offices. Customers are invited with their friends and families to visit their branch and interact with branch staff. These events further emphasize the inculcation of positive image building in our children and also give Meezan Bank's staff the opportunity to connect with customers and their families, hence strengthening their relationship.

Employees

Critical to fostering sustainable growth and development is the Bank's focus on investing in its employees and providing them with an environment where they can thrive. Considered as Meezan Bank's most valuable asset; the Bank provides its employees with an inclusive environment that provides them with multiple growth opportunities, recognizes and rewards their performance and supports them in ensuring their financial, physical and emotional wellness.

Meezan Bank uses various means to ensure that its employees stay motivated and committed to the cause of Islamic banking and are groomed into better professionals as well as productive members of the society. Some of the initiatives undertaken by the Bank for its staff are:

Staff Get-togethers

The Bank makes efforts to ensure that the quality of working relationships is improved through the following:



Townhalls



Departmental meetings



Focus Groups



Staff gatherings at local & regional levels



On-site & off-site Strategy Sessions



Service Conference



Retail Banking Conference



Customer Support Group Conference

Appreciation of Achievements

Meezan Bank acknowledges the outstanding performance of its team members through the following:

Internal email/
Communication



01

02



Intranet

Shields &
Certificates



03

04



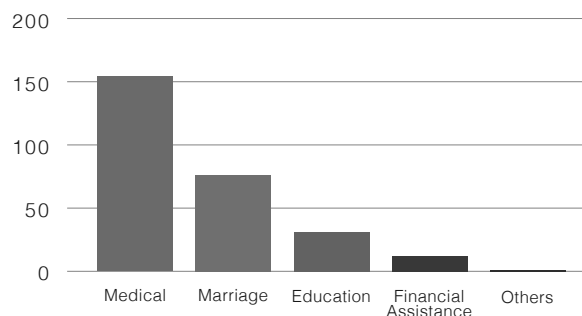
Newsletter

Employee Benevolent Fund Trust (EBFT)

The Bank realizes its responsibility towards its employees and their families, encouraging a culture of respect and care. In addition to providing an extensive healthcare coverage to help meet the expenses of employees; the Bank also has a joint employee and company-funded Employee Benevolent Fund Trust (EBFT) that allows eligible employees to seek financial support for themselves and for their families during difficult times. The Bank processed a total of 267 cases during the year 2019, out of which 187 cases were approved.

Nature of Approved EBFT Cases

The Bank processed a total of 267 cases during the year 2019, out of which 187 cases were approved.



Recruitment

Meezan Bank aims to strengthen its capabilities and secure customers primarily through recruitment of skilled professionals. The Bank believes that a sustainable and resilient organizational hierarchy forms the foundation for sustainable growth. The Bank develops sustainable policies for retaining and managing human capital at the Bank. Given the rapid expansion of the Bank, the Board of Human Resources & Remuneration Committee (BHR&RC) made recommendations to the Management for the implementation of an effective Succession Plan. The recruitment process is transparent and is detailed in the Human Resource Manual accessible to all staff via the Intranet. Meezan Bank uses, where applicable, all available media for job advertisement as part of its recruitment process, including the Bank's corporate website, social media channels - Facebook & LinkedIn, and print advertising in prominent local newspapers.

The Bank's management encourages existing employees to apply for vacant positions to allow staff to grow professionally. Towards this end, internal searches are conducted to fill vacant slots within the organization as well.

In 2019, the Bank recruited staff through batch hiring across the country for the positions of Branch Service Officers who are responsible for managing day-to-day operational tasks in the branches. All the batches were hired under a transparent and merit-driven process. The Bank held 17 induction sessions through participation in Job Fairs to benefit from the entourage of competent and capable young individuals.

Succession Planning

The Bank also ensures implementation of the Bank's Succession Planning Policy. The policy and procedure for design and implementation of succession planning is anchored by the Bank's top management and facilitated by the HR team. Successors are identified on the basis of their potential as well as their performance and experience.

Internal & External Communication Channels

The Bank disseminates information about its various achievements, activities and initiatives to the external world by engaging the internal staff and external stakeholders through the following:



Annual Report



Regular Press Releases



Newsletter



Direct Customer Communications such as SMS, Emails etc.



Customer Letters



e-Statements



Social Media Channels



Seminars & Conferences



Electronic & Print Media



Call Centre



Surveys



Complaints & feedback System at Branches

Our Focus on Diversity & Inclusion

Board's Policy on Diversity

As an equal opportunity employer, Meezan Bank emphasizes the need for diversity in the work place. The Board of Human Resources & Remuneration Committee (BHR&RC) has encouraged the Bank to implement gender initiatives which encourage and support female employment.

In line with the same approach, the Bank increased its total number of female employees from 716 in 2018 to 927 in 2019.

Provision of Accelerated / Advance Bonus

Under the accelerated bonus concept, the Bank facilitates its employees through provision of advance bonus opportunity that allows them greater financial freedom. In addition, the Bank's pay-for performance philosophy extends to Saturday Allowances for branches, paying eligible employees with additional wages for any additional hours they put in.

Day Care Facility for Working Parents

In order to facilitate working parents at Meezan Bank, a Day Care facility is available at its Head Office located in Karachi. Equipped with all the key requirements, this facility caters to children aged two months to two years. The child-friendly environment gives an opportunity to many ambitious women who want to contribute to the cause of Islamic banking while maintaining a balance with their responsibilities at home.

Launched in 2015, this facility has been warmly welcomed by employees and till date, twenty two children have been enrolled.

Women on Key Positions of the Bank

Meezan Bank is an equal opportunity employer and there are females on many key positions of the Bank including Branch Banking, Product Development, Finance and Support functions such as Training and Communication.

Employment of Special Persons

Meezan Bank operates under its corporate philosophy of providing merit-based support to people with disabilities, providing them with livelihood and self-reliance opportunities.

During 2019, the Bank hired people who face challenges such as lack of speech, visual impairment, inadequate or no hearing and physical deformity.

These persons have been placed on jobs where they can be productive despite the challenges they face.



Our Focus on Employee Development

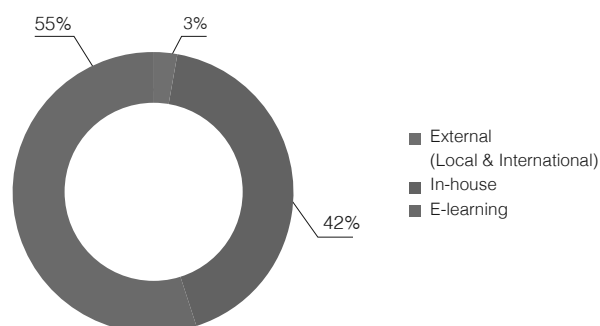
Meezan Bank offers an extensive range of training opportunities to employees for their professional development. Training includes technical training courses and workshops as well as specialized soft skills trainings.

Staff Training

- The internal learning programs are managed under an organized learning calendar through a large pool of internal trainers whereas externally offered opportunities are used for developing and enhancing specialized technical as well as soft skills.
- The Bank has mock branches in Karachi, Lahore and Islamabad which enable the staff to get trained in a simulated branch environment and equip them with the practical elements of their day-to-day core banking systems related to work. The mock branch in Karachi is also equipped with an ATM for hands-on ATM-related trainings.

In 2019, the Bank provided 807 class-room trainings including 603 internal training sessions (with 999 training days) and 204 external training sessions (with 475 training days) covering 18,797 (7,851 unique staff) and 765 (563 unique staff) respectively. In addition, 16 learning interventions were launched via Learning Management System (LMS).

Staff Trained



ISQ-Junior Associate Program of Institute of Bankers Pakistan

Meezan Bank is also keen to inculcate a learning culture by encouraging staff to obtain additional qualifications for their development. IBP Superior Qualification (ISQ) Exams is one such certification that is regarded as an esteemed qualification for bankers. Meezan Bank motivates its employees to acquire ISQ-Junior Associate Program of Institute of Bankers Pakistan (JAIBP) through a highly attractive incentive structure based on cash rewards, salary increment as well as reimbursement of registration and course fees.

Our Focus on Employee Health & Recreation

The Bank believes in promoting a healthy lifestyle for its employees to create a healthier, more productive workforce. The following efforts evidence the Bank's commitment to adopting healthy habits and in making it an excellent workplace.

Medical Benefits & Health Facilities

The medical assistance benefits give peace of mind to employees and enables them to focus on their professional responsibilities without having to worry about financial risks in the event of a medical problem. Hospitalization coverage therefore forms an integral component of the total compensation package offered by Meezan Bank. The Bank has instituted outpatient, hospitalization and maternity benefit plans for its employees by providing coverage for these eventualities.

Gym & Swimming Pool

The Bank encourages a healthy lifestyle for its employees by providing both male and female employees access to independent and modern gymnasium facilities and separate recreational areas at Meezan House along with a 1,200 sqft swimming pool. The facilities are supported by specialized swimming and fitness trainers to assist the staff in their exercise and diet routine.

Cafeteria at Subsidized Cost

The Bank also provides hygienically cooked meals at a subsidized cost to its staff at the Head Office; which is prepared in an on-location kitchen. The staff is also provided with multiple tea and coffee areas for refreshments throughout the day.

Company Sports







Meezan Bank organizes a variety of sports activities for its employees. Cricket, a national favourite, is promoted within the organization and financial industry through participation of the Bank's cricket team in local cricket tournaments. The Bank regularly organizes cricket tournaments for inter-department, inter-branch and inter-region teams that travel and compete within the country.



Our Focus on Employee & Customer Safety

The Bank has invested in protecting its employees through the following means:



-  Medical and Life Takaful coverage
-  Shuttle transportation with security at subsidized cost for travelling to and from Meezan House (Head Office)
-  High-tech security systems and security guards are deployed at the Bank's premises
-  Well-designed fire fighting system, with availability of trained fire fighters at the location
-  Regular fire training and evacuation drills to help employees become aware of the safety steps in case of an emergency
-  Provision of a trained and assigned a team to provide assistance to staff in the case of a fire or natural calamity

The Bank has invested in protecting its customers through the following means:



- Launch of Skimguard service – protecting customers from skimming frauds on all ATMs across Pakistan.
- Unique device registration feature on Meezan Mobile Banking App & Internet Banking.
- Compliance of Regulations for the Security of Internet Banking.
- Setup of global limit structure on international payment schemes (VISA and MasterCard) systems for both domestic and cross-border transactions daily – confining the Bank 's exposure to a significantly reduced amount in case of any cyber threat.
- Enablement of Biometrics on all Meezan ATMs nationwide allowing secured card-less cash withdrawals from Meezan ATMs
- First bank to introduce EMV CHIP and PIN security to its debit cards which is complemented with No-Fallback mechanism. With this, Meezan Bank Debit Cards are fully secured against any skimming frauds from international ATM and POS, and domestic POS.
- Implementation of various checks to detect frauds against Internet Banking and Mobile App.
- Blocking and unblocking of debit cards via Mobile App and Internet Banking.
- Setup of 24/7 monitoring team to detect and respond to any fraud attempts through Meezan Bank digital banking channels.
- Activation of financial transactions upon biometric consent of the customers to protect against any spoofing frauds.

The Bank has taken the following measures to provide financial risk coverage to its deposit account holders and consumer finance customers:



- Takaful Coverage for 'Accidental Death and Permanent Disability' and 'ATM Cash Withdrawal Theft' to all checking account holders who are maintaining an average monthly balance of Rs 10,000/- or more.
- The critical need of Life Takaful Coverage has been addressed for Housing Finance customers by providing a completely Shariah-compliant Life Takaful cover. In the event of death of a customer, the Takaful benefit covers the outstanding amount payable to the Bank. The Takaful cover is also available in case of customer's natural or accidental disability.
- The Bank's Auto, Bike and Commercial Vehicle Finance operates under the Ijarah model, in which the Bank takes responsibility for comprehensive Takaful coverage of the vehicle over the complete financing period. The Bank also offers an additional facility of tracker with free monitoring and Accidental Death Coverage to Car Ijarah customers.

Business Ethics & Anti-Corruption Measures

Meezan Bank has a comprehensive Code of Conduct and Standard of Ethics that forms part of its Human Resource Policy. The Bank's Disciplinary Action Committee (DAC) takes action on any violation of policies & procedures, acts of fraud & forgery, breaches of discipline and code of conduct, ethics & business practices, law of the land and any statutory regulations by an employee. Appeals of the staff against which DAC takes disciplinary actions are reviewed by an independent Disciplinary Action Review Committee, which has been formed with a view to ensure a fresh review of each appeal filed against the DAC decision. Furthermore, to ensure dignified and healthy work environment, the Bank has also established an Anti-Harassment Committee that deals with the instances of sexual harassment reported either verbally or in writing.

Selection of Business Partners

Meezan Bank ensures that its business partners are selected and approved through a detailed review and selection process. The Bank's procurement team is empowered to finalize the best supplier and service provider based on quality, costing, historic performance and market reputation. The process is reviewed by the Internal Audit team to ensure compliance to the approved internal processes as well as market norms.

Our Focus on Service Quality Monitoring

Complaint Management System

The Bank has a dedicated team which handles and addresses customer complaints as per the Customer Grievance Handling Policy approved by the Board. All complaints of the customers that are received through various channels are logged in a Complaint Management System to keep track of their resolution. The Bank has a complaint escalation mechanism whereby all complaints are escalated to the senior management if not resolved within the stipulated time.

The Bank has upgraded its Complaint Management System by implementing a system of acknowledging complaints through automated SMS which resulted in process automation of complaint management. In addition, the Bank enhanced its complaint monitoring mechanism by introducing Complaint Management Dashboard which is regularly reviewed by the senior management to ensure timely resolution of customer complaints.

During the year 2019, the Bank received 109,634 customer complaints and the average complaint resolution time was 7.4 working days.

Our Focus on Supporting Our Communities

Rural Development Program

Considering the importance of agriculture for the country and inherent market potential for agriculture finance, Meezan Bank has established a dedicated Agriculture Finance Department. There has always been a great demand from rural households to have Islamic financing products. Meezan Bank Agriculture Finance is set to further enhance outreach with the induction of dedicated team of agricultural graduates from Punjab, Sindh and Khyber Pakhtunkhwa. The Bank's agriculture finance product suite primarily constitutes of agriculture inputs and Ijarah-based agriculture development facilities for meeting the mechanization requirements of agriculture farming.

The Bank is also considering innovative financing solutions like leveraging technology for digital inclusion and value chain financial interventions for agricultural growers.



Extending support to farmers through Kissan Baithak

'Kissan Baithak' is an innovative initiative that aims to develop collaboration between farmers and the Bank through a specifically-designed financial literacy and inclusion campaign. It aims to spread awareness regarding agricultural finance in rural areas to enhance the agricultural productivity. Kissan Baithak is an on-going activity that will serve multiple purposes among the following:

- Enhance interactions with farming community in the core agricultural belt of the country
- Resolve the farmers' queries about the Bank's Islamic products for the rural masses
- Utilize cross-selling strategies, as many rural farmers are unable to visit the branch or read the Bank's message on print/digital media

Apart from credit, Pakistan's rural population requires access to a wide variety of financial services including savings, money transfer facilities and Takaful. These communities need secure and convenient deposit services that allow for small balances, small transactions and easy access to funds. Kissan Baithak is an effort to educate the rural clients regarding the Bank's tailor-made services to further expand their scope and financial independence.

The Bank conducted around 39 sessions in Sindh, Punjab & KPK. A total no. of 1,075 farmers attended these sessions. In addition, the Bank facilitated more than 454 customers through Commercial Vehicles financing.

Kissan Baithak Sessions

39
Sessions



1,075
No. of farmers



Our Focus on Green Banking

Meezan Bank is committed to driving growth for green banking initiatives and is therefore continuously exploring opportunities to support and finance environment friendly projects as its contribution towards making our planet more sustainable.

Leading the highest number of wind power projects with a total capacity of 200MW




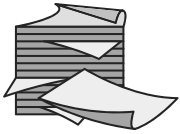


In 2019, Meezan Bank has led the financing of four wind power projects - the highest number of projects handled by any single local financial institution.

- A comprehensive 'Green Banking Policy' in line with the instructions and guidelines of the State Bank of Pakistan duly approved in the Board Meeting of the Bank is in place that outlines the compliance measures to be put in place to ensure smooth and transparent operations of the Bank.
- The Board of Directors has also implemented a Policy Framework that delineates broader guidelines to the management for ensuring that adequate controls are maintained and risk is managed within acceptable limits.



Our Focus on Introducing Energy Efficiency at Work

In line with United Nations Sustainable Development Goals, Meezan Bank is working to reduce its energy footprint through better usage of its information technology and communication infrastructure. Some of the key initiatives are as follows:

 1	 2	 3
Luminaries <ul style="list-style-type: none"> Using re-designed branch signage with energy-saving LED lights Replacing halogen bulbs with LED lights in the entire Head Office 	Building Structure <ul style="list-style-type: none"> Utilizing glass panels and atriums in office building structure to reduce need for lighting Revising chiller temperature set point for energy optimization Maintaining a large plantation section at the Head Office that utilizes recycled ablution water from the in-house mosque 	Solar Power <ul style="list-style-type: none"> Installing Solar Power Systems at Head Office and 10 branches Shifting 225 kW to green energy Generating annually 360,000 Units (Kwh) of electrical power by solar systems saving 158,000 kgs of Carbon dioxide
 1	 2	 3
Paper Consumption <ul style="list-style-type: none"> Installation of multi-function printer / photocopier machines that allow decommissioning two devices, a laser copier and a scanner, resulting in elimination of separate machines and reduction of overall paper consumption Implementing electronic process flows for certain HR-related processes Implementing electronic IT help-desk and document repository system Introducing an eco-printing campaign for dual-sided printing and paper usage reduction Implementing a tracking system for photocopied documents at the Head Office to control paper wastage Provision of e-statements via email 	ATMs <ul style="list-style-type: none"> Deployment of energy efficient ATMs to reduce the usage of diesel and electricity 	Automation <ul style="list-style-type: none"> Implementing state-of-the-art Data Centre to deploy more efficient remote working technologies Automation of approximately 40 business processes to optimize the utilization of existing systems Conducting online Employee Satisfaction Survey to eliminate paper-consumption and improve efficiency Implementing comprehensive intranet portal as a Business Continuity Planning tool, allowing employees to work from any Meezan office, in case of an emergency Implementing state-of-the-art T24 software to shift from paper-cheque payments to electronic payments Implementing Centralized Account Opening (CAO) Workflow to streamline the document movement between branches and Head Office

Meezan Bank's Contribution to United Nations Sustainable Development Goals



Meezan Bank operates with a Vision to '...facilitate the implementation of an equitable economic system, providing a strong foundation for establishing a fair and just society for mankind.' As a result, our focus on sustainability is embedded deep in our business model. In September 2015, the United Nations (UN) introduced a set of goals to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda that has been adopted by 195 countries across the world. During 2019, Meezan Bank focused on the following Sustainable Development Goals (SDGs), which it believes are in line with its sustainability strategy.

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Through its strategic initiatives, Centres for Excellence in Islamic Finance at Lahore University of Management Sciences (LUMS), Institute of Business Administration (IBA) and IM Sciences (Peshawar), the Bank is making a substantial contribution in increasing the relevant skills for employment and entrepreneurship of youth in the country. Through the 'Islamic Finance Young Leaders Program', the Bank, along with IBA Centre for Excellence in Islamic Finance is providing exposure and learning to students and young professionals from different parts of the country.

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After the Issuance of Islamic Financing Facility for Renewable Energy (IFRE) by State Bank of Pakistan (SBP), the Bank remains committed to promoting and leading green energy initiatives. During 2019, the Bank has achieved financial close for four wind power projects including NASDA Green Energy (Private Limited), Gul Ahmed Electric Limited, Artistic Wind Power (Private Limited) and Din Energy Limited, whilst providing working capital facility for Gul Ahmed Electric Limited, Din Energy Limited and Metro Wind Power Limited - the highest number of wind power projects handled by any single local financial institution.

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Through its focus on employee development, training and championing public education and awareness regarding finance, the Bank is not only promoting a healthy work environment but is also strengthening the country's economy by expanding the access of individuals to Islamic banking. During 2019, the Bank held 143 Islamic finance awareness seminars in different cities of Pakistan which were attended by more than 13,800 participants.

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To support Digital Payments in Pakistan and to bring greater transparency to the economy, the Bank signed up with Fonepay in 2017 which has now grown into the largest processor of QR Payments in Pakistan. Meezan Bank acquired over 10 Million QR transactions via Fonepay and MasterQR in 2019. Additionally, the Bank also partnered with upcoming Fintechs, like Nayapay and Foree as the key settlement bank. Meezan Bank will continue to support aspiring Fintechs to strengthen its position as the most forward looking and Fintech friendly bank in Pakistan.

As Pakistan's first Bank to partner with Karandaaz Pakistan for specialized Supply Chain Partnership Program, the Bank is strengthening domestic resource mobilization as well as mobilizing financial resources for SMEs in the country.





UNCONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the members of Meezan Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Meezan Bank Limited, which comprise the unconsolidated statement of financial position as at 31 December 2019, the unconsolidated profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flows statement for the year then ended, along with unaudited certified returns received from the branches except for 26 branches which have been audited by us and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2019 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
<p>1. Provision against Non Performing Islamic Financing</p> <p>The Bank's Islamic financing portfolios include fund-based and non-funded financing facilities. The portfolio include corporate financing to several public sector entities and large to small size businesses operating in the private sector, as well as consumer financing to individuals.</p> <p>As per the Bank's accounting policy (refer note 6.3.2 to the financial statements), the Bank determines provisions against non-performing financing exposures in accordance with the requirements of Prudential Regulations of State Bank of Pakistan (SBP) and also maintains general provision in respect of potential credit losses in the portfolio. The Prudential Regulations require specific provisioning against loan losses on the basis of an age based criteria which should be supplemented by a subjective evaluation of Bank's credit portfolio. The determination of loan loss provision against financing, therefore, involve use of management judgment, on a case to case basis, taking into account factors such as the economic and business conditions, borrowers repayment behaviors and realizability of collateral held by the Bank.</p> <p>In view of the significance of this area in terms of its impact on the financial statements and the level of involvement of management's judgment, we identified adequacy and completeness of loan loss provision as a significant area of audit judgment and a key audit matter.</p> <p>The disclosures relating to provisioning against non-performing financing and related assets are included in notes 11.9 and 11.10 to the financial statements.</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none"> - We reviewed the Bank's process for identification and classification of non-performing financing including the quality of underlying data and systems. As part of such review we performed an analysis of the changes within the different categories of classified non-performing accounts from last year to the current reporting date. This analysis was used to gather audit evidence regarding downgrading of impaired financing and declassification of accounts from non-performing to regular, as the case may be; - We performed independent checks for the computations of provisions in line with the requirements of the applicable Prudential Regulations; - In addition, we selected a representative sample of borrowers from the financing portfolios including individually significant corporate loans and performed tests and procedures such as review of financing documentation, repayment history and past due status, financial condition as depicted by the borrowers' financial statements, nature of collateral held by the bank and status of litigation, if any, with the borrower; - Based on the said credit reviews, we identified and discussed with the management the loan accounts where the credit risk appear to have increased. We reviewed the adequacy of provisions against such accounts on the basis of our independent objective evaluation of the risk mitigating factors that exist in such cases; - In respect of the level of general provision maintained by the Bank we discussed the approach and policy followed by the Bank with the management on consistent basis and checked the approval of Board of Directors in this regard; and - We also assessed adequacy of disclosures as included in note 11 to the financial statements regarding the non-performing financing and provisions made for the same in the financial statements in accordance with the requirements of the applicable financial reporting framework.

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Key audit matters	How the matter was addressed in our audit
<p>2. Adoption of IFRS 16 "Leases"</p> <p>As referred to in note 3.4.2 to the financial statements, IFRS 16 'Leases' (the standard) has become effective for the current financial year.</p> <p>The standard has introduced a new accounting model for operating lease contracts from the standpoint of a lessee. As per the new requirements, the Bank is required to recognize right of use assets for leased assets and liabilities for the lease payments over the lease term.</p> <p>The impacts of the adoption of the standard are disclosed in note 3.4.2 to the unconsolidated financial statements.</p> <p>The application of the new standard requires management to make significant estimates and judgements such as in related to determination of lease term and appropriate discount rate for measurement of lease liability.</p> <p>We considered the adoption of the standard as a key audit matter due to the significance of the accounting change and the involvement of significant management judgements in respect of the application of the new standard.</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none"> - We evaluated the appropriateness of the new accounting policies for recognition of lease contracts and their measurement in the financial statements; - We obtained an understanding of the process and controls in place for identification of in-scope and material lease contracts and capturing of relevant data regarding the terms and condition of the lease contracts; - We corroborated the completeness of the leases identified by the management by reviewing the reconciliations of leases with the list of branch properties in the use of the Bank and reviewing the rent expense ledgers for the year; - We performed independent checks of lease accounting computations for a sample of lease contracts through reperformance of such computations and tracing the terms with the relevant contracts; - We evaluated the appropriateness of the assumptions used by the management in measuring lease liabilities such as discount rate and lease term; and - We evaluated the adequacy of disclosures made regarding the application of the standard and its impact on the unconsolidated financial statements of the Bank for the year.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Based on our audit, we further report that in our opinion:
 - a) proper books of account have been kept by the Bank/branches as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;
 - b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows (together with the notes thereon) have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;
 - c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank/ branches and the transactions of the Bank/ branches which have come to our notice have been within the powers of the Bank/ branches; and
 - d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.
2. We confirm that for the purpose of our audit we have covered more than sixty per cent of the total loans and advances of the Bank.

The engagement partner on the audit resulting in this independent auditors' report is Arslan Khalid.

Chartered Accountants

Place: Karachi

Date: 20 February 2020

Unconsolidated Statement of Financial Position

As at December 31, 2019

	Note	2019	2018
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	92,193,361	65,022,041
Balances with other banks	8	15,372,233	8,255,187
Due from financial institutions - net	9	223,689,325	184,814,600
Investments - net	10	225,646,162	123,742,867
Islamic financing and related assets - net	11	493,775,346	512,564,522
Fixed assets	12	23,284,415	13,129,126
Intangible assets	13	780,381	624,534
Deferred tax asset	19	-	982,936
Other assets - net	14	46,517,031	28,779,592
		1,121,258,254	937,915,405
LIABILITIES			
Bills payable	15	17,186,807	23,750,543
Due to financial institutions	16	42,047,390	36,407,811
Deposits and other accounts	17	932,579,114	785,476,944
Sub-ordinated Sukuk	18	14,000,000	14,000,000
Deferred tax liabilities	19	2,829,858	-
Other liabilities	20	53,599,673	37,947,052
		1,062,242,842	897,582,350
NET ASSETS		59,015,412	40,333,055
REPRESENTED BY			
Share capital	21	12,861,116	11,691,924
Reserves	22	18,207,664	15,161,249
Unappropriated profit		18,545,797	13,525,765
Surplus / (deficit) on revaluation of assets - net of tax	23	9,400,835	(45,883)
		59,015,412	40,333,055
CONTINGENCIES AND COMMITMENTS	24		

The annexed notes 1 to 50 and Annexure 1 form an integral part of these unconsolidated financial statements.



Riyadh S. A. A.
Edrees
Chairman



Irfan Siddiqui
President &
CEO



Faisal A. A. A.
Al-Nassar
Director



Noorur Rahman
Abid
Director



Shabbir Hamza
Khandwala
Chief Financial Officer

Unconsolidated Profit and Loss Account

For the year ended December 31, 2019

	Note	2019	2018
		Rupees in '000	
Profit / return earned on Islamic financing and related assets, investments and placements	25	94,270,461	48,624,458
Profit on deposits and other dues expensed	26	47,731,080	20,456,948
Net spread earned		46,539,381	28,167,510
OTHER INCOME			
Fee and Commission Income	27	6,174,644	5,257,170
Dividend income		341,464	567,429
Foreign Exchange Income		2,684,097	1,318,460
(Loss) / gain on securities - net	28	(417,599)	8,308
Other income	29	537,580	311,136
		9,320,186	7,462,503
Total income		55,859,567	35,630,013
OTHER EXPENSES			
Operating expenses	30	24,830,659	19,290,136
Workers Welfare Fund	20.6	609,524	363,001
Other charges	31	82,275	16,419
Total other expenses		25,522,458	19,669,556
Profit before provisions		30,337,109	15,960,457
Provisions and write offs - net	32	4,186,430	1,168,051
Extra ordinary / unusual items		-	-
Profit before taxation		26,150,679	14,792,406
Taxation	33	10,918,605	5,830,206
Profit after taxation		15,232,074	8,962,200
		Rupees	
			Restated
Basic and diluted earnings per share	34	11.84	6.97

The annexed notes 1 to 50 and Annexure 1 form an integral part of these unconsolidated financial statements.

Riyadh S. A. A.
Edrees
Chairman

Irfan Siddiqui
President &
CEO

Faisal A. A. A.
Al-Nassar
Director

Noorur Rahman
Abid
Director

Shabbir Hamza
Khandwala
Chief Financial Officer

Unconsolidated Statement of Comprehensive Income

For the year ended December 31, 2019

	Note	2019	2018
		Rupees in '000	
Profit after taxation for the year		15,232,074	8,962,200
Other comprehensive income			
Items that may be reclassified to profit and loss account in subsequent periods:			
Surplus / (deficit) on revaluation of investments	23	14,547,307	(1,241,550)
Deferred tax on revaluation of investments		(5,091,557)	434,542
		9,455,750	(807,008)
Items that will not be reclassified to profit and loss account in subsequent periods:			
Remeasurements of defined benefit plan	37	124,144	1,998
Tax on remeasurements of defined benefit plan		(43,450)	(699)
		80,694	1,299
(Deficit) / surplus on revaluation of non-banking assets	23	(9,785)	34,080
Deferred tax on revaluation of non-banking assets		3,425	(11,928)
		(6,360)	22,152
Other Comprehensive Income / (loss) for the year		9,530,084	(783,557)
Total Comprehensive Income for the year		24,762,158	8,178,643

The annexed notes 1 to 50 and Annexure 1 form an integral part of these unconsolidated financial statements.



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Edrees
Chairman



Irfan Siddiqui
President &
CEO



Faisal A. A. A.
Al-Nassar
Director



Noorur Rahman
Abid
Director



Shabbir Hamza
Khandwala
Chief Financial Officer

Unconsolidated Statement of Changes in Equity

For the year ended December 31, 2019

	Share capital	Share premium	Capital reserves Statutory reserve*	Non - Distributable Capital Reserve - Gain on Bargain Purchase	Revenue reserves General reserve	Unappropriated profit	Surplus / (deficit) on revaluation of Investments Non-banking Assets		Total
Rupees in '000									
Balance as at January 01, 2018	10,629,022	2,406,571	7,777,925	3,117,547	66,766	10,340,589	738,973	-	35,077,393
Profit after taxation for the year	-	-	-	-	-	8,962,200	-	-	8,962,200
Other Comprehensive loss for the year - net of tax	-	-	-	-	-	1,299	(807,008)	22,152	(783,557)
Other appropriations	-	-	-	-	-	8,963,499	(807,008)	22,152	8,178,643
Transfer to statutory reserve	-	-	1,792,440	-	-	(1,792,440)	-	-	-
Transactions with owners recognised directly in equity									
Issue of bonus shares	1,062,902	-	-	-	-	(1,062,902)	-	-	-
Final cash dividend for the year 2017	-	-	-	-	-	(1,328,628)	-	-	(1,328,628)
Interim cash dividend for the year 2018	-	-	-	-	-	(1,594,353)	-	-	(1,594,353)
	-	-	-	-	-	(2,922,981)	-	-	(2,922,981)
Balance as at December 31, 2018	11,691,924	2,406,571	9,570,365	3,117,547	66,766	13,525,765	(68,035)	22,152	40,333,055
Profit after taxation for the year	-	-	-	-	-	15,232,074	-	-	15,232,074
Other Comprehensive income for the year - net of tax	-	-	-	-	-	80,694	9,455,750	(6,360)	9,530,084
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	15,312,768	9,455,750	(6,360)	24,762,158
	-	-	-	-	-	79	-	(79)	-
Transfer from surplus upon disposal of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	2,593	-	(2,593)	-
Other appropriations	-	-	3,046,415	-	-	(3,046,415)	-	-	-
Transfer to statutory reserve	-	-	3,046,415	-	-	(3,046,415)	-	-	-
Transactions with owners recognised directly in equity									
Issue of bonus shares	1,169,192	-	-	-	-	(1,169,192)	-	-	-
Final cash dividend for the year 2018	-	-	-	-	-	(2,338,385)	-	-	(2,338,385)
First interim cash dividend for the year 2019	-	-	-	-	-	(1,169,192)	-	-	(1,169,192)
Second interim cash dividend for the year 2019	-	-	-	-	-	(1,286,112)	-	-	(1,286,112)
Third interim cash dividend for the year 2019	-	-	-	-	-	(1,286,112)	-	-	(1,286,112)
	-	-	-	-	-	(6,079,801)	-	-	(6,079,801)
Balance as at December 31, 2019	12,861,116	2,406,571	12,616,780	3,117,547	66,766	18,545,797	9,387,715	13,120	59,015,412

*This represents reserve created under section 21(i)(a) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 50 and Annexure 1 form an integral part of these unconsolidated financial statements.

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Unconsolidated Cash Flow Statement

For the year ended December 31, 2019

	Note	2019	2018
		Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		26,150,679	14,792,406
Less: Dividend income		(341,464)	(567,429)
		25,809,215	14,224,977
Adjustments for non-cash charges and other items:			
Depreciation		1,711,278	1,514,837
Amortization		254,597	220,208
Non cash items related to right-of-use assets		3,127,929	-
Provisions and write offs - net		4,186,430	1,168,051
Charge for defined benefit plan		384,532	351,317
Gain on sale of fixed assets		(102,905)	(83,432)
		9,561,861	3,170,981
		35,371,076	17,395,958
(Increase) / decrease in operating assets			
Due from financial institutions		(38,874,725)	(37,585,379)
Islamic financings and related assets		15,732,429	(93,411,858)
Other assets		(18,437,316)	(7,765,391)
		(41,579,612)	(138,762,628)
Increase / (decrease) in operating liabilities			
Bills payable		(6,563,736)	6,575,508
Due to financial institutions		5,639,579	(405,484)
Deposits and other accounts		147,102,170	118,296,079
Other liabilities		5,759,621	11,224,937
		151,937,634	135,691,040
		145,729,098	14,324,370
Contribution to defined benefit plan		(323,223)	(441,125)
Income tax paid		(9,324,903)	(5,150,807)
Net cash flow from operating activities		136,080,972	8,732,438
CASH FLOW FROM INVESTING ACTIVITIES			
Net (investments) / redemption in			
- available for sale securities		(116,445,527)	(7,113,572)
- held to maturity securities		28,000,000	-
- associated entities		-	1,060,000
Dividends received		341,726	589,003
Investments in fixed assets		(4,913,840)	(3,338,121)
Investments in intangible assets		(410,444)	(332,252)
Proceeds from sale of fixed assets		163,833	140,458
Net cash used in investing activities		(93,264,252)	(8,994,484)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(2,447,737)	-
Issuance of Sub-ordinated Sukuk - Additional Tier I		-	7,000,000
Dividend paid		(6,080,617)	(2,912,712)
Net cash (used in) / flow from financing activities		(8,528,354)	4,087,288
Increase in cash and cash equivalents		34,288,366	3,825,242
Cash and cash equivalents at the beginning of the year	35	73,277,228	69,451,986
Cash and cash equivalents at the end of the year	35	107,565,594	73,277,228

The annexed notes 1 to 50 and Annexure 1 form an integral part of these unconsolidated financial statements.

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Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Meezan Bank Limited (the Bank) was incorporated in Pakistan on January 27, 1997, as a public limited company under the Companies Act, 2017 (previously Companies Ordinance, 1984), and its shares are quoted on the Pakistan Stock Exchange Limited. The Bank was registered as an 'Investment Finance Company' on August 8, 1997, and carried on the business of investment banking as permitted under SRO 585(I)/87 dated July 13, 1987, in accordance and in conformity with the principles of Islamic Shariah. A 'Certificate of Commencement of Business' was issued to the Bank on September 29, 1997.
- 1.2 The Bank was granted a 'Scheduled Islamic Commercial Bank' license on January 31, 2002 and formally commenced operations as a Scheduled Islamic Commercial Bank with effect from March 20, 2002, on receiving notification in this regard from the State Bank of Pakistan (the SBP) under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, investment and retail banking activities.
- 1.3 The Bank was operating through seven hundred and sixty branches as at December 31, 2019 (2018: six hundred and sixty branches). Its registered office is at Meezan House, C-25, Estate Avenue, SITE, Karachi, Pakistan.
- 1.4 Based on the financial statements of the Bank for the year ended December 31, 2018, the VIS Credit Rating Company Limited has reaffirmed the Bank's medium to long-term as 'AA+' and the short-term rating as 'A1+' with stable outlook.

2 BASIS OF PRESENTATION

The Bank provides Islamic financing and related assets mainly through Murabaha, Istisna, Tijarah, Ijarah, Diminishing Musharakah, Running Musharakah, Bai Muajjal, Musawamah, Service Ijarah, Wakalah, Wakalah Tul Istithmar, and Export Refinance under Islamic Export Refinance Scheme and long term financing facility under Islamic Long Term Financing Facility of the State Bank of Pakistan respectively as briefly explained in note 6.3.

The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of profit thereon. The income on such financing is recognised in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognised as charity payable if so directed by the Resident Shariah Board Member (RSBM) of the Bank.

3 STATEMENT OF COMPLIANCE

- 3.1 These unconsolidated financial statements (here-in-after referred to as "financial statements") have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:
 - International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
 - Directives issued by the State Bank of Pakistan (SBP) and the Securities 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.

- 3.2 The SBP, through its BSD Circular No. 10 dated August 26, 2002, has deferred the implementation of International Accounting Standard (IAS) 39 - "Financial Instruments: Recognition and Measurement" and IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Accordingly, the requirements of these Standards have not been considered in the preparation of these financial statements. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of this standard have also not been considered in the preparation of these financial statements. However, investments and non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 3.3 The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS 3 for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly financial statements would be notified by SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been ratified to date. Accordingly, the disclosures requirements under IFAS 3 have not been considered in these financial statements.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

The Bank has adopted the following accounting standards, interpretations and amendments of IFRSs and the improvements to accounting standards which became effective for the current year:

3.4.1 IFRS 15 'Revenue from contracts with customers'

In May 2014, the IASB issued IFRS 15 'Revenue from Contracts' with Customers which is effective for annual periods beginning on or after July 01, 2018. The standard establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled to in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Bank's revenue streams that are within the scope of IFRS 15 relate to certain fee and commission income. The accounting policy for recognition of such income is disclosed in note 6.18 to these financial statements. The application of this standard did not have any material impact on these financial statements, except for change in description of accounting policy.

3.4.2 IFRS 16 'Leases'

During the year, the SBP, vide its BPRD Circular Letter No. 8 dated April 30, 2019 and BPRD Circular No. BPRD/RPD/2019/17 dated July 26, 2019 has directed all Islamic Banks to apply IFRS 16 'Leases' in all Ijarah (lease) contracts where the Islamic Banks acts in capacity of Mustajir (lessee) and accordingly, the Bank has adopted the standard. The IFAS 2 - Ijarah would continue to be applicable on all the Ijarah contracts where the Islamic Banks acts as Mujir (lessor).

The Bank has lease contracts in the capacity of lessees for various properties used by the Bank's branches. The Bank has adopted modified retrospective approach for transition to IFRS 16. The standard also provides practical expedients, which has been applied by the Bank. The Bank has recognised right-of-use assets and lease liabilities for those leases which were previously accounted for under IFAS 2 Ijarah and recognised/ classified as rent expense. Lease liabilities were discounted using the incremental borrowing rate at the date of initial application. Right-of-use asset is depreciated over lease term and classified as depreciation expense.

The overall impact of the initial application of IFRS 16 on these financial statements is summarized below:

Impact on Statement of Financial Position	As at January 01, 2019 (Rupees in '000)
Increase in fixed assets - right-of-use assets	7,940,336
Decrease in other assets - Advances, deposits, advance rent and other prepayments	560,789
Increase in other liabilities - lease liability against right-of-use assets	7,379,547
Impact on Profit and Loss account	For the year ended December 31, 2019 (Rupees in '000)
Increase in Profit on deposits and other dues expensed - - Amortisation of lease liability against right-of-use assets	966,630
Increase / (decrease) in operating expenses - Depreciation on right-of-use assets - Rent and taxes	2,161,299 (2,316,225) (154,926)

Profit after tax for the year ended December 31, 2019 decreased by Rs 495 million.

3.4.3 IFRIC 23 - Uncertainty over Income Tax Treatments

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 'Income Taxes'. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation did not have any material impact on these financial statements.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

3.5 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

3.5.1 IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' - the SBP vide its BPRD Circular No. 04 of 2019 dated October 23, 2019 directed the banks in Pakistan to implement IFRS 9 with effect from January 01, 2021. IFRS 9 replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The SBP has directed the Bank to conduct an impact assessment as at December 31, 2019 and the Bank is in the process of complying with the requirements.

3.5.2 Further, the following IFRS as notified under the Companies Act, 2017 and the amendments thereto will be effective for accounting periods beginning on or after January 01, 2020:

Standard and Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 01, 2020
- IFRS 3 - Definition of a Business (Amendments)	January 01, 2020
- IFRS 14 - Regulatory Deferral Accounts	July 01, 2019

Further, following new standards have been issued by IASB which are yet to be notified by SECP for the purpose of applicability in Pakistan.

Standards	Effective date (accounting periods beginning on or after)
- IFRS 1 - First time adoption of IFRSs	January 01, 2004
- IFRS 17 - Insurance Contracts	January 01, 2021

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

4.1 The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise judgments in the process of applying the Bank's accounting policies. The significant accounting areas where various assumptions and estimates are significant to the Bank's financial statements or where judgment was exercised in the application of the accounting policies are as follows:

- Classification of investments in accordance with the Bank's policy (notes 6.4 and 10);
- Provision against non-performing Islamic financing and related assets (notes 6.3.2 and 11);
- Impairment of investments in equity instruments of subsidiary, associates and non associate entities (notes 6.4.5, 10 and 32);
- Accounting for defined benefit plan (notes 6.11 and 37);
- Depreciation / amortisation of fixed assets and intangible assets (notes 6.5, 12 and 13);
- Assumption and estimation in recognition of provision for taxation (current and prior years) and deferred taxation (notes 6.6, 19, 20 and 33); and
- Determination of the lease term and incremental borrowing rate for lease contracts of various properties used by the Bank's branches (notes 6.5.2, 12 and 20).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

5 BASIS OF MEASUREMENT

5.1 These financial statements have been prepared under the historical cost convention except that certain investments, foreign currency balances, Non-banking assets acquired in satisfaction of claims and commitments in respect of certain foreign exchange contracts have been marked to market and carried at fair value in accordance with the requirements of the SBP. In addition, obligation in respect of staff retirement benefit and employees compensated leave balances are carried at present value as per actuarial valuation.

5.2 Functional and Presentation Currency

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

5.3 Rounding off

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

6.1 Cash and cash equivalents

Cash and cash equivalents comprise of cash and balances with treasury banks and balances with other banks in current and deposit accounts.

6.2 Due to / from financial institutions

Bai Muajjal

In Bai Muajjal, the Bank sells sukuk on credit to other financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period.

Musharaka / Mudaraba

In Musharaka / Mudaraba, the Bank invests in the shariah compliant business pools of the financial institutions at the agreed profit and loss sharing ratio.

Musharaka from the SBP under IERS

Under IERS, the Bank accepts funds from the SBP under shirkat-ul-aqd to constitute a pool for investment in export refinance portfolio of the Bank under the guidelines issued by the SBP. The profit of the pool is shared as per the agreed weightages between the partners.

Mudaraba investment from the SBP under ILTFF

Under ILTFF, the Bank accepts funds from the SBP to allow eligible export-oriented sectors through purchase of imported or locally manufactured plant and machinery. These funds are received on Mudaraba basis for investment in general pool of the Bank. The profit of the pool is shared as per the announced profit sharing ratio of the pool and the weightages assigned to these investments.

6.3 Islamic financing and related assets

Murabaha

In Murabaha transactions, the Bank purchases the goods and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction.

Ijarah

Ijarah assets are stated at cost less depreciation and are disclosed as part of 'Islamic financing and related assets'. The rental received / receivable on Ijarah under Islamic Financial Accounting Standard - 2 'Ijarah' (IFAS 2) are recorded as income / revenue. The Bank charges depreciation from the date of recognition of Ijarah of respective assets to mustajir. Ijarah assets are depreciated over the period of Ijarah using the straight line method. Ijarah rentals outstanding are disclosed in 'other assets' on the Statement of Financial Position at amortized cost. Impairment of Ijarah assets is determined in accordance with the Prudential Regulations issued by the SBP. The provision for impairment of Ijarah assets is shown as part of 'Islamic financing and related assets'.

Istisna

In Istisna financing, the Bank places an order to purchase some specific goods / commodities from its customers to be delivered to the Bank within an agreed time. The goods are then sold by the customer on behalf of the Bank and the amount hence financed along with profit is paid back to the Bank.

Tijarah

In Tijarah financing, the Bank purchases specific goods / commodities on cash basis from its customers for onward sale by the customer on behalf of the Bank and on subsequent sale, the financed amount along with profit is paid back by the customer to the Bank.

Diminishing Musharakah

In Diminishing Musharakah financing, the Bank enters into Musharakah based on Shirkat-ul-milk for financing an agreed share of fixed asset (e.g. house, land, plant or machinery) with its customers. The customers pay periodic profit as per the agreement for the utilisation of the Bank's Musharakah share and also periodically purchase the Bank's share over the tenure of the transaction.

Running Musharakah

In Running Musharakah financing, the Bank enters into financing with the customer based on Shirkatul Aqd or Business Partnership in the customer's operating business. Under this mechanism the customer can withdraw and return funds to the Bank subject to his Running Musharakah Financing limit during the Musharakah Period. At the end of each quarter / half year the customer pays the provisional profit as per the desired profit rate which is subject to final settlement based on the relevant quarterly / half yearly / annual accounts of the customer.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

Bai Muajjal

In Bai Muajjal financing, the Bank sells Shariah compliant sukuk on credit to customers. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period.

Service Ijarah

In Service Ijarah financing, the Bank provides financing by acquiring certain agreed services from the customer. After the purchase of services, the Bank appoints the customer to sell these services in the market over a period and provide a sale confirmation of such sale. The profit is only accrued from the date of receipt of such confirmation.

Wakalah

Wakalah is an agency or a delegated authority where the Muwakkil (principal) appoints the Wakil (agent) to carry out a specific job on behalf of the Muwakkil. Funds disbursed are initially recorded as 'Advance against Wakalah'. On culmination, the same are recorded as financing.

Wakalah tul Istithmar

In Wakalah tul Istithmar financing, the Bank enters into investment agency transaction with customer acting as an agent of the Bank. Under this mechanism, the funds disbursed are invested by the customer on behalf of the Bank and are recorded as financing upon their investment in the business. At the end of each quarter / half year / other defined period, the customer pays the provisional profit which is subject to adjustment upon actual declaration of wakala business performance by the agent.

Musawamah

In Musawamah financing, the Bank purchases the goods and after taking the possession, sells them to the customer either in spot or credit transaction, without disclosing the cost.

- 6.3.1** Islamic financing and related assets are stated net of specific and general provisions against non-performing Islamic financing and related assets which are charged to the profit and loss account.

Funds disbursed, under financing arrangements for purchase of goods / assets are recorded as advance. On culmination, financing are recorded at the deferred sale price net of profit. Goods purchased but remaining unsold at the statement of financial position date are recorded as inventories.

6.3.2 Provision against non-performing Islamic financing and related assets

Specific provision

The Bank determines provisions against Islamic financing and related assets on a prudent basis in accordance with the requirements of the Prudential Regulations issued by the SBP.

General provision

In accordance with Prudential Regulations issued by the SBP, general provision against consumer financing and house financing should be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages range from 0.5% to 2.5% for secured and 4% to 7% for unsecured portfolio.

In addition to the above mentioned requirements, the Bank has also created a general provision in respect of financing against potential losses present in the portfolio. This provision is based on management's best estimate and is approved by the Board of Directors of the Bank.

The net provisions made / reversed during the year is charged to the profit and loss account and accumulated provision is netted off against Islamic financing and related assets. Islamic financing and related assets are written off when there are no realistic prospects of recovery.

6.3.3 Inventories

The Bank values its inventories at the lower of cost and net realisable value.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Cost of inventories represents actual purchases made by the Bank / customers as an agent of the Bank for subsequent sale.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

6.4 Investments

6.4.1 Classification

The Bank classifies its investments as follows:

- **Held for trading**

These are investments which are either acquired for generating profits from short-term fluctuations in market prices or are securities included in a portfolio for which there is evidence of a recent actual pattern of short-term profit taking.

- **Held to maturity**

These are investments with fixed or determinable payments and maturity that the Bank has the positive intent and ability to hold till maturity.

- **Available for sale**

These are investments, which do not fall under 'held for trading' or 'held to maturity' categories.

- **Associates**

Associates are all entities over which the Bank has significant influence but not control.

- **Subsidiary**

Subsidiary is an entity over which the Bank has control.

6.4.2 Regular way contracts

All purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognised at the trade date, which is the date on which the Bank commits to purchase or sell the investments.

6.4.3 Initial recognition and measurement

Investments other than those categorised as 'held for trading' are initially recognised at fair value which includes transaction costs associated with the investments. Investments classified as 'held for trading' are initially recognised at fair value and transaction costs are expensed in the profit and loss account.

6.4.4 Subsequent measurement

Subsequent to initial recognition investments are valued as follows:

- **Held for trading**

These are measured at subsequent reporting dates at fair value. Gains and losses on remeasurement are included in the net profit and loss for the year.

- **Held to maturity**

These are measured at amortised cost using the effective profit rate method, less any impairment loss recognised to reflect irrecoverable amount.

- **Available for sale**

In accordance with the requirements specified by the SBP, quoted securities (other than those classified as 'held to maturity' and 'investments in associates and subsidiary'), are subsequently re-measured to market value. Unquoted equity securities are valued at the lower of cost and break-up value. Break-up value of unquoted equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investment in other unquoted securities are valued at cost less impairment losses, if any.

Surplus / deficit arising on revaluation of quoted securities which are classified as 'available for sale', is included in the Statement of Comprehensive Income. On derecognition of available-for-sale investments, the cumulative gain or loss previously reported in other comprehensive income is transferred to profit and loss for period within Statement of Comprehensive Income.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

- Investments in associates and subsidiary

Investment in associates and subsidiary is carried at cost less accumulated impairment losses, if any.

6.4.5 Impairment

Available for sale and Held to maturity investments

Impairment loss in respect of investments classified as available for sale and held to maturity (except sukuk certificates) is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investment below its cost is also considered an objective evidence of impairment. Provision for diminution in the value of sukuk certificates is made as per the Prudential Regulations issued by the SBP. In case of impairment in available-for-sale investments, the related loss previously reported in other comprehensive income is transferred to profit and loss for period. For investments classified as held to maturity, the impairment loss is recognised in the profit and loss account.

Investment in associates and subsidiary

In respect of investment in associates and subsidiary, the Bank reviews their carrying values at each reporting date to assess whether there is an indication of impairment.

Such indication may include significant and prolonged decline in the market value, significant changes with an adverse impact on the entity, carrying amount of net assets in excess of market capitalisation etc. Management also takes into account that these investments are held for long term and therefore considers decline of up to 40% in value (applying significant decline criteria) and up to 12 months (for applying prolonged criteria) for the purposes of assessing significant and prolonged decline for listed investments. However, any threshold should be justifiable in view of other factors present for the entity. The amount of impairment loss would be determined based on the higher of value in use and fair value less cost to sell. Impairment loss is recognised in the profit and loss account.

6.4.6 Cost of investment is determined on moving average basis.

6.5 Operating fixed assets

6.5.1 Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and any identified impairment loss. Items of fixed assets costing Rs 20,000 or less are not capitalised and are charged off in the month of purchase. Profit or loss on disposal of fixed assets is included in the profit and loss account currently.

6.5.2 Right-of-use assets and Lease liabilities

At the inception of the contract, the Bank assesses whether a contract is, or contains, a lease. The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented within note 12 and are subject to impairment in line with the Bank's policy as described in note 6.5.8.

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Bank cannot readily determine the discount rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities.

6.5.3 Intangible assets

Intangible assets comprise of computer software. Intangible assets with definite useful lives are stated at cost less accumulated amortisation and impairment losses (if any).

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6.5.4 Subsequent costs

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance expenditure are charged to the profit and loss account as and when incurred.

6.5.5 Depreciation / amortisation

Depreciation / amortisation is charged to the profit and loss account by applying the straight line method in accordance with the rates specified in notes 12.2 and 13 whereby the depreciable value of an asset is written off over its estimated service life. The Bank charges depreciation / amortisation from the month of acquisition and upto the month preceding the disposal. Right-of-use assets are depreciated on a straight line basis over the lease term specified in note 12.3.

6.5.6 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any.

6.5.7 Useful lives and residual values

Useful lives and residual values are reviewed at each Statement of Financial Position date and adjusted if impact on depreciation / amortisation is significant.

6.5.8 Impairment

The Bank assesses at each Statement of Financial Position date whether there is any indication that the operating fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in the profit and loss account.

6.6 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current

The charge for current taxation is based on expected taxable income for the year at the current rates of taxation, after taking into consideration available tax credits, rebates, tax losses, etc. The charge for current tax also includes adjustments to tax payable in respect of previous years including those arising from assessments finalised during the year and are separately disclosed.

Deferred

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences relating to initial recognition of goodwill, initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

In making the estimates for current and deferred taxes, the management considers the income tax law and the decisions of appellate authorities on certain issues in the past.

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6.7 Non-banking assets acquired in satisfaction of claims

The non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. The useful lives are reviewed annually and adjusted, if appropriate. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of property, if any, is credited to the 'surplus on revaluation of assets' account in the Statement of Comprehensive Income. Any deficit arising on revaluation is taken to profit and loss account directly. On derecognition of the assets, the cumulative gain or loss previously reported in other comprehensive income is transferred directly to unappropriated profit through the statement of changes in equity. Legal fees, transfer cost and direct cost of acquiring title to property is charged to the profit and loss account.

6.8 Deposits

Deposits are generated on the basis of two modes i.e. Qard and Mudaraba.

Deposits taken on Qard basis are classified as 'Current accounts' and Deposits generated on Mudaraba basis are classified as 'Savings deposits' and 'Fixed deposits'. No profit or loss is passed on to current account depositors, however the funds of current accounts are treated as equity for the purpose of profit calculation and any profit earned / loss incurred on those funds are allocated to the equity of the Bank. While the product features of each product differ, there is usually no restriction on withdrawals or number of transactions in current and saving accounts. In case of fixed deposits, pre-mature withdrawals can be made as per approved terms only.

Profits realised in investment pools are distributed in pre-agreed profit sharing ratio. Rab-ul-Maal share is distributed among depositors according to weightages assigned at the inception of profit calculation period. Mudarib can distribute its share of profit to Rab-ul-Maal upto a maximum of 50% of their profit as Incentive profits (Hiba).

Profits are distributed from the pool such that the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of Investments.

Asset pools are created at the Bank's discretion and the Bank can add, amend, transfer an asset to any other pool in the interests of the deposit holders.

6.9 Sub-ordinated Sukuk

The Bank records sub-ordinated sukuk initially at the amount of proceeds received. Profit accrued on sub-ordinated sukuk is charged to the profit and loss account.

6.10 Pool Management

The Bank operates general and specific pools for deposits and inter-bank funds accepted / acquired under Mudaraba and Musharakah modes.

Under the general deposits pools, the Bank accepts funds on Mudaraba basis from depositors (Rab-ul-Maal) where the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financing, investments and placements. When utilising investing funds, the Bank prioritizes the funds received from depositors over the funds generated from own sources after meeting the regulatory requirement relating to such deposits.

Specific pools are operated for funds acquired / accepted from the State Bank of Pakistan and other banks for Islamic Export Refinance to the Bank's customers and liquidity management respectively under the Musharakah / Mudaraba modes.

The profit of each deposit pool is calculated on all the remunerative assets booked by utilising the funds from the pool after deduction of expenses directly incurred in earning the income of such pool along with related fee income, if any. The directly related costs comprise of depreciation on ijarah assets, takaful premium, documentation charges etc. No expense of general or administrative nature is charged to the pools. No provisions against any non-performing asset of the pool is passed on to the pool except on the actual loss / write-off of such non-performing asset. The profit of the pool is shared between equity and other members of the pool on the basis of Musharakah at gross level (before charging of mudarib fee) as per the investment ratio of the equity. The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period after charging of mudarib fee. During the year, the Bank has given General Hiba to the depositors of PKR General Pool, keeping in view the prescribed guidelines of Pool Management provided by the SBP and with the approval of the Bank's Resident Shariah Board Member. However, Hiba are given at the sole discretion of the Bank without any contractual commitment and can be withdrawn or reduced by the Bank at its sole discretion.

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The risk characteristic of each pool mainly depends on the assets and liability profile of each pool. As per the Bank's policy, relatively low risk / secured financing transactions and assets are allocated to general depositors pool of PKR, USD, GBP and Euro. The Bank maintains General Pools (PKR, USD, EUR, GBP), FI Pools, IERS Pool and Equity Pool. The general pools are exposed to general credit risk, asset ownership risk and profit rate risk of the underlying assets involved.

General Pools:

For General Pools (PKR, USD, EUR, GBP), the Bank allocates PKR financing to Corporate, Commercial, SME and Consumer Finance customers in diversified sectors and avenues of the economy / business as mentioned in note 46.1.1.3. Investments in Sovereign Guarantee Sukuk, Bai Muajjal with State Bank of Pakistan, are also done through General Pools. All remunerative deposits are tagged to these general pools and their funds generated from the depositors are invested on priority basis. Investments from the SBP under ILTFF, and sub-ordinated sukuk are also remunerated through the General Pool PKR. Due to limited investment options in USD, GBP and EURO pool, funds from FCY pools are invested in available International Sukuk, Shariah Compliant Nostro accounts, FCY financing and the remaining funds are taken out and invested in PKR general pool as part of equity. In such cases return from PKR General Pool is given back to FCY pools, so that returns can be passed on to FCY pool customers accordingly. The Bank as Mudarib in the general pools is responsible for financing costs / assets such as land, building, furniture, fixtures, computers and IT system from its own sources / equity.

IERS Pools:

The IERS pool assets comprise of Sovereign Guarantee Sukuk, and financing to / sukuk of blue chip companies and exporters as allowed under the applicable rules and regulations, and as such are exposed to lower credit risk. The Musharakah with SBP under IERS is tagged to the IERS pool.

FI Pools:

The FI pool assets generally comprise of Sovereign Guarantee Sukuk and financing under diminishing musharakah mode only and the related liability of the FI pool comprise of Musharakah / Mudarabah from other banks and financial institutions. These pools are created to meet the liquidity requirements of the Bank.

Equity Pools:

All other assets including fixed assets, exposure in shares, PKR bai-salam financing and subsidized financing to the Bank's employees are tagged to equity pool. To safeguard the interest of customers, all high risk investments are also done through equity pool.

6.11 Staff retirement benefits

Defined benefit plan

The Bank operates an approved Gratuity Funded Scheme for its permanent employees. The scheme was approved by the tax authorities in April 2000. The liability recognised in the Statement of Financial Position in respect of Gratuity Funded Scheme is the present value of the defined benefit obligation at the Statement of Financial Position date less the fair value of plan assets. Contributions to the fund are made on the basis of actuarial recommendations. The defined benefit obligation is calculated periodically by an independent actuary using the projected unit credit method. Last valuation was conducted as on December 31, 2019.

The Bank also operates End of Service Unfunded Defined Benefit Scheme as approved by the Board of Directors for the benefit of the founding President and Chief Executive Officer of the Bank. The defined benefit obligation for this benefit has been calculated by an independent actuary using the projected unit credit method. The valuation has been carried out on December 31, 2019.

Amounts arising as a result of "Remeasurements", representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the Statement of Financial Position immediately, with a charge or credit to "Other Comprehensive Income" in the periods in which they occur. The actuarial valuations involve assumptions about discount rates, expected rates of return on assets, future salary increases and future inflation rates as disclosed in note 37.

Defined contribution plan

The Bank also operates a recognised contributory provident fund for all permanent employees. Equal monthly contributions are made, both by the Bank and the employees, to the fund at a rate of 10% of basic salary.

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6.12 Compensated absences

The Bank recognises liability in respect of employees compensated absences in the period in which these are earned upto the date of Statement of Financial Position. The provision is recognised on the basis of actuarial valuation using projected unit credit method.

6.13 Dividend and reserves

Dividend declared and appropriations, except for transfer to statutory reserve, made subsequent to the date of Statement of Financial Position are considered as non adjusting events and are recorded in the financial statements in the year in which these are approved by the directors / shareholders as appropriate.

6.14 Foreign currency transactions

Transactions and balances

Foreign currency transactions are recorded in rupees at exchange rates prevailing on the date of transaction. Monetary assets, monetary liabilities and contingencies and commitments in foreign currencies except forward contracts are reported in Rupees at exchange rates prevalent on the Statement of Financial Position date.

Forward contracts other than contracts with the SBP relating to the foreign currency deposits are valued at forward rates applicable to the respective maturities of the relevant foreign exchange contracts. Forward contracts with the SBP relating to foreign currency deposit, are valued at spot rate prevailing at the Statement of Financial Position date. Exchange gains and losses are included in the profit and loss account currently.

Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed at the rates applicable at the reporting date. Contingent liabilities / commitments for letters of credit, and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rates ruling on the reporting date.

Translation gains and losses are included in the profit and loss account.

6.15 Provisions and contingent assets and liabilities

Provisions are recognised when the Bank has a present legal or constructive obligation arising as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Contingent assets are not recognised, and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised and are disclosed unless the probability of an outflow of resources embodying economic benefits are remote.

6.16 Acceptances

Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be settled simultaneously with the reimbursement from the customers. Acceptances are accounted for as on-balance sheet transactions and related balances are disclosed under other assets and other liabilities.

6.17 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the approved accounting standards as applicable in Pakistan.

6.18 Revenue recognition

- i) Profit on Murabaha (including Commodity Murabaha) and Musawamah is recognised on an accrual basis. Profit on murabaha and musawamah transactions for the period from the date of disbursement to the date of culmination of murabaha is recognised immediately upon the later date.
- ii) Rental on Ijarah contracts under Islamic Financial Accounting Standard - 2 Ijarah (IFAS 2) are recognised as income on an accrual basis.
- iii) Profit on Bai Muajjal transaction is recognised on an accrual basis.
- iv) Profit on Diminishing Musharakah financing is recognised on an accrual basis.

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For the year ended December 31, 2019

- v) Profit on Running Musharakah financing is booked on an accrual basis and is adjusted upon declaration of profit by Musharakah partners.
- vi) Profit on Tijarah and Istisna financing is recognised on an accrual basis commencing from time of sale of goods till the realisation of sale proceeds by the Bank.
- vii) Profit on Service Ijarah is recognised on an accrual basis commencing from the date of confirmation of sale.
- viii) Profit on Wakalah tul Istithmar / Wakalah is recognized on an accrual basis and is commensurate with the Wakalah business performance / work done by the agent.
- ix) Profit on Sukuk is recognised on an accrual basis. Where Sukuk (excluding held for trading securities) are purchased at a premium or discount, those premiums / discounts are amortised through the profit and loss account over the remaining maturity.
- x) Commission on letters of credit, acceptances and guarantees is recognised on receipt basis, except for commission on guarantees in excess of Rs 200,000 which is recognised over the period of the guarantee.
- xi) The Bank also earns fee and commission income from certain other non-funded banking services. The related fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The bank recognises fees earned on transaction-based arrangements at a point in time when the Bank has fully provided the service to the customer. Where the contract requires services to be provided over time, the income is recognised on a systematic basis over the life of the related service.
- xii) Dividend income is recognised when the Bank's right to receive dividend is established.
- xiii) Gain or loss on sale of investments is included in the profit and loss account.
- xiv) Gain or loss on disposal of fixed assets, intangible assets, ijarah assets and musharaka assets is taken to the profit and loss account in the period in which they arise.
- xv) Profit suspended in compliance with the Prudential Regulations issued by the SBP is recorded on receipt basis. Profit on rescheduled / restructured financing and investments are recognised as permitted by the SBP.

6.19 Segment reporting

A segment is a distinguishable component of the Bank that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Bank's primary format of reporting is based on business segments. Operating segments are reported in a manner consistent with the internal reporting provided to the management. Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

6.19.1 Business segments

Corporate and Commercial Banking

It includes trade finance, export finance, project finance, Ijarah, guarantees and bills of exchange relating to its Corporate and Commercial customers, investment banking, syndications, IPO related activities (excluding investments), secondary private placements, underwriting and securitisation.

Retail Banking

It includes retail financing, deposits and banking services offered to its retail customers and small and medium enterprises.

Trading and Sales

It includes equity, foreign exchanges, commodities, own securities and placements.

Others

It includes functions which cannot be classified in any of the above segments.

6.19.2 Geographical segments

The Bank operates only in Pakistan.

6.20 Impairment

The carrying amount of the assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

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6.21 Earnings per share

The Bank presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the year attributable to equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit of Bank (after adjusting for return - net of tax) on the convertible instruments by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Note	2019	2018
7 CASH AND BALANCES WITH TREASURY BANKS			
Rupees in '000			
In hand			
- local currency		14,487,106	10,754,777
- foreign currencies		1,854,081	2,122,435
With the State Bank of Pakistan in			
- local currency current accounts	7.1	33,981,833	25,130,062
- foreign currency current accounts	7.1	6,609,487	5,305,332
With the National Bank of Pakistan in			
- local currency current accounts		35,077,734	21,709,435
National Prize Bonds	7.2	183,120	-
		<u>92,193,361</u>	<u>65,022,041</u>

7.1 These include local and foreign currency amounts required to be maintained by the Bank with the SBP as stipulated by the SBP. These accounts are non-remunerative in nature.

7.2 The Bank, as a matter of Shariah principle, does not deal in prize bonds. These represent the national prize bonds received from customers for onward surrendering to the SBP.

	Note	2019	2018
8 BALANCES WITH OTHER BANKS			
Rupees in '000			
In Pakistan			
- in current accounts		7,723,912	5,858,646
- in deposit accounts	8.1	3,750,000	-
Outside Pakistan			
- in current accounts		1,876,378	2,089,540
- in deposit accounts	8.2	2,021,943	307,001
		<u>15,372,233</u>	<u>8,255,187</u>

8.1 The return on these balances is around 10.16% (2018: Nil) per annum.

8.2 The return on these balances is around 1.56% (2018: 0.85%) per annum.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

	Note	2019	2018
9 DUE FROM FINANCIAL INSTITUTIONS - NET			
		Rupees in '000	
Bai Muajjal:			
With State Bank of Pakistan	9.1	13,682,452	-
With Scheduled Banks - Secured	9.2	208,096,873	184,814,600
With other Financial Institution		15,500	15,500
	9.3	221,794,825	184,830,100
Musharakah	9.4	1,910,000	-
Commodity Murabaha		26,066	26,066
		223,730,891	184,856,166
Provision against non-performing amounts due from financial institutions	9.6	(41,566)	(41,566)
		223,689,325	184,814,600

9.1 The average return on these Bai Muajjal is 10.55% (2018: Nil) per annum. These balances are maturing latest by February 2020 (2018: Nil).

9.2 The average return on this product is 13.05% (2018: 7.87%) per annum. The balances have maturities ranging between January 2020 to October 2020 (2018: January 2019 to April 2019). These Bai Muajjal are secured against Federal Government securities received as collateral and having market value of Rs 215,020 million as at December 31, 2019 (2018: Rs 179,574 million).

	2019	2018
	Rupees in '000	
9.3 Bai Muajjal Placements	240,471,829	191,381,750
Less: Deferred Income	(8,990,054)	(1,137,552)
Profit Receivable shown in other assets	(9,686,950)	(5,414,098)
Bai Muajjal Placements	221,794,825	184,830,100

9.4 The average return on this product is 11.25% (2018: Nil) per annum. The balances are maturing latest by January 2020 (2018: Nil).

	2019	2018
	Rupees in '000	
9.5 Particulars of due from financial institutions - net		
In local currency	223,689,325	184,814,600
In foreign currencies	-	-
	223,689,325	184,814,600

	2019		2018	
	Non-performing due from financial institutions	Provision held	Non-performing due from financial institutions	Provision held
9.6 Category of classification	Rupees in '000			
Loss	41,566	41,566	41,566	41,566

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10 INVESTMENTS - NET

10.1 Investments by types

Investments by types		Note	2019				2018			
			Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000										
Available for sale securities										
- Federal Government Securities	10.5.1		96,658,346	-	(213,851)	96,444,495	61,420,405	-	(271,470)	61,148,935
- Shares (including units of fund)	10.5.2 & 10.5.3		6,809,714	2,201,501	1,674,958	6,283,171	5,981,168	1,104,210	277,249	5,154,207
- Non Government Sukuk	10.5.4		101,427,363	162,883	12,662,650	113,927,130	21,246,732	170,635	-	21,076,097
- Foreign Securities	10.5.5		7,774,672	-	318,883	8,093,555	7,576,263	-	(110,446)	7,465,817
			212,670,095	2,364,384	14,442,640	224,748,351	96,224,568	1,274,845	(104,667)	94,845,056
Held to maturity securities										
- Federal Government Securities			-	-	-	-	28,000,000	-	-	28,000,000
In related parties										
Subsidiary (unlisted)										
- Shares	10.1.1		63,050	-	-	63,050	63,050	-	-	63,050
Associates (listed)										
- Units of funds	10.1.1		834,761	-	-	834,761	834,761	-	-	834,761
Total Investments			213,567,906	2,364,384	14,442,640	225,646,162	125,122,379	1,274,845	(104,667)	123,742,867

10.1.1 Details of investment in subsidiary and associates

	2019						
	Percentage of holding	Assets	Liabilities	Revenue	Profit after taxation	Total comprehensive income	Market Value (Net Assets Share)
	Rupees in ‘000						
Subsidiary (unlisted)							
Al Meezan Investment Management Limited	65%	4,290,160	947,839	1,576,434	557,709	566,794	N/A
Associates (listed and open ended)							
Meezan Balanced Fund	6%	4,809,980	128,436	418,138	233,297	233,297	291,045
Al Meezan Mutual Fund	7%	5,237,358	200,705	191,547	12,091	12,091	358,384
Meezan Islamic Fund	2%	30,702,005	1,027,243	1,549,108	572,878	572,878	718,937
Meezan Gold Fund	22%	371,688	10,835	92,783	78,111	78,111	78,305
KSE Meezan Index Fund	7%	2,035,666	122,717	159,648	121,731	121,731	136,049

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	Percentage of holding	2018					
		Assets	Liabilities	Revenue	Profit / (Loss) after taxation	Total comprehensive income / (loss)	Market Value (Net Assets Share)
		Rupees in '000					
Subsidiary (unlisted)							
Al Meezan Investment Management Limited	65%	3,525,273	649,746	1,474,704	504,222	496,537	N/A
Associates (listed and open ended)							
Meezan Balanced Fund	4%	6,844,559	144,844	(149,885)	(370,344)	(372,085)	271,969
Al Meezan Mutual Fund	6%	6,291,952	214,737	(594,757)	(815,586)	(827,804)	342,821
Meezan Islamic Fund	2%	33,901,644	1,302,695	(3,352,098)	(4,577,270)	(4,573,578)	692,116
Meezan Gold Fund	20%	331,830	9,798	70,917	60,278	60,278	64,150
KSE Meezan Index Fund	8%	1,627,605	75,574	(185,845)	(216,065)	(216,065)	127,427

Subsidiary and associates are incorporated / registered in Pakistan. Shares in subsidiary are placed in custody account with Central Depository Company of Pakistan and cannot be sold without the prior approval of the SECP in accordance with the SECP's circular No. 9 of 2006 dated June 15, 2006.

10.2 Investments by segments

Note	2019				2018			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	Rupees in '000							
Federal Government Securities								
- Sukuk	13,006,137	-	(213,851)	12,792,286	46,986,693	-	(271,470)	46,715,223
- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	83,652,209	-	-	83,652,209	42,433,712	-	-	42,433,712
10.5.1	96,658,346	-	(213,851)	96,444,495	89,420,405	-	(271,470)	89,148,935
Shares								
Listed Companies	5,958,932	2,089,064	1,674,958	5,544,826	5,080,386	1,008,968	275,766	4,347,184
Units of funds	-	-	-	-	50,000	-	1,483	51,483
Unlisted Companies	850,782	112,437	-	738,345	850,782	95,242	-	755,540
10.5.3	6,809,714	2,201,501	1,674,958	6,283,171	5,981,168	1,104,210	277,249	5,154,207
Non Government Sukuk								
Listed	84,700,000	-	12,662,650	97,362,650	-	-	-	-
Unlisted	16,727,363	162,883	-	16,564,480	21,246,732	170,635	-	21,076,097
10.2.1 & 10.5.4	101,427,363	162,883	12,662,650	113,927,130	21,246,732	170,635	-	21,076,097
Foreign Securities								
Government Sukuk	4,666,473	-	259,952	4,926,425	4,788,337	-	(61,003)	4,727,334
Non Government Sukuk	3,097,810	-	58,931	3,156,741	2,777,537	-	(49,443)	2,728,094
Shares	10,389	-	-	10,389	10,389	-	-	10,389
10.5.5	7,774,672	-	318,883	8,093,555	7,576,263	-	(110,446)	7,465,817
Associates								
Meezan Balanced Fund	161,345	-	-	161,345	161,345	-	-	161,345
Al Meezan Mutual Fund	302,366	-	-	302,366	302,366	-	-	302,366
Meezan Islamic Fund	221,050	-	-	221,050	221,050	-	-	221,050
Meezan Gold Fund	50,000	-	-	50,000	50,000	-	-	50,000
KSE Meezan Index Fund	100,000	-	-	100,000	100,000	-	-	100,000
	834,761	-	-	834,761	834,761	-	-	834,761
Subsidiary								
Al Meezan Investment Management Limited	63,050	-	-	63,050	63,050	-	-	63,050
10.6								
Total Investments	213,567,906	2,364,384	14,442,640	225,646,162	125,122,379	1,274,845	(104,667)	123,742,867

10.2.1 During the year, the Bank invested Rs 85 billion in Pakistan Energy Sukuk-I issued by Power Holding (Private) Limited, wholly owned by the Government of Pakistan. These Energy Sukuks are guaranteed by the Government of Pakistan and are eligible for Statutory Liquidity Requirements. These Energy Sukuk are based on Islamic mode of Ijarah and has a 10 year maturity with semi-annual rental payments.

Notes to and forming part of the Unconsolidated Financial Statements

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	2019	2018
	Rupees in '000	
10.3 Provision against diminution in value of investments		
Opening balance	1,274,845	967,444
Charge / (reversals) for the year		
On available for sale securities		
- charge for the year on equity investments	1,385,492	505,484
- reversals for the year upon cash recovery on debt instruments	(7,752)	(11,047)
- reversals on disposals of equity investments	(288,201)	(187,036)
	1,089,539	307,401
Closing balance	2,364,384	1,274,845

10.4 Particulars of provision against Sukuk

	2019		2018	
	Non-performing Investment	Provision held	Non-performing Investment	Provision held
	Rupees in '000			
Category of classification				
Domestic				
Loss	162,883	162,883	170,635	170,635

10.5 Quality of Available for Sale Securities

Details regarding quality of Available for Sale (AFS) securities are as follows:

	Cost	
	2019	2018
	Rupees in '000	
10.5.1 Federal Government Securities		
Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	83,652,209	42,433,712
GOP Ijarah Sukuk - GISF-3	13,006,137	15,890,974
GOP Ijarah Sukuk - GISF-1	-	3,005,830
GOP Ijarah Sukuk - GISF-2	-	89,889
	96,658,346	61,420,405
10.5.2 Shares and units of funds - Listed		
Automobile Assembler	95,934	183,786
Construction and materials (cement)	930,380	1,144,900
Power Generation and Distribution	173,286	224,084
Oil and Gas Marketing Companies	791,579	613,808
Oil and Gas Exploration Companies	1,564,981	1,051,875
Fertilizers	535,578	568,756
Chemicals	385,910	236,346
Pharmaceuticals	490,964	358,048
Investment Companies	15,227	-
Mudarabas	66,390	66,390
Technology and Communication	55,920	51,889
Paper and Board	306,866	306,866
Textile (Composite)	191,232	45,328
Glass and Ceramics	96,523	24,931
Vanaspati and Allied Industries	-	36,207
Food and Personal Care Products	-	4,701
Engineering	258,162	162,471
Units of open end funds	-	50,000
	5,958,932	5,130,386

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For the year ended December 31, 2019

10.5.3	Shares - Unlisted	Cost		Breakup value per share*	
		2019	2018	2019	2018
		Rupees in '000		Rupees	
	Fatima Energy Limited	250,553	250,553	8.70	9.40
	Sapphire Electric Company Limited	318,864	318,864	31.58	29.10
	Daewoo Pakistan Express Bus Service Limited	253,240	253,240	56.66	58.70
	Pak Kuwait Takaful Company Limited	28,125	28,125	0.60	0.60
		<u>850,782</u>	<u>850,782</u>		
	* Based on latest available audited financial statements				
10.5.4	Non Government Sukuk	Cost			
		2019	2018		
		Rupees in '000			
	Listed				
	- Government guaranteed	84,700,000	-		
	Unlisted				
	- Government guaranteed	11,690,970	14,128,470		
	Unlisted				
	Credit Ratings				
	- AA / AA+, AA, AA-	1,800,000	3,428,333		
	- A / A+, A, A-	3,073,510	3,519,294		
	- Unrated	162,883	170,635		
		<u>5,036,393</u>	<u>7,118,262</u>		
10.5.5	Foreign Securities - Government Sukuk	2019		2018	
		Cost	Rating	Cost	Rating
		Rupees in '000		Rupees in '000	
	Hong Kong	-	N/A	694,270	Aa2
	Saudi Arabia	1,560,902	A	1,267,122	A+
	Qatar	780,524	Aa3	701,777	Aa3
	Luxembourg	-	N/A	39,709	AAA
	Indonesia	2,325,047	Baa2	2,085,459	Baa2
		<u>4,666,473</u>		<u>4,788,337</u>	
	Non Government Sukuk - Unlisted	Cost			
		2019	2018		
		Rupees in '000			
	Credit Ratings				
	- Aa3 / A	2,320,891	2,080,042		
	- Baa1	776,919	697,495		
		<u>3,097,810</u>	<u>2,777,537</u>		
	Equity securities - Unlisted				
	S.W.I.F.T. SCRL	10,389	10,389		
10.6	Investment in subsidiary	Cost		Breakup value per share*	
		2019	2018	2019	2018
		Rupees in '000		Rupees	
	Al Meezan Investment Management Limited	63,050	63,050	668.46	575.11
	* Based on latest available audited financial statements				

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

	Note	2019	2018
11	ISLAMIC FINANCING AND RELATED ASSETS	Rupees in '000	
In Pakistan			
Murabaha financing and related assets			
- Murabaha financing	11.1	8,633,318	8,021,609
- Advances against Murabaha		4,902,247	7,657,780
- Murabaha inventory		2,095,550	3,818,550
- Financing under Islamic Export Refinance - Murabaha	11.2	369,441	344,573
- Advance against Islamic Export Refinance - Murabaha		540,715	130,491
		16,541,271	19,973,003
Running Musharakah financing			
- Running Musharakah financing		129,472,197	142,433,085
- Financing under Islamic Export Refinance - Running Musharakah		24,671,638	16,430,165
		154,143,835	158,863,250
Istisna financing and related assets			
- Istisna financing		4,684,962	3,440,669
- Advances against Istisna		34,435,537	56,972,563
- Istisna inventory		11,117,387	8,069,320
- Financing under Islamic Export Refinance - Istisna		189,215	74,732
- Advances under Islamic Export Refinance - Istisna		6,967,796	4,388,971
- Inventory under Islamic Export Refinance - Istisna		975,428	508,535
		58,370,325	73,454,790
Tijarah financing and related assets			
- Tijarah financing		561,345	394,041
- Tijarah inventory		11,032,825	12,371,614
- Financing under Islamic Export Refinance - Tijarah		1,070,970	364,949
- Inventory under Islamic Export Refinance - Tijarah		353,531	271,085
		13,018,671	13,401,689
Musawamah financing and related assets			
- Musawamah financing	11.3	11,009,024	12,450,345
- Advances against Musawamah		5,759,913	16,505,491
- Musawamah Inventory		9,618,012	9,890,657
- Financing under Islamic Export Refinance - Musawamah	11.4	886,944	875,001
- Advances under Islamic Export Refinance - Musawamah		123,500	124,950
- Inventory under Islamic Export Refinance - Musawamah		45,000	-
		27,442,393	39,846,444
Salam Financing and related assets			
- Salam Financing		811,378	590,001
- Advances against Salam		6,947,051	7,281,394
- Salam Inventory		2,710,138	1,659,072
		10,468,567	9,530,467
Financing against bills			
- Financing against bills - Salam		7,461,667	5,725,100
- Advance against bills - Salam		1,738	1,738
		7,463,405	5,726,838
Bai Muajjal financing	11.5	1,474,998	569,632
Ijarah financing and related assets			
- Net investment in Ijarah		113,501	116,259
- Net book value of assets/investment in Ijarah under IFAS 2		48,493,395	46,836,155
- Net book value of assets/investment in Ijarah under IFAS 2 (SBP's ILTFF)		58,118	-
- Advances against Ijarah	11.6	48,665,014	46,952,414
- Advances against Ijarah under SBP's ILTFF		3,727,830	6,253,140
		118,905	-
		52,511,749	53,205,554
Diminishing Musharakah financing and related assets			
- Diminishing Musharakah financing - housing		13,232,142	14,150,878
- Diminishing Musharakah financing - others		79,167,336	74,800,828
- Advances against Diminishing Musharakah		14,645,228	8,490,933
- Diminishing Musharakah financing - SBP's ILTFF		1,955,071	-
- Advances against Diminishing Musharakah under SBP's ILTFF		5,378,299	490,628
		114,378,076	97,933,267
Musharakah financing			
- Advances against Wakalah Tul Istithmar		248,880	414,800
Wakalah Tul Istithmar financing			
- Advances against Wakalah Tul Istithmar		40,825,200	-
Wakalah financing			
- Advances against Wakalah Tul Istithmar		-	40,825,200
Advance against Service Ijarah		250,000	475,000
Labbaik (Qard for Hajj and Umrah)		2,765,026	2,000,000
Staff financing		4,672	5,153
Other financing	11.7	4,228,869	3,712,540
		2,376,639	2,326,136
Gross Islamic Financing and Related Assets	11.8	506,512,576	522,263,763
Less: Provision against non-performing Islamic financing and related assets - Specific	11.10	(8,284,519)	(6,771,530)
Less: Provision against non-performing Islamic financing and related assets - General	11.10	(4,452,711)	(2,927,711)
Islamic financing and related assets - net of provision		493,775,346	512,564,522

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

	Note	2019	2018
		Rupees in '000	
11.1 Murabaha receivable - gross	11.1.1	9,171,941	8,434,743
Less: Deferred income	11.1.3	(198,327)	(142,250)
Profit receivable shown in other assets		(340,296)	(270,884)
Murabaha financing		<u>8,633,318</u>	<u>8,021,609</u>
11.1.1 Murabaha Sale Price		9,171,941	8,434,743
Murabaha Purchase Price		<u>(8,633,318)</u>	<u>(8,021,609)</u>
		<u>538,623</u>	<u>413,134</u>
11.1.2 The movement in Murabaha financing during the year:			
Opening balance		8,021,609	7,854,995
Sales during the year		47,186,165	47,580,002
Adjusted during the year		<u>(46,574,456)</u>	<u>(47,413,388)</u>
Closing balance		<u>8,633,318</u>	<u>8,021,609</u>
11.1.3 Deferred murabaha income			
Opening balance		142,250	110,813
Arising during the year		1,800,684	1,218,659
Recognised during the year		<u>(1,744,607)</u>	<u>(1,187,222)</u>
Closing balance		<u>198,327</u>	<u>142,250</u>
11.2 Financing under Islamic Export Refinance - Murabaha - gross		382,945	353,984
Less: Deferred income		(836)	(1,725)
Profit receivable shown in other assets		(12,668)	(7,686)
Financing under Islamic Export Refinance - Murabaha		<u>369,441</u>	<u>344,573</u>
11.2.1 The movement in Islamic Export Refinance Murabaha financing during the year:			
Opening balance		344,573	599,862
Sales during the year		1,459,464	684,949
Adjusted during the year		<u>(1,434,596)</u>	<u>(940,238)</u>
Closing balance		<u>369,441</u>	<u>344,573</u>
11.2.2 Deferred Islamic Export Refinance murabaha income			
Opening balance		1,725	1,848
Arising during the year		17,106	9,507
Recognised during the year		<u>(17,995)</u>	<u>(9,630)</u>
Closing balance		<u>836</u>	<u>1,725</u>
11.3 Musawamah financing - gross		11,610,569	12,998,576
Less: Deferred income		(292,915)	(298,927)
Profit receivable shown in other assets		(308,630)	(249,304)
Musawamah financing		<u>11,009,024</u>	<u>12,450,345</u>
11.4 Financing under Islamic Export Refinance - Musawamah - gross		899,031	885,568
Less: Deferred income		(7,015)	(4,387)
Profit receivable shown in other assets		(5,072)	(6,180)
Financing under Islamic Export Refinance - Musawamah		<u>886,944</u>	<u>875,001</u>
11.5 Bai Muajjal financing - gross		1,701,154	615,345
Less: Deferred income		(146,846)	(26,426)
Profit receivable shown in other assets		(79,310)	(19,287)
Bai Muajjal financing		<u>1,474,998</u>	<u>569,632</u>
11.6 Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs 35,450 million (2018: Rs 25,267 million).			
11.7 This includes Rs 487 million (2018: Rs 484 million) representing profit free financing to staff advanced under the Bank's Human Resource Policies.			

Notes to and forming part of the Unconsolidated Financial Statements

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11.8 Particulars of financing - gross

	2019	2018
In	Rupees in '000	
- local currency	493,186,199	513,035,591
- foreign currencies	13,326,377	9,228,172
	<u>506,512,576</u>	<u>522,263,763</u>

11.9 Islamic financing and related assets include Rs 8,996 million (2018: Rs 6,985 million) which have been placed under non-performing status as detailed below:

	2019		2018	
	Non Performing Amount	Provision Held	Non Performing Amount	Provision Held
	Rupees in '000			
Category of classification				
Domestic				
Other Assets Especially Mentioned	22,534	-	28,157	-
Substandard	557,679	132,042	137,429	30,927
Doubtful	446,866	212,837	49,514	8,523
Loss	7,968,640	7,939,640	6,770,142	6,732,080
	<u>8,995,719</u>	<u>8,284,519</u>	<u>6,985,242</u>	<u>6,771,530</u>

11.10 Particulars of provision against non-performing Islamic financing and related assets:

	2019			2018		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	6,771,530	2,927,711	9,699,241	6,426,731	2,377,711	8,804,442
Charge for the year	1,905,342	1,525,000	3,430,342	552,977	550,000	1,102,977
Less: Reversals	(357,571)	-	(357,571)	(208,111)	-	(208,111)
	1,547,771	1,525,000	3,072,771	344,866	550,000	894,866
Amount Written off	(34,782)	-	(34,782)	(67)	-	(67)
Closing balance	<u>8,284,519</u>	<u>4,452,711</u>	<u>12,737,230</u>	<u>6,771,530</u>	<u>2,927,711</u>	<u>9,699,241</u>

11.10.1 The Bank maintains general reserve (provision) in accordance with the applicable requirements of the Prudential Regulations for Consumer Financing and House Financing issued by the SBP.

In addition, the Bank has also maintained a general provision of Rs 4,050 million (2018: Rs 2,525 million) against financing made on prudent basis, in view of prevailing economic conditions. This general provision is in addition to the requirements of Prudential Regulations.

11.10.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sales Value (FSV) of collaterals against the non-performing financing. The accumulated benefit availed amounts to Rs 33.4 million (2018: Rs 17.9 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs 21.7 million (2018: Rs 11.6 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

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11.10.3 Particulars of provision against non-performing financing:

	2019			2018		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	8,021,468	4,452,711	12,474,179	6,515,997	2,927,711	9,443,708
In foreign currencies	263,051	-	263,051	255,533	-	255,533
	8,284,519	4,452,711	12,737,230	6,771,530	2,927,711	9,699,241

	Note	2019	2018
		Rupees in '000	
11.11 Particulars of write offs			
Against provisions	11.10	34,782	67
Directly charged to profit and loss account		-	-
		34,782	67
Write offs Rs. 500,000 and above - Domestic		34,782	-
Write offs below Rs. 500,000 - Domestic		-	67
		34,782	67

11.11.1 Details of financing written off of Rs 500,000 and above

In term of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the Statement in respect of written off financing or any other financial relief of five hundred thousand rupees or above allowed to any person during the year ended December 31, 2019 is given as Annexure 1.

	Note	2019	2018
12 FIXED ASSETS		Rupees in '000	
Capital work-in-progress	12.1	3,185,241	1,644,436
Property and equipment	12.2	13,168,734	11,484,690
Right-of-use assets	12.3	6,930,440	-
		23,284,415	13,129,126

12.1 Capital work-in-progress

Advances to suppliers and contractors for:

- civil works	2,171,210	1,009,074
- computer hardware	271,621	174,250
- purchase of vehicles	126,203	152,864
- office machines	552,430	263,986
- furniture and fixtures	63,777	44,262
	3,185,241	1,644,436

Notes to and forming part of the Unconsolidated Financial Statements

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12.2 Property and equipment

	2019						
	Leasehold Land	Buildings on leasehold land	Leasehold improvements	Furniture and fixtures	Electrical, office and computer equipments	Vehicles	Total
	Rupees in '000						
At January 1, 2019							
Cost	4,578,013	1,514,872	5,893,257	672,755	5,308,744	1,658,110	19,625,751
Accumulated depreciation	-	515,452	2,806,259	380,911	3,807,413	631,026	8,141,061
Net book value	4,578,013	999,420	3,086,998	291,844	1,501,331	1,027,084	11,484,690
Year ended December 31, 2019							
Opening net book value	4,578,013	999,420	3,086,998	291,844	1,501,331	1,027,084	11,484,690
Additions	223,361	234,545	694,379	111,988	1,281,083	827,679	3,373,035
Transfer from other assets	-	83,215	-	-	-	-	83,215
Net book value of disposals	-	-	(21)	(125)	(482)	(60,300)	(60,928)
Depreciation charge	-	(83,984)	(530,272)	(57,942)	(662,642)	(376,438)	(1,711,278)
Net book value as at December 31, 2019	4,801,374	1,233,196	3,251,084	345,765	2,119,290	1,418,025	13,168,734
Year ended December 31, 2019							
Cost	4,801,374	1,832,632	6,587,594	783,078	6,578,906	2,221,608	22,805,192
Accumulated depreciation	-	599,436	3,336,510	437,313	4,459,616	803,583	9,636,458
Net book value as at December 31, 2019	4,801,374	1,233,196	3,251,084	345,765	2,119,290	1,418,025	13,168,734
Rate of depreciation (percentage)	-	5	10	10	10 and 20	20	
	2018						
	Leasehold Land	Buildings on leasehold land	Leasehold improvements	Furniture and fixtures	Electrical, office and computer equipments	Vehicles	Total
	Rupees in '000						
At January 1, 2018							
Cost	4,306,133	1,363,692	5,649,484	628,556	4,535,112	1,233,646	17,716,623
Accumulated depreciation	-	441,612	2,295,990	329,680	3,270,980	545,602	6,883,864
Net book value	4,306,133	922,080	3,353,494	298,876	1,264,132	688,044	10,832,759
Year ended December 31, 2018							
Opening net book value	4,306,133	922,080	3,353,494	298,876	1,264,132	688,044	10,832,759
Additions	271,880	151,180	254,184	47,670	833,224	665,656	2,223,794
Net book value of disposals	-	-	(1,062)	(282)	(3,107)	(52,575)	(57,026)
Depreciation charge	-	(73,840)	(519,618)	(54,420)	(592,918)	(274,041)	(1,514,837)
Net book value as at December 31, 2018	4,578,013	999,420	3,086,998	291,844	1,501,331	1,027,084	11,484,690
Year ended December 31, 2018							
Cost	4,578,013	1,514,872	5,893,257	672,755	5,308,744	1,658,110	19,625,751
Accumulated depreciation	-	515,452	2,806,259	380,911	3,807,413	631,026	8,141,061
Net book value as at December 31, 2018	4,578,013	999,420	3,086,998	291,844	1,501,331	1,027,084	11,484,690
Rate of depreciation (percentage)	-	5	10	10	10 and 20	20	

12.2.1 Included in cost of property and equipment are fully depreciated items still in use aggregating Rs 4,134 million (2018: Rs 3,158 million).

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

12.2.2 The Bank has not carried out any revaluation of property and equipment at the recent date as the Bank uses cost model for measurement of its property and equipment.

12.2.3 Details of disposal of fixed assets to related parties or other persons having net book value of Rs 500,000 or above are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchaser
Rupees in '000						
Vehicles						
Honda Civic	2,533	1,351	1,182	1,579	MBL Staff Policy	Mr Faisal Iqbal (Executive, Employee)
Honda Civic	2,425	1,617	808	1,528	MBL Staff Policy	Mr Khalid Zaman Khan (Executive, Employee)
Toyota Corolla	1,753	1,198	555	931	MBL Staff Policy	Mr Kashif Zaidi (Executive, Employee)
Toyota Corolla	1,753	1,081	672	1,016	MBL Staff Policy	Mr Asif Abdul Aziz (Executive, Employee)
Honda City	1,678	1,035	643	1,022	MBL Staff Policy	Syed Muhammad Uzair (Executive, Ex-employee)
Honda City	1,664	999	665	965	MBL Staff Policy	Mr Muhammad Zahid (Executive, Employee)
Honda City	1,648	1,071	577	955	MBL Staff Policy	Mr Javaid Ahmed Kashif (Executive, Employee)
Honda City	1,547	387	1,160	1,486	Negotiation	Mr Wasim Mirza
Honda City	1,545	515	1,030	1,725	Negotiation	M/s Carfirst
Honda City	1,534	690	844	2,025	Negotiation	M/s Augmentech Business Solution
Honda City	1,524	838	686	1,790	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	375	875	1,300	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	521	729	1,360	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	562	688	1,325	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	396	854	1,259	Negotiation	Mr Sajjad Rahman Paracha
Suzuki Cultus	1,250	417	833	1,225	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	375	875	1,272	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	437	813	1,450	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	500	750	942	Negotiation	Mr Rizwan Mazhar
Suzuki Cultus	1,245	436	809	1,480	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,245	332	913	1,216	Negotiation	Mr Tanveer Afzal
Suzuki Cultus	1,129	546	583	1,006	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,129	395	734	979	Negotiation	Mr Adnan Naseer Ahmed
Suzuki Cultus	1,129	527	602	1,000	Negotiation	M/s Carfirst
Suzuki Cultus	1,104	460	644	947	Negotiation	Mr Waqar Ahmed Khan
Suzuki Cultus	1,104	570	534	953	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,104	405	699	912	Negotiation	Mr Waqar Ahmed Khan
Suzuki Cultus	1,104	534	570	931	Negotiation	Mr Saleem Akhter
Suzuki Cultus	1,104	497	607	1,040	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,104	570	534	973	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,104	497	607	958	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,104	405	699	931	Negotiation	Mr Saeed Ahmed
Suzuki Cultus	1,104	405	699	921	Negotiation	Mr Wasim Mirza
Suzuki Cultus	1,104	405	699	922	Negotiation	Mr Waqar Ahmed Khan
Suzuki Cultus	1,104	570	534	1,007	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,099	476	623	1,040	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,074	573	501	893	Negotiation	Mr Saleem Ahmed Siddiqui
Suzuki Cultus	1,074	573	501	875	Negotiation	Mr Mumtaz Ali
Suzuki Cultus	1,074	555	519	962	Negotiation	Mr Khurram Imtiaz
Suzuki Cultus	1,074	573	501	924	Negotiation	Mr Khurram Imtiaz
Suzuki Cultus	1,017	407	610	942	Negotiation	Mr Rizwan Mazhar
Toyota Corolla	2,154	359	1,795	2,229	Takaful Claim	M/s EFU General Insurance Limited
Toyota Corolla	2,035	475	1,560	2,054	Takaful Claim	M/s EFU General Insurance Limited
Toyota Corolla	1,864	590	1,274	1,678	Takaful Claim	M/s EFU General Insurance Limited
Toyota Corolla	1,789	835	954	1,678	Takaful Claim	M/s EFU General Insurance Limited
Honda City	1,900	253	1,647	1,713	Takaful Claim	M/s EFU General Insurance Limited
Suzuki Cultus	1,245	124	1,121	1,264	Takaful Claim	M/s EFU General Insurance Limited
	65,024	27,712	37,312	57,583		
Other disposals						
Vehicles	199,157	176,169	22,988	104,493		
Electrical, office and computer equipments	10,921	10,439	482	1,299		
Furniture and Fixtures	1,665	1,540	125	395		
Leasehold improvements	42	21	21	63		
	<u>276,809</u>	<u>215,881</u>	<u>60,928</u>	<u>163,833</u>		

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

	2019		
	Cost	Accumulated Depreciation	Net Book Value
12.3 Right-of-use assets	Rupees in '000		
At January 1,	-	-	-
Recognized upon initial adoption of IFRS 16	7,940,336	-	7,940,336
Additions during the year	1,151,403	-	1,151,403
Depreciation Charge	-	(2,161,299)	(2,161,299)
Derecognition during the year	(211,059)	211,059	-
At December 31,	8,880,680	(1,950,240)	6,930,440
Useful life	1 - 7 years		

	2019	2018
	Rupees in '000	
13 INTANGIBLE ASSETS		
Computer Software	614,572	552,130
Advance against computer software	165,809	72,404
	780,381	624,534
13.1 At January 1,		
Cost	1,660,942	1,368,316
Accumulated amortisation	1,108,812	888,604
Net book value	552,130	479,712
Year ended December 31,		
Opening net book value	552,130	479,712
Additions - directly purchased	317,039	292,626
Amortisation charge	(254,597)	(220,208)
Closing net book value	614,572	552,130
Year ended December 31,		
Cost	1,977,981	1,660,942
Accumulated amortisation	1,363,409	1,108,812
Net book value	614,572	552,130
Rate of amortisation (percentage)	10-20	10-20
Useful life	5 - 10 years	5 - 10 years

13.1.1 Included in cost of intangible assets are fully amortised items still in use aggregating Rs 987 million (2018: Rs 542 million).

	Note	2019	2018
		Rupees in '000	
14 OTHER ASSETS			
Profit / return accrued in local currency - net of provisions		34,765,016	13,851,168
Profit / return accrued in foreign currencies - net of provisions		76,791	63,744
Acceptances		9,033,110	10,634,901
Advances, deposits, advance rent and other prepayments	14.1	1,904,437	2,269,774
Non-banking assets acquired in satisfaction of claims	14.2	145,503	240,607
Unrealised gain on forward foreign exchange contracts - net	20.5	-	1,335,392
Dividends receivable		-	262
Stamps		12,963	13,037
Security deposits		172,596	119,510
Advance for Investments		55,542	-
Other		405,575	288,419
		46,571,533	28,816,814
Provision against other assets	14.3.1	(74,686)	(71,302)
Other Assets (Net of Provision)		46,496,847	28,745,512
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	20,184	34,080
Other Assets - total		46,517,031	28,779,592

14.1 This includes prepaid takaful aggregating Rs 971 million (2018: Rs 959 million) which is being amortized over a period of one year.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

		2019	2018
		Rupees in '000	
14.2	Market value of Non-banking assets acquired in satisfaction of claims	155,687	264,687
Market value of the non-banking assets acquired in satisfaction of claims has been carried out by an independent valuer, M/s Joseph Lobo (Private) Limited based on prevailing market values determined through independent market inquiries from local active realtors and adjusted for the physical condition of the property as more detailed in note 40.3.			
14.2.1	Non-banking assets acquired in satisfaction of claims	Note	2019
			2018
			Rupees in '000
	Opening Balance	240,607	246,201
	Depreciation	(471)	(5,594)
	Transfer to fixed assets	(83,215)	-
	Disposal	(11,418)	-
	Closing Balance	145,503	240,607
14.3	Provision held against other assets		
	Non-banking assets acquired in satisfaction of claims	10,000	10,000
	Acceptances	41,132	35,451
	Others	23,554	25,851
		74,686	71,302
14.3.1	Movement in provision held against other assets		
	Opening balance	71,302	96,234
	Charge for the year	49,999	9,755
	Reversals during the year	(4,174)	(27,349)
	Amount adjusted / written off during the year	(42,441)	(7,338)
	Closing balance	74,686	71,302
15	BILLS PAYABLE		
	In Pakistan	17,186,807	23,750,543
	Outside Pakistan	-	-
		17,186,807	23,750,543
16	DUE TO FINANCIAL INSTITUTIONS		
	In Pakistan	42,047,390	36,407,811
	Outside Pakistan	-	-
		42,047,390	36,407,811
16.1	Details of due to financial institutions secured / unsecured		
	Secured		
	Musharakah from the State Bank of Pakistan under Islamic Export Refinance Scheme	16.1.1	33,861,385
	Investment from the State Bank of Pakistan under Islamic Long Term Financing Facility	16.1.2	7,268,122
	Other financial institution	16.1.3	909,114
	Unsecured		
	Overdrawn nostro accounts	8,769	409,652
	Other Musharakah	-	12,200,000
		42,047,390	36,407,811

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

- 16.1.1 These Musharakah are on a profit and loss sharing basis maturing between January 2020 to June 2020 and are secured against demand promissory notes executed in favor of SBP. A limit of Rs 38,473 million (2018: Rs 33,422 million) has been allocated to the Bank by SBP under Islamic Export Refinance Scheme.
- 16.1.2 These Investment are on Profit Loss sharing basis which has been invested in general pool of the Bank.
- 16.1.3 These Musharakah are on Profit Loss sharing basis. A limit of USD 10 million has been allocated to the Bank under the agreement with Karandaaz.

	2019	2018
16.2 Particulars of due to financial institutions with respect to currencies	Rupees in '000	
In local currency	42,038,621	35,998,159
In foreign currencies	8,769	409,652
	<u>42,047,390</u>	<u>36,407,811</u>
16.3 Particulars of due to financial institutions		
Short - term	35,104,360	35,346,747
Long - term	6,943,030	1,061,064
	<u>42,047,390</u>	<u>36,407,811</u>

17 DEPOSITS AND OTHER ACCOUNTS

	2019			2018		
	In Local currency	In Foreign currencies	Total	In Local currency	In Foreign currencies	Total
	Rupees in '000					
Customers						
- Current accounts - non-remunerative	312,409,384	20,464,919	332,874,303	267,855,629	15,590,028	283,445,657
- Savings deposits	318,577,677	26,796,248	345,373,925	255,706,358	23,494,221	279,200,579
- Fixed deposits	228,503,227	13,342,660	241,845,887	197,008,707	10,109,048	207,117,755
- Margin	4,949,165	8,692	4,957,857	5,335,289	41,896	5,377,185
	<u>864,439,453</u>	<u>60,612,519</u>	<u>925,051,972</u>	<u>725,905,983</u>	<u>49,235,193</u>	<u>775,141,176</u>
Financial institutions						
- Current accounts - non-remunerative	1,208,228	-	1,208,228	597,730	-	597,730
- Savings deposits	3,799,833	-	3,799,833	4,607,308	-	4,607,308
- Fixed deposits	2,519,081	-	2,519,081	5,130,730	-	5,130,730
	<u>7,527,142</u>	<u>-</u>	<u>7,527,142</u>	<u>10,335,768</u>	<u>-</u>	<u>10,335,768</u>
	<u>871,966,595</u>	<u>60,612,519</u>	<u>932,579,114</u>	<u>736,241,751</u>	<u>49,235,193</u>	<u>785,476,944</u>

	2019	2018
	Rupees in '000	
17.1 Composition of deposits		
- Individuals	628,758,131	521,789,397
- Government (Federal and Provincial)	20,376,156	14,958,796
- Public Sector Entities	14,838,591	15,385,523
- Banking Companies	34,475	67,656
- Non-Banking Financial Institutions	7,492,667	10,268,111
- Private Sector	261,079,094	223,007,461
	<u>932,579,114</u>	<u>785,476,944</u>
17.2 Particulars of deposits and other accounts in Pakistan		
- in local currency		
Mudaraba based deposits	556,561,420	466,196,269
Qard based deposits	315,405,175	270,045,482
	<u>871,966,595</u>	<u>736,241,751</u>
- in foreign currencies		
Mudaraba based deposits	40,138,908	33,603,269
Qard based deposits	20,473,611	15,631,924
	<u>60,612,519</u>	<u>49,235,193</u>
	<u>932,579,114</u>	<u>785,476,944</u>

- 17.3 Eligible deposits covered under deposit protection scheme (including call deposit receipts disclosed under bills payable) amount to Rs 758,498 million (2018: Rs 628,119 million).

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

	Note	2019	2018
		Rupees in '000	
18 SUB-ORDINATED SUKUK			
Additional Tier I Sukuk	18.1	7,000,000	7,000,000
Tier II Sukuk	18.2	7,000,000	7,000,000
		<u>14,000,000</u>	<u>14,000,000</u>

18.1 In August 2018, the Bank issued regulatory Shariah compliant unsecured, sub-ordinated privately placed Additional Tier I Sukuk based on Mudaraba of Rs 7,000 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of Additional Tier I sukuk is as follows:

Credit Rating	AA- (Double A minus) by VIS Credit Rating Company Limited
Issue Date	August 01, 2018
Tenor	Perpetual
Profit payment frequency	Monthly in arrears
Redemption	Perpetual
Expected Periodic Profit Amount (Mudaraba Profit Amount)	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk is 15.29% per annum.
Call Option	The Bank may call Additional Tier I Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Additional Tier I Sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Additional Tier I Sukuk, if such payment will result in a shortfall in the Bank's minimum capital or capital adequacy ratio requirement.

18.2 In September 2016, the Bank issued regulatory Shariah compliant unsecured, sub-ordinated privately placed Tier II Sukuk based on Mudaraba of Rs 7,000 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of Tier II sukuk is as follows:

Credit Rating	AA (Double A) by VIS Credit Rating Company Limited
Issue Date	September 22, 2016
Tenor	10 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the tenth year
Expected Periodic Profit Amount (Mudaraba Profit Amount)	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk is 14.57% per annum.
Call Option	The Bank may call Tier II Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Tier II Sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Tier II Sukuk, if such payment will result in a shortfall in the Bank's minimum capital or capital adequacy ratio requirement.

Notes to and forming part of the Unconsolidated Financial Statements

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19 DEFERRED TAX LIABILITIES / (ASSETS)

Taxable temporary differences due to:

Excess of accounting book values over tax written down values of owned assets
(Deficit) / surplus on revaluation of available for sale investments
Surplus on revaluation of Non-banking assets acquired in satisfaction of claims

Deductible temporary differences due to:

Provision for diminution / impairment in value of investments
Income not accrued due to non-culmination of financing
Provision against non-performing Islamic financing and related assets
Provision against non-banking assets acquired in satisfaction of claims and others

2019			
At January 1	Recognised in Profit & Loss	Recognised in OCI	At December 31
Rupees in '000			
411,918	(21,081)	-	390,837
(36,632)	-	5,091,557	5,054,925
11,928	(1,439)	(3,425)	7,064
387,214	(22,520)	5,088,132	5,452,826
(470,528)	(436,378)	-	(906,906)
(812,904)	(623,029)	-	(1,435,933)
-	(109,358)	-	(109,358)
(86,718)	(84,053)	-	(170,771)
(1,370,150)	(1,252,818)	-	(2,622,968)
(982,936)	(1,275,338)	5,088,132	2,829,858

Taxable temporary differences due to:

Excess of accounting book values over tax written down values of owned assets
Surplus on revaluation of Non-banking assets acquired in satisfaction of claims

Deductible temporary differences due to:

Provision for diminution / impairment in value of investments
Surplus / (deficit) on revaluation of available for sale investments
Income not accrued due to non-culmination of financing
Provision against non-banking assets acquired in satisfaction of claims and others

2018			
At January 1	Recognised in Profit & Loss	Recognised in OCI	At December 31
Rupees in '000			
498,700	(86,782)	-	411,918
-	-	11,928	11,928
498,700	(86,782)	11,928	423,846
(302,905)	(167,623)	-	(470,528)
397,910	-	(434,542)	(36,632)
(495,668)	(317,236)	-	(812,904)
(89,855)	3,137	-	(86,718)
(490,518)	(481,722)	(434,542)	(1,406,782)
8,182	(568,504)	(422,614)	(982,936)

20 OTHER LIABILITIES

Return on deposits and other dues

- payable in local currency

- payable in foreign currencies

Unearned income

Accrued expenses

Current taxation (provision less payments)

Acceptances

Unclaimed dividends

Payable to defined benefit plan

Provision against off-balance sheet obligations

Charity payable

Security deposits against Ijarah

Payable on account of credit murabaha / ijarah / musawamah

Security deposits against lockers

Retention Money

Unrealised loss on forward foreign exchange contracts - net

Advance against future Diminishing Musharakah

Withholding taxes payable

Lease liability against right-of-use assets

Workers Welfare Fund payable

Others

Note	2019	2018
Rupees in '000		
20.1	6,434,891	3,388,288
	112,161	75,272
	56,738	32,521
20.2	6,840,577	3,721,994
	5,894,386	2,981,896
	9,033,110	10,634,901
	16,214	17,030
37.3 & 37.15	561,242	624,077
20.3	29,339	35,020
20.4	995	942
	14,206,800	13,623,020
	60,307	75,439
	117,792	100,532
	70,687	60,688
20.5	368,207	-
	67,227	-
	152,711	123,762
3.4.2	7,049,842	-
20.6	1,897,436	1,287,912
	629,011	1,163,758
	53,599,673	37,947,052

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20.1 This includes Rs 158 million (2018: Rs 121 million) in respect of return accrued on borrowings from SBP under the Islamic Export Refinance Scheme and Rs 25.0 million (2018: Rs 2.9 million) in respect of return accrued on borrowings from SBP under the Islamic Long Term Financing Facility.

20.2 This includes Rs 2.5 million (2018: Rs 2.9 million) in respect of payable to Al Meezan Investment Management Limited (Subsidiary).

	Note	2019	2018
		Rupees in '000	
20.3 Provision against off-balance sheet obligations			
Opening balance		35,020	33,200
(Reversal) / charge for the year		(5,681)	1,820
Closing balance	20.3.1	29,339	35,020

20.3.1 This represents provision recognized against guarantees of non-performing customers.

	Note	2019	2018
		Rupees in '000	
20.4 Reconciliation of charity payable			
Balance as at January 1		942	139
Additions during the year		64,226	36,922
Less: Transferred to charity savings account (included in deposits and other accounts)	20.4.1	(64,173)	(36,119)
Balance as at December 31		995	942

20.4.1 Charity paid through saving account during the year is Rs 49.9 million (2018: Rs 38.4 million). Charity of Rs 100,000 or higher was paid to the following organizations:

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

	2019	2018
	Rupees in '000	
Ihsan Trust - Related Party	29,400	28,000
Institute of Business Administration - Centre for Excellence in Islamic Finance	4,000	-
Lahore Businessmen Association For Rehabilitation of the Disabled	3,500	1,000
Learning Is For Everyone (L.I.F.E.) School	2,500	-
Rashid Memorial Welfare Organization	1,000	200
Prevention of Blindness Trust	500	-
Health Promotion Foundation	500	-
World Memon Organization	500	-
Chhipa Welfare Association	500	-
Medical Aid Foundation (Rahat Kada)	500	250
Family Educational Services Foundation	500	200
Fatima Kidney Care Hospital	300	-
Burhani Medical Welfare Association	300	300
The Garage School	300	300
Frontier Foundation Welfare Hospital And Blood Transfusion Service	300	100
Pakistan Eye Bank	200	-
Parents Voice Association	200	-
Zubaida Machiyara Trust	200	-
Cancer Care Hospital and Research Centre	200	-
Memon Health and Education Foundation	200	-
Lady Dufferin Hospital	200	-
Manzil Education Organization	200	-
Centre For Development of Social Services	200	200
Khwendo Kor	200	200
Muslim Welfare Centre	200	200
Patients Aid Foundation - Jinnah Hospital	200	200
Al-Mustafa Trust Rawalpindi	200	100
Care Foundation	200	100
Child Aid Association	200	100
Mercy Pak	200	100
Noor e Ali Trust (JS Academy of Deaf)	200	100
The Kidney Centre, Karachi	150	-
Welfare Society for Patient Care	150	-
Eye Donor Organization - Taxila	150	150
Pakistan Association of Blind	100	300
Health Oriented Preventive Education	100	-
Jinnah Foundation	100	100
Poor Patient Aid Society - Civil Hospital	100	-
Aiwan-e-Sannat O Tijarat Hospital	100	-
Okara Patients Welfare Association	100	-
Bait Ul Sukoon	100	-
Bunyad Foundation Lahore / Bunyad Literacy Community Council	100	-
Rising Sun Education and Welfare Society	100	-
Markaz e Umeed	100	100
Nigheban Trust	100	100
Pakistan Association of Deaf	100	100
Saylani Welfare	100	100
SOS Children Village, Islamabad	100	100
SOS Children Village, Multan	100	-
SOS Children Village, Karachi	100	100
Patients' Behbud Society for the Aga Khan University Hospital	-	1,000
The Indus Hospital	-	1,000
Pakistan Disabled Foundation	-	400
Idara - Al Khair	-	300
Omair Sana Foundation	-	300
Helping Hands Foundation	-	250
Afzaal Memorial Thalassemia Foundation	-	200
Behbud Association, Karachi	-	200
Bin Qutub Foundation, Chakwal	-	200
Health and Nutrition Development Society	-	200
Kiran Foundation	-	200
Muhammadi Blood Bank	-	200
Sargodhian Spirit Trust	-	200
Patients Welfare Association	-	150
Health Education and Livelihood Promoter	-	100
Jamal Noor Hospital	-	100
Karigar Training Institute	-	100
Marie Adeliade Leprosy Centre	-	100
SINA Health, Education and Welfare Trust	-	100
Health Oriented and Preventative Education	-	100
Trust Jamiat Taleem Ul Quran	-	100
Women Islamic Lawyer's Forum	-	100
	49,850	38,400

Notes to and forming part of the Unconsolidated Financial Statements

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20.4.2 The balance in Charity's savings account is Rs 14.705 million (2018: Rs 0.144 million).

20.4.3 Charity was not paid to any organization in which a director or his spouse had any interest at any time during the year.

20.5 This is net off gain on forward foreign exchange contracts of Rs 2,169 million (2018: loss on forward foreign exchange contracts of Rs 1,132 million).

20.6 The Bank has made full provision for Workers Welfare Fund (WWF) based on profit for the respective years (2008-2019). In 2016, the Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of WWF were not lawful. The Federal Board of Revenue filed review petitions against this order which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not be treated as conclusive. Accordingly, the Bank continues to maintain the provision in respect of WWF.

21 SHARE CAPITAL

21.1 Authorised capital

2019 (Number of Shares)	2018 (Number of Shares)		2019 Rupees in '000	2018 Rupees in '000
2,572,180,000	2,338,380,000	Ordinary shares of Rs 10 each	25,721,800	23,383,800
2019 (Number of Shares)	2018 (Number of Shares)		2019 Rupees in '000	2018 Rupees in '000
516,517,908	516,517,908	Ordinary shares	5,165,179	5,165,179
769,593,714	652,674,492	Fully paid in cash	7,695,937	6,526,745
1,286,111,622	1,169,192,400	Issued as bonus shares	12,861,116	11,691,924

21.2 Shareholding held by associated companies are as follows:

Name of Shareholders	2019		2018	
	Number of shares held	Percentage of Shareholding	Number of shares held	Percentage of Shareholding
Noor Financial Investment Company, Kuwait	453,337,898	35.25%	446,432,362	38.18%
Pakistan Kuwait Investment Company (Private) Limited	385,833,481	30.00%	350,757,710	30.00%
Islamic Development Bank, Jeddah	119,916,248	9.32%	109,014,771	9.32%
CDC - Trustee Meezan Islamic Fund	9,119,097	0.71%	6,950,134	0.59%
CDC - Trustee Al Meezan Mutual Fund	1,364,050	0.11%	1,331,500	0.11%
CDC - Trustee Meezan Balanced Fund	1,064,885	0.08%	889,350	0.08%
CDC - Trustee KSE Meezan Index Fund	675,000	0.05%	-	0.00%
CDC - Trustee Meezan Asset Allocation Fund	553,446	0.04%	488,951	0.04%
CDC - Trustee Meezan Dedicated Equity Fund	536,005	0.04%	430,550	0.03%

22 RESERVES

	Note	2019 Rupees in '000	2018 Rupees in '000
Share Premium		2,406,571	2,406,571
Statutory reserve	22.1	12,616,780	9,570,365
Non Distributable Capital Reserve - Gain on Bargain Purchase		3,117,547	3,117,547
General reserve		66,766	66,766
		18,207,664	15,161,249

22.1 Under section 21 of the Banking Companies Ordinance, 1962, an amount not less than 20% of the profit is to be transferred to create a reserve fund till such time the reserve fund and the share premium account equal the amount of the paid up capital.

Notes to and forming part of the Unconsolidated Financial Statements

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23	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX	Note	2019	2018
			Rupees in '000	
	Available for sale securities			
	- Listed shares / units of mutual fund		1,674,958	277,249
	- Sukuk		12,767,682	(381,916)
			14,442,640	(104,667)
	Non-banking assets acquired in satisfaction of claims	23.1	20,184	34,080
			14,462,824	(70,587)
	Less: Deferred tax asset / (liability) on			
	- Available for sale securities		(5,054,925)	36,632
	- Non-banking assets acquired in satisfaction of claims	23.1	(7,064)	(11,928)
			(5,061,989)	24,704
			9,400,835	(45,883)

23.1 Surplus on revaluation of non-banking assets acquired in satisfaction of claims

Surplus on revaluation as at January 1 - net of deferred tax	22,152	-
Recognised during the year net of deferred tax of Rs 1.750 million (2018: Rs 11.928 million)	3,250	22,152
Adjusted upon transfer to fixed assets during the year - net of deferred tax of Rs 5.175 million (2018: Nil)	(9,610)	-
Transferred to unappropriated profit in respect of disposal during the year - net of deferred tax of Rs 1.397 million (2018: Nil)	(2,593)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax of Rs 0.042 million (2018: Nil)	(79)	-
Surplus on revaluation as at December 31 - net of deferred tax	13,120	22,152

24	CONTINGENCIES AND COMMITMENTS	Note	2019	2018
			Rupees in '000	
	Guarantees	24.1	38,843,277	31,724,600
	Commitments	24.2	711,444,851	432,428,900
	Other contingent liabilities	24.3	1,802,000	1,802,000
			752,090,128	465,955,500
	24.1 Guarantees:			
	Financial guarantees		8,598,348	7,561,791
	Performance guarantees		16,037,636	12,533,871
	Other guarantees		14,207,293	11,628,938
			38,843,277	31,724,600
	24.2 Commitments:			
	Documentary letters of credit		98,437,653	92,343,175
	Commitments in respect of:			
	- forward foreign exchange contracts	24.2.1	267,088,452	118,865,324
	Commitments for acquisition of:			
	- fixed assets		514,594	313,580
	- intangible assets		257,790	87,475
	Other commitments	24.2.2	345,146,362	220,819,346
			711,444,851	432,428,900

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	Note	2019	2018
		Rupees in '000	
24.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	151,033,720	74,321,214
	Sale	116,054,732	44,544,110
		<u>267,088,452</u>	<u>118,865,324</u>
24.2.2	Other Commitments		
	Commitments in respect of financing	24.2.2.1	
		<u>345,146,362</u>	<u>220,819,346</u>
24.2.2.1	The Bank makes commitments to extend credit (including to related parties) in the normal course of business but these being revocable commitments do not attract any significant penalty or the expense if the facility is unilaterally withdrawn, other than commitments in respect of syndicated / long term financing amounting to Rs 88,634 million (2018: Rs 26,732 million).		

24.3 Other contingencies

The Income Tax Department has amended the deemed assessment orders of the Bank for prior years including the tax year 2018. The additions / disallowances were mainly due to allocation of expenses relating to dividends and capital gain, allowability of provision against loans and advances, provision against investments and provision against other assets. In the amended order for tax year 2015, additional issues with respect to the taxability of gain on bargain purchase and non-adjustment of loss pertaining to HSBC Bank Middle East – Pakistan Branches have also been raised. The Bank has obtained stay order from the High Court of Sindh against the demands raised through the amended order for the tax year 2015. Both the Bank and the department have filed appeals with the Appellate Authorities in respect of the aforementioned matters.

The management of the Bank, in consultation with its tax advisors, is confident that the decision in respect of the above matters would be in Bank's favour and accordingly no provision has been made in these financial statements with respect thereto. The additional tax liability in respect of gain on bargain purchase and non-adjustment of loss pertaining to HSBC Bank Middle East – Pakistan Branches is Rs 1,096 million and Rs 706 million respectively.

25	PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS	Note	2019	2018
			Rupees in '000	
	On financing	25.1	54,737,673	30,205,819
	On investments in			
	- Available for sale securities		22,052,445	5,330,663
	- Held to maturity securities		145,799	1,565,200
	On deposits / placements with financial institutions		17,334,544	11,522,776
			<u>94,270,461</u>	<u>48,624,458</u>

25.1 The income on Ijarah under IFAS 2 is net off takaful of Rs 1,787 million (2018: Rs 1,359 million) recovered from customers.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

26	PROFIT ON DEPOSITS AND OTHER DUES EXPENSED	Note	2019	2018
			Rupees in '000	
	Deposits and other accounts	26.1	43,742,331	18,191,908
	Sub-ordinated Sukuk		1,793,554	849,039
	Other Musharakahs / Mudarabas	26.2	1,228,565	1,416,001
	Amortisation of lease liability against right-of-use assets		966,630	-
			<u>47,731,080</u>	<u>20,456,948</u>
26.1	This includes conversion cost of Rs 2,172 million (2018: Rs 638 million) against foreign currency deposits.			
26.2	This includes Rs 592 million (2018: Rs 445 million) paid / payable to SBP under Islamic Export Refinance Scheme and Rs 86.7 million (2018: Rs 2.9 million) paid / payable to SBP under the Islamic Long Term Financing Facility.			
27	FEE AND COMMISSION INCOME	Note	2019	2018
			Rupees in '000	
	Trade related fees and commissions		2,487,031	1,821,762
	Commission on guarantees		110,334	90,830
	Branch banking customer fees		1,472,109	1,482,742
	Credit processing related fees		108,098	122,941
	Debit card related fees		1,398,843	1,127,899
	Investment banking related fees		232,988	228,653
	Cash management fees		65,076	44,625
	Home remittance related fees		157,245	151,133
	Others		142,920	186,585
			<u>6,174,644</u>	<u>5,257,170</u>
28	(LOSS) / GAIN ON SECURITIES - NET			
	Realised	28.1	<u>(417,599)</u>	<u>8,308</u>
28.1	Realised (loss) / gain on:			
	Listed Shares		(380,704)	23,921
	Federal Government Securities		(77,759)	(18,195)
	Non Government Debt Securities		40,864	-
	Associates		-	2,582
			<u>(417,599)</u>	<u>8,308</u>
29	OTHER INCOME			
	Gain on termination of			
	- Ijarah financing		380,404	198,793
	- Diminishing Musharakah financing		43,153	21,388
	Gain on sale of fixed assets		102,905	83,432
	Loss on disposal of non-banking assets		(2,529)	-
	Rental income		11,198	5,989
	Others		2,449	1,534
			<u>537,580</u>	<u>311,136</u>

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

30	OPERATING EXPENSES	Note	2019	2018
			Rupees in '000	
	Total compensation expense	30.1 & 30.2	12,739,695	10,044,454
	Property expense			
	Depreciation on right-of-use assets		2,161,299	-
	Rent and taxes		111,361	2,010,229
	Utilities cost (including electricity and diesel)		891,749	723,796
	Security (including guards)		628,569	526,788
	Repair and maintenance (including janitorial charges)		504,205	397,332
	Depreciation		614,256	593,458
	Others		52,325	55,401
			4,963,764	4,307,004
	Information technology expenses			
	Software maintenance		427,118	203,423
	Hardware maintenance		296,132	190,466
	Depreciation		325,402	283,385
	Amortisation		254,597	220,208
	Network charges		220,383	181,381
			1,523,632	1,078,863
	Other operating expenses			
	Communication (including courier)		477,458	315,338
	Local transportation and car running		513,552	391,980
	Depreciation on vehicles, equipments etc.		771,620	637,994
	Legal and professional charges		117,509	73,274
	NIFT and other clearing charges		125,654	148,890
	Travelling and conveyance		139,876	94,803
	Training and Development		78,097	84,286
	Stationery and printing (including debit card related costs)		918,842	494,155
	Marketing, advertisement and publicity		566,727	313,152
	Fees, subscription and other charges		245,641	166,812
	Office supplies		268,908	221,369
	Entertainment		89,646	74,914
	Takaful expense		101,098	119,620
	Security charges - cash transportation		370,823	256,322
	Outsourced services costs	30.2	9,331	12,011
	Auditors' Remuneration	30.3	11,024	17,311
	Repairs and maintenance		306,920	167,361
	Brokerage and bank charges		177,843	175,475
	Shariah Board's fees and allowances	39	27,133	23,082
	Non-executive Directors' fee	39	57,418	48,542
	Donation	30.4	202,500	7,920
	Others		25,948	15,204
			5,603,568	3,859,815
			24,830,659	19,290,136
30.1	Total compensation expense			
	Managerial Remuneration			
	i) Fixed		7,814,858	6,596,596
	ii) Cash Bonus / Awards etc.		3,808,019	2,467,549
	Charge for defined benefit plan		384,532	351,317
	Contribution to defined contribution plan		313,163	271,165
	Compensated Absences		90,876	36,685
	Others including EOBI, SESSI, uniform, sports etc.		328,247	321,142
	Total compensation expense		12,739,695	10,044,454

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

30.2 Total cost for the year relating to outsourced activities is Rs 1,958 million (2018: Rs 1,593 million) entirely relating to companies incorporated in Pakistan and mainly on account of security guards, janitorial staff and courier services. This also includes portfolio management fee to Al Meezan Investment Management Limited (subsidiary) amounting to Rs 9.3 million (2018: Rs 12.0 million) as outsourced services costs disclosed separately under other operating expenses.

30.3 Auditors' remuneration	Note	2019	2018
		Rupees in '000	
Audit fee		4,400	3,900
Fee for interim review		800	800
Special certifications / review		4,096	9,671
		9,296	14,371
Sindh sales tax on services		851	1,150
Out of pocket expenses		877	1,790
		11,024	17,311
30.4 Donation			
Meezan Bank Foundation	30.4.1	200,000	-
Learning Is For Everyone (L.I.F.E.) School		2,500	-
The Supreme Court of Pakistan and the Prime Minister of Pakistan – Diamer Bhasha and Mohmand Dams Fund		-	7,920
		202,500	7,920

30.4.1 The Bank is in the process of establishing Meezan Bank Foundation (the Foundation) with an initial contribution of Rs 200 million to promote development and advance the welfare and well-being of the people of Pakistan. Certain key management personnel of the Bank would be appointed to manage the affairs of the Foundation.

31 OTHER CHARGES	Note	2019	2018
		Rupees in '000	
Penalties imposed by the State Bank of Pakistan		82,275	16,419
32 PROVISIONS AND WRITE OFFS - NET			
Provision against non-performing islamic financing and related assets - net	11.10	3,072,771	894,866
Provision against diminution in the value of investments	10.3	1,089,539	307,401
Other provision / (reversals)	32.1	45,825	(17,594)
Bad debts written off directly		-	464
(Reversals) / provision against off-balance sheet obligations	20.3	(5,681)	1,820
Recovery against written off financings	32.2	(16,024)	(18,906)
		4,186,430	1,168,051

32.1 This mainly represents provision on account of operational losses incurred by the Bank in the current year.

32.2 This includes recoveries against financing written off by HSBC ME prior to its acquisition by the Bank.

33 TAXATION	Note	2019	2018
		Rupees in '000	
Current			
- for the year		11,723,913	6,398,710
- for prior year	33.1	470,030	-
		12,193,943	6,398,710
Deferred			
- for the year		(1,275,338)	(568,504)
		10,918,605	5,830,206

Notes to and forming part of the Unconsolidated Financial Statements

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33.1 The Finance Supplementary (Second Amendment) Act 2019 has reversed the phase-wise reduction in rate of Super Tax for banking companies from 4% to 3% and further levied an additional Super Tax charge at 4% for Tax Year 2018 (Accounting Year 2017), which was previously not chargeable resulting in additional Super Tax charge of Rs 470 million in the current year. The aggregate Super Tax charge for the year ended December 31, 2019 is Rs 1,670 million.

33.2 Relationship between tax expense and accounting profit	Note	2019	2018
		Rupees in '000	
Profit before taxation		26,150,679	14,792,406
Effects of:			
- Tax calculated at the applicable rate of 35%		9,152,738	5,177,342
- Super tax @ 4%		1,199,643	660,333
- Prior year Super tax		470,030	-
- Permanent differences		49,614	3,494
- Others		46,580	(10,963)
Tax charge for the year		10,918,605	5,830,206

34 BASIC AND DILUTED EARNINGS PER SHARE		2019	2018
		Rupees in '000	
Profit for the year		15,232,074	8,962,200
		(Number)	
Weighted average number of ordinary shares		1,286,111,622	1,286,111,622
		(Rupees)	
			Restated
Basic and diluted earnings per share	34.1	11.84	6.97

34.1 The Bank has issued bonus shares during the year and accordingly the earnings per share for the comparative year has been restated.

35 CASH AND CASH EQUIVALENTS	Note	2019	2018
		Rupees in '000	
Cash and balances with treasury banks	7	92,193,361	65,022,041
Balances with other banks	8	15,372,233	8,255,187
		107,565,594	73,277,228

36 STAFF STRENGTH		2019	2018
		Number of Staff	
Permanent		8,886	7,545
Contractual basis		1,140	1,050
Bank's own staff strength at the end of the year		10,026	8,595
Outsourced	36.1	1,623	1,474
Total Staff Strength		11,649	10,069

36.1 This excludes outsourced security guards and janitorial staff.

37 DEFINED BENEFIT PLAN

37.1 Meezan Bank Gratuity Funded Scheme

The activities of the Gratuity Funded Scheme are governed by Meezan Bank Limited Staff Gratuity Fund established in 2000 under the provisions of a Trust Deed. Plan assets held in trust are governed by the Trust Deed as is the nature of the relationship between the Bank and the trustees and their composition. Responsibility for governance of the plan including the investment decisions lies with the Trustees. The Board of Trustees comprise of representatives of the Bank and scheme participants in accordance with the Fund's trust deed.

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	2019 (Number)	2018
37.2 Number of Employees under the Gratuity Funded Scheme		
Number of Employees eligible under the Gratuity Funded Scheme	8,788	7,464

	2019 Rupees in '000	2018 Rupees in '000
37.3 Reconciliation of amount payable to defined benefit plan		
Present value of defined benefit obligations	1,735,808	1,386,260
Fair value of plan assets	(1,491,746)	(1,063,037)
	244,062	323,223

37.4 Plan assets consist of the following:

	2019		2018	
	Rupees in '000	%	Rupees in '000	%
Meezan Aamdan Certificates	1,005,447	67.40	918,936	86.44
Al Meezan Mutual Fund	56,629	3.80	56,293	5.30
Meezan Asset Allocation Plan	63,881	4.28	59,694	5.62
Fatima Fertilizer Company Limited - Sukuk	5,886	0.39	8,829	0.83
Bank Islami Pakistan Limited - Additional Tier 1 Sukuk	5,000	0.34	-	-
Fixed deposit with Dubai Islamic Bank Limited	350,000	23.46	-	-
Savings account with Meezan Bank Limited	4,903	0.33	19,285	1.81
	1,491,746	100.00	1,063,037	100.00

37.5 The movement in the defined benefit obligation over the year is as follows:

	2019		
	Present value of obligation	Fair value of plan assets	Total
	Rupees in '000		
At January 1	1,386,260	(1,063,037)	323,223
Current service cost	308,887	-	308,887
Return expense / (income)	182,129	(163,407)	18,722
	1,877,276	(1,226,444)	650,832
Remeasurements:			
- Return on plan assets, excluding amounts included in return expense / (income) shown as above	-	(14,540)	(14,540)
- Experience gains	(69,007)	-	(69,007)
	(69,007)	(14,540)	(83,547)
	1,808,269	(1,240,984)	567,285
Contribution	-	(323,223)	(323,223)
Benefit payments	(72,461)	72,461	-
At December 31	1,735,808	(1,491,746)	244,062

Notes to and forming part of the Unconsolidated Financial Statements

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		2018	
		Present value of obligation	Fair value of plan assets
		Rupees in '000	
		Total	
At January 1		1,297,029	(855,904)
Current service cost		291,330	-
Return expense / (income)		115,726	(96,168)
		1,704,085	(952,072)
Remeasurements:			
- Return on plan assets, excluding amounts included in return expense / (income) shown as above		-	201,822
- Experience gains		(189,487)	-
		(189,487)	201,822
		1,514,598	(750,250)
Contribution		-	(441,125)
Benefit payments		(128,338)	128,338
At December 31		1,386,260	(1,063,037)

37.6	Charge for defined benefit plan (in respect of the Gratuity Funded Scheme)	2019	2018
		Rupees in '000	
37.6.1	Cost recognised in profit and loss		
	Current service cost	308,887	291,330
	Net return cost	18,722	19,558
		327,609	310,888
37.6.2	Re-measurements recognised in OCI during the year		
	Loss on obligation - experience adjustment	(69,007)	(189,487)
	Return on plan assets over expected return	(14,540)	201,822
	Total re-measurements recognised in OCI	(83,547)	12,335

Total expense recognized in Profit and Loss Account amounted to Rs 384.532 million (2018: Rs 351.317 million) of which Rs 327.609 million (2018: Rs 310.888 million) pertains to approved Gratuity Funded Scheme and Rs 56.923 million (2018: Rs 40.429 million) pertains to End of Service Unfunded Defined Benefit Scheme. Total credit recognized in Other Comprehensive Income amounted to Rs 124.144 million (2018: credit of Rs 1.998 million) of which credit of Rs 83.547 million (2018: charge of Rs 12.335 million) pertains to Gratuity Funded Scheme and credit of Rs 40.597 million (2018: credit of 14.333 million) pertains to End of Service Unfunded Defined Benefit Scheme.

37.7	The plan assets and defined benefit obligations (in respect of the Gratuity Funded Scheme) are based in Pakistan.		
37.8	Principal actuarial assumptions	2019	2018
	Discount rate	13.00% p.a	13.75% p.a
	Expected rate of increase in salaries	12.00% p.a	12.75% p.a
	Expected rate of return on investments	13.00% p.a	13.75% p.a
	Normal retirement age	60 years	60 years
37.9	Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables.		

Notes to and forming part of the Unconsolidated Financial Statements

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37.10 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Impact on defined benefit obligation - Increase / (Decrease)	
		Increase in assumption	Decrease in assumption
		Rupees in '000	
Discount rate	1%	(179,969)	212,867
Salary growth rate	1%	221,547	(189,896)
Withdrawal rate	10%	4,013	(4,183)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the Statement of Financial Position.

37.11 The weighted average duration of the defined benefit obligation is 10.92 years.

37.12 Expected maturity analysis of undiscounted defined benefit obligation for the Gratuity Funded Scheme is as follows:

At December 31, 2019	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Rupees in '000				
Gratuity	109,607	104,800	276,556	12,749,713	13,240,676

37.13 Funding levels are monitored on an annual basis and are based on actuarial recommendations. Contribution for the next year works out to Rs 321.943 million as per the actuarial valuation report of the Bank as of December 31, 2019.

37.14 Through its Gratuity Funded Scheme, the Fund is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to corporate sukuk yields; if plan assets underperform to the yield, this will create a deficit. The Fund believes that due to long-term nature of the plan liabilities and the strength of the Bank's support, the current investment strategy manages this risk adequately.
Changes in Sukuk yields	A decrease in corporate sukuk yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' sukuk holdings.
Inflation risk	The majority of the plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities. However, plan assets are variable rate instruments and are re-priced at regular intervals to off set inflationary impacts.
Life expectancy / Withdrawal rate	The majority of the plans' obligations are to provide benefits on severance with the Bank on achieving retirement. Any change in life expectancy / withdrawal rate would impact plan liabilities.

37.15 End of Service Unfunded Defined Benefit Scheme

The Bank also operates an End of Service Unfunded Defined Benefit Scheme for the founding President and Chief Executive Officer.

The charge in respect of current service cost is recognised based on expected period of future service. The net charge for the year of this benefit amounted to Rs 16.326 million. The charge of Rs 56.923 million has been recognized in the Profit and Loss Account and the credit / reversal of Rs 40.597 million has been recognized in Other Comprehensive Income. The present value of defined benefit obligation recognised in respect of this scheme amounts to Rs 317.180 million.

The principal actuarial assumptions comprise of discount rate of 13 percent and salary increase rate of 12 percent. The retirement age used by the actuary is 66 years. The sensitivity of the defined benefit obligation due to a one percent change in discount rate would be Rs 1.394 million (in case the discount rate is increased) and Rs 1.413 million (in case the discount rate is decreased). The sensitivity of the defined benefit obligation due to change in withdrawal rates would be higher by Rs 0.03 million (in case of ten percent increase in assumption) and lower by Rs 0.03 million (in case of ten percent decrease in assumption). These sensitivities are calculated using the same methodology as explained in note 37.10.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

37.16 The disclosures made in notes 37.1 to 37.15 are based on the information included in the actuarial valuation reports of the Bank as of December 31, 2019.

38 DEFINED CONTRIBUTION PLAN

The Bank also operates a recognized contributory provident fund for all permanent employees. Equal monthly contributions are made, both by the Bank and the employees, to the fund at a rate of 10% of basic salary.

	2019	2018
	Rupees in '000	
Contribution from the Bank	313,163	271,165
Contribution from the employees	313,163	271,165
	<u>626,326</u>	<u>542,330</u>

39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

	2019						
	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executives (other than CEO)	Non- Executives				
	Rupees in '000						
Fees and allowances	12,219	-	45,199	27,133	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	-	70,506	288,201	316,399
ii) Cash Bonus	-	-	-	-	126,911	294,065	250,000
Charge for gratuity fund / EOSB	-	-	-	-	16,326	8,248	14,429
Contribution to defined contribution plan	-	-	-	-	-	9,743	17,116
Others	-	-	-	-	1,333	1,508	-
	12,219	-	45,199	27,133	215,076	601,765	597,944
Number of persons	1	-	10	4	1	19	57

	2018						
	Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Chairman	Executives (other than CEO)	Non- Executives				
	Rupees in '000						
Fees and allowances	10,011	-	38,531	23,082	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	-	70,506	252,218	299,736
ii) Cash Bonus / Awards	-	-	-	-	105,759	194,189	175,718
Charge for gratuity fund / EOSB	-	-	-	-	26,096	8,623	13,268
Contribution to defined contribution plan	-	-	-	-	-	9,054	15,590
Others	-	-	-	-	1,297	1,322	-
	10,011	-	38,531	23,082	203,658	465,406	504,312
Number of persons	1	-	8	4	1	17	57

39.1 The Chief Executive, the key management personnel and certain material risk takers / controllers have been provided with free use of the Bank's cars.

39.2 The amount of cash bonus to the key management personnel and other material risk takers / controllers, is based on the management's best estimate.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

39.3 Remuneration to Directors for participation in Board and Committee Meetings

2019							
Sr. No.	Name of Director	Meeting Fees and Allowances					
		For Board Meetings	For Board Committees				Total Amount
			Board Audit Committee	Risk Management Committee	Information Technology Committee	Human Resources and Remuneration Committee	
Rupees in '000							
1	Mr Riyadh S.A.A. Edrees (Chairman)	10,997	-	-	-	1,222	12,219
2	Mr Faisal A.A.A. Al-Nassar (Vice Chairman)	6,752	939	1,080	-	-	8,771
3	Mr Bader H.A.M.A. Al Rabiah	4,277	909	-	-	-	5,186
4	Mr Alaa A. Al-Sarawi	3,181	909	-	-	909	4,999
5	Mr Mohamed Guermazi	2,190	-	310	-	-	2,500
6	Mr Saad Fazil Abbasi	3,705	-	1,059	-	-	4,764
7	Mr Mubashar Maqbool	1,089	-	311	311	-	1,711
8	Mr Noorur Rahman Abid	4,261	1,217	-	594	1,217	7,289
9	Ms Nausheen Ahmad	3,271	-	-	-	624	3,895
10	Mr Atif Azim	2,183	-	-	624	-	2,807
11	Mr Mansur Khan	2,085	-	-	596	596	3,277
		43,991	3,974	2,760	2,125	4,568	57,418

2018							
Sr. No.	Name of Director	Meeting Fees and Allowances					
		For Board Meetings	For Board Committees				Total Amount
			Board Audit Committee	Risk Management Committee	Information Technology Committee	Human Resources and Remuneration Committee	
Rupees in '000							
1	Mr Riyadh S.A.A. Edrees (Chairman)	9,010	-	-	-	1,001	10,011
2	Mr Faisal A.A.A. Al-Nassar (Vice Chairman)	6,256	-	1,001	-	-	7,257
3	Mr Bader H.A.M.A. Al Rabiah	3,504	-	-	-	-	3,504
4	Mr Alaa A. Al-Sarawi	3,503	1,001	-	-	-	4,504
5	Mr Mansur Khan	3,501	-	-	1,001	-	4,502
6	Mr Noorur Rahman Abid	3,501	1,001	-	-	1,001	5,503
7	Mr Mohammad Abdul Aleem	3,501	1,001	-	1,001	-	5,503
8	Mr Muhammad Zarrug Rajab	2,530	723	-	-	-	3,253
9	Mr Talal S.A. Al-Shehab	3,504	-	-	-	1,001	4,505
		38,810	3,726	1,001	2,002	3,003	48,542

39.4 Remuneration to Members Shariah Board

	2019			2018		
	Chairman	Resident Member	Non Resident Members	Chairman	Resident Member	Non Resident Members
	Rupees in '000					
Fee and allowances	-	2,912	24,221	-	1,780	21,302
Total number of persons	1	1	2	1	1	2

Notes to and forming part of the Unconsolidated Financial Statements

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40 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares, listed sukuk, units of open end mutual fund and global sukuk bonds classified as available for sale.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of GoP Ijarah sukuk classified as available for sale.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

There were no transfers between levels 1 and 2 during the year.

Valuation techniques used in determination of fair values

Item	Valuation approach and input used
GoP Sukuk	The fair value of GoP Ijarah Sukuk quoted are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined/ approved dealers / brokers.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by SBP.
Foreign Sukuk	The valuation has been determined through closing rates of Bloomberg.
Listed Securities	The valuation has been determined through closing rates of Pakistan Stock Exchange.
Mutual Funds	The valuation has been determined based on Net asset values declared by respective funds.

Fair value of Islamic financing and related assets, other assets, other liabilities and fixed deposits and other accounts cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of Islamic financing and related assets has been calculated in accordance with the Bank's accounting policy as stated in note 6.3.2.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these assets and liabilities are short term in nature or in the case of financings and deposits are frequently repriced.

40.2 The table below analyses financial and non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cash flows) (Level 3).

Notes to and forming part of the Unconsolidated Financial Statements

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	2019			
Recurring Fair Value Measurements	Level 1	Level 2	Level 3	Total
		Rupees in '000		
ON BALANCE SHEET FINANCIAL INSTRUMENTS				
Investments - Net				
Financial Assets				
Available for sale securities				
Ordinary shares - listed	5,544,826	-	-	5,544,826
Pakistan Energy Sukuk - listed	97,362,650	-	-	97,362,650
GoP Sukuk	-	12,792,286	-	12,792,286
Foreign Sukuk	8,083,166	-	-	8,083,166
OFF BALANCE SHEET FINANCIAL INSTRUMENTS				
Forward purchase of foreign exchange contracts	-	154,054,304	-	154,054,304
Forward sale of foreign exchange contracts	-	118,014,717	-	118,014,717

	2018			
Recurring Fair Value Measurements	Level 1	Level 2	Level 3	Total
		Rupees in '000		
ON BALANCE SHEET FINANCIAL INSTRUMENTS				
Investments - Net				
Financial Assets				
Available for sale securities				
Ordinary shares - listed	4,347,184	-	-	4,347,184
Units of open end fund	51,483	-	-	51,483
GoP Sukuk	-	18,715,223	-	18,715,223
PIA Sukuk	-	1,500,000	-	1,500,000
Foreign Sukuk	7,455,428	-	-	7,455,428
OFF BALANCE SHEET FINANCIAL INSTRUMENTS				
Forward purchase of foreign exchange contracts	-	74,597,244	-	74,597,244
Forward sale of foreign exchange contracts	-	44,659,254	-	44,659,254

Investment in associates (listed - mutual funds) have market value of Rs 1,583 million (2018: Rs 1,498 million) which is being valued under level 2. These are carried at cost in the financial statements in accordance with the bank's accounting policy.

40.3 Fair value of non-financial assets

Non-banking assets acquired in satisfaction of claims have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 14. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. 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. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

40.4 Financial assets not measured at fair value	Carrying Value	
	2019	2018
	Rupees in '000	
Cash and balances with treasury banks	92,193,361	65,022,041
Balances with other banks	15,372,233	8,255,187
Due from financial institutions - net	223,689,325	184,814,600
Investments - net	101,863,234	91,673,549
Islamic financings and related assets - net	493,775,346	512,564,522
Other assets - net	44,508,630	26,293,396

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

41 SEGMENT ANALYSIS

41.1 Segment Details with respect to Business Activities:

	2019					
	Corporate and Commercial banking	Retail banking	Trading and sales	Others	Inter-segment Eliminations	Total
	Rupees in '000					
Profit and Loss Account						
External Revenue	51,893,574	9,320,828	39,940,952	2,435,293	-	103,590,647
Inter segment revenue - net	-	75,722,753	-	197,777	(75,920,530)	-
Total Income	51,893,574	85,043,581	39,940,952	2,633,070	(75,920,530)	103,590,647
Segment direct expenses	3,276,695	68,331,140	842,189	803,514	-	73,253,538
Inter segment expense allocation	41,590,952	-	34,329,578	-	(75,920,530)	-
Total expenses	44,867,647	68,331,140	35,171,767	803,514	(75,920,530)	73,253,538
Provisions and write offs - net	1,418,899	1,670,240	1,097,291	-	-	4,186,430
Profit before tax	5,607,028	15,042,201	3,671,894	1,829,556	-	26,150,679
Statement of Financial Position						
Cash and Bank balances	-	100,667,273	6,898,321	-	-	107,565,594
Due from financial institutions - net	-	-	223,689,325	-	-	223,689,325
Investments - net	16,564,479	-	209,081,683	-	-	225,646,162
Net inter segment lending	-	792,265,062	-	529,069	(792,794,131)	-
Islamic financings and related assets - net	407,789,877	85,985,469	-	-	-	493,775,346
Others	18,646,459	28,202,430	23,732,938	-	-	70,581,827
Total Assets	443,000,815	1,007,120,234	463,402,267	529,069	(792,794,131)	1,121,258,254
Due to financial institutions	41,129,507	909,114	8,769	-	-	42,047,390
Deposits and other accounts	-	932,579,114	-	-	-	932,579,114
Subordinated Sukuk	14,000,000	-	-	-	-	14,000,000
Net inter segment borrowing	354,244,023	-	438,550,108	-	(792,794,131)	-
Others	10,310,734	62,323,490	453,045	529,069	-	73,616,338
Total liabilities	419,684,264	995,811,718	439,011,922	529,069	(792,794,131)	1,062,242,842
Equity	23,316,551	11,308,516	24,390,345	-	-	59,015,412
Total Equity and liabilities	443,000,815	1,007,120,234	463,402,267	529,069	(792,794,131)	1,121,258,254
Contingencies and Commitments	411,637,486	73,364,190	267,088,452	-	-	752,090,128

Notes to and forming part of the Unconsolidated Financial Statements

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	2018					
	Corporate and Commercial banking	Retail banking	Trading and sales	Others	Inter-segment Eliminations	Total
	Rupees in '000					
Profit and Loss Account						
External Revenue	28,610,386	5,880,628	19,411,444	2,184,503	-	56,086,961
Inter segment revenue - net	-	39,985,198	-	92,553	(40,077,751)	-
Total Income	28,610,386	45,865,826	19,411,444	2,277,056	(40,077,751)	56,086,961
Segment direct expenses	1,802,047	36,514,095	1,262,603	547,759	-	40,126,504
Inter segment expense allocation	23,370,533	-	16,707,218	-	(40,077,751)	-
Total expenses	25,172,580	36,514,095	17,969,821	547,759	(40,077,751)	40,126,504
Provisions and write offs - net	826,756	22,847	318,448	-	-	1,168,051
Profit before tax	2,611,050	9,328,884	1,123,175	1,729,297	-	14,792,406
Statement of Financial Position						
Cash and Bank balances	-	70,880,687	2,396,541	-	-	73,277,228
Due from financial institutions - net	-	-	184,814,600	-	-	184,814,600
Investments - net	21,076,097	-	102,666,770	-	-	123,742,867
Net inter segment lending	-	671,148,377	-	297,553	(671,445,930)	-
Islamic financings and related assets - net	431,967,241	80,597,281	-	-	-	512,564,522
Others	16,888,683	20,233,304	6,394,201	-	-	43,516,188
Total Assets	469,932,021	842,859,649	296,272,112	297,553	(671,445,930)	937,915,405
Due to financial institutions	23,171,084	627,074	12,609,653	-	-	36,407,811
Deposits and other accounts	-	785,476,944	-	-	-	785,476,944
Subordinated Sukuk	14,000,000	-	-	-	-	14,000,000
Net inter segment borrowing	400,580,898	-	270,865,032	-	(671,445,930)	-
Others	11,971,613	49,371,553	56,876	297,553	-	61,697,595
Total liabilities	449,723,595	835,475,571	283,531,561	297,553	(671,445,930)	897,582,350
Equity	20,208,426	7,384,078	12,740,551	-	-	40,333,055
Total Equity and liabilities	469,932,021	842,859,649	296,272,112	297,553	(671,445,930)	937,915,405
Contingencies and Commitments	301,374,997	45,715,180	118,865,323	-	-	465,955,500

42. TRUST ACTIVITIES

The Bank provides trustee services in respect of Islamic Financing transactions. The services primarily includes holding of assets as security trustee on behalf of investors.

43. RELATED PARTY TRANSACTIONS

43.1 Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes a subsidiary company, associated companies, retirement benefit funds, directors, and key management personnel and their close family members.

43.2 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 key management personnel is determined in accordance with the terms of their appointment.

43.3 Subsidiary company

- Al Meezan Investment Management Limited

43.4 Key management personnel

- President and Chief Executive Officer
- Deputy Chief Executive Officer

Notes to and forming part of the Unconsolidated Financial Statements

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43.5 Details of transactions with related parties and balances with them (other than those disclosed in respective notes) as at the year-end as are follows:

	Total		Subsidiary		Associates		Directors		Key Management Personnel		Other Related Parties	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees in '000											
Islamic financing and related assets												
At January 1,	437,528	776,443	-	99,939	437,528	676,504	-	-	-	-	-	-
Addition during the year	3,458,959	3,732,561	-	-	3,458,959	3,732,561	-	-	-	-	-	-
Deletion during the year	(3,327,239)	(4,071,476)	-	(99,939)	(3,327,239)	(3,971,537)	-	-	-	-	-	-
At December 31	569,248	437,528	-	-	569,248	437,528	-	-	-	-	-	-
Investments												
At January 1,	897,811	1,957,811	63,050	63,050	834,761	1,894,761	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-	-	-	-	-	-	-
Deletion during the year	-	(1,060,000)	-	-	-	(1,060,000)	-	-	-	-	-	-
At December 31	897,811	897,811	63,050	63,050	834,761	834,761	-	-	-	-	-	-
Due from financial institutions												
At January 1,	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the year	24,985,377	-	-	-	24,985,377	-	-	-	-	-	-	-
Deletion during the year	-	-	-	-	-	-	-	-	-	-	-	-
At December 31	24,985,377	-	-	-	24,985,377	-	-	-	-	-	-	-

Balances pertaining to parties that were related at the beginning of the year but ceased to be related during any part of the current year are not reflected as part of the closing balance. However, new related parties have been added during the year. The same are accounted for through the movement presented above.

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	Total		Subsidiary		Associates		Directors		Key Management Personnel		Other Related Parties	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Rupees in '000												
Deposits	5,164,559	5,255,327	10,349	32,351	1,171,564	1,125,645	95,662	107,304	171,382	523,483	3,715,602	3,466,544
Other Assets												
Profit receivable on financing / investments / placements	710,269	12,820	-	-	710,269	12,820	-	-	-	-	-	-
Fee and other receivable	24,011	26,855	22,408	22,355	1,603	1,000	-	-	-	-	-	3,500
Sub-ordinated Sukuk (Tier II)	568,000	618,000	-	-	568,000	618,000	-	-	-	-	-	-
Other Liabilities												
Payable to defined benefit plan	561,242	624,077	-	-	-	-	-	-	317,180	300,854	244,062	323,223
Accrued Expenses	202,500	2,921	2,500	2,921	-	-	-	-	-	-	200,000	-
Contingencies and Commitments												
Letters of credit (unfunded)	26,076	27,572	-	-	26,076	27,572	-	-	-	-	-	-
Letters of Guarantee (unfunded)	100	100	100	100	-	-	-	-	-	-	-	-
Transactions, income and expenses												
Profit earned on financing / investments / placements	735,170	49,035	-	2,378	735,170	46,657	-	-	-	-	-	-
Fees and other income earned	117,417	161,328	99,691	97,868	17,726	63,460	-	-	-	-	-	-
Dividend income earned	65,000	325,000	65,000	325,000	-	-	-	-	-	-	-	-
Capital gain - net	-	2,582	-	-	-	2,582	-	-	-	-	-	-
Return on deposits / borrowing expensed	705,697	250,890	2,425	1,211	270,336	43,468	1,166	1,463	27,991	12,303	403,779	192,445
Recovery of expenses	2,616	-	-	-	-	-	-	-	-	-	2,616	-
Charge for defined benefit plan	244,062	323,223	-	-	-	-	-	-	-	-	244,062	323,223
Contribution to defined contribution plan	313,163	271,165	-	-	-	-	-	-	-	-	313,163	271,165
Contribution to staff benevolent fund	20,000	20,000	-	-	-	-	-	-	-	-	20,000	20,000
Fees expensed	9,331	12,011	9,331	12,011	-	-	-	-	-	-	-	-
Donation	200,000	-	-	-	-	-	-	-	-	-	200,000	-
Charity Paid	29,400	28,000	-	-	-	-	-	-	-	-	29,400	28,000
Remuneration to key management personnel	352,828	325,879	-	-	-	-	-	-	352,828	325,879	-	-
Fee to non-executive directors (note 39)	57,418	48,542	-	-	-	-	57,418	48,542	-	-	-	-

44 CAPITAL ASSESSMENT AND ADEQUACY BASEL SPECIFIC

Capital structure

The State Bank of Pakistan (SBP) introduced updated guidelines with respect to disclosure of capital adequacy related information in the financial statements of banks vide its communication dated November 5, 2014. These guidelines are based on the requirements of Basel III which were introduced earlier by the SBP in August 2013 for implementation by banks in Pakistan. The SBP had specified a transitional period for implementing new standards which came to its end on December 31, 2019. The disclosures below have been prepared on the basis of these new guidelines. The comparative information is as per requirements which were applicable last year.

44.1 Capital structure

Under Basel III framework, the Bank's regulatory capital has been analysed into two tiers as follows:

- Tier 1 capital (going concern capital) which is sub divided into:
 - a) Common Equity Tier 1 (CET1), which includes fully paid up capital, balance in share premium account, reserve for bonus issue, general reserves and unappropriated profits (net of losses), after regulatory deductions for investment in own shares, and book value of intangibles.
 - b) Additional Tier 1 capital (AT1), which includes perpetual, unsecured, sub-ordinated, non-cumulative and contingent convertible Sukuk instrument issued by the Bank.
- Tier II capital, which includes sub-ordinated sukuk, general provisions for loan losses (upto a maximum of 1.25% of credit risk weighted assets), reserves on revaluation of available for sale investments after deduction of indirect holding of own capital.

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Banking operations are categorised in either the trading book or the banking book and risk weighted assets are determined according to the specified requirements that seek to reflect the varying levels of risk attached to assets and off balance sheet exposures.

The required capital adequacy ratio is achieved by the Bank through:

- (a) Adequate level of paid up capital;
- (b) Adequate risk profile of asset mix;
- (c) Ensuring better recovery management; and
- (d) Maintaining acceptable profit margins

44.2 Capital adequacy ratio

The main objective of the capital management is to improve the financial position and strengthen the statement of financial position of the Bank to support the growth in business, provide protection to depositors and enhance shareholders' value.

The Bank's Board and the management is committed to maintaining a sound balance between depositors' liability and shareholders' funds so that optimal capital / debt ratio is maintained. The optimal capital / debt ratio will provide reasonable assurance to depositor's about safety and security of their funds and at the same time provide impetus to the management to invest their depositors' funds into profitable ventures without compromising the risk profile of the Bank. The capital requirement of the Bank has been determined based on the projected growth plan to be achieved in the next 3 years in all areas of business operations. Further, it also takes into account a road map for capital enhancement as directed by the SBP vide its various circulars issued from time to time.

The Bank prepares Annual Budget and Three Year Plan for purpose of the growth map and future direction. Bottom up approach is used to prepare annual budget and detailed deliberations are held while preparing Three Year Plan. The growth prospects takes into consideration prevailing economic and political factors in Pakistan and abroad.

In implementing current capital requirements the SBP requires banks to maintain minimum Capital Adequacy Ratio (CAR) of 12.50% as of December 31, 2019 whereas CAR stood at 16.58% at the year ended December 31, 2019.

The Bank calculates capital adequacy ratio for credit risk, market risk and operational risk based upon requirements under Basel Accord as per guidelines issued by the SBP from time to time in this regard.

Sensitivity and stress testing of the Bank under different risk factors namely yield rate, forced sale value of collateral, non-performing financings and foreign exchange rate depicts that the Bank's capital adequacy ratio is above the regulatory requirements.

The Bank has taken into account credit risk, market risk and operational risk when planning its assets.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

45 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2019	2018
	Rupees in '000	
Minimum Capital Requirement		
Paid-up capital (net of losses)	12,861,116	11,691,924
Capital Adequacy Ratio		
Eligible Common Equity Tier 1 Capital	48,792,920	39,591,737
Eligible Additional Tier 1 Capital	7,000,000	7,000,000
Total Eligible Tier 1 Capital	55,792,920	46,591,737
Eligible Tier 2 Capital	15,831,790	9,916,173
Total Eligible Capital (Tier 1 + Tier 2)	71,624,710	56,507,910
Risk Weighted Assets		
Credit Risk	342,265,372	323,126,915
Market Risk	14,948,695	11,628,453
Operational Risk	74,650,912	53,645,290
Total	431,864,979	388,400,658
Common Equity Tier 1 Capital Adequacy ratio	11.30%	10.19%
Tier 1 Capital Adequacy Ratio	12.92%	12.00%
Total Capital Adequacy Ratio	16.58%	14.55%
Leverage Ratio		
Tier-1 Capital	55,792,920	46,591,737
Total Exposures	1,306,069,711	1,054,746,721
Leverage Ratio	4.27%	4.42%
Liquidity Coverage Ratio		
Total High Quality Liquid Assets	173,028,388	120,562,308
Total Net Cash Outflow	90,017,680	94,253,108
Liquidity Coverage Ratio	192%	147%
Net Stable Funding Ratio		
Total Available Stable Funding	874,633,651	716,111,391
Total Required Stable Funding	536,584,783	550,702,281
Net Stable Funding Ratio	163%	130%

45.1 Full disclosure on Capital Adequacy, Leverage Ratio & Liquidity Requirements prepared as per SBP instructions is available at [http:// www.meezanbank.com](http://www.meezanbank.com)

46 RISK MANAGEMENT

The wide variety of the Bank's business activities require the Bank to identify, assess, measure, aggregate and manage risks effectively which are constantly evolving as the business activities expand in response to the Bank's strategy and growth. The Bank manages the risk through a framework of risk management encompassing policies and procedures, organisational structures, risk measurement and monitoring processes and techniques that are closely aligned with business activities of the Bank.

Risk management principles

- The Board of Directors (the Board) provides overall risk management supervision. The Board Risk Management Committee regularly reviews the Bank's risk profile.
- The Bank has set up objectives and policies to manage the risks that arise in connection with the Bank's activities. The risk management framework and policies of the Bank are guided by specific objectives to ensure that comprehensive and adequate risk management tools and techniques are established to mitigate the salient risk elements in the operations of the Bank.
- The establishment of the overall financial risk management objectives is consistent and in tandem with the strategy to create and enhance shareholders' value, whilst guided by a prudent risk management framework.
- The structure of risk management function is closely aligned with the organisational structure of the Bank.
- The risk management function is independent of the Bank's operations.

Notes to and forming part of the Unconsolidated Financial Statements

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Risk management organisation

The Board Risk Management Committee comprises of four non-executive directors. One of the non-executive directors of the Bank chairs the Risk Management Committee.

Specialized Committees comprising of Senior Management team members perform their functions in line with the strategic direction set by the Board while ensuring that there is optimal balance between risk reward trade-off. The Committees include:

Name of the sub-committee	Chaired by
Credit Risk Management Committee (CRMC)	President & CEO
Asset and Liability Management Committee (ALCO)	President & CEO
Compliance & Operational Risk Management Committee (CORMC)	President & CEO

CRMC is responsible to oversee credit risk activities on bank wide basis while ensuring compliance with regulatory requirements and internal policies. Its responsibilities also include to provide support and guide front lines in managing their businesses, perform finance portfolio review, establish financing standards and benchmarks, maintain adequate industry diversification and decide upon provisioning. It is also required to delegate financing approving powers & prudential limits on large financing exposures. Credit Committee, a sub-committee of CRMC is the highest level body for approval of financing transactions.

ALCO is responsible for reviewing the Asset and Liability structure of the Bank, monitoring the liquidity situation and overall changing market scenario. Market and Liquidity risks are examined based on stress testing exercises and gap analysis. ALCO is also responsible for monitoring policy rate movements and taking necessary steps across various products to ensure that the overall profitability of the Bank is maximized without compromising on risk appetite. ALCO also ensures that the Banks' overall operations are fully compliant with regulatory framework for the business as provided by the State Bank of Pakistan.

The CORMC is responsible for overseeing compliance risk by reviewing the adequacy of controls in place to meet regulatory requirements. The Committee is responsible for promoting compliance culture in the Bank, facilitate in implementation of Compliance Program and oversee Money Laundering and Financing Terrorism risk. In addition, the Committee also oversees Operational Risk Framework by ensuring that policies and procedures are in place in all Key risk areas and by reviewing Key Risk Indicators. The Committee also monitors level of compliance of major unresolved and recurring issues pointed out in the Internal Audit, Shariah Audit and SBP Inspection Report.

The Bank's risk management, compliance, internal audit and legal departments support the risk management function. The role of the risk management department is to assess, measure, identify risks and established risk mitigants through a detailed policy and monitoring framework. The compliance department ensures that all the directives and guidelines issued by the SBP are being complied with in order to mitigate the compliance risk. The internal audit and BRR department reviews the compliance of internal control procedures with internal and regulatory standards.

46.1 Credit Risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligations is impaired resulting in economic loss to the Bank. This credit risk arises mainly from both direct financing activities as well as contingent liabilities.

Credit risk management and structure

The Bank manages credit risk by effective credit appraisal mechanism, approving and reviewing authorities, limit structures, internal credit risk rating system, collateral management and post disbursement monitoring so as to ensure prudent financing activities and sound financing portfolio under the umbrella of a comprehensive Financing Policy approved by the Board of Directors. A comprehensive financing procedural manual approved by the senior management is also in place. The Bank also ensures diversification of its portfolio into different business segments, products and sectors. Further, to avoid risk concentration; counterparty limits, counterparty group limits and industry concentration limits are also established, monitored and assessed in the light of changing counterparty and market conditions.

Watchlist procedure is also functioning which identifies financings with early warning indicators in respect of clients having the potential to become non performing. The risk management function also monitors the non-performing financing portfolio of the Bank and reports all significant matters to the Board Risk Management Committee.

The Bank takes into account the risk mitigating effect of the eligible collaterals for the calculation of capital requirement for credit risk. Use of Credit Risk Mitigation (CRM) resulted in the total credit risk weighted amount of Rs 342,265.372 million (2018: Rs 323,126.915 million).

Thus, use of CRM resulted in capital adequacy ratio of the Bank of 16.58%.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

46.1.1 Segmental information

46.1.1.1 Due from financial institutions

Credit risk by public / private sector

	Gross amount due from financial institutions		Non-performing amount due from financial institution		Provision held	
	2019	2018	2019	2018	2019	2018
	Rupees in '000					
Public/ Government	163,347,061	75,782,901	-	-	-	-
Private	60,383,830	109,073,265	41,566	41,566	41,566	41,566
	223,730,891	184,856,166	41,566	41,566	41,566	41,566

46.1.1.2 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Provision held	
	2019	2018	2019	2018	2019	2018
	Rupees in '000					
Automobile and transportation equipment	776,919	697,495	-	-	-	-
Cement	500,000	500,000	-	-	-	-
Chemical and Pharmaceuticals	45,896	53,648	45,896	53,648	45,896	53,648
Construction and allied industries	400,000	400,000	-	-	-	-
Federal Government Securities	96,658,346	89,420,405	-	-	-	-
Fertilizer	-	175,000	-	-	-	-
Financial	2,986,023	2,773,756	-	-	-	-
Foreign Government Securities	4,666,473	4,788,337	-	-	-	-
Oil and Gas	4,350,000	5,800,000	-	-	-	-
Power (electricity)	95,199,348	11,074,050	-	-	-	-
Textile	266,987	116,987	116,987	116,987	116,987	116,987
Transport, Storage and Communication	-	2,433,333	-	-	-	-
	205,849,992	118,233,011	162,883	170,635	162,883	170,635

Credit risk by public / private sector

	Gross investments		Non-performing investments		Provision held	
	2019	2018	2019	2018	2019	2018
	Rupees in '000					
Public/ Government	198,315,800	110,137,212	-	-	-	-
Private	7,534,192	8,095,799	162,883	170,635	162,883	170,635
	205,849,992	118,233,011	162,883	170,635	162,883	170,635

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46.1.1.3 Islamic financing and related assets

Credit risk by industry sector

	Gross amounts		Non-performing amounts		Provision held	
	2019	2018	2019	2018	2019	2018
Rupees in '000						
Agriculture, Feed Mills, Poultry, Dairy, Forestry and Fishing	6,532,725	6,375,526	54,637	-	53,338	-
Automobile and transportation equipment	17,428,237	10,788,382	642,232	631,912	642,232	628,164
Cement	14,735,150	13,151,742	-	-	-	-
Chemical and Pharmaceuticals	14,159,334	13,500,193	75,137	88,671	75,137	81,421
Construction and allied industries	21,959,860	26,154,132	462,354	36,443	139,135	36,443
Electronics and electrical appliances	5,556,206	5,382,465	-	37,800	-	37,800
Exports/Imports	2,424,536	2,953,481	155,324	154,767	155,324	154,767
Fertilizer	6,254,098	9,758,803	38,833	38,833	38,833	38,833
Financial	778,364	1,359,991	-	-	-	-
Food	106,554,649	118,998,351	999,984	439,156	972,992	435,968
Footwear and Leather garments	3,641,150	3,028,701	201,201	230,006	201,201	230,006
Individuals	49,641,378	50,039,790	383,905	334,438	241,345	228,583
Insurance	247,572	211,676	-	-	-	-
Mining and Quarrying	6,284,400	2,727,796	-	-	-	-
Oil and Gas	22,022,980	35,817,044	-	-	-	-
Paper, board and packaging	9,808,539	10,221,330	285,327	99,905	190,601	97,890
Power (electricity)	80,339,579	71,885,424	846,119	-	846,119	-
Services	7,979,122	4,754,839	24,220	19,616	21,909	19,616
Sugar	6,511,846	11,456,405	108,718	108,718	108,718	108,718
Textile	85,320,362	82,653,750	4,323,075	4,336,655	4,278,286	4,272,687
Transport, Storage and Communication	23,973,248	23,466,606	92,884	53,791	41,417	30,534
Wholesale and Retail Trade	10,940,491	12,699,242	153,068	279,220	140,868	275,010
Others	3,418,750	4,878,094	148,701	95,311	137,064	95,090
	506,512,576	522,263,763	8,995,719	6,985,242	8,284,519	6,771,530

Credit risk by public / private sector

	Gross amounts		Non-performing amounts		Provision held	
	2019	2018	2019	2018	2019	2018
Rupees in '000						
Public/ Government	121,590,108	138,584,630	-	-	-	-
Private	384,922,468	383,679,133	8,995,719	6,985,242	8,284,519	6,771,530
	506,512,576	522,263,763	8,995,719	6,985,242	8,284,519	6,771,530

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46.1.1.4 Contingencies and Commitments

Credit risk by industry sector

	2019	2018
	Rupees in '000	
Agriculture, Feed Mills, Poultry, Dairy, Forestry and Fishing	3,888,017	10,427,720
Automobile and transportation equipment	10,379,265	7,746,560
Cement	2,205,610	7,054,100
Chemical and Pharmaceuticals	16,519,610	15,021,157
Construction and allied industries	20,041,620	24,290,006
Electronics and electrical appliances	5,637,909	5,390,375
Exports/Imports	1,114,977	899,538
Fertilizer	10,264,420	19,817,808
Financial	202,504,092	110,082,698
Food	48,788,281	38,801,583
Footwear and Leather garments	5,025,428	5,036,464
Individuals	20,880,737	26,649,477
Insurance	146,942	-
Mining and Quarrying	2,778,730	2,272,204
Oil and Gas	32,763,650	9,840,327
Paper, board and packaging	11,008,615	7,973,098
Power (electricity)	72,679,466	31,795,720
Services	43,451,226	25,106,116
Sugar	20,553,186	17,893,407
Textile	183,142,496	83,632,808
Transport, Storage and Communication	12,157,381	1,859,337
Wholesale and Retail Trade	18,985,405	7,973,811
Others	7,173,065	6,391,186
	<u>752,090,128</u>	<u>465,955,500</u>
Credit risk by public / private sector		
Public/ Government	92,505,223	37,375,897
Private	659,584,905	428,579,603
	<u>752,090,128</u>	<u>465,955,500</u>

46.1.1.5 Concentration of Top 10 exposures

Top 10 exposures on the basis of total funded and non-funded exposures aggregated to Rs 264,457 million (2018: Rs 180,712 million) as follows:

	2019	2018
	Rupees in '000	
Funded Exposure	213,395,745	145,056,016
Non Funded Exposure	51,061,637	35,655,566
Total Exposure	<u>264,457,382</u>	<u>180,711,582</u>

The sanctioned limits against these top 10 exposures aggregated to Rs 326,544 million (2018: Rs 205,451 million). None of the exposure against these top 10 customers is in classified stage.

Notes to and forming part of the Unconsolidated Financial Statements

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46.1.1.6 Islamic Financings and related assets - Province / Region-wise Disbursement and Utilization

2019							
Province / Region	Disbursements		Utilization				
	Rupees in '000						
	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan	
Punjab	263,517,532	263,517,532	-	-	-	-	
Sindh	256,420,540	3,280,581	251,802,543	627,755	671,012	38,649	
KPK including FATA	1,248,056	-	-	1,248,056	-	-	
Balochistan	772,392	-	-	-	772,392	-	
Islamabad	38,469,256	-	-	-	-	-	
AJK including Gilgit-Baltistan	616,957	-	-	-	38,469,256	-	
Total	561,044,733	266,798,113	251,802,543	1,875,811	1,443,404	38,469,256	655,606

2018							
Province / Region	Disbursements		Utilization				
	Rupees in '000						
	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan	
Punjab	299,569,251	299,569,251	-	-	-	-	
Sindh	297,780,172	28,501,991	252,632,490	4,084,133	11,487,367	1,073,801	390
KPK including FATA	2,476,320	-	-	2,476,320	-	-	-
Balochistan	347,823	-	-	-	347,823	-	-
Islamabad	111,318,054	-	-	-	-	111,318,054	-
AJK including Gilgit-Baltistan	747,443	-	-	-	-	-	747,443
Total	712,239,063	328,071,242	252,632,490	6,560,453	11,835,190	112,391,855	747,833

46.1.2 Credit Risk - General Disclosures

The Bank has adopted Standardised Approach of Basel Accord for calculation of capital charge against credit risk. Therefore, risk weights for the credit risk related assets (on-balance sheet and off-balance sheet - market and non market related exposures) are assigned on basis of standardised approach.

The Bank is committed to further strengthen its risk management framework which will enable the Bank to move ahead for adopting Foundation Internal Ratings Based (IRB) approach of Basel II. Meanwhile, none of the Bank's asset class is subject to the Foundation IRB or advanced IRB approaches.

46.1.2.1 Credit Risk: Disclosures for portfolio subject to the Standardised Approach

Under standardised approach the capital requirement is based on the credit rating assigned to the counterparties by the External Credit Assessment Institutions (ECAIs) duly recognised by the SBP for capital adequacy purposes. In this connection, the Bank utilises the credit ratings assigned by ECAIs and has recognised agencies such as PACRA (Pakistan Credit Rating Agency) and VIS Credit Rating Company which are also recognised by the SBP.

In case of foreign currency exposures against banks, ratings assigned by S&P, Fitch and Moody's have been applied. In case of exposure against banks, some banks have multiple ratings but those ratings do not result in mapping with different risk weights.

Types of Exposure and ECAI's used

2019					
Exposures	VIS	PACRA	Standard & Poors (S&P)	Fitch	Moody's
Corporate	√	√	√	√	√
Banks	√	√	√	√	√
Public Sector Entities	√	√	-	-	-

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Use of ECAI Ratings

The Bank prefers solicited ratings over unsolicited ratings at all times, owing to the greater degree of accuracy (in general) associated with solicited ratings. Unsolicited ratings may only be used in cases where a solicited rating is not available.

Mapping to SBP Rating Grades

The alignment of the Alphanumerical scale of each agency used with risk buckets is as per instructions laid down by SBP under Basel III requirements.

46.1.2.2 Credit exposures subject to standardised approach

On-balance sheet Exposures	2019			2018		
	Amount Outstanding	Deduction Credit Risk Management	Net amount	Amount Outstanding	Deduction Credit Risk Management	Net amount
Rupees in '000						
Banks						
20%	213,139,950	172,015,972	41,123,978	194,020,323	143,659,107	50,361,216
50%	2,947,550	-	2,947,550	985,696	-	985,696
100%	665,142	-	665,142	-	-	-
150%	57,283	-	57,283	83,328	-	83,328
Unrated	11,872,860	-	11,872,860	451,096	-	451,096
Sovereigns						
0%	216,586,461	31,286,757	185,299,704	173,195,662	30,719,089	142,476,573
20%	-	-	-	276,755	-	276,755
50%	2,813,316	-	2,813,316	2,051,928	-	2,051,928
100%	213,088	-	213,088	151,309	-	151,309
Public Sector entities						
20%	28,487,673	18,750,845	9,736,828	32,314,645	13,052,617	19,262,028
Unrated (50%)	172,718,924	178,650,321	-	91,677,679	91,947,049	-
Corporate						
20%	94,332,322	1,557,502	92,774,820	93,937,224	1,784,000	92,153,224
50%	75,285,341	40,000	75,245,341	55,606,232	2,329,667	53,276,565
100%	11,258,273	-	11,258,273	3,258,718	-	3,258,718
150%	-	-	-	1,019,233	-	1,019,233
Unrated 1 (100%)	71,775,088	5,959,663	65,815,425	92,818,644	4,798,516	88,020,128
Unrated 2 (125%)	62,331,059	10,532,509	51,798,550	57,987,218	2,624,655	55,362,563
Retails						
75%	58,377,604	11,778,165	46,599,439	60,304,873	10,700,598	49,604,275
Past Due						
50%	102,828	32,248	70,580	54,913	27,743	27,170
100%	613,339	22,146	591,193	246,140	10,386	235,754
150%	33,417	15,515	17,902	17,790	10,242	7,548
Total	1,023,611,518	430,641,643	598,901,272	860,459,406	301,663,669	559,065,107

46.1.2.3 Credit Risk: Disclosures with respect to Credit risk mitigation for Standardised approach and IRB

The Bank obtains capital relief for both its on-balance and off-balance sheet non-market related exposures by using simple approach for credit risk mitigation (CRM). Off-balance sheet items under the simplified standardised approach are converted into credit exposure equivalents through the use of credit conversion factors. Under the standardised approach the Bank has taken advantage of the cash collaterals available with the Bank in the form of security deposits, cash margins, certificates of Islamic investment, monthly mudaraba certificate, saving accounts, guarantees, shares and Government securities.

Valuation and management of eligible collaterals for CRM is being done in accordance with the conditions laid down by the State Bank of Pakistan. Eligible collaterals for CRM purposes do not expose the Bank to price risk as they are in the form of cash/cash equivalent collaterals. Since eligible collaterals for CRM purposes are all in the form of cash/cash equivalent collaterals, they generally do not pose risk to the Bank in terms of change in their valuation due to changes in the market condition.

The credit equivalent amount of an off-balance sheet market related foreign exchange contracts are determined by using the current exposure (mark to market) method.

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The total benefit of Rs 430,641.643 million was availed through CRM against total on-balance sheet exposure of Rs 1,118,550.993 million. Under off-balance sheet, total benefit of Rs 13,602.003 million was availed by the Bank through CRM against total off-balance sheet, non-market related exposure of Rs 485,001.676 million. In the year 2019, total CRM benefit was Rs 444,243.646 million as against amount of Rs 319,304.216 million in year 2018.

46.1.2.4 Credit concentration risk

Credit concentration risk arises mainly due to concentration of exposures under various categories viz., industry, geography, and single / group borrower obligor. Within credit portfolio, as a prudential measure aimed at better risk management and avoidance of concentration of risks, the SBP has prescribed regulatory limits on banks' maximum exposure to single and group obligors. Within the SBP limits, the Bank has further defined limits to avoid excessive concentration of portfolio.

46.2 Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects yield rate risk, currency risk and other price risks. Banks could be adversely affected by movements in market rates or prices such as benchmark rates, deposit rates, foreign exchange rates, equity prices and market conditions resulting in a loss to earnings and capital.

46.2.1 Equity position in the banking and trading book

The Bank classifies and values its investment portfolio in accordance with the directives of SBP as stated in note 6.4 to these financial statements.

Trading book

Held for trading and available for sale securities with trading intent;

- They are marked to market daily; and
- Any valuation difference is charged / credited to the profit and loss account in case of held for trading securities and to surplus on revaluation of investments - net of tax under equity in case of available for sale securities.

Banking book

Assets outside trading book are part of the banking book. These may include assets classified as available for sale and held to maturity investments.

46.2.2 Balance sheet split by trading and banking books

	2019			2018		
	Banking Book	Trading Book	Total	Banking Book	Trading Book	Total
Rupees in '000						
Cash and balances with treasury banks	92,193,361	-	92,193,361	65,022,041	-	65,022,041
Balances with other banks	15,372,233	-	15,372,233	8,255,187	-	8,255,187
Due from financial institutions	223,689,325	-	223,689,325	184,814,600	-	184,814,600
Investment - net	219,266,575	6,379,587	225,646,162	118,509,439	5,233,428	123,742,867
Islamic financings and related assets - net	493,775,346	-	493,775,346	512,564,522	-	512,564,522
Fixed assets	23,284,415	-	23,284,415	13,129,126	-	13,129,126
Intangible assets	780,381	-	780,381	624,534	-	624,534
Deferred tax asset	-	-	-	982,936	-	982,936
Other assets - net	46,517,031	-	46,517,031	28,779,592	-	28,779,592
	1,114,878,667	6,379,587	1,121,258,254	932,681,977	5,233,428	937,915,405

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The Bank uses a number of methods to monitor and control market risk exposures. One of the major tools used by the Bank to monitor and limit market risk is Value at Risk (VaR). VaR is defined as the estimated loss that will arise on a position or a portfolio over a particular (holding) period of time from an adverse market movement with a specific probability (confidence level). The VaR model used by the Bank takes 99% confidence level and assumes a 1 to 10 days holding period whilst using the historical simulation taking the data of the last three years. Daily VaR figures are circulated to the senior management and regular summaries are reported in ALCO meetings.

The VaR reports are complemented by various other position and sensitivity limit structures, including stress, sensitivity, gap and scenario analysis. The capital charge for market risk has been calculated by using Standardized Approach.

46.2.3 Foreign exchange risk

The foreign exchange risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movement in currency exchange rates on the value of open foreign currency position. The objectives of the foreign exchange risk management is to minimise the adverse impact of foreign exchange rate movements on the assets and liabilities mismatch (tenor and position) and maximise their earnings.

Whenever a commercial bank deals in foreign currency, it is exposed to risk of exchange rate. The Bank's assets and liabilities in foreign currencies give rise to foreign exchange risk which has to be managed by the Bank; this risk is mitigated by using different hedging techniques. Hedging is a way used by a bank to eliminate or minimize its risk exposures. Hedging can be done using different ways like gap analysis, hedging (forwards), assigning limits in terms of amount, tenor, currency, product, countries, counterparties etc. The Bank limits its currency exposure to the extent of statutory net open position prescribed by the SBP except in the cases where exemption is provided by the SBP. Foreign exchange open and mismatch positions are controlled through close monitoring and are marked to market on a daily basis.

The analysis below represents the concentration of the Bank's foreign currency risk for on and off balance sheet financial instruments:

	2019			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000			
Pakistan Rupees	1,081,091,623	987,250,649	(34,978,988)	58,861,986
United States Dollars	37,480,391	66,756,731	29,327,718	51,378
Great Britain Pounds	706,604	4,516,282	3,838,766	29,088
Japanese Yen	48,430	4,449	(49,893)	(5,912)
Euro	1,177,207	3,234,587	2,089,398	32,018
Singapore Dollars	-	6,491	11,504	5,013
Australian Dollars	123,245	1,976	(141,022)	(19,753)
Canadian Dollars	21,101	1,470	(11,513)	8,118
United Arab Emirates Dirham	46,414	-	(42,157)	4,257
Swiss Francs	106,543	100,172	(1,599)	4,772
Saudi Riyal	19,479	-	-	19,479
Swedish Krona	3,244	-	-	3,244
Malaysian Ringgit	1,643	-	-	1,643
Hongkong Dollar	1,323	35	-	1,288
Thailand Bhat	1,177	-	-	1,177
Norwegian Krone	4,086	-	-	4,086
Danish Krone	36,194	-	(30,204)	5,990
Chinese Offshore Spot	2,488	-	-	2,488
Chinese Yuan	387,062	370,000	(12,010)	5,052
Total foreign currency exposure	40,166,631	74,992,193	34,978,988	153,426
Total currency exposure	1,121,258,254	1,062,242,842	-	59,015,412

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	2018			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000			
Pakistan Rupees	904,402,897	834,273,614	(29,777,104)	40,352,179
United States Dollars	30,482,064	55,168,119	24,656,496	(29,559)
Great Britain Pounds	677,715	3,995,066	3,330,962	13,611
Japanese Yen	34,146	45	(28,994)	5,107
Euro	1,715,095	3,876,456	2,119,253	(42,108)
Singapore Dollars	5,162	4	-	5,158
Australian Dollars	68,746	3,077	(101,482)	(35,813)
Canadian Dollars	165,561	1,387	(163,246)	928
United Arab Emirates Dirham	62,398	-	(30,244)	32,154
Swiss Francs	4,867	-	(5,641)	(774)
Saudi Riyal	18,551	-	-	18,551
Swedish Krona	436	-	-	436
Malaysian Ringgit	1,247	-	-	1,247
Hongkong Dollar	993	34	-	959
Thailand Bhat	1,086	-	-	1,086
Norwegian Krone	1,428	-	-	1,428
Danish Krone	1,046	-	-	1,046
Chinese Offshore Spot	2,019	-	-	2,019
Chinese Yuan	269,948	264,548	-	5,400
Total foreign currency exposure	33,512,508	63,308,736	29,777,104	(19,124)
Total currency exposure	937,915,405	897,582,350	-	40,333,055

	2019		2018	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in foreign exchange rates				
- Profit and Loss Account	-	1,992	-	992
- Other Comprehensive Income	-	-	-	-

46.2.4 Equity position risk

Equity position risk is defined as the risk to earnings or capital arising from adverse changes in value of equity portfolios of Bank. The limits assigned to various individual scrips and total portfolio investments are fixed as per the guidelines issued by the SBP. The Bank invests in only Shariah compliant equities as advised by the Resident Shariah Board Member.

	2019		2018	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 5% change in equity prices				
- Profit and Loss Account	-	-	-	-
- Other Comprehensive Income	-	162,186	-	141,284

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46.2.5 Yield / profit rate risk

Yield risk occurs when there is a mismatch between positions, which are subject to profit rate alterations within a particular time period. The Bank's financing, placement and investment activities give rise to profit rate risk. The effect of changes in profit rate is on the Bank's income, and resultant impact is on the Bank's net worth.

Profit rate risk is primarily managed by monitoring the rate sensitive gaps and by having the pre-approved limits for repricing buckets. ALCO is the supervising body for adherence with these, complemented by the monitoring of sensitivity of the Bank's financial assets and liabilities to various scenarios.

The Bank estimates changes in the market value of equity due to changes in the yield rates on on-balance sheet positions and their impact on capital adequacy ratio by conducting stress tests. It also assesses risk on earnings of the Bank by various shocks.

	2019		2018	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in discount rates				
- Profit and Loss Account	833,288	-	854,073	-
- Other Comprehensive Income	-	-	-	-

46.2.6 Mismatch of yield rate sensitive assets and liabilities

	Effective yield rate %	Total	2019								Non-yield bearing financial instruments	
			Exposed to yield risk									
			Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years		Above 10 years
Rupees in '000												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	-	92,193,361	-	-	-	-	-	-	-	-	-	92,193,361
Balances with other banks	0.80	15,372,233	5,771,943	-	-	-	-	-	-	-	-	9,600,290
Due from financial institutions	11.31	223,689,325	53,211,438	67,361,553	31,204,048	71,912,286	-	-	-	-	-	-
Investments	11.17	225,646,162	738,367	100,397,792	25,583,255	775,240	42,433,712	42,185,876	4,350,115	1,990,434	-	7,191,371
Islamic financing and related assets	12.36	493,775,346	166,792,950	72,353,643	50,157,224	13,757,900	7,517,591	10,606,330	16,840,760	3,401,060	-	152,347,888
Other assets	-	44,508,630	-	-	-	-	-	-	-	-	-	44,508,630
		1,095,185,057	226,514,698	240,112,988	106,944,527	86,445,426	49,951,303	52,792,206	21,190,875	5,391,494	-	305,841,540
Liabilities												
Bills payable	-	17,186,807	-	-	-	-	-	-	-	-	-	17,186,807
Due to financial institutions	3.27	42,047,390	41,701,568	188,330	46,934	268	21,279	13,918	66,324	-	-	8,769
Deposits and other accounts	5.44	932,579,114	584,522,985	10,217,343	1,460,000	500,000	-	-	-	-	-	335,878,786
Sub-ordinated Sukuk	12.81	14,000,000	14,000,000	-	-	-	-	-	-	-	-	-
Other liabilities	-	39,239,569	-	-	-	-	-	-	-	-	-	39,239,569
		1,045,052,880	640,224,553	10,405,673	1,506,934	500,268	21,279	13,918	66,324	-	-	392,313,931
On-balance sheet gap		50,132,177	(413,709,855)	229,707,315	105,437,593	85,945,158	49,930,024	52,778,288	21,124,551	5,391,494	-	(86,472,391)
Non financial assets												
- Fixed assets		23,284,415	-	-	-	-	-	-	-	-	-	-
- Intangible assets		780,381	-	-	-	-	-	-	-	-	-	-
- Deferred tax assets		-	-	-	-	-	-	-	-	-	-	-
- Other assets		2,008,401	-	-	-	-	-	-	-	-	-	-
		26,073,197	-	-	-	-	-	-	-	-	-	-
Non financial liabilities												
- Other liabilities		14,360,104	-	-	-	-	-	-	-	-	-	-
- Deferred tax liabilities		2,829,858	-	-	-	-	-	-	-	-	-	-
		17,189,962	-	-	-	-	-	-	-	-	-	-
Total net assets		59,015,412	-	-	-	-	-	-	-	-	-	-
Off-balance sheet financial instruments												
Forward purchase of foreign exchange contracts		151,033,720	-	-	-	-	-	-	-	-	-	151,033,720
Forward sale of foreign exchange contracts		116,054,732	-	-	-	-	-	-	-	-	-	116,054,732
Off-balance sheet gap		34,978,988	-	-	-	-	-	-	-	-	-	34,978,988
Total yield risk rate sensitivity gap												
			(413,709,855)	229,707,315	105,437,593	85,945,158	49,930,024	52,778,288	21,124,551	5,391,494	-	(51,493,403)
Cumulative yield risk rate sensitivity gap												
			(413,709,855)	(184,002,540)	(78,564,947)	7,380,211	57,310,235	110,088,523	131,213,074	136,604,568	136,604,568	85,111,165

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		2018										
	Effective yield rate %	Total	Exposed to yield risk								Non-yield bearing financial instruments	
			Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
Rupees in '000												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	-	65,022,041	-	-	-	-	-	-	-	-	-	65,022,041
Balances with other banks	0.31	8,255,187	307,001	-	-	-	-	-	-	-	-	7,948,186
Due from financial institutions	6.28	184,814,600	112,255,476	63,354,736	9,204,388	-	-	-	-	-	-	-
Investments	5.65	123,742,867	2,304,228	34,162,300	13,928,470	2,233,979	16,478,405	42,433,712	4,195,450	1,667,139	276,777	6,062,407
Islamic financing and related assets	7.90	512,564,522	179,575,584	92,482,198	69,817,791	11,757,760	6,274,079	9,389,063	15,009,074	2,074,916	-	126,184,067
Other assets	-	26,293,396	-	-	-	-	-	-	-	-	-	26,293,396
		920,692,613	294,442,289	189,999,234	92,950,649	13,991,739	22,752,484	51,822,765	19,204,524	3,742,065	276,777	231,510,097
Liabilities												
Bills payable	-	23,750,543	-	-	-	-	-	-	-	-	-	23,750,543
Due to financial institutions	4.01	36,407,811	35,371,084	-	-	-	-	-	-	-	-	1,036,727
Deposits and other accounts	2.57	785,476,944	470,739,460	24,158,618	4,228,460	673,000	-	-	-	-	-	285,677,406
Sub-ordinated Sukuk	8.55	14,000,000	7,000,000	-	-	-	-	-	-	-	-	-
Other liabilities	-	24,256,491	-	-	-	-	-	-	-	-	-	24,256,491
		883,891,789	513,110,544	31,158,618	4,228,460	673,000	-	-	-	-	-	334,721,167
On-balance sheet gap		36,800,824	(218,668,255)	158,840,616	88,722,189	13,318,739	22,752,484	51,822,765	19,204,524	3,742,065	276,777	(103,211,070)
Non financial assets												
- Fixed assets		13,129,126										
- Intangible assets		624,534										
- Deferred tax assets		982,936										
- Other assets		2,486,196										
		17,222,792										
Non financial liabilities												
- Other liabilities		13,690,561										
- Deferred tax liabilities		-										
		13,690,561										
Total net assets		40,333,055										
Off-balance sheet financial instruments												
Forward purchase of foreign exchange contracts		74,321,214	-	-	-	-	-	-	-	-	-	74,321,214
Forward sale of foreign exchange contracts		44,544,110	-	-	-	-	-	-	-	-	-	44,544,110
Off-balance sheet gap		29,777,104	-	-	-	-	-	-	-	-	-	29,777,104
Total yield risk rate sensitivity gap			(218,668,255)	158,840,616	88,722,189	13,318,739	22,752,484	51,822,765	19,204,524	3,742,065	276,777	(73,433,966)
Cumulative yield risk rate sensitivity gap			(218,668,255)	(59,827,639)	28,894,550	42,213,289	64,965,773	116,788,538	135,993,062	139,735,117	140,011,894	66,577,928

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market profit rates on both its fair value and cash flow risks.

Profit margins may increase as a result of such changes but may reduce to losses in the event that unexpected movement arise.

46.3 Liquidity risk

Liquidity risk is the potential for loss to the Bank arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring an unacceptable cost.

The Bank's Board of Directors sets the Bank's policy for managing liquidity risk and entrusts accountability for supervision of the implementation of this strategy to senior management. Senior management exercises its responsibilities for managing market and liquidity risk through various committees including the Asset & Liability Management Committee (ALCO). Treasury department manages the Bank's liquidity position on daily basis. The Bank's main approach of managing the liquidity risk is to make certain that it will always have adequate liquidity to meet its liabilities when they are due in normal and stressed scenarios without incurring any untoward expenditure or risking reputational harm. ALCO monitors the maintenance of liquidity ratios, depositor's concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual deposits. Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions.

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46.3.1 Maturities of assets and liabilities based on contractual maturities

	2019													
	Total	Upto 1 Day	Upto 7 Days	Upto 14 Days	Upto 1 month	Upto 2 months	Upto 3 months	Over 3 to 6 months	Over 6 months to 1 Years	Over 1 to 2 Years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	Rupees in '000													
Assets														
Cash and balances with treasury banks	92,193,361	30,423,808	20,589,851	20,589,851	20,589,851	-	-	-	-	-	-	-	-	-
Balances with other banks	15,372,233	6,186,116	6,186,117	-	3,000,000	-	-	-	-	-	-	-	-	-
Due from financial institutions	223,689,325	-	16,576,749	11,713,028	24,921,661	46,811,741	20,549,812	31,204,048	71,912,286	-	-	-	-	-
Investments	225,646,162	221,793	1,108,965	1,275,310	2,938,758	-	130,000	13,695,377	1,897,483	44,693,640	46,146,675	9,763,936	102,643,120	1,131,105
Islamic financing and related assets	493,775,346	134,023,901	10,432,916	5,070,508	14,227,764	39,593,919	21,639,592	61,633,801	20,126,208	33,964,982	42,039,856	61,107,183	32,294,942	17,619,774
Fixed assets	23,284,415	10,656	63,651	74,259	180,342	405,458	405,675	1,001,011	2,032,839	3,998,401	3,802,204	3,248,083	2,504,964	5,556,872
Intangible assets	780,381	527	3,154	3,679	8,935	24,432	24,432	48,829	99,191	191,933	166,087	182,798	26,384	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	46,517,031	254,987	1,628,414	3,873,520	6,576,961	6,150,283	7,051,739	4,126,455	5,479,716	5,316,913	5,013,511	724,829	309,695	10,008
	1,121,258,254	171,121,788	56,589,817	42,600,155	72,444,272	92,985,833	49,801,250	111,709,521	101,547,723	88,165,869	97,168,333	75,026,829	137,779,105	24,317,759
Liabilities														
Bills payable	17,186,807	5,671,646	3,837,814	3,837,814	3,839,533	-	-	-	-	-	-	-	-	-
Due to financial institutions	42,047,390	232,531	230,832	163,416	586,610	13,848,089	8,063,415	11,765,032	214,435	646,184	872,916	2,532,447	2,891,483	-
Deposits and other accounts	932,579,114	688,766,008	18,571,404	18,614,941	33,059,099	16,546,999	15,599,382	20,955,042	29,581,392	54,734,432	7,518,851	11,633,489	16,998,075	-
Sub-ordinated Sukuk	14,000,000	-	-	-	-	-	-	-	-	-	-	-	7,000,000	7,000,000
Deferred tax liabilities	2,829,858	7,861	47,164	55,026	125,770	235,822	235,822	707,465	1,414,928	-	-	-	-	-
Other liabilities	53,599,673	165,793	3,850,581	1,404,334	2,474,682	5,802,861	4,984,309	8,734,846	6,051,191	3,503,865	4,628,995	4,346,718	7,641,492	10,006
	1,062,242,842	694,843,839	26,537,795	24,075,531	40,085,694	36,433,771	28,882,928	42,162,385	37,261,946	58,884,481	13,020,762	18,512,654	34,531,050	7,010,006
Net assets	59,015,412	(523,722,051)	30,052,022	18,524,624	32,358,578	56,552,062	20,918,322	69,547,136	64,285,777	29,281,388	84,147,571	56,514,175	103,248,055	17,307,753
Share capital	12,861,116													
Reserves	18,207,664													
Unappropriated profit	18,545,797													
Surplus on revaluation of assets	9,400,835													
	59,015,412													

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2018													
Total	Upto 1 Day	Upto 7 Days	Upto 14 Days	Upto 1 month	Upto 2 months	Upto 3 months	Over 3 to 6 months	Over 6 months to 1 Years	Over 1 to 2 Years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
Rupees in '000													
Assets													
Cash and balances with treasury banks	65,022,041	21,457,274	14,521,589	14,521,589	14,521,589	-	-	-	-	-	-	-	-
Balances with other banks	8,255,187	4,127,594	4,127,593	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	184,814,600	-	19,205,698	53,240,917	39,808,861	43,516,511	19,838,225	9,204,388	-	-	-	-	-
Investments	123,742,867	908,933	866,310	1,098,195	2,704,894	3,006,392	28,341,657	1,159,534	4,320,420	18,128,237	46,158,113	7,787,206	1,492,052
Islamic financing and related assets	512,564,522	143,920,374	7,842,269	4,767,501	24,972,247	28,834,181	24,703,611	71,147,499	21,102,254	20,258,507	21,295,023	60,784,958	66,268,129
Fixed assets	13,129,126	52,660	315,961	368,621	842,564	259,652	114,823	354,452	690,692	1,268,210	1,074,233	1,481,885	1,474,535
Intangible assets	624,534	681	4,084	4,764	10,889	30,007	30,006	59,249	87,317	149,775	121,708	115,795	10,259
Deferred tax assets	982,936	2,731	16,382	19,113	43,686	81,911	81,911	245,734	491,468	-	-	-	-
Other assets	28,779,592	60,057	946,746	937,110	2,623,662	4,463,237	2,408,045	5,532,564	9,342,768	691,615	681,097	1,088,581	4,110
	937,915,405	170,530,304	47,846,632	74,957,810	85,528,392	80,191,891	75,518,278	87,703,420	36,034,919	40,496,344	69,330,174	71,258,425	75,523,847
													22,994,969
Liabilities													
Bills payable	23,750,543	8,075,185	5,225,119	5,225,119	5,225,120	-	-	-	-	-	-	-	-
Due to financial institutions	36,407,811	496,366	12,470,460	110,411	404,595	12,871,833	4,496,541	4,496,541	-	627,074	107,610	326,380	-
Deposits and other accounts	785,476,944	573,359,841	32,577,225	17,472,856	29,575,318	29,421,284	20,294,930	20,572,571	27,133,880	5,496,273	6,421,521	11,814,447	11,336,798
Sub-ordinated Sukuk	14,000,000	-	-	-	-	-	-	-	-	-	-	-	7,000,000
Deferred Tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	37,947,052	125,664	1,333,977	1,390,712	3,654,830	6,004,057	3,929,789	10,292,806	9,252,412	565,965	555,448	837,282	4,110
	897,582,350	582,057,056	51,606,781	24,199,098	38,859,863	48,297,174	28,721,260	35,361,918	36,386,292	6,062,238	7,604,043	12,759,339	18,663,178
													7,004,110
Net assets	40,333,055	(411,526,752)	(3,760,149)	50,758,712	46,668,529	31,894,717	46,797,018	52,341,502	(351,373)	34,434,106	61,726,131	58,499,086	56,860,669
													15,990,859
Share capital	11,691,924												
Reserves	15,161,249												
Unappropriated profit	13,525,765												
Deficit on revaluation of assets	(45,883)												
	<u>40,333,055</u>												

Current and Savings deposits have been classified under maturity upto one day as these do not have any contractual maturity.

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46.3.2 Maturities of assets and liabilities based on expected maturities

		2019								
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Rupees in '000										
Assets										
Cash and balances with treasury banks	92,193,361	92,193,361	-	-	-	-	-	-	-	-
Balances with other banks	15,372,233	15,372,233	-	-	-	-	-	-	-	-
Due from financial institutions	223,689,325	53,211,438	67,361,553	31,204,048	71,912,286	-	-	-	-	-
Investments	225,646,162	5,544,826	130,000	13,695,377	1,897,483	44,693,640	46,146,675	9,763,936	102,643,120	1,131,105
Islamic financing and related assets	493,775,346	71,410,519	91,038,670	89,358,276	54,941,144	33,964,982	42,039,856	61,107,183	32,294,942	17,619,774
Operating fixed assets	23,284,415	328,908	811,133	1,001,011	2,032,839	3,998,401	3,802,204	3,248,083	2,504,964	5,556,872
Intangible assets	780,381	16,295	48,864	48,829	99,191	191,933	166,087	182,798	26,384	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets	46,517,031	12,333,882	13,202,022	4,126,455	5,479,716	5,316,913	5,013,511	724,829	309,695	10,008
	1,121,258,254	250,411,462	172,592,242	139,433,996	136,362,659	88,165,869	97,168,333	75,026,829	137,779,105	24,317,759
Liabilities										
Bills payable	17,186,807	17,186,807	-	-	-	-	-	-	-	-
Due to financial institutions	42,047,390	1,213,389	21,911,504	11,765,032	214,435	646,184	872,916	2,532,447	2,891,483	-
Deposits and other accounts	932,579,114	119,385,214	68,589,546	54,872,846	77,557,953	122,536,448	59,556,140	94,176,651	168,674,435	167,229,881
Sub-ordinated Sukuk	14,000,000	-	-	-	-	-	-	-	7,000,000	7,000,000
Deferred tax liabilities	2,829,858	235,821	471,644	707,465	1,414,928	-	-	-	-	-
Other liabilities	53,599,673	7,895,390	10,787,170	8,734,846	6,051,191	3,503,865	4,628,995	4,346,718	7,641,492	10,006
	1,062,242,842	145,916,621	101,759,864	76,080,189	85,238,507	126,686,497	65,058,051	101,055,816	186,207,410	174,239,887
Net assets	59,015,412	104,494,841	70,832,378	63,353,807	51,124,152	(38,520,628)	32,110,282	(26,028,987)	(48,428,305)	(149,922,128)
Share capital	12,861,116									
Reserves	18,207,664									
Unappropriated profit	18,545,797									
Surplus on revaluation of assets	9,400,835									
	59,015,412									
		2018								
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Rupees in '000										
Assets										
Cash and balances with treasury banks	65,022,041	65,022,041	-	-	-	-	-	-	-	-
Balances with other banks	8,255,187	8,255,187	-	-	-	-	-	-	-	-
Due from financial institutions	184,814,600	112,255,476	63,354,736	9,204,388	-	-	-	-	-	-
Investments	123,742,867	5,578,332	31,348,049	1,159,534	4,320,420	18,128,237	46,158,113	7,787,206	7,770,924	1,492,052
Islamic financing and related assets	512,564,522	81,961,222	87,847,815	103,062,351	54,418,548	20,258,507	21,295,023	60,784,958	66,268,129	16,667,969
Operating fixed assets	13,129,126	1,579,806	374,475	354,452	690,692	1,268,210	1,074,233	1,481,885	1,474,535	4,830,838
Intangible assets	624,534	20,418	60,013	59,249	87,317	149,775	121,708	115,795	10,259	-
Deferred tax assets	982,936	81,912	163,822	245,734	491,468	-	-	-	-	-
Other assets	28,779,592	4,567,575	6,871,282	5,532,564	9,342,768	691,615	681,097	1,088,581	-	4,110
	937,915,405	279,321,969	190,020,192	119,618,272	69,351,213	40,496,344	69,330,174	71,258,425	75,523,847	22,994,969
Liabilities										
BBills payable	23,750,543	23,750,543	-	-	-	-	-	-	-	-
Due to financial institutions	36,407,811	13,481,832	17,368,374	4,496,541	-	-	627,074	107,610	326,380	-
Deposits and other accounts	785,476,944	125,711,284	86,607,369	54,888,366	75,663,743	74,127,863	59,084,393	95,325,715	214,068,211	-
Sub-ordinated Sukuk	14,000,000	-	-	-	-	-	-	-	7,000,000	7,000,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Other liabilities	37,947,052	6,505,183	9,933,846	10,292,806	9,252,412	565,965	555,448	837,282	-	4,110
	897,582,350	169,448,842	113,909,589	69,677,713	84,916,155	74,693,828	60,266,915	96,270,607	221,394,591	7,004,110
Net assets	40,333,055	109,873,127	76,110,603	49,940,559	(15,564,942)	(34,197,484)	9,063,259	(25,012,182)	(145,870,744)	15,990,859
Share capital	11,691,924									
Reserves	15,161,249									
Unappropriated profit	13,525,765									
Deficit on revaluation of assets	(45,883)									
	40,333,055									

Regarding behaviour of non-maturity deposits (non-contractual deposits), the Bank has carried out a behavioural study using the Value at Risk (VaR) methodology based on 5 years data. On the basis of its findings, 28.7% of current accounts and 19.3% of saving accounts are bucketed into 'Upto 1-Year maturity' whereas, 71.3% of current accounts and 80.7% of savings accounts are bucketed into maturities of above 1-Year.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

46.4 Operational risk

The Bank uses Basic Indicator Approach (BIA) for assessing the capital charge for operational risk. Under BIA the capital charge is calculated by multiplying average positive annual gross income of the Bank over past three years with 15% as per guidelines issued by SBP under Basel II.

To reduce losses arising from operational risk, the Bank has strengthened its risk management framework by developing policies, strategies, guidelines and manuals. It also includes set up of functions like operational risk management, prevention of fraud and forgery and information security function, defining responsibilities of individuals, implementing four eye principle, enhancing security measures, improving efficiency and effectiveness of operations, outsourcing and improving quality of human resources through trainings and development.

47 PROFIT / (LOSS) DISTRIBUTION TO DEPOSITORS' POOLS AND SPECIFIC POOLS

47.1 The Bank managed following general and specific pools during the year:

2019							
General Remunerative (Savings and Fixed) Depositors' Pools	Profit Rate and weightage announcement period	Profit rate return earned - Average	Profit Sharing Ratio of Mudarib	Mudarib Fee	Profit rate return distributed to remunerative deposits (Savings and Fixed) - Average	Percentage of Mudarib Share transferred through Hiba	Amount of Mudarib Share transferred through Hiba to remunerative deposits
				Rupees in '000		Rupees in '000	
PKR Pool	Monthly	11.62%	50%	25,610,675	7.88%	35%	8,987,680
USD Pool	Monthly	4.63%	75%	1,238,082	1.16%	-	-
GBP Pool	Monthly	2.21%	90%	44,400	0.22%	-	-
EUR Pool	Monthly	1.06%	90%	11,967	0.11%	-	-
2018							
General Remunerative (Savings and Fixed) Depositors' Pools	Profit Rate and weightage announcement period	Profit rate return earned - Average	Profit Sharing Ratio of Mudarib	Mudarib Fee	Profit rate return distributed to remunerative deposits (Savings and Fixed) - Average	Percentage of Mudarib Share transferred through Hiba	Amount of Mudarib Share transferred through Hiba to remunerative deposits
				Rupees in '000		Rupees in '000	
PKR Pool	Monthly	7.06%	50%	13,314,826	3.91%	10%	1,388,628
USD Pool	Monthly	3.81%	75%	720,723	0.95%	-	-
GBP Pool	Monthly	1.18%	90%	20,169	0.12%	-	-
EUR Pool	Monthly	0.17%	90%	1,637	0.02%	-	-
2019							
Specific Pools	Profit Rate and weightage announcement period	Profit rate return earned	Profit Sharing Ratio	Investment ratio	Profit rate return distributed	Percentage of Mudarib Share transferred through Hiba	Amount of Mudarib Share transferred through Hiba to remunerative deposits
Islamic Export Refinance (IERS) Musharaka Pool	Monthly	7.74%	-*	-*	2.06%	N/A	N/A
Inter Bank Musharaka / Mudaraba borrowing Pool	As required	14.88% - 5.24%	-*	-*	13.75% - 4.50%	N/A	N/A
Special Sharikah Certificate Musharaka / Mudaraba borrowing Pool	As required	16.85% - 5.24%	-*	-*	14.85% - 4.00%	N/A	N/A

* The profit sharing ratio and the investment ratio varies on case to case basis.

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

2018							
Specific Pools	Profit Rate and weightage announcement period	Profit rate return earned	Profit Sharing Ratio	Investment ratio	Profit rate return distributed	Percentage of Mudarib Share transferred through Hiba	Amount of Mudarib Share transferred through Hiba to remunerative deposits
Islamic Export Refinance (IERS) Musharaka Pool	Monthly	5.16%	-*	-*	2.19%	N/A	N/A
Inter Bank Musharaka / Mudaraba borrowing Pool	As required	11.46% - 5.24%	-*	-*	10.70% - 5.60%	N/A	N/A
Special Sharikah Certificate Musharaka / Mudaraba borrowing Pool	As required	15.55% - 5.24%	-*	-*	10.80% - 3.50%	N/A	N/A

* The profit sharing ratio and the investment ratio varies on case to case basis.

47.2 Following weightages have been assigned to different major products under the General pools during the year:

	Percentage to Total Mudaraba based Deposits		Maximum Weightage	Minimum Weightage	Maximum Weightage	Minimum Weightage
	2019	2018	2019	2019	2018	2018
PKR Pool						
Saving Accounts	21.83%	24.05%	0.65	0.39	0.67	0.57
Meezan Bachat Account	17.63%	18.69%	0.78	0.39	0.88	0.57
Karobari Munafa Account	9.29%	10.11%	1.00	0.39	1.36	0.57
Certificate of Islamic Investment	16.23%	3.07%	1.27	0.45	1.72	0.70
Meezan Aamdand Certificate	7.15%	7.80%	1.34	0.70	1.72	1.19
USD Pool						
Saving Accounts	4.12%	4.64%	0.45	0.45	0.45	0.45
Certificate of Islamic Investment	2.37%	2.33%	1.35	0.77	1.35	0.77
GBP Pool						
Saving Accounts	0.41%	0.49%	0.27	0.27	0.27	0.27
EUR Pool						
Saving Accounts	0.21%	0.27%	0.27	0.27	0.27	0.27

47.3 Allocation of Income and Expenses to Depositors' Pools

Following are material items of revenues, expenses, gains and losses

	2019	2018
	Rupees in '000	
Profit / return earned on islamic financing and related assets, investments and placements	88,429,444	46,724,070
Other Income (including other charges and interpool income)	5,267,122	2,717,152
Directly related costs attributable to pool	(1,844,037)	(1,431,931)

Notes to and forming part of the Unconsolidated Financial Statements

For the year ended December 31, 2019

48 GENERAL

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and better presentation.

49 NON-ADJUSTING EVENT

49.1 The Board of Directors in their meeting held on February 12, 2020 has announced final cash dividend of Rs 2 per share (20%). The financial statements for the year ended December 31, 2019, do not include the effect of this appropriation which will be accounted for in the financial statements for the year ending December 31, 2020.

49.2 On January 09, 2020, the Bank has issued second tranche of Tier II capital of Rs 4 billion, in form of privately placed, unsecured and sub-ordinated Sukuk. The Sukuk carry an expected profit rate of 6 month KIBOR plus 0.9% payable on semi-annual basis. The Sukuk has a maturity of 10 years and the Sukuk is fully redeemable at the maturity. The sukuk has been rated AA (Double AA) by VIS Credit Rating Company Limited.

50 DATE OF AUTHORISATION

These financial statements were authorised for issue on February 12, 2020 by the Board of Directors of the Bank.



Riyadh S. A. A.
Edrees
Chairman



Irfan Siddiqui
President &
CEO



Faisal A. A. A.
Al-Nassar
Director



Noorur Rahman
Abid
Director



Shabbir Hamza
Khandwala
Chief Financial Officer

Statement Showing Written-Off Financing or Any Other Financial Relief of Rupees 500,000 or Above (Annexure 1)

During the year ended December 31, 2019

Rupees in '000

Statement showing written-off financing or any other financial relief of rupees 500,000 and above during the year ended December 31, 2019.

S. No.	Name and address of the borrower	CNIC No.	Father's / Husband's Name	Outstanding liabilities as at January 1, 2019				Principal written-off	Profit written-off	Other Financial Relief	Total (9+10+11)
				Principal	Profit	Others	Total (5+6+7)				
1	2	3	4	5	6	7	8	9	10	11	12
1.	Mian Muhammad Aslam House # 149, Block G, State Enterprise Officers Co-operative Housing Scheme, Margzar Colony, Lahore	35202-3392038-3	Mian Feroz ud din	705	5,988	230	6,923	-	5,671	230	5,901
2.	Muhammad Ramzan House # 326 Block J-1, Johar Town, Lahore	34101-0264801-5	Muhammad Hassan	6,803	7,048	430	14,281	-	7,283	430	7,713
3.	Babar Ali Bhatti House # 176, Block E, Punjab Small Industries Employees Co-Operative Housing Society, Lahore	35202-2848882-3	Muhammad Shafi	2,538	4,231	214	6,983	-	4,426	214	4,640
4.	D.S.I. Corporation (Private) Limited Plot No. 50, Sector 7-A, Korangi Industrial Area, Karachi	Shabir Ahmed Desai 42301-2624689-9 Dawood Moosa Desai 42301-1697255-1 Muhammad Sadique Desai 42301-2624784-9 Shahid Mahmood Desai 42301-2625734-9 Muhammad Amin Desi 42301-8645590-1	Haji Moosa Desai	54,034	4,127	-	58,161	34,782	4,127	-	38,909
5.	D.S.I. Pakistan (Private) Limited Plot No. 50, Sector 7-A, Korangi Industrial Area, Karachi	Shabir Ahmed Desai 42301-2624689-9 Dawood Moosa Desai 42301-1697255-1 Muhammad Sadique Desai 42301-2624784-9 Shahid Mahmood Desai 42301-2625734-9 Muhammad Amin Desi 42301-8645590-1	Haji Moosa Desai	33,253	2,717	-	35,970	-	2,717	-	2,717

Statement Showing Written-Off Financing or Any Other Financial Relief of Rupees 500,000 or Above (Annexure 1)

During the year ended December 31, 2019

Rupees in '000

S. No.	Name and address of the borrower	CNIC No.	Father's / Husband's Name	Outstanding liabilities as at January 1, 2019				Principal written-off	Profit written-off	Other Financial Relief	Total (9+10+11)
				Principal	Profit	Others	Total (5+6+7)				
1	2	3	4	5	6	7	8	9	10	11	12
6.	Prima Marine Oil & Lubricants (Private) Limited Khayban-e-Ittehad Road, Phase VI, Muslim Commercial Area, Defence Housing Authority, Karachi	Faisal Fayyaz Shaikh 42301-0942295-7 Shehla Faisal 42301-0896563-2	Fayyaz Ahmed Shaikh Faisal Fayyaz Shaikh	130,000	808	-	130,808	-	1,717	-	1,717
				227,333	24,919	874	253,126	34,782	25,941	874	61,597





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INDEPENDENT AUDITORS' REPORT

To the members of Meezan Bank Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Meezan Bank Limited (the Bank) and its subsidiary company, Al Meezan Investment Management Limited, (the Group) which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
<p>1. Provision against Non Performing Islamic Financing</p> <p>The Group's Islamic financing portfolio include fund-based and non-funded financing facilities. The portfolio includes corporate financing to several public sector entities and large to small size businesses operating in the private sector, as well as consumer financing to individuals.</p> <p>As per the Group's accounting policy (refer note 6.3.2 to the consolidated financial statements), the Group determines provisions against non-performing financing exposures in accordance with the requirements of Prudential Regulations of State Bank of Pakistan (SBP) and also maintains general provision in respect of potential credit losses in the portfolio. The Prudential Regulations require specific provisioning for loan losses on the basis of an age-based criteria which should be supplemented by a subjective evaluation of Group's credit portfolio. The determination of loan loss provision against financing therefore, involve use of management judgment, on a case to case basis, taking into account factors such as the economic and business conditions, borrowers repayment behaviors and realizability of collateral held by the Group.</p> <p>In view of the significance of this area in terms of its impact on the consolidated financial statements and the level of involvement of management's judgment, we identified adequacy and completeness of loan loss provision as a significant area of audit judgment and a key audit matter.</p> <p>The disclosures relating to provisioning against non-performing financing and related asset are included in notes 11.9 and 11.10 respectively to the consolidated financial statements.</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none"> - We reviewed the Group's process for identification and classification of non-performing financing including the quality of underlying data and systems. As part of such review we performed an analysis of the changes within the different categories of classified non-performing accounts from last year to the current reporting date. This analysis was used to gather audit evidence regarding downgrading of impaired financing and declassification of accounts from non-performing to regular, as the case may be. - We performed independent checks for the computations of provisions in line with the requirements of the applicable Prudential Regulations; - In addition, we selected a representative sample of borrowers from the financing portfolios including individually significant corporate financing and performed tests and procedures such as review of financing documentation, repayment history and past due status, financial condition as depicted by the borrowers' financial statements, nature of collateral held by the Group and status of litigation, if any, with the borrower; - Based on the said credit reviews, we identified and discussed with the management the loan accounts where the credit risk appear to have increased. We reviewed the adequacy of provisions against such accounts on the basis of our independent objective evaluation of the risk mitigating factors that exist in such cases; - In respect of the level of general provision maintained by the Group we discussed the approach and policy followed by the Group with the management on consistent basis and checked the approval of Board of Directors in this regard; and - We also assessed adequacy of disclosures as included in note 11 to the consolidated financial statements regarding the non-performing advances and provisions made for the same in the consolidated financial statements in accordance with the requirements of the applicable financial reporting framework.



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Key audit matters	How the matter was addressed in our audit
<p>2. Adoption of IFRS 16 "Leases"</p> <p>As referred to in note 3.4.2 to the consolidated financial statements, IFRS 16 'Leases' (the standard) has become effective for the current financial year.</p> <p>The standard has introduced a new accounting model for operating lease contracts from the standpoint of a lessee. As per the new requirements, the Group is required to recognize right of use assets for leased assets and liabilities for the lease payments over the lease term.</p> <p>The impacts of the adoption of the standard are disclosed in note 3.4.2 to the consolidated financial statements.</p> <p>The application of the new standard requires management to make significant estimates and judgements such as in related to determination of lease term and appropriate discount rate for measurement of lease liability.</p> <p>We considered the adoption of the standard as a key audit matter due to the significance of the accounting change and the involvement of significant management judgements in respect of the application of the new standard.</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none"> - We evaluated the appropriateness of the new accounting policies for recognition of lease contracts and their measurement in the consolidated financial statements; - We obtained an understanding of the process and controls in place for identification of in-scope and material lease contracts and capturing of relevant data regarding the terms and condition of the lease contracts; - We corroborated the completeness of the leases identified by the management by reviewing the reconciliations of leases with the list of branch properties in the use of the Group and reviewing the rent expense ledgers for the year; - We performed independent checks of lease accounting computations for a sample of lease contracts through re-performance of such computations and tracing the terms with the relevant contracts; - We evaluated the appropriateness of the assumptions used by the management in measuring lease liabilities such as discount rate and lease term; and - We evaluated the adequacy of disclosures made regarding the application of the standard and its impact on the consolidated financial statements of the Group for the year.

Information Other than the Consolidated and unconsolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated and unconsolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Arsian Khalid.

Chartered Accountants

Place: Karachi

Date: 20 February 2020

Consolidated Statement of Financial Position

As at December 31, 2019

	Note	2019	2018
ASSETS		Rupees in '000	
Cash and balances with treasury banks	7	92,193,877	65,022,412
Balances with other banks	8	15,414,833	8,277,146
Due from financial institutions - net	9	223,689,325	184,814,600
Investments - net	10	229,667,072	127,115,376
Islamic financing and related assets - net	11	493,775,346	512,564,522
Fixed assets	12	23,663,521	13,228,398
Intangible assets	13	800,532	644,956
Deferred tax asset	19	-	868,024
Other assets - net	14	46,910,457	29,215,973
		1,126,114,963	941,751,407
LIABILITIES			
Bills payable	15	17,186,807	23,750,543
Due to financial institutions	16	42,047,390	36,407,811
Deposits and other accounts	17	932,568,765	785,444,592
Sub-ordinated Sukuk	18	14,000,000	14,000,000
Deferred tax liabilities	19	3,008,451	-
Other liabilities	20	54,522,604	38,571,522
		1,063,334,017	898,174,468
NET ASSETS		62,780,946	43,576,939
REPRESENTED BY			
Share capital	21	12,861,116	11,691,924
Reserves	22	18,231,980	15,185,565
Unappropriated profit		21,117,202	15,738,899
Surplus / (deficit) on revaluation of assets - net of tax	23	9,400,835	(45,883)
		61,611,133	42,570,505
NON-CONTROLLING INTEREST	24	1,169,813	1,006,434
		62,780,946	43,576,939
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes 1 to 51 and Annexure 1 form an integral part of these consolidated financial statements.



Riyadh S. A. A.
Edrees
Chairman



Irfan Siddiqui
President &
CEO



Faisal A. A. A.
Al-Nassar
Director



Noorur Rahman
Abid
Director



Shabbir Hamza
Khandwala
Chief Financial Officer

Consolidated Profit and Loss Account

For the year ended December 31, 2019

	Note	2019	2018
		Rupees in '000	
Profit / return earned on Islamic financing and related assets, investments and placements	26	94,278,810	48,629,139
Profit on deposits and other dues expensed	27	47,746,059	20,453,359
Net spread earned		46,532,751	28,175,780
OTHER INCOME			
Fee and commission income	28	7,427,474	6,822,735
Dividend income		276,464	242,429
Foreign exchange income		2,684,097	1,318,460
Loss on securities - net	29	(428,782)	(39,376)
Other income	30	535,615	313,486
		10,494,868	8,657,734
Total income		57,027,619	36,833,514
OTHER EXPENSES			
Operating expenses	31	25,454,005	19,787,222
Workers Welfare Fund	20.5	628,458	383,801
Other charges	32	82,275	16,419
Total other expenses		26,164,738	20,187,442
		30,862,881	16,646,072
Share of results of associates before taxation		301,295	(298,031)
Profit before provisions		31,164,176	16,348,041
Provisions and write offs - net	33	4,186,430	1,168,051
Extraordinary / unusual items		-	-
Profit before taxation		26,977,746	15,179,990
Taxation	34	11,198,107	6,046,080
Profit after taxation		15,779,639	9,133,910
Attributable to:			
Shareholders of the Holding company		15,584,441	8,957,761
Non-controlling interest	24	195,198	176,149
		15,779,639	9,133,910
		Rupees	
			Restated
Basic and diluted earnings per share	35	12.12	6.96

The annexed notes 1 to 51 and Annexure 1 form an integral part of these consolidated financial statements.

Riyadh S. A. A.
Edrees
Chairman

Irfan Siddiqui
President &
CEO

Faisal A. A. A.
Al-Nassar
Director

Noorur Rahman
Abid
Director

Shabbir Hamza
Khandwala
Chief Financial Officer

Consolidated Statement of Comprehensive Income

For the year ended December 31, 2019

	Note	2019	2018
		Rupees in '000	
Profit after taxation for the year attributable to:			
Shareholders of the Holding company		15,584,441	8,957,761
Non-controlling interest		195,198	176,149
		15,779,639	9,133,910
Other Comprehensive income			
Items that may be reclassified to profit and loss account in subsequent periods:			
Surplus / (deficit) on revaluation of investments	23	14,547,307	(1,241,550)
Deferred tax on revaluation of investments		(5,091,557)	434,542
Share in profits of associates relating to investment classified as 'available for sale'		-	(27,420)
Deferred tax on share of results of associates		-	(49,902)
		9,455,750	(884,330)
Items that will not be reclassified to profit and loss account in subsequent periods:			
Remeasurements of defined benefit plan		133,229	(8,980)
Tax on remeasurements of defined benefit plan		(43,450)	2,595
		89,779	(6,385)
(Deficit) / surplus on revaluation of non-banking assets	23	(9,785)	34,080
Deferred tax on revaluation of non-banking assets		3,425	(11,928)
		(6,360)	22,152
Other Comprehensive Income / (loss) for the year		9,539,169	(868,563)
Total Comprehensive Income for the year		25,318,808	8,265,347
Attributable to:			
Shareholders of the Holding company		25,120,429	8,091,888
Non-controlling interest	24	198,379	173,459
		25,318,808	8,265,347

The annexed notes 1 to 51 and Annexure 1 form an integral part of these consolidated financial statements.



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Abid
Director



Shabbir Hamza
Khandwala
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended December 31, 2019

	Share capital	Share premium	Capital reserves Statutory reserve*	Non - Distributable Capital Reserve - Gain on Bargain Purchase	Revenue reserves General reserve	Unappropriated profit	Surplus / (deficit) on revaluation of Investments	Non-banking Assets	Non-controlling Interest	Total
Rupees in '000										
Balance as at January 1, 2018	10,629,022	2,406,571	7,777,925	3,117,547	91,082	12,563,156	816,295	-	1,007,975	38,409,573
Profit after taxation for the year	-	-	-	-	-	8,957,761	-	-	176,149	9,133,910
Other Comprehensive loss for year - net of tax	-	-	-	-	-	(3,695)	(884,330)	22,152	(2,690)	(868,563)
Other appropriations	-	-	-	-	-	8,954,066	(884,330)	22,152	173,459	8,265,347
Transfer to statutory reserve	-	-	1,792,440	-	-	(1,792,440)	-	-	-	-
Transactions with owners recognised directly in equity										
Issue of bonus shares	1,062,902	-	-	-	-	(1,062,902)	-	-	-	-
Final cash dividend for the year 2017	-	-	-	-	-	(1,328,628)	-	-	-	(1,328,628)
Interim cash dividend for the year 2018	-	-	-	-	-	(1,594,353)	-	-	-	(1,594,353)
	-	-	-	-	-	(2,922,981)	-	-	-	(2,922,981)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	(175,000)	(175,000)
Balance as at December 31, 2018	11,691,924	2,406,571	9,570,365	3,117,547	91,082	15,738,899	(68,035)	22,152	1,006,434	43,576,939
Profit after taxation for the year	-	-	-	-	-	15,584,441	-	-	195,198	15,779,639
Other Comprehensive income for the year - net of tax	-	-	-	-	-	86,598	9,455,750	(6,360)	3,181	9,539,169
Transfer from surplus in respect of incremental depreciation of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	15,671,039	9,455,750	(6,360)	198,379	25,318,808
	-	-	-	-	-	79	-	(79)	-	-
Transfer from surplus upon disposal of Non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	2,593	-	(2,593)	-	-
Other appropriations	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	3,046,415	-	-	(3,046,415)	-	-	-	-
Transactions with owners recognised directly in equity										
Issue of bonus shares	1,169,192	-	-	-	-	(1,169,192)	-	-	-	-
Final cash dividend for the year 2018	-	-	-	-	-	(2,338,385)	-	-	-	(2,338,385)
First interim cash dividend for the year 2019	-	-	-	-	-	(1,169,192)	-	-	-	(1,169,192)
Second interim cash dividend for the year 2019	-	-	-	-	-	(1,286,112)	-	-	-	(1,286,112)
Third interim cash dividend for the year 2019	-	-	-	-	-	(1,286,112)	-	-	-	(1,286,112)
	-	-	-	-	-	(6,079,801)	-	-	-	(6,079,801)
Dividend payout by Subsidiary	-	-	-	-	-	-	-	-	(35,000)	(35,000)
Balance as at December 31, 2019	12,861,116	2,406,571	12,616,780	3,117,547	91,082	21,117,202	9,387,715	13,120	1,169,813	62,780,946

* This represents reserve created under section 21(i)(a) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 51 and Annexure 1 form an integral part of these consolidated financial statements.

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Director

Shabbir Hamza
Khandwala
Chief Financial Officer

Consolidated Cash Flow Statement

For the year ended December 31, 2019

	Note	2019	2018
		Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		26,977,746	15,179,990
Less: Dividend income		(276,464)	(242,429)
		26,701,282	14,937,561
Adjustments for non-cash charges and other items:			
Depreciation		1,763,927	1,562,971
Amortization		267,293	230,168
Non cash item related to right-of-use assets		3,177,545	-
Provisions and write offs - net		4,186,430	1,168,051
Charge for defined benefit plan		396,854	359,607
Gain on sale of fixed assets		(100,940)	(85,781)
Share of results of associates		(301,295)	298,031
		9,389,814	3,533,047
		36,091,096	18,470,608
(Increase) / decrease in operating assets			
Due from financial institutions		(38,874,725)	(37,585,379)
Islamic financing and related assets		15,732,429	(93,511,797)
Other assets		(18,418,008)	(7,920,096)
		(41,560,304)	(139,017,272)
Increase / (decrease) in operating liabilities			
Bills payable		(6,563,736)	6,575,508
Due to financial institutions		5,639,579	(405,484)
Deposits and other accounts		147,124,173	118,271,224
Other liabilities		6,454,118	11,112,744
		152,654,134	135,553,992
		147,184,926	15,007,328
Contribution to defined benefit plan		(338,731)	(449,616)
Income tax paid		(9,577,019)	(5,515,941)
Net cash flow from operating activities		137,269,176	9,041,771
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment in securities		(88,792,633)	(5,828,877)
Dividend received		276,726	264,003
Investments in fixed assets		(5,002,083)	(3,389,050)
Investments in intangible assets		(422,869)	(345,511)
Proceeds from sale of fixed assets		171,503	148,435
Net cash used in investing activities		(93,769,356)	(9,151,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(3,075,051)	-
Issuance of Sub-ordinated Sukuk - Additional Tier I		-	7,000,000
Dividend paid to equity shareholders of the Bank		(6,080,617)	(2,912,712)
Dividend paid to non controlling interest		(35,000)	(175,000)
Net cash (used in) / flow from financing activities		(9,190,668)	3,912,288
Increase in cash and cash equivalents		34,309,152	3,803,059
Cash and cash equivalents at the beginning of the year	36	73,299,558	69,496,499
Cash and cash equivalents at the end of the year	36	107,608,710	73,299,558

The annexed notes 1 to 51 and Annexure 1 form an integral part of these consolidated financial statements.

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Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

1 THE GROUP AND ITS OPERATIONS

1.1 The "Group" consists of:

Holding Company

- Meezan Bank Limited

Subsidiary Company

- Al Meezan Investment Management Limited

1.2 Meezan Bank Limited (the Bank / Holding company / MBL) was incorporated in Pakistan on January 27, 1997, as a public limited company under the Companies Act, 2017 (previously Companies Ordinance, 1984), and its shares are quoted on the Pakistan Stock Exchange Limited. The Bank was registered as an 'Investment Finance Company' on August 8, 1997, and carried on the business of investment banking as permitted under SRO 585(I)/87 dated July 13, 1987, in accordance and in conformity with the principles of Islamic Shariah. A 'Certificate of Commencement of Business' was issued to the Bank on September 29, 1997.

1.3 The Bank was granted a 'Scheduled Islamic Commercial Bank' license on January 31, 2002 and formally commenced operations as a Scheduled Islamic Commercial Bank with effect from March 20, 2002, on receiving notification in this regard from the State Bank of Pakistan (the SBP) under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, investment and retail banking activities.

1.4 The Bank was operating through seven hundred and sixty branches as at December 31, 2019 (2018: six hundred and sixty branches). Its registered office is at Meezan House, C-25, Estate Avenue, SITE, Karachi, Pakistan.

1.5 Al Meezan Investment Management Limited (AMIML) ('the Subsidiary company') is involved in asset management, investment advisory, portfolio management, equity research, underwriting and corporate finance. The Bank holds 65% of the share capital of AMIML.

1.6 The Group's associates are as follows:

The Group considers the following open end funds managed by AMIML as its associates:

- Meezan Islamic Fund
- Meezan Balanced Fund
- Meezan Islamic Income Fund
- Al Meezan Mutual Fund
- KSE Meezan Index Fund
- Meezan Sovereign Fund
- Meezan Tahaffuz Pension Fund
- Meezan Energy Fund
- Meezan Gold Fund
- Meezan Cash Fund
- Meezan Dedicated Equity Fund
- Meezan Strategic Allocation Fund
- Meezan Strategic Allocation Fund II
- Meezan Strategic Allocation Fund III
- Meezan Asset Allocation Fund
- Meezan Financial Planning Fund of Funds
- Meezan Rozana Amdani Fund

The country of establishment in respect of all of the above funds is Pakistan. Further, all the above funds are individual open-end schemes and have been established by execution of trust deeds between AMIML and the Central Depository Company of Pakistan Limited (CDC) as the Trustee.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

2 BASIS OF PRESENTATION AND CONSOLIDATION

- 2.1 These consolidated financial statements have been prepared from the information available in the audited financial statements of the Meezan Bank Limited (Holding company) for the year ended December 31, 2019 and the condensed interim financial statements of Al Meezan Investment Management Limited (AMIML) for the six months period ended December 31, 2019 which have only been subjected to review but are not audited. AMIML prepares its annual financial statements up to June 30 each year. In preparing the consolidated profit and loss account for the year ended December 31, 2019 the results for the period from January 1, 2019 to June 30, 2019 have been calculated from the audited financial statements of AMIML for the year ended June 30, 2019 after eliminating the reviewed results for the six months period ended December 31, 2018.

These consolidated financial statements comprise of the consolidated statement of financial position as at December 31, 2019 and the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement together with the notes forming part thereof for the year ended December 31, 2019.

The associates have been accounted for in these consolidated financial statements under the equity method of accounting on the respective basis as follows:

Entity	Source of information
Meezan Balanced Fund	Financial statements for the half years ended December 31, 2019 and 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2019.
Al Meezan Mutual Fund	Financial statements for the half years ended December 31, 2019 and 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2019.
Meezan Islamic Fund	Financial statements for the half years ended December 31, 2019 and 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2019.
Meezan Islamic Income Fund	Financial statements for the half years ended December 31, 2019 and 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2019.
KSE Meezan Index Fund	Financial statements for the half years ended December 31, 2019 and 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2019.
Meezan Cash Fund	Financial statements for the half years ended December 31, 2019 and 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2019.
Meezan Tahaffuz Pension - Equity Sub Fund	Financial statements for the half years ended December 31, 2019 and 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2019.
Meezan Financial Planning Fund of Funds - Conservative	Financial statements for the half years ended December 31, 2019 and 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2019.
Meezan Gold Fund	Financial statements for the half years ended December 31, 2019 and 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2019.
Meezan Tahaffuz Pension - Gold Sub Fund	Financial statements for the half years ended December 31, 2019 and 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2019.
Meezan Energy Fund	Financial statements for the the half years ended December 31, 2019 and 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2019.
Meezan Strategic Allocation Fund - MSAP II	Financial statements for the half years ended December 31, 2019 and 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the year ended June 30, 2019.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

Meezan Rozana Amdani Fund	Financial statements for the half year ended December 31, 2019 and period from December 28, 2018 to December 31, 2018 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the period from December 28, 2018 to June 30, 2019.
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Meezan Strategic Allocation Fund III - Meezan Capital Preservation Plan - MCPP IX	Financial Statements for the half year ended December 31, 2019 (unaudited but subject to a limited review by its statutory auditors) and audited financial statements for the period May 20, 2019 to June 30, 2019.
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- 2.2 Subsidiaries are those enterprises in which the Holding company directly or indirectly exercises control over investee, and / or beneficially owns or holds more than 50 percent of the voting securities or otherwise, has power to elect and appoint more than 50 percent of its directors. The financial statements of the subsidiary are included in these consolidated financial statements from the date when the control commenced. The financial statements of AMIML have been consolidated on a line-by-line basis. The Group applies uniform accounting policies for similar transactions and events in similar circumstances except where specified otherwise.

Associates are entities over which the Group has a significant influence but not control over investee. The Group's share in an associate is the aggregate of the holding in that associate by the Holding company and by the Subsidiary. Investments in associates are accounted for under the equity method of accounting and are initially recognised at cost, thereafter for the post acquisition change in the Group's share of net assets of the associates. The profit and loss account reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income (OCI) of associates is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. These consolidated financial statements include the Group's share of income and expenses of associates from the date that significant influence commences until the date that such influence ceases.

Non-controlling interest is that part of the net results of operations and of net assets of the subsidiary attributable to interests which are not owned by MBL.

All material inter-group balances, transactions and resulting profits / losses have been eliminated.

3 STATEMENT OF COMPLIANCE

- 3.1 These consolidated financial statements (here-in-after referred to as "financial statements") have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities 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.

- 3.2 The SBP, through its BSD Circular No. 10 dated August 26, 2002, has deferred the implementation of International Accounting Standard (IAS) 39 - "Financial Instruments: Recognition and Measurement" and IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Accordingly, the requirements of these Standards have not been considered in the preparation of these consolidated financial statements. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of this standard have also not been considered in the preparation of these consolidated financial statements. However, investments and non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 3.3 The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS 3 for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly financial statements would be notified by SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been ratified to date. Accordingly, the disclosures requirements under IFAS 3 have not been considered in these consolidated financial statements.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

The Group has adopted the following accounting standards, interpretations and amendments of IFRSs and the improvements to accounting standards which became effective for the current year:

3.4.1 IFRS 15 'Revenue from contracts with customers'

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers which is effective for annual periods beginning on or after July 1, 2018. The standard establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled to in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Group's revenue streams that are within the scope of IFRS 15 relate to certain fee and commission income. The accounting policy for recognition of such income is disclosed in note 6.18 to these consolidated financial statements. The application of this standard did not have any material impact on these consolidated financial statements, except for change in description of accounting policy.

3.4.2 IFRS 16 'Leases'

During the year, the SBP, vide its BPRD Circular Letter No. 8 dated April 30, 2019 and BPRD Circular No. BPRD/RPD/2019/17 dated July 26, 2019 has directed all Islamic Banks to apply IFRS 16 'Leases' in all Ijarah (lease) contracts where the Islamic Banks acts in capacity of Mustajir (lessee) and accordingly, the Group has adopted the standard. The IFAS 2 - Ijarah would continue to be applicable on all the Ijarah contracts where the Islamic Banks acts as Mujir (lessor).

The Group has lease contracts in the capacity of lessees for various properties used by the Group's branches. The Group has adopted modified retrospective approach for transition to IFRS 16. The standard also provides practical expedients, which has been applied by the Group. The Group has recognised right-of-use assets and lease liabilities for those leases which were previously accounted for under IFAS 2 Ijarah and recognised/ classified as rent expense. Lease liabilities were discounted using the incremental borrowing rate at the date of initial application. Right-of-use asset is depreciated over lease term and classified as depreciation expense.

The overall impact of the initial application of IFRS 16 on these consolidated financial statements is summarized below:

Impact on Consolidated Statement of Financial Position	As at January 01, 2019 (Rupees in '000)
Increase in fixed assets - right-of-use assets	8,226,423
Decrease in other assets - Advances, deposits, advance rent and other prepayments	584,437
Increase in other liabilities - lease liability against right-of-use assets	7,641,986
Impact on Consolidated Profit and Loss account	For the year ended December 31, 2019 (Rupees in '000)
Increase in Profit on deposits and other dues expensed - Amortisation of lease liability against right-of-use assets	984,034
(Increase) / decrease in administrative expenses - Depreciation on right-of-use assets - Rent and taxes	2,193,511 (2,385,868) (192,357)

Profit after tax for the year ended December 31, 2019 decreased by Rs 483 million.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

3.4.3 IFRIC 23 - Uncertainty over Income Tax Treatments

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation did not have any material impact on the consolidated financial statements of the Group.

3.4.4 The SECP vide its notification SRO 56 (1) /2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 228 of the Companies Act, 2017, will not be applicable with respect to the investment in mutual funds established under Trust structure.

3.5 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

3.5.1 IFRS 9 'Financial Instruments' - SBP vide its BPRD Circular No. 04 of 2019 dated October 23, 2019 directed the banks in Pakistan to implement IFRS 9 with effect from January 1, 2021. IFRS 9 replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The SBP has directed the Holding company to conduct an impact assessment as at December 31, 2019 and the Holding company is in the process of complying with the requirements.

3.5.2 Further, the following IFRSs as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2020:

Standard, Interpretations and Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 01, 2020
- IFRS 3 - Definition of a Business (Amendments)	January 01, 2020
- IFRS 14 - Regulatory Deferral Accounts	July 01, 2019

Further, following new standards have been issued by IASB which are yet to be notified by SECP for the purpose of applicability in Pakistan.

Standard, Interpretations and Amendments	Effective date (accounting periods beginning on or after)
- IFRS 1 - First time adoption of IFRSs	January 01, 2004
- IFRS 17 - Insurance Contracts	January 01, 2021

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

4.1 The preparation of the consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise judgments in the process of applying the Group's accounting policies. The significant accounting areas where various assumptions and estimates are significant to the Group's financial statements or where judgment was exercised in the application of the accounting policies are as follows:

- Classification of investments in accordance with the Group's policy (notes 6.4 and 10);
- Provision against non-performing Islamic financing and related assets (notes 6.3.2 and 11);
- Impairment of investments in equity instruments of associates and non associate entities (notes 6.4.5, 10 and 33);
- Accounting for defined benefit plan (notes 6.11 and 38);
- Depreciation / amortisation of fixed assets and intangible assets (notes 6.5, 12 and 13);
- Assumption and estimation in recognition of provision for taxation (current and prior years) and deferred taxation (notes 6.6, 19, 20 and 34); and
- Determination of the lease term and incremental borrowing rate for lease contracts of various properties used by the Group's branches (notes 6.5.2, 12 and 20).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

5 BASIS OF MEASUREMENT

5.1 These consolidated financial statements have been prepared under the historical cost convention except that certain investments, foreign currency balances, Non-banking assets acquired in satisfaction of claims and commitments in respect of certain foreign exchange contracts have been marked to market and carried at fair value in accordance with the requirements of the SBP. In addition, obligation in respect of staff retirement benefit and employees compensated leave balances are carried at present value as per actuarial valuation.

5.2 Functional and Presentation Currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

5.3 Rounding off

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

6.1 Cash and cash equivalents

Cash and cash equivalents comprise of cash and balances with treasury banks and balances with other banks in current and deposit accounts.

6.2 Due to / from financial institutions

Bai Muajjal

In Bai Muajjal, the Group sells sukuk on credit to other financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period.

Musharaka / Mudaraba

In Musharaka / Mudaraba, the Group invests in the shariah compliant business pools of the financial institutions at the agreed profit and loss sharing ratio.

Musharaka from State Bank of Pakistan under IERS

Under IERS, the Group accepts funds from the SBP under shirkat-ul-aqd to constitute a pool for investment in export refinance portfolio of the Group under the guidelines issued by the SBP. The profit of the pool is shared as per the agreed weightages between the partners.

Investment from State Bank of Pakistan under ILTFF

Under ILTFF, the Bank accepts funds from the SBP for investment in general pool of the Bank. The profit of the pool is shared as per the agreed profit sharing ratio and assigned weightages to these investments.

6.3 Islamic financing and related assets

Murabaha

In Murabaha transactions, the Group purchases the goods and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction.

Ijarah

Ijarah assets are stated at cost less depreciation and are disclosed as part of 'Islamic financing and related assets'. The rental received / receivable on Ijarah under Islamic Financial Accounting Standard - 2 'Ijarah' (IFAS 2) are recorded as income / revenue. The Group charges depreciation from the date of recognition of Ijarah of respective assets to mustajir. Ijarah assets are depreciated over the period of Ijarah using the straight line method. Ijarah rentals outstanding are disclosed in 'other assets' on the Consolidated Statement of Financial Position at amortized cost. Impairment of Ijarah assets is determined in accordance with the Prudential Regulations issued by the SBP. The provision for impairment of Ijarah assets is shown as part of 'Islamic financing and related assets'.

Istisna

In Istisna financing, the Group places an order to purchase some specific goods / commodities from its customers to be delivered to the Group within an agreed time. The goods are then sold by the customer on behalf of the Group and the amount hence financed along with profit is paid back to the Group.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

Tijarah

In Tijarah financing, the Group purchases specific goods / commodities on cash basis from its customers for onward sale by the customer on behalf of the Group and on subsequent sale, the financed amount along with profit is paid back by the customer to the Group.

Diminishing Musharakah

In Diminishing Musharakah financing, the Group enters into Musharakah based on Shirkat-ul-milk for financing an agreed share of fixed asset (e.g. house, land, plant or machinery) with its customers. The customers pay periodic profit as per the agreement for the utilisation of the Group's Musharakah share and also periodically purchase the Group's share over the tenure of the transaction.

Running Musharakah

In Running Musharakah financing, the Group enters into financing with the customer based on Shirkatul Aqd or Business Partnership in the customer's operating business. Under this mechanism the customer can withdraw and return funds to the Group subject to his Running Musharakah Financing limit during the Musharakah Period. At the end of each quarter / half year the customer pays the provisional profit as per the desired profit rate which is subject to final settlement based on the relevant quarterly / half yearly / annual accounts of the customer.

Bai Muajjal

In Bai Muajjal financing, the Group sells Shariah compliant sukuk on credit to customers. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period.

Service Ijarah

In Service Ijarah financing, the Group provides financing by acquiring certain agreed services from the customer. After the purchase of services, the Group appoints the customer to sell these services in the market over a period and provide a sale confirmation of such sale. The profit is only accrued from the date of receipt of such confirmation.

Wakalah

Wakalah is an agency or a delegated authority where the Muwakkil (principal) appoints the Wakil (agent) to carry out a specific job on behalf of the Muwakkil. Funds disbursed are initially recorded as 'Advance against Wakalah'. On culmination, the same are recorded as financing.

Wakalah tul Istithmar

In Wakalah tul Istithmar financing, the Group enters into investment agency transaction with customer acting as an agent of the Group. Under this mechanism, the funds disbursed are invested by the customer on behalf of the Group and are recorded as financing upon their investment in the business. At the end of each quarter / half year / other defined period, the customer pays the provisional profit which is subject to adjustment upon actual declaration of wakala business performance by the agent.

Musawamah

In Musawamah financing, the Group purchases the goods and after taking the possession, sells them to the customer either in spot or credit transaction, without disclosing the cost.

- 6.3.1** Islamic financing and related assets are stated net of specific and general provisions against non-performing Islamic financing and related assets which are charged to the consolidated profit and loss account.

Funds disbursed, under financing arrangements for purchase of goods / assets are recorded as advance. On culmination, financing are recorded at the deferred sale price net of profit. Goods purchased but remaining unsold at the consolidated statement of financial position date are recorded as inventories.

- 6.3.2** Provision against non-performing Islamic financing and related assets

Specific provision

The Group determines provisions against Islamic financing and related assets on a prudent basis in accordance with the requirements of the Prudential Regulations issued by the SBP.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

General provision

In accordance with Prudential Regulations issued by the SBP, general provision against consumer financing / house financing should be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages range from 0.5% to 2.5% for secured and 4% to 7% for unsecured portfolio.

In addition to the above mentioned requirements, the Group has also created a general provision in respect of financing against potential losses present in the portfolio. This provision is based on management's best estimate and is approved by the Board of Directors of the Holding company.

The net provisions made / reversed during the year is charged to the consolidated profit and loss account and accumulated provision is netted off against Islamic financing and related assets. Islamic financing and related assets are written off when there are no realistic prospects of recovery.

6.3.3 Inventories

The Group values its inventories at the lower of cost and net realisable value.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Cost of inventories represents actual purchases made by the Group / customers as an agent of the Group for subsequent sale.

6.4 Investments

6.4.1 Classification

The Group classifies its investments as follows:

- Held for trading

These are investments which are either acquired for generating profits from short-term fluctuations in market prices or are securities included in a portfolio for which there is evidence of a recent actual pattern of short-term profit taking.

- Held to maturity

These are investments with fixed or determinable payments and maturity that the Group has the positive intent and ability to hold till maturity.

- Available for sale

These are investments, which do not fall under 'held for trading' or 'held to maturity' categories.

6.4.2 Regular way contracts

All purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognised at the trade date, which is the date on which the Group commits to purchase or sell the investments.

6.4.3 Initial recognition and measurement

Investments other than those categorised as 'held for trading' are initially recognised at fair value which includes transaction costs associated with the investments. Investments classified as 'held for trading' are initially recognised at fair value and transaction costs are expensed in the consolidated profit and loss account.

6.4.4 Subsequent measurement

Subsequent to initial recognition, investments are valued as follows:

- Held for trading

These are measured at subsequent reporting dates at fair value. Gains and losses on remeasurement are included in the net profit and loss for the year.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

- **Held to maturity**

These are measured at amortised cost using the effective profit rate method, less any impairment loss recognised to reflect irrecoverable amount.

- **Available for sale**

In accordance with the requirements specified by the SBP, quoted securities (other than those classified as 'held to maturity' and 'investments in associates and subsidiary'), are subsequently re-measured to market value. Unquoted equity securities are valued at the lower of cost and break-up value. Break-up value of unquoted equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. Investment in other unquoted securities are valued at cost less impairment losses, if any.

Surplus / deficit arising on revaluation of quoted securities which are classified as 'available for sale', is included in the Consolidated Statement of Other Comprehensive Income. On derecognition of available-for-sale investments, the cumulative gain or loss previously reported in consolidated other comprehensive income is transferred to consolidated profit and loss for period within consolidated statement of other comprehensive income.

6.4.5 Impairment

Available for sale and Held to maturity investments

Impairment loss in respect of investments classified as available for sale and held to maturity (except sukuk certificates) is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investment below its cost is also considered an objective evidence of impairment. Provision for diminution in the value of sukuk certificates is made as per the Prudential Regulations issued by the SBP. In case of impairment in available-for-sale investments, the related loss previously reported in consolidated other comprehensive income is transferred to consolidated profit and loss for period. For investments classified as held to maturity, the impairment loss is recognised in the consolidated profit and loss account.

6.4.6 Cost of investment is determined on moving average basis.

6.5 Operating fixed assets

6.5.1 Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and any identified impairment loss. Items of fixed assets costing Rs 20,000 or less are not capitalised and are charged off in the month of purchase. Profit or loss on disposal of fixed assets is included in the consolidated profit and loss account currently.

6.5.2 Right-of-use assets and Lease liabilities

At the inception of the contract, the Group assesses whether a contract is, or contains, a lease. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented within note 12 and are subject to impairment in line with the Group's policy as described in note 6.5.8.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group cannot readily determine the discount rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities.

6.5.3 Intangible assets

Intangible assets comprise of computer software. Intangible assets with definite useful lives are stated at cost less accumulated amortisation and impairment losses (if any).

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

6.5.4 Subsequent costs

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenditure are charged to the consolidated profit and loss account as and when incurred.

6.5.5 Depreciation / amortisation

Depreciation / amortisation is charged to the consolidated profit and loss account by applying the straight line method in accordance with the rates specified in notes 12.2 and 13 whereby the depreciable value of an asset is written off over its estimated service life. The Group charges depreciation / amortisation from the month of acquisition and upto the month preceding the disposal. Right-of-use assets are depreciated on a straight line basis over the lease term.

6.5.6 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any.

6.5.7 Useful lives and residual values

Useful lives and residual values are reviewed at each Consolidated Statement of Financial Position date and adjusted if impact on depreciation / amortisation is significant.

6.5.8 Impairment

The Group assesses at each Consolidated Statement of Financial Position date whether there is any indication that the operating fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in the consolidated profit and loss account.

6.6 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the consolidated profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current

The charge for current taxation is based on expected taxable income for the year at the current rates of taxation, after taking into consideration available tax credits, rebates, tax losses, etc. The charge for current tax also includes adjustments to tax payable in respect of previous years including those arising from assessments finalised during the year and are separately disclosed.

Deferred

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences relating to initial recognition of goodwill, initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

In making the estimates for current and deferred taxes, the management considers the income tax law and the decisions of appellate authorities on certain issues in the past.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

6.7 Non-banking assets acquired in satisfaction of claims

The non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. The useful lives are reviewed annually and adjusted, if appropriate. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of property, if any, is credited to the 'surplus on revaluation of assets' account in the consolidated statement of other comprehensive income. Any deficit arising on revaluation is taken to consolidated profit and loss account directly. On derecognition of the assets, the cumulative gain or loss previously reported in consolidated other comprehensive income is transferred directly to unappropriated profit in the consolidated statement of changes in equity. Legal fees, transfer cost and direct cost of acquiring title to property is charged to the consolidated profit and loss account.

6.8 Deposits

Deposits are generated on the basis of two modes i.e. Qard and Mudaraba.

Deposits taken on Qard basis are classified as 'Current accounts' and Deposits generated on Mudaraba basis are classified as 'Savings deposits' and 'Fixed deposits'. No profit or loss is passed on to current account depositors, however the funds of current accounts are treated as equity for the purpose of profit calculation and any profit earned / loss incurred on those funds are allocated to the equity of the Holding company. While the product features of each product differ, there is usually no restriction on withdrawals or number of transactions in current and saving accounts. In case of fixed deposits, pre-mature withdrawals can be made as per approved terms only.

Profits realised in investment pools are distributed in pre-agreed profit sharing ratio. Rab-ul-Maal share is distributed among depositors according to weightages assigned at the inception of profit calculation period. Mudarib can distribute its share of profit to Rab-ul-Maal upto a maximum of 50% of their profit as Incentive profits (Hiba).

Profits are distributed from the pool such that the depositors (remunerative) only bear the risk of assets in the pool during the profit calculation period. In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of Investments.

Asset pools are created at the Holding company's discretion and the Holding company can add, amend, transfer an asset to any other pool in the interests of the deposit holders.

6.9 Sub-ordinated Sukuk

The Group records sub-ordinated sukuk initially at the amount of proceeds received. Profit accrued on sub-ordinated sukuk is charged to the consolidated profit and loss account.

6.10 Pool Management

The Holding company operates general and specific pools for deposits and inter-bank funds accepted / acquired under Mudaraba and Musharakah modes.

Under the general deposits pools, the Holding company accepts funds on Mudaraba basis from depositors (Rab-ul-Maal) where the Holding company acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financing, investments and placements. When utilising investing funds, the Holding company prioritizes the funds received from depositors over the funds generated from own sources after meeting the regulatory requirement relating to such deposits.

Specific pools are operated for funds acquired / accepted from the State Bank of Pakistan and other banks for Islamic Export Refinance to the Holding company's customers and liquidity management respectively under the Musharakah / Mudaraba modes.

The profit of each deposit pool is calculated on all the remunerative assets booked by utilising the funds from the pool after deduction of expenses directly incurred in earning the income of such pool along with related fee income, if any. The directly related costs comprise of depreciation on ijarah assets, takaful premium, documentation charges etc. No expense of general or administrative nature is charged to the pools. No provisions against any non-performing asset of the pool is passed on to the pool except on the actual loss / write-off of such non-performing asset. The profit of the pool is shared between equity and other members of the pool on the basis of Musharakah at gross level (before charging of mudarib fee) as per the investment ratio of the equity. The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period after charging of mudarib fee. During the year, the Holding company has given General Hiba to the depositors of PKR General Pool, keeping in view the prescribed guidelines of Pool Management provided by the SBP and with the approval of the Holding company's Resident Shariah Board Member. However, Hiba are given at the sole discretion of the Holding company without any contractual commitment and can be withdrawn or reduced by the Holding company at its sole discretion.

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The risk characteristic of each pool mainly depends on the assets and liability profile of each pool. As per the Holding company's policy, relatively low risk / secured financing transactions and assets are allocated to general depositors pool of PKR, USD, GBP and Euro. The Holding company maintains General Pools (PKR, USD, EUR, GBP), FI Pools, IERS pool and Equity pool. The general pools are exposed to general credit risk, asset ownership risk and profit rate risk of the underlying assets involved.

General Pools:

For General Pools (PKR, USD, EUR, GBP), the Bank allocates PKR financing to Corporate, Commercial, SME and Consumer Finance customers in diversified sectors and avenues of the economy / business as mentioned in note 47.1.1.3. Investments in Sovereign Guarantee Sukuk, Bai Muajjal with State Bank of Pakistan, are also done through General Pools. All remunerative deposits are tagged to these general pools and their funds generated from the depositors are invested on priority basis. Due to limited investment options in USD, GBP and EURO pool, funds from FCY pools are invested in available International Sukuk, Shariah Compliant Nostro accounts, FCY financing and the remaining funds are taken out and invested in PKR general pool as part of equity. In such cases return from PKR General Pool is given back to FCY pools, so that returns can be passed on to FCY pool customers accordingly. The Holding company as Mudarib in the general pools is responsible for financing costs / assets such as land, building, furniture, fixtures, computers and IT system from its own sources / equity.

IERS Pools:

The IERS pool assets comprise of Sovereign Guarantee Sukuk, and financing to/ sukuk of blue chip companies and exporters as allowed under the applicable rules and regulations, and as such are exposed to lower credit risk. The Musharakah with SBP under IERS is tagged to the IERS pool.

FI Pools:

The FI pool assets generally comprise of Sovereign Guarantee Sukuk and financing under diminishing musharakah mode only and the related liability of the FI pool comprise of Musharakah / Mudarabah from other banks and financial institutions. These pools are created to meet the liquidity requirements of the Holding company.

Equity Pools:

All other assets including fixed assets, exposure in shares, PKR bai-salam financing and subsidized financing to the Holding company's employees are tagged to equity pool. To safeguard the interest of customers, all high risk investments are also done through equity pool.

6.11 Staff retirement benefits

Defined benefit plan of MBL

The Holding company operates an approved Gratuity Funded Scheme for its permanent employees. The scheme was approved by the tax authorities in April 2000. The liability recognised in the Consolidated Statement of Financial Position in respect of Gratuity Funded Scheme is the present value of the defined benefit obligation at the Consolidated Statement of Financial Position date less the fair value of plan assets. Contributions to the fund are made on the basis of actuarial recommendations. The defined benefit obligation is calculated periodically by an independent actuary using the projected unit credit method. Last valuation was conducted as on December 31, 2019.

The Holding company also operates End of Service Unfunded Defined Benefit Scheme as approved by the Board of Directors of the Holding company for the benefit of the founding President and Chief Executive Officer of the Holding company. The defined benefit obligation for this benefit has been calculated by an independent actuary using the projected unit credit method. The valuation has been carried out on December 31, 2019.

Amounts arising as a result of "Remeasurements", representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognised in the Consolidated Statement of Financial Position immediately, with a charge or credit to "Consolidated Other Comprehensive Income" in the periods in which they occur. The actuarial valuations involve assumptions about discount rates, expected rates of return on assets, future salary increases and future inflation rates as disclosed in note 38.

Defined contribution plan

The Group also operates a recognised contributory provident fund for all permanent employees. Equal monthly contributions are made, both by the Group and the employees, to the fund at a rate of 10% of basic salary.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

6.12 Compensated absences

The Group recognises liability in respect of employees compensated absences in the period in which these are earned upto the date of Consolidated Statement of Financial Position. The provision is recognised on the basis of actuarial valuation using projected unit credit method.

6.13 Dividend and reserves

Dividend declared and appropriations, except for transfer to statutory reserve, made subsequent to the date of Consolidated Statement of Financial Position are considered as non adjusting events and are recorded in the financial statements in the year in which these are approved by the directors / shareholders as appropriate.

6.14 Foreign currency transactions

Transactions and balances

Foreign currency transactions are recorded in rupees at exchange rates prevailing on the date of transaction. Monetary assets, monetary liabilities and contingencies and commitments in foreign currencies except forward contracts are reported in Rupees at exchange rates prevalent on the Consolidated Statement of Financial Position date.

Forward contracts other than contracts with the SBP relating to the foreign currency deposits are valued at forward rates applicable to the respective maturities of the relevant foreign exchange contracts. Forward contracts with the SBP relating to foreign currency deposit, are valued at spot rate prevailing at the Consolidated Statement of Financial Position date. Exchange gains and losses are included in the consolidated profit and loss account currently.

Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed at the rates applicable at the reporting date. Contingent liabilities / commitments for letters of credit, and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rates ruling on the reporting date.

Translation gains and losses are included in the consolidated profit and loss account.

6.15 Provisions and contingent assets and liabilities

Provision are recognised when the Group has a present legal or constructive obligation arising as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Contingent assets are not recognised, and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised and are disclosed unless the probability of an outflow of resources embodying economic benefits are remote.

6.16 Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers. Acceptances are accounted for as on-balance sheet transactions and related balances are disclosed under other assets and other liabilities.

6.17 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the approved accounting standards as applicable in Pakistan.

6.18 Revenue recognition

- i) Profit on Murabaha (including Commodity Murabaha) and Musawamah is recognised on an accrual basis. Profit on murabaha and musawamah transactions for the period from the date of disbursement to the date of culmination of murabaha is recognised immediately upon the later date.
- ii) Rental on Ijarah contracts under Islamic Financial Accounting Standard - 2 Ijarah (IFAS 2) are recognised as income on an accrual basis.
- iii) Profit on Bai Muajjal transaction is recognised on an accrual basis.
- iv) Profit on Diminishing Musharakah financing is recognised on an accrual basis.

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For the year ended December 31, 2019

- v) Profit on Running Musharakah financing is booked on an accrual basis and is adjusted upon declaration of profit by Musharakah partners.
- vi) Profit on Tijarah and Istisna financing is recognised on an accrual basis commencing from time of sale of goods till the realisation of sale proceeds by the Group.
- vii) Profit on Service Ijarah is recognised on an accrual basis commencing from the date of confirmation of sale.
- viii) Profit on Wakalah tul Istithmar / Wakalah is recognized on an accrual basis and is commensurate with the Wakalah business performance/ work done by the agent.
- ix) Profit on Sukuk is recognised on an accrual basis. Where Sukuk (excluding held for trading securities) are purchased at a premium or discount, those premiums / discounts are amortised through the profit and loss account over the remaining maturity.
- x) Commission on letters of credit, acceptances and guarantees is recognised on receipt basis, except for commission on guarantees in excess of Rs 200,000 which is recognised over the period of the guarantee.
- xi) The Group also earns fee and commission income from certain other non-funded banking services. The related fee and commission income is recognised at an amount that reflects the consideration to which the Holding company expects to be entitled in exchange for providing the services. The Group recognises fees earned on transaction-based arrangements at a point in time when the Group has fully provided the service to the customer. Where the contract requires services to be provided over time, the income is recognised on a systematic basis over the life of the related service.
- xii) Dividend income is recognised when the right to receive dividend is established.
- xiii) Gain or loss on sale of investments is included in the consolidated profit and loss account.
- xiv) Gain or loss on disposal of fixed assets, ijarah assets and musharaka assets is taken to the profit and loss account in the period in which they arise.
- xv) Profit suspended in compliance with the Prudential Regulations issued by the SBP is recorded on receipt basis. Profit on rescheduled / restructured financing and investments are recognised as permitted by the SBP.
- xvi) Remuneration from funds (management fee) is recognized based on the net asset value of the funds calculated on daily basis.

6.19 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format of reporting is based on business segments. Operating segments are reported in a manner consistent with the internal reporting provided to the management. Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment.

6.19.1 Business segments

Corporate and Commercial Banking

It includes trade finance, export finance, project finance, Ijarah, guarantees and bills of exchange relating to its Corporate and Commercial customers, investment banking, syndications, IPO related activities (excluding investments), secondary private placements, underwriting and securitisation.

Retail Banking

It includes retail financing, deposits and banking services offered to its retail customers and small and medium enterprises.

Asset Management

It includes asset management, investment advisory, portfolio management, etc.

Trading and Sales

It includes equity, foreign exchanges, commodities, own securities and placements.

Others

It includes functions which cannot be classified in any of the above segments.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

6.19.2 Geographical segments

The Group operates only in Pakistan.

6.20 Impairment

The carrying amount of the assets are reviewed at each Consolidated Statement of Financial Position date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the relevant asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated profit and loss account. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

6.21 Earnings per share

The Group presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the year attributable to equity holders of the Holding company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit of Holding company (after adjusting for return (net of tax) on the convertible instruments by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

7	CASH AND BALANCES WITH TREASURY BANKS	Note	2019	2018
			Rupees in '000	
	In hand			
	- local currency		14,487,566	10,755,092
	- foreign currencies		1,854,081	2,122,435
	With the State Bank of Pakistan in			
	- local currency current accounts	7.1	33,981,833	25,130,062
	- foreign currency current accounts	7.1	6,609,487	5,305,332
	With the National Bank of Pakistan in			
	- local currency current accounts		35,077,790	21,709,491
	National Prize Bonds	7.2	183,120	-
			<u>92,193,877</u>	<u>65,022,412</u>

7.1 These include local and foreign currency amounts required to be maintained by the Holding company with the SBP as stipulated by the SBP. These accounts are non-remunerative in nature.

7.2 The Group, as a matter of Shariah principle, does not deal in prize bonds. These represent the national prize bonds received from customers for onward surrendering to SBP.

8	BALANCES WITH OTHER BANKS	Note	2019	2018
			Rupees in '000	
	In Pakistan			
	- in current accounts		7,764,509	5,877,231
	- in deposit accounts	8.1	3,752,003	3,374
	Outside Pakistan			
	- in current accounts		1,876,378	2,089,540
	- in deposit accounts	8.2	2,021,943	307,001
			<u>15,414,833</u>	<u>8,277,146</u>

8.1 The return on these balances is around 10.16% (2018: Nil) per annum.

8.2 The return on these balances is around 1.56% (2018: 0.85%) per annum.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

	Note	2019	2018
9 DUE FROM FINANCIAL INSTITUTIONS - NET			
		Rupees in '000	
Bai Muajjal:			
With State Bank of Pakistan	9.1	13,682,452	-
With Scheduled Banks - Secured	9.2	208,096,873	184,814,600
With other Financial Institution		15,500	15,500
	9.3	221,794,825	184,830,100
Musharakah	9.4	1,910,000	-
Commodity Murabaha		26,066	26,066
		223,730,891	184,856,166
Provision against non-performing amounts due from financial institutions	9.6	(41,566)	(41,566)
		223,689,325	184,814,600

9.1 The average return on these Bai Muajjal is 10.55% (2018: Nil) per annum. These balances are maturing latest by February 2020 (2018: Nil).

9.2 The average return on this product is 13.05% (2018: 7.87%) per annum. The balances have maturities ranging between January 2020 to October 2020 (2018: January 2019 to April 2019). These Bai Muajjal are secured against Federal Government securities received as collateral and having market value of Rs 215,020 million as at December 31, 2019 (2018: Rs 179,574 million).

	2019	2018
	Rupees in '000	
9.3 Bai Muajjal Placements	240,471,829	191,381,750
Less: Deferred Income	(8,990,054)	(1,137,552)
Profit Receivable shown in other assets	(9,686,950)	(5,414,098)
Bai Muajjal Placements	221,794,825	184,830,100

9.4 The average return on this product is 11.25% (2018: Nil) per annum. The balances are maturing latest by January 2020 (2018: Nil).

9.5 Particulars of due from financial institutions - net		
In local currency	223,689,325	184,814,600
In foreign currencies	-	-
	223,689,325	184,814,600

	2019		2018	
	Non-performing due from financial institutions	Provision held	Non-performing due from financial institutions	Provision held
9.6 Category of classification	Rupees in '000			
Loss	41,566	41,566	41,566	41,566

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

10 INVESTMENTS - NET

10.1 Investments by types

		2019				2018			
Note		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000									
Available for sale securities									
- Federal Government Securities	10.5.1	96,658,346	-	(213,851)	96,444,495	61,420,405	-	(271,470)	61,148,935
- Shares (including units of fund)	10.5.2 & 10.5.3	6,809,714	2,201,501	1,674,958	6,283,171	5,981,168	1,104,210	277,249	5,154,207
- Non Government Sukuk	10.5.4	101,429,663	165,183	12,662,650	113,927,130	21,249,032	172,935	-	21,076,097
- Foreign Securities	10.5.5	7,774,672	-	318,883	8,093,555	7,576,263	-	(110,446)	7,465,817
		212,672,395	2,366,684	14,442,640	224,748,351	96,226,868	1,277,145	(104,667)	94,845,056
Held to maturity securities									
- Federal Government Securities		-	-	-	-	28,000,000	-	-	28,000,000
- Non Government Sukuk	10.6	49,707	-	-	49,707	74,307	-	-	74,307
Associates (listed)									
- Units of funds	10.7	4,869,014	-	-	4,869,014	4,196,013	-	-	4,196,013
Total Investments		217,591,116	2,366,684	14,442,640	229,667,072	128,497,188	1,277,145	(104,667)	127,115,376

10.2 Investments by segments

Note	2019				2018				
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	
Rupees in '000									
Federal Government Securities									
- Sukuk		13,006,137	-	(213,851)	12,792,286	46,986,693	-	(271,470)	46,715,223
- Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)		83,652,209	-	-	83,652,209	42,433,712	-	-	42,433,712
	10.5.1	96,658,346	-	(213,851)	96,444,495	89,420,405	-	(271,470)	89,148,935
Shares									
Listed Companies	10.5.2	5,958,932	2,089,064	1,674,958	5,544,826	5,080,386	1,008,968	275,766	4,347,184
Units of funds	10.5.2	-	-	-	-	50,000	-	1,483	51,483
Unlisted Companies	10.5.3	850,782	112,437	-	738,345	850,782	95,242	-	755,540
		6,809,714	2,201,501	1,674,958	6,283,171	5,981,168	1,104,210	277,249	5,154,207
Non Government Sukuk									
Listed	10.2.1, 10.5.4 and 10.6	84,749,707	-	12,662,650	97,412,357	74,307	-	-	74,307
Unlisted	10.5.4	16,729,663	165,183	-	16,564,480	21,249,032	172,935	-	21,076,097
		101,479,370	165,183	12,662,650	113,976,837	21,323,339	172,935	-	21,150,404
Foreign Securities									
Government Sukuk	10.5.5	4,666,473	-	241,031	4,907,504	4,788,337	-	(61,003)	4,727,334
Non Government Sukuk	10.5.5	3,097,810	-	77,852	3,175,662	2,777,537	-	(49,443)	2,728,094
Shares	10.5.5	10,389	-	-	10,389	10,389	-	-	10,389
		7,774,672	-	318,883	8,093,555	7,576,263	-	(110,446)	7,465,817
Associates									
Meezan Balanced Fund	10.7	304,924	-	-	304,924	284,938	-	-	284,938
Al Meezan Mutual Fund	10.7	868,670	-	-	868,670	1,135,372	-	-	1,135,372
Meezan Islamic Fund	10.7	718,937	-	-	718,937	1,239,256	-	-	1,239,256
Meezan Strategic Allocation Fund - III - MCPP-IX	10.7	76,253	-	-	76,253	-	-	-	-
Meezan Financial Planning Fund of Funds - Conservative	10.7	7,513	-	-	7,513	6,857	-	-	6,857
KSE Meezan Index Fund	10.7	730,063	-	-	730,063	462,754	-	-	462,754
Meezan Cash Fund	10.7	-	-	-	-	52	-	-	52
Meezan Islamic Income Fund	10.7	-	-	-	-	315,642	-	-	315,642
Meezan Tahaffuz Pension - Gold sub-fund	10.7	41,355	-	-	41,355	34,059	-	-	34,059
Meezan Tahaffuz Pension - Equity sub-fund	10.7	118,719	-	-	118,719	112,431	-	-	112,431
Meezan Energy Fund	10.7	225,508	-	-	225,508	161,205	-	-	161,205
Meezan Strategic Allocation Fund - MSAP II	10.7	-	-	-	-	78,944	-	-	78,944
Meezan Gold Fund	10.7	78,305	-	-	78,305	64,150	-	-	64,150
Meezan Rozana Amdani Fund	10.7	1,698,767	-	-	1,698,767	300,353	-	-	300,353
		4,869,014	-	-	4,869,014	4,196,013	-	-	4,196,013
Total Investments									
		217,591,116	2,366,684	14,442,640	229,667,072	128,497,188	1,277,145	(104,667)	127,115,376

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

- 10.2.1 During the year, the Holding company invested Rs 85 billion in Pakistan Energy Sukuk-I issued by Power Holding (Private) Limited, wholly owned by the Government of Pakistan. These Energy Sukuks are guaranteed by the Government of Pakistan and are eligible for Statutory Liquidity Requirements. These Energy Sukuk are based on Islamic mode of Ijarah and has a 10 year maturity with semi-annual rental payments.

	2019	2018
10.3 Provision against diminution in value of investments	Rupees in '000	
Opening balance	1,277,145	969,744
Charge / (reversals) for the year		
On available for sale securities		
- charge for the year	1,385,492	505,484
- reversals for the year upon recovery on debt instruments	(7,752)	(11,047)
- reversals on disposals	(288,201)	(187,036)
	1,089,539	307,401
Closing balance	2,366,684	1,277,145

10.4 Particulars of provision against Sukuk

	2019		2018	
	Non-performing Investment	Provision held	Non-performing Investment	Provision held
	Rupees in '000			
Category of classification				
Loss	165,183	165,183	172,935	172,935

10.5 Quality of Available for Sale Securities

Details regarding quality of Available for Sale (AFS) securities are as follows:

10.5.1 Federal Government Securities

	2019	2018
	Cost	
	Rupees in '000	
Bai Muajjal with Government of Pakistan (through State Bank of Pakistan)	83,652,209	42,433,712
GOP Ijarah Sukuk - GISF-3	13,006,137	15,890,974
GOP Ijarah Sukuk - GISF-1	-	3,005,830
GOP Ijarah Sukuk - GISF-2	-	89,889
	96,658,346	61,420,405

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

	2019	2018
10.5.2 Shares and units of funds - Listed	Rupees in '000	
Automobile Assembler	95,934	183,786
Construction and materials (cement)	930,380	1,144,900
Power Generation and Distribution	173,286	224,084
Oil and gas marketing	791,579	613,808
Oil & Gas Exploration Companies	1,564,981	1,051,875
Fertilizers	535,578	568,756
Chemicals	385,910	236,346
Pharmaceuticals	490,964	358,048
Investment Companies	15,227	-
Modarabas	66,390	66,390
Technology and Communication	55,920	51,889
Paper and Board	306,866	306,866
Textile (Composite)	191,232	45,328
Glass & Ceramics	96,523	24,931
Vanaspati and Allied Industries	-	36,207
Food and Personal Care Products	-	4,701
Engineering	258,162	162,471
Units of open end funds	-	50,000
	<u>5,958,932</u>	<u>5,130,386</u>

	Cost		Breakup value per share*	
10.5.3 Unlisted Companies	2019	2018	2019	2018
	Rupees in '000		Rupees	
Fatima Energy Limited	250,553	250,553	8.70	9.40
Sapphire Electric Company Limited	318,864	318,864	31.58	29.10
Daewoo Pakistan Express Bus Service Limited	253,240	253,240	56.66	58.70
Pak Kuwait Takaful Company Limited	28,125	28,125	0.60	0.60
	<u>850,782</u>	<u>850,782</u>		

* Based on latest available audited financial statements

	Cost	
10.5.4 Non Government Sukuk	2019	2018
	Rupees in '000	
Listed		
- Government guaranteed	84,700,000	-
Unlisted		
- Government guaranteed	11,690,970	14,128,470
Unlisted		
Credit Ratings		
- AA / AA+, AA, AA-	1,800,000	3,428,333
- A / A+, A, A-	3,073,510	3,519,294
- Unrated	165,183	172,935
	<u>5,038,693</u>	<u>7,120,562</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

10.5.5 Foreign Securities - Government Sukuk	2019		2018	
	Cost Rupees in '000	Rating	Cost Rupees in '000	Rating
Hongkong	-	N/A	694,270	Aa2
Saudi Arabia	1,560,902	A	1,267,122	A+
Qatar	780,524	Aa3	701,777	Aa3
Luxembourg	-	N/A	39,709	AAA
Indonesia	2,325,047	Baa2	2,085,459	Baa2
	<u>4,666,473</u>		<u>4,788,337</u>	
Non Government Sukuk - Unlisted				
	Cost			
	2019		2018	
	Rupees in '000			
Credit Ratings				
- AA+, AA, AA-	2,320,891		2,080,042	
- A+, A, A-	776,919		697,495	
	<u>3,097,810</u>		<u>2,777,537</u>	
Equity securities - Unlisted				
S.W.I.F.T. SCRL	10,389		10,389	

10.6 Particulars relating to Held to Maturity securities are as follows:

Non Government Sukuk - Listed

Fatima Fertilizer Company Limited	49,707	74,307
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The market value of securities classified as held-to-maturity as at December 31, 2019 amounted to Rs 49.42 million (2018: Rs 74.19 million).

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

10.7 Associates accounted for under the equity method of accounting

	Al Meezan Mutual Fund	Meezan Islamic Fund	Meezan Balanced Fund	Meezan Tahafuluz Pension - Gold Sub Fund	Meezan Tahafuluz Pension - Equity Sub Fund	KSE Meezan Index Fund	Meezan Islamic Income Fund	Meezan Rozana Aaridani Fund	Meezan Cash Fund	Meezan Gold Fund	Meezan Energy Fund	Meezan Strategic Allocation Fund - MSAP II	Meezan Financial Planning Fund - Conservative	Meezan Strategic Allocation Fund III - MCPPI X	Meezan Financial Planning Fund - MAAP II	Meezan Financial Planning Fund - MAAP III	Total
	Rupees in '000																
Opening balance - January 1, 2018	1,259,594	1,441,241	300,966	28,152	126,530	417,255	1,029,738	-	530,206	52,270	336,118	85,163	6,790	-	27,117	138,560	5,779,700
Investment / (redemption) during the year	30,000	(67,259)	-	-	-	106,600	(737,571)	300,353	(530,000)	-	(148,517)	-	-	-	(31,658)	(182,516)	(1,240,557)
Share of profit / (loss) in associates - P&L	(137,488)	(125,084)	(14,965)	5,907	(14,039)	(61,101)	40,831	313	(154)	11,880	(26,396)	(6,219)	67	-	4,541	23,956	(298,031)
Share of loss in associates - OCI	(16,734)	(9,643)	(1,043)	-	-	-	-	-	-	-	-	-	-	-	-	-	(27,420)
Dividend received	-	-	-	-	-	-	(17,356)	(313)	-	-	-	-	-	-	-	-	(17,669)
Closing balance - December 31, 2018	1,135,372	1,239,256	284,938	34,059	112,431	482,754	315,642	300,353	52	64,150	161,205	78,944	6,857	-	-	-	4,196,013
(Redemption) / Investment during the year	(291,471)	(564,166)	-	-	-	202,265	(309,123)	1,398,414	-	-	45,331	(71,996)	-	68,876	-	-	478,130
Share of profit / (loss) in associates - P&L	24,769	43,847	19,986	7,296	6,288	65,044	(4,098)	104,003	(52)	14,155	18,972	(6,948)	656	7,377	-	-	301,295
Dividend received	-	-	-	-	-	-	(2,421)	(104,003)	-	-	-	-	-	-	-	-	(106,424)
Closing balance - December 31, 2019	868,670	718,937	304,924	41,355	118,719	730,063	-	1,698,767	-	78,305	225,508	-	7,513	76,253	-	-	4,869,014

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

	Note	2019	2018
		Rupees in '000	
11	ISLAMIC FINANCING AND RELATED ASSETS		
In Pakistan			
Murabaha financing and related assets			
- Murabaha financing	11.1	8,633,318	8,021,609
- Advances against Murabaha		4,902,247	7,657,780
- Murabaha inventory		2,095,550	3,818,550
- Financing under Islamic Export Refinance - Murabaha	11.2	369,441	344,573
- Advance against Islamic Export Refinance - Murabaha		540,715	130,491
		16,541,271	19,973,003
Running Musharakah financing			
- Running Musharakah financing		129,472,197	142,433,085
- Financing under Islamic Export Refinance - Running Musharakah		24,671,638	16,430,165
		154,143,835	158,863,250
Istisna financing and related assets			
- Istisna financing		4,684,962	3,440,669
- Advances against Istisna		34,435,537	56,972,563
- Istisna inventory		11,117,387	8,069,320
- Financing under Islamic Export Refinance - Istisna		189,215	74,732
- Advances under Islamic Export Refinance - Istisna		6,967,796	4,388,971
- Inventory under Islamic Export Refinance - Istisna		975,428	508,535
		58,370,325	73,454,790
Tijarah financing and related assets			
- Tijarah financing		561,345	394,041
- Tijarah inventory		11,032,825	12,371,614
- Financing under Islamic Export Refinance - Tijarah		1,070,970	364,949
- Inventory under Islamic Export Refinance - Tijarah		353,531	271,085
		13,018,671	13,401,689
Musawamah financing and related assets			
- Musawamah financing	11.3	11,009,024	12,450,345
- Advances against Musawamah		5,759,913	16,505,491
- Musawamah Inventory		9,618,012	9,890,657
- Financing under Islamic Export Refinance - Musawamah	11.4	886,944	875,001
- Advances under Islamic Export Refinance - Musawamah		123,500	124,950
- Inventory under Islamic Export Refinance - Musawamah		45,000	-
		27,442,393	39,846,444
Salam Financing and related assets			
- Salam Financing		811,378	590,001
- Advances against Salam		6,947,051	7,281,394
- Salam Inventory		2,710,138	1,659,072
		10,468,567	9,530,467
Financing against bills			
- Financing against bills - Salam		7,461,667	5,725,100
- Advance against bills - Salam		1,738	1,738
		7,463,405	5,726,838
Bai Muajjal financing	11.5	1,474,998	569,632
Ijarah financing and related assets			
- Net investment in Ijarah		113,501	116,259
- Net book value of assets/investment in Ijarah under IFAS 2		48,493,395	46,836,155
- Net book value of assets/investment in Ijarah under IFAS 2 (SBP's ILTFF)		58,118	-
- Advances against Ijarah	11.6	48,665,014	46,952,414
- Advances against Ijarah under SBP's ILTFF		3,727,830	6,253,140
		118,905	-
		52,511,749	53,205,554
Diminishing Musharakah financing and related assets			
- Diminishing Musharakah financing - housing		13,232,142	14,150,878
- Diminishing Musharakah financing - others		79,167,336	74,800,828
- Advances against Diminishing Musharakah		14,645,228	8,490,933
- Diminishing Musharakah financing - SBP's ILTFF		1,955,071	-
- Advances against Diminishing Musharakah under SBP's ILTFF		5,378,299	490,628
		114,378,076	97,933,267
Musharakah financing			
Advances against Wakalah Tul Istithmar		248,880	414,800
Wakalah Tul Istithmar financing		40,825,200	-
Wakalah financing		-	40,825,200
Advance against Service Ijarah		250,000	475,000
Labbaik (Qard for Hajj and Umrah)		2,765,026	2,000,000
Staff financing	11.7	4,672	5,153
Other financing		4,228,869	3,712,540
		2,376,639	2,326,136
Gross Islamic Financing and Related Assets	11.8	506,512,576	522,263,763
Less: Provision against non-performing Islamic financing and related assets - Specific	11.10	(8,284,519)	(6,771,530)
Less: Provision against non-performing Islamic financing and related assets - General	11.10	(4,452,711)	(2,927,711)
Islamic financing and related assets - net of provision		493,775,346	512,564,522

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

	Note	2019	2018
		Rupees in '000	
11.1 Murabaha receivable - gross	11.1.1	9,171,941	8,434,743
Less: Deferred murabaha income	11.1.3	(198,327)	(142,250)
Profit receivable shown in other assets		(340,296)	(270,884)
Murabaha financing		<u>8,633,318</u>	<u>8,021,609</u>
11.1.1 Murabaha Sale Price		9,171,941	8,434,743
Murabaha Purchase Price		<u>(8,633,318)</u>	<u>(8,021,609)</u>
		<u>538,623</u>	<u>413,134</u>
11.1.2 The movement in Murabaha financing during the year:			
Opening balance		8,021,609	7,854,995
Sales during the year		47,186,165	47,580,002
Adjusted during the year		<u>(46,574,456)</u>	<u>(47,413,388)</u>
Closing balance		<u>8,633,318</u>	<u>8,021,609</u>
11.1.3 Deferred murabaha income			
Opening balance		142,250	110,813
Arising during the year		1,800,684	1,218,659
Recognised during the year		<u>(1,744,607)</u>	<u>(1,187,222)</u>
Closing balance		<u>198,327</u>	<u>142,250</u>
11.2 Financing under Islamic Export Refinance - Murabaha - gross		382,945	353,984
Less: Deferred income		(836)	(1,725)
Profit receivable shown in other assets		(12,668)	(7,686)
Financing under Islamic Export Refinance - Murabaha		<u>369,441</u>	<u>344,573</u>
11.2.1 The movement in Islamic Export Refinance Murabaha financing during the year:			
Opening balance		344,573	599,862
Sales during the year		1,459,464	684,949
Adjusted during the year		<u>(1,434,596)</u>	<u>(940,238)</u>
Closing balance		<u>369,441</u>	<u>344,573</u>
11.2.2 Deferred Islamic Export Refinance murabaha income			
Opening balance		1,725	1,848
Arising during the year		17,106	9,507
Recognised during the year		<u>(17,995)</u>	<u>(9,630)</u>
Closing balance		<u>836</u>	<u>1,725</u>
11.3 Musawamah financing - gross		11,610,569	12,998,576
Less: Deferred income		(292,915)	(298,927)
Profit receivable shown in other assets		(308,630)	(249,304)
Musawamah financing		<u>11,009,024</u>	<u>12,450,345</u>
11.4 Financing under Islamic Export Refinance - Musawamah - gross		899,031	885,568
Less: Deferred income		(7,015)	(4,387)
Profit receivable shown in other assets		(5,072)	(6,180)
Financing under Islamic Export Refinance - Musawamah		<u>886,944</u>	<u>875,001</u>
11.5 Bai Muajjal financing - gross		1,701,154	615,345
Less: Deferred income		(146,846)	(26,426)
Profit receivable shown in other assets		(79,310)	(19,287)
Bai Muajjal financing		<u>1,474,998</u>	<u>569,632</u>
11.6 Net book value of assets / investments in Ijarah under IFAS 2 is net of depreciation of Rs 35,450 million (2018: Rs 25,267 million).			
11.7 This includes Rs 487 million (2018: Rs 484 million) representing profit free financing to staff advanced under the Holding company's Human Resource Policies.			

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

11.8 Particulars of financing - gross

	2019	2018
In	Rupees in '000	
- local currency	493,186,199	513,035,591
- foreign currencies	13,326,377	9,228,172
	<u>506,512,576</u>	<u>522,263,763</u>

11.9 Islamic financing and related assets include Rs 8,996 million (2018: Rs 6,985 million) which have been placed under non-performing status as detailed below:

	2019		2018	
	Non Performing Amount	Provision Held	Non Performing Amount	Provision Held
	Rupees in '000			
Category of classification				
Domestic				
Other Assets Especially Mentioned	22,534	-	28,157	-
Substandard	557,679	132,042	137,429	30,927
Doubtful	446,866	212,837	49,514	8,523
Loss	7,968,640	7,939,640	6,770,142	6,732,080
	<u>8,995,719</u>	<u>8,284,519</u>	<u>6,985,242</u>	<u>6,771,530</u>

11.10 Particulars of provision against non-performing Islamic financing and related assets:

	2019			2018		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	6,771,530	2,927,711	9,699,241	6,426,731	2,377,711	8,804,442
Charge for the year	1,905,342	1,525,000	3,430,342	552,977	550,000	1,102,977
Less: Reversals	(357,571)	-	(357,571)	(208,111)	-	(208,111)
	1,547,771	1,525,000	3,072,771	344,866	550,000	894,866
Amount Written off	(34,782)	-	(34,782)	(67)	-	(67)
Closing balance	<u>8,284,519</u>	<u>4,452,711</u>	<u>12,737,230</u>	<u>6,771,530</u>	<u>2,927,711</u>	<u>9,699,241</u>

11.10.1 The Group maintains general reserve (provision) in accordance with the applicable requirements of the Prudential Regulations for Consumer Financing issued by the SBP.

In addition, the Group has also maintained a general provision of Rs 4,050 million (2018: Rs 2,525 million) against financing made on prudent basis, in view of prevailing economic conditions. This general provision is in addition to the requirements of Prudential Regulations.

11.10.2 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Group has availed the benefit of Forced Sales Value (FSV) of collaterals against the non-performing financing. The accumulated benefit availed amounts to Rs 33.4 million (2018: Rs 17.9 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs 21.7 million (2018: Rs 11.6 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

11.10.3 Particulars of provision against non-performing financing:

	2019			2018		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
In local currency	8,021,468	4,452,711	12,474,179	6,515,997	2,927,711	9,443,708
In foreign currencies	263,051	-	263,051	255,533	-	255,533
	<u>8,284,519</u>	<u>4,452,711</u>	<u>12,737,230</u>	<u>6,771,530</u>	<u>2,927,711</u>	<u>9,699,241</u>

	Note	2019	2018
		Rupees in '000	
11.11 Particulars of write offs			
Against provisions	11.10	34,782	67
Directly charged to profit and loss account		-	-
		<u>34,782</u>	<u>67</u>
Write offs Rs 500,000 and above - Domestic		34,782	-
Write offs below Rs 500,000 - Domestic		-	67
		<u>34,782</u>	<u>67</u>

11.11.1 Details of financing written off of Rs 500,000 and above

In term of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the Consolidated Statement in respect of written off financing or any other financial relief of five hundred thousand rupees or above allowed to any person during the year ended December 31, 2019 is given as Annexure 1.

	Note	2019	2018
		Rupees in '000	
12 OPERATING FIXED ASSETS			
Capital work-in-progress	12.1	3,185,241	1,644,436
Property and equipment	12.2	13,293,965	11,583,962
Right-of-use assets	12.3	7,184,315	-
		<u>23,663,521</u>	<u>13,228,398</u>

12.1 Capital work-in-progress

Advances to suppliers and contractors for:

- civil works	2,171,210	1,009,074
- computer hardware	271,621	174,250
- purchase of vehicles	126,203	152,864
- office machines	552,430	263,986
- furniture and fixtures	63,777	44,262
	<u>3,185,241</u>	<u>1,644,436</u>

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

12.2 Property and equipment

	2019						
	Leasehold Land	Buildings on leasehold land	Leasehold improvements	Furniture and fixtures	Electrical, office and computer equipments	Vehicles	Total
	Rupees in '000						
At January 1, 2019							
Cost	4,578,013	1,514,872	5,893,257	735,418	5,475,767	1,722,479	19,919,806
Accumulated depreciation	-	515,452	2,806,259	431,701	3,922,016	660,416	8,335,844
Net book value	4,578,013	999,420	3,086,998	303,717	1,553,751	1,062,063	11,583,962
Year ended December 31, 2019							
Opening net book value	4,578,013	999,420	3,086,998	303,717	1,553,751	1,062,063	11,583,962
Additions	223,361	234,545	694,379	125,329	1,321,289	862,375	3,461,278
Transfer from other assets	-	83,215	-	-	-	-	83,215
Net book value of disposals	-	-	(21)	(125)	(9,164)	(61,253)	(70,563)
Depreciation charge	-	(83,984)	(530,272)	(64,581)	(693,408)	(391,682)	(1,763,927)
Net book value as at December 31, 2019	4,801,374	1,233,196	3,251,084	364,340	2,172,468	1,471,503	13,293,965
Year ended December 31, 2019							
Cost	4,801,374	1,832,632	6,587,594	859,082	6,773,276	2,305,545	23,159,503
Accumulated depreciation	-	599,436	3,336,510	494,742	4,600,808	834,042	9,865,538
Net book value as at December 31, 2019	4,801,374	1,233,196	3,251,084	364,340	2,172,468	1,471,503	13,293,965
Rate of depreciation (percentage)	-	5	10	10	10,20 and 33	20	
	2018						
	Leasehold Land	Buildings on leasehold land	Leasehold improvements	Furniture and fixtures	Electrical, office and computer equipments	Vehicles	Total
	Rupees in '000						
At January 1, 2018							
Cost	4,306,133	1,363,692	5,649,484	687,405	4,673,479	1,296,397	17,976,590
Accumulated depreciation	-	441,612	2,295,990	372,335	3,357,906	573,883	7,041,726
Net book value	4,306,133	922,080	3,353,494	315,070	1,315,573	722,514	10,934,864
Year ended December 31, 2018							
Opening net book value	4,306,133	922,080	3,353,494	315,070	1,315,573	722,514	10,934,864
Additions	271,880	151,180	254,184	51,484	861,881	684,114	2,274,723
Net book value of disposals	-	-	(1,062)	(282)	(3,108)	(58,202)	(62,654)
Depreciation charge	-	(73,840)	(519,618)	(62,555)	(620,595)	(286,363)	(1,562,971)
Net book value as at December 31, 2018	4,578,013	999,420	3,086,998	303,717	1,553,751	1,062,063	11,583,962
Year ended December 31, 2018							
Cost / Revalued amount	4,578,013	1,514,872	5,893,257	735,418	5,475,767	1,722,479	19,919,806
Accumulated depreciation	-	515,452	2,806,259	431,701	3,922,016	660,416	8,335,844
Net book value as at December 31, 2018	4,578,013	999,420	3,086,998	303,717	1,553,751	1,062,063	11,583,962
Rate of depreciation (percentage)	-	5	10	10	10, 20 and 33	20	

12.2.1 Included in cost of property and equipment are fully depreciated items still in use aggregating Rs 4,276 million (2018: Rs 3,266 million).

12.2.2 The Group has not carried out any revaluation of property and equipment at the recent date as the Group uses cost model for measurement of its property and equipment.

Notes to and forming part of the Consolidated Financial Statements

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12.2.3 Details of disposal of fixed assets to related parties or other persons having net book value of Rs 500,000 or above are as follows :

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of purchaser
	Rupees in '000					
Vehicles						
Honda Civic	2,533	1,351	1,182	1,579	MBL Staff Policy	Mr Faisal Iqbal (Executive, Employee)
Honda Civic	2,425	1,617	808	1,528	MBL Staff Policy	Mr Khalid Zaman Khan (Executive, Employee)
Toyota Corolla	1,753	1,198	555	931	MBL Staff Policy	Mr Kashif Zaidi (Executive, Employee)
Toyota Corolla	1,753	1,081	672	1,016	MBL Staff Policy	Mr Asif Abdul Aziz (Executive, Employee)
Honda City	1,678	1,035	643	1,022	MBL Staff Policy	Syed Muhammad Uzair (Executive, Ex-employee)
Honda City	1,664	999	665	965	MBL Staff Policy	Mr Muhammad Zahid (Executive, Employee)
Honda City	1,648	1,071	577	955	MBL Staff Policy	Mr Javadi Ahmed Kashif (Executive, Employee)
Honda City	1,547	387	1,160	1,486	Negotiation	Mr Wasim Mirza
Honda City	1,545	515	1,030	1,725	Negotiation	M/s Carfirst
Honda City	1,534	690	844	2,025	Negotiation	M/s Augmentech Business Solution
Honda City	1,524	838	686	1,790	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	375	875	1,300	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	521	729	1,360	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	562	688	1,325	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	396	854	1,259	Negotiation	Mr Sajjad Rahman Paracha
Suzuki Cultus	1,250	417	833	1,225	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	375	875	1,272	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	437	813	1,450	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,250	500	750	942	Negotiation	Mr Rizwan Mazhar
Suzuki Cultus	1,245	436	809	1,480	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,245	332	913	1,216	Negotiation	Mr Tanveer Afzal
Suzuki Cultus	1,243	290	953	1,325	Negotiation	Mr Urhan Anwer
Suzuki Cultus	1,129	546	583	1,006	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,129	395	734	979	Negotiation	Mr Adnan Naseer Ahmed
Suzuki Cultus	1,129	527	602	1,000	Negotiation	M/s Carfirst
Suzuki Cultus	1,104	460	644	947	Negotiation	Mr Waqar Ahmed Khan
Suzuki Cultus	1,104	570	534	953	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,104	405	699	912	Negotiation	Mr Waqar Ahmed Khan
Suzuki Cultus	1,104	534	570	931	Negotiation	Mr Saleem Akhter
Suzuki Cultus	1,104	497	607	1,040	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,104	570	534	973	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,104	497	607	958	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,104	405	699	931	Negotiation	Mr Saeed Ahmed
Suzuki Cultus	1,104	405	699	921	Negotiation	Mr Wasim Mirza
Suzuki Cultus	1,104	405	699	922	Negotiation	Mr Waqar Ahmed Khan
Suzuki Cultus	1,104	570	534	1,007	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,099	476	623	1,040	Negotiation	M/s Augmentech Business Solution
Suzuki Cultus	1,074	573	501	893	Negotiation	Mr Saleem Ahmed Siddiqui
Suzuki Cultus	1,074	573	501	875	Negotiation	Mr Mumtaz Ali
Suzuki Cultus	1,074	555	519	962	Negotiation	Mr Khurram Imtiaz
Suzuki Cultus	1,074	573	501	924	Negotiation	Mr Khurram Imtiaz
Suzuki Cultus	1,017	407	610	942	Negotiation	Mr Rizwan Mazhar
Toyota Corolla	2,154	359	1,795	2,229	Takaful Claim	M/s EFU General Insurance Limited
Toyota Corolla	2,035	475	1,560	2,054	Takaful Claim	M/s EFU General Insurance Limited
Toyota Corolla	1,864	590	1,274	1,678	Takaful Claim	M/s EFU General Insurance Limited
Toyota Corolla	1,789	835	954	1,678	Takaful Claim	M/s EFU General Insurance Limited
Honda City	1,900	253	1,647	1,713	Takaful Claim	M/s EFU General Insurance Limited
Suzuki Cultus	1,245	124	1,121	1,264	Takaful Claim	M/s EFU General Insurance Limited
	66,267	28,002	38,265	58,908		
Other disposals						
Vehicles	213,041	190,053	22,988	104,493		
Electrical, office and computer equipments	23,779	14,615	9,164	7,644		
Furniture and Fixtures	1,665	1,540	125	395		
Leasehold improvements	42	21	21	63		
	304,794	234,231	70,563	171,503		

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	Cost	2019 Accumulated Depreciation	Net Book Value
12.3 Right-of-use assets		Rupees in '000	
At January 1,	-	-	-
Recognized upon initial adoption of IFRS 16	8,226,423	-	8,226,423
Additions during the year	1,151,403	-	1,151,403
Depreciation Charge	-	(2,193,511)	(2,193,511)
Derecognition during the year	(211,059)	211,059	-
At December 31,	<u>9,166,767</u>	<u>(1,982,452)</u>	<u>7,184,315</u>
Useful life			1 - 7 years

	2019	2018
13 INTANGIBLE ASSETS	Rupees in '000	
Computer Software	634,723	572,552
Advance against computer software	165,809	72,404
	<u>800,532</u>	<u>644,956</u>
13.1 At January 1,		
Cost	1,728,898	1,423,012
Accumulated amortisation	1,156,346	926,177
Net book value	<u>572,552</u>	<u>496,835</u>
Year ended December 31,		
Opening net book value	572,552	496,835
Additions - directly purchased	329,464	305,885
Amortisation charge	(267,293)	(230,168)
Closing net book value	<u>634,723</u>	<u>572,552</u>
Year ended December 31,		
Cost	2,058,362	1,728,898
Accumulated amortisation	1,423,639	1,156,346
Net book value	<u>634,723</u>	<u>572,552</u>
Rate of amortisation (percentage)	10-20	10-20
Useful life	5 - 10 years	5 - 10 years

13.1.1 Included in cost of intangible assets are fully amortised items still in use aggregating Rs 1,029 million (2018: Rs 575 million).

	Note	2019	2018
14 OTHER ASSETS		Rupees in '000	
Profit / return accrued in local currency - net of provisions		34,765,016	13,851,168
Profit / return accrued in foreign currencies - net of provisions		76,791	63,744
Acceptances		9,033,110	10,634,901
Advances, deposits, advance rent and other prepayments	14.1	2,069,103	2,327,894
Non-banking assets acquired in satisfaction of claims	14.2	145,503	240,607
Unrealised gain on forward foreign exchange contracts - net	20.4	-	1,335,392
Dividends receivable		-	262
Stamps		12,963	13,037
Security deposits		180,564	126,823
Advance for Investments		55,542	-
Other		786,595	819,595
		<u>47,125,187</u>	<u>29,413,423</u>
Provision against other assets	14.3.1	(234,914)	(231,530)
Other Assets (Net of Provision)		<u>46,890,273</u>	<u>29,181,893</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	20,184	34,080
Other Assets - total		<u>46,910,457</u>	<u>29,215,973</u>

14.1 This includes prepaid takaful aggregating Rs 971 million (2018: Rs 959 million) which is being amortized over a period of one year.

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		2019	2018
		Rupees in '000	
14.2	Market value of Non-banking assets acquired in satisfaction of claims	155,687	264,687
Market value of the non-banking assets acquired in satisfaction of claims has been carried out by an independent valuer, M/s Joseph Lobo (Private) Limited based on prevailing market values determined through independent market inquiries from local active realtors and adjusted for the physical condition of the property as more detailed in note 41.3.			
14.2.1	Non-banking assets acquired in satisfaction of claims	Note	
		2019	2018
		Rupees in '000	
	Opening Balance	240,607	246,201
	Depreciation	(471)	(5,594)
	Transfer to fixed assets	(83,215)	-
	Disposal	(11,418)	-
	Closing Balance	145,503	240,607
14.3	Provision held against other assets		
	Non-banking assets acquired in satisfaction of claims	10,000	10,000
	Acceptances	41,132	35,451
	Others	183,782	186,079
		234,914	231,530
14.3.1	Provision against other assets		
	Opening balance	231,530	256,462
	Charge for the year	49,999	9,755
	Reversals during the year	(4,174)	(27,349)
	Amount adjusted / written off during the year	(42,441)	(7,338)
	Closing balance	234,914	231,530
15	BILLS PAYABLE		
	In Pakistan	17,186,807	23,750,543
	Outside Pakistan	-	-
		17,186,807	23,750,543
16	DUE TO FINANCIAL INSTITUTIONS		
	In Pakistan	42,047,390	36,407,811
	Outside Pakistan	-	-
		42,047,390	36,407,811
16.1	Details of due to financial institutions secured / unsecured		
	Secured		
	Musharakah from the State Bank of Pakistan under Islamic Export Refinance Scheme	16.1.1	33,861,385
	Investment from the State Bank of Pakistan under Islamic Long Term Financing Facility	16.1.2	7,268,122
	Other financial institution	16.1.3	909,114
	Unsecured		
	Overdrawn nostro accounts	8,769	409,652
	Other Musharakah	-	12,200,000
		42,047,390	36,407,811
16.1.1	These Musharakah are on a profit and loss sharing basis maturing between January 2020 to June 2020 and are secured against demand promissory notes executed in favor of SBP. A limit of Rs 38,473 million (2018: Rs 33,422 million) has been allocated to the Holding company by SBP under Islamic Export Refinance Scheme.		
16.1.2	These Investment are on Profit Loss sharing basis which has been invested in general pool of the Holding company.		

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

16.1.3 These Musharakah are on Profit Loss sharing basis. A limit of USD 10 million has been allocated to the Holding company under the agreement with Karandaaz.

	2019	2018
	Rupees in '000	
16.2 Particulars of due to financial institutions with respect to currencies		
In local currency	42,038,621	35,998,159
In foreign currencies	8,769	409,652
	<u>42,047,390</u>	<u>36,407,811</u>
16.3 Particulars of due to financial institutions		
Short - term	35,104,360	35,346,747
Long - term	6,943,030	1,061,064
	<u>42,047,390</u>	<u>36,407,811</u>

17 DEPOSITS AND OTHER ACCOUNTS

	2019			2018		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	Rupees in '000					
Customers						
- Current accounts - non-remunerative	312,409,384	20,464,919	332,874,303	267,855,629	15,590,028	283,445,657
- Savings deposits	318,577,677	26,796,248	345,373,925	255,706,358	23,494,221	279,200,579
- Fixed deposits	228,503,227	13,342,660	241,845,887	197,008,707	10,109,048	207,117,755
- Margin	4,949,165	8,692	4,957,857	5,335,289	41,896	5,377,185
	<u>864,439,453</u>	<u>60,612,519</u>	<u>925,051,972</u>	<u>725,905,983</u>	<u>49,235,193</u>	<u>775,141,176</u>
Financial institutions						
- Current accounts - non-remunerative	1,208,228	-	1,208,228	597,730	-	597,730
- Savings deposits	3,789,484	-	3,789,484	4,574,956	-	4,574,956
- Fixed deposits	2,519,081	-	2,519,081	5,130,730	-	5,130,730
	<u>7,516,793</u>	<u>-</u>	<u>7,516,793</u>	<u>10,303,416</u>	<u>-</u>	<u>10,303,416</u>
	<u>871,956,246</u>	<u>60,612,519</u>	<u>932,568,765</u>	<u>736,209,399</u>	<u>49,235,193</u>	<u>785,444,592</u>

	2019	2018
	Rupees in '000	
17.1 Composition of deposits		
- Individuals	628,758,131	521,789,397
- Government (Federal and Provincial)	20,376,156	14,958,796
- Public Sector Entities	14,838,591	15,385,523
- Banking Companies	34,475	67,656
- Non-Banking Financial Institutions	7,482,318	10,235,759
- Private Sector	261,079,094	223,007,461
	<u>932,568,765</u>	<u>785,444,592</u>
17.2 Particulars of deposits and other accounts in Pakistan		
- In local currency		
Mudaraba based deposits	556,551,071	466,163,917
Qard based deposits	315,405,175	270,045,482
	<u>871,956,246</u>	<u>736,209,399</u>
- In foreign currencies		
Mudaraba based deposits	40,138,908	33,603,269
Qard based deposits	20,473,611	15,631,924
	<u>60,612,519</u>	<u>49,235,193</u>
	<u>932,568,765</u>	<u>785,444,592</u>

17.3 Eligible deposits covered under deposit protection scheme (including call deposit receipts disclosed under bills payable) amount to Rs 758,498 million (2018: Rs 628,119 million).

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	Note	2019	2018
		Rupees in '000	
18 SUB-ORDINATED SUKUK			
Additional Tier I Sukuk	18.1	7,000,000	7,000,000
Tier II Sukuk	18.2	7,000,000	7,000,000
		14,000,000	14,000,000

- 18.1** In August 2018, the Holding company issued regulatory Shariah compliant unsecured, sub-ordinated privately placed Additional Tier I Sukuk based on Mudaraba of Rs 7,000 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of Additional Tier I sukuk is as follows:

Credit Rating	AA- (Double A minus) by VIS Credit Rating Company Limited
Issue Date	August 01, 2018
Tenor	Perpetual
Profit payment frequency	Monthly in arrears
Redemption	Perpetual
Expected Periodic Profit Amount (Mudaraba Profit Amount)	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding company under the SBP guidelines of pool management. Last announced profit rate on the Sukuk is 15.29% per annum.
Call Option	The Holding company may call Additional Tier I Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Additional Tier I Sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Additional Tier I Sukuk, if such payment will result in a shortfall in the Holding companies' minimum capital or capital adequacy ratio requirement.

- 18.2** In September 2016, the Holding company issued regulatory Shariah compliant unsecured, sub-ordinated privately placed Tier II Sukuk based on Mudaraba of Rs 7,000 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of Tier II sukuk is as follows:

Credit Rating	AA (Double A) by VIS Credit Rating Company Limited
Issue Date	September 22, 2016
Tenor	10 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the tenth year
Expected Periodic Profit Amount (Mudaraba Profit Amount)	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk is 14.57% per annum.
Call Option	The Holding company may call Tier II Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss Absorbency	The Tier II Sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-Clause	Profit and/or redemption amount can be held back in respect of the Tier II Sukuk, if such payment will result in a shortfall in the Holding companies' minimum capital or capital adequacy ratio requirement.

Notes to and forming part of the Consolidated Financial Statements

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19 DEFERRED TAX LIABILITIES / (ASSETS)

Taxable temporary differences due to:

Excess of accounting book values over tax written down values of owned assets
Surplus on revaluation of available for sale investments
Surplus on revaluation of Non-banking assets acquired in satisfaction of claims
Tax on accumulated profit of associates

Deductible temporary differences due to:

Provision for diminution / impairment in value of investments
Income not accrued due to non-culmination of financing
Provision against non-performing Islamic financing and related assets
Provision against non-banking assets acquired in satisfaction of claims
Provision against Workers Welfare Fund
Others

2019			
At January 1	Recognised in Profit & Loss	Recognised in OCI	At December 31
Rupees in '000			
406,196	(18,495)	-	387,701
(36,632)	-	5,091,557	5,054,925
11,928	(1,439)	(3,425)	7,064
232,303	29,483	-	261,786
613,795	9,549	5,088,132	5,711,476
(517,662)	(399,281)	-	(916,943)
(812,904)	(623,029)	-	(1,435,933)
-	(109,358)	-	(109,358)
(86,718)	(84,053)	-	(170,771)
(26,324)	(5,485)	-	(31,809)
(38,211)	-	-	(38,211)
(1,481,819)	(1,221,206)	-	(2,703,025)
(868,024)	(1,211,657)	5,088,132	3,008,451

Taxable temporary differences due to:

Excess of accounting book values over tax written down values of owned assets
Surplus on revaluation of Non-banking assets acquired in satisfaction of claims
Tax on accumulated profit of associates

Deductible temporary differences due to:

Provision for diminution / impairment in value of investments
Deficit on revaluation of available for sale investments
Income not accrued due to non-culmination of financing
Provision against non-banking assets acquired in satisfaction of claims
Provision against Workers Welfare Fund
Others

2018			
At January 1	Recognised in Profit & Loss	Recognised in OCI	At December 31
Rupees in '000			
495,002	(88,806)	-	406,196
-	-	11,928	11,928
288,914	(106,513)	49,902	232,303
783,916	(195,319)	61,830	650,427
(351,664)	(165,998)	-	(517,662)
419,953	(22,043)	(434,542)	(36,632)
(495,668)	(317,236)	-	(812,904)
(89,855)	3,137	-	(86,718)
(21,061)	(5,263)	-	(26,324)
(14,834)	(23,377)	-	(38,211)
(553,129)	(530,780)	(434,542)	(1,518,451)
230,787	(726,099)	(372,712)	(868,024)

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

20	OTHER LIABILITIES	Note	2019	2018
			Rupees in '000	
	Return on deposits and other dues			
	- payable in local currency	20.1	6,434,891	3,388,288
	- payable in foreign currencies		112,161	75,272
	Unearned income		56,738	32,521
	Accrued expenses		6,850,647	3,721,186
	Current taxation (provision less payments)		6,049,222	3,173,027
	Acceptances		9,033,110	10,634,901
	Unclaimed dividends		16,214	17,030
	Payable to defined benefit plan	38.3 & 38.15	570,234	645,340
	Charity payable	20.3	995	942
	Provision against off-balance sheet obligations	20.2	79,568	85,249
	Security deposits against Ijarah		14,206,800	13,623,020
	Payable on account of credit murabaha / ijarah		60,307	75,439
	Security deposits against lockers		117,792	100,532
	Retention Money		70,687	60,688
	Unrealised loss on forward foreign exchange contracts - net	20.4	368,207	-
	Advance against future Diminishing Musharakah		67,227	-
	Withholding taxes payable		155,278	123,762
	Lease liability against right-of-use assets		7,305,460	-
	Workers Welfare Fund payable	20.5	2,007,124	1,378,687
	Others		959,942	1,435,638
			<u>54,522,604</u>	<u>38,571,522</u>

20.1 This includes Rs 158 million (2018: Rs 121 million) in respect of return accrued on borrowings from SBP under the Islamic Export Refinance Scheme and Rs 25.0 million (2018: Rs 2.9 million) in respect of return accrued on borrowings from SBP under the Islamic Long Term Financing Facility.

	Note	2019	2018
		Rupees in '000	
20.2	Provision against off-balance sheet obligations		
	Opening balance	85,249	83,429
	(Reversal) / charge for the year	(5,681)	1,820
	Closing balance	<u>79,568</u>	<u>85,249</u>

20.2.1 This represents provision recognized against guarantees of non-performing customers.

	Note	2019	2018
		Rupees in '000	
20.3	Reconciliation of charity payable		
	Balance as at January 1	942	139
	Additions during the year	64,226	36,922
	Less: Transferred to charity savings account (included in deposits and other accounts)	(64,173)	(36,119)
	Balance as at December 31	<u>995</u>	<u>942</u>

20.3.1 Charity paid through saving account during the year is Rs 49.9 million (2018: Rs 38.4 million). Charity of Rs 100,000 or higher was paid to the following organizations:

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

	2019	2018
	Rupees in '000	
Ihsan Trust - Related Party	29,400	28,000
Institute of Business Administration - Centre for Excellence in Islamic Finance	4,000	-
Lahore Businessmen Association For Rehabilitation of the Disabled	3,500	1,000
Learning Is For Everyone (L.I.F.E.) School	2,500	-
Rashid Memorial Welfare Organization	1,000	200
Prevention of Blindness Trust	500	-
Health Promotion Foundation	500	-
World Memon Organization	500	-
Chhipa Welfare Association	500	-
Medical Aid Foundation (Rahat Kada)	500	250
Family Educational Services Foundation	500	200
Fatima Kidney Care Hospital	300	-
Burhani Medical Welfare Association	300	300
The Garage School	300	300
Frontier Foundation Welfare Hospital And Blood Transfusion Service	300	100
Pakistan Eye Bank	200	-
Parents Voice Association	200	-
Zubaida Machiyara Trust	200	-
Cancer Care Hospital and Research Centre	200	-
Memon Health and Education Foundation	200	-
Lady Dufferin Hospital	200	-
Manzil Education Organization	200	-
Centre For Development of Social Services	200	200
Khwendo Kor	200	200
Muslim Welfare Centre	200	200
Patients Aid Foundation - Jinnah Hospital	200	200
Al- Mustafa Trust Rawalpindi	200	100
Care Foundation	200	100
Child Aid Association	200	100
Mercy Pak	200	100
Noor e Ali Trust (JS Academy of Deaf)	200	100
The Kidney Centre, Karachi	150	-
Welfare Society for Patient Care	150	-
Eye Donor Organization - Taxila	150	150
Pakistan Association of Blind	100	300
Health Oriented Preventive Education	100	-
Jinnah Foundation	100	100
Poor Patient Aid Society - Civil Hospital	100	-
Aiwan-e-Sannat O Tijarat Hospital	100	-
Okara Patients Welfare Association	100	-
Bait Ul Sukoon	100	-
Bunyd Foundation Lahore / Bunyd Literacy Community Council	100	-
Rising Sun Education and Welfare Society	100	-
Markaz e Umeed	100	100
Nigheban Trust	100	100
Pakistan Association of Deaf	100	100
Saylani Welfare	100	100
SOS Children Village, Islamabad	100	100
SOS Children Village, Multan	100	-
SOS Children Village, Karachi	100	100
Patients' Behbud Society for the Aga Khan University Hospital	-	1,000
The Indus Hospital	-	1,000
Pakistan Disabled Foundation	-	400
Idara - Al Khair	-	300
Omair Sana Foundation	-	300
Helping Hands Foundation	-	250
Afzaal Memorial Thalassemia Foundation	-	200
Behbud Association, Karachi	-	200
Bin Qutub Foundation, Chakwal	-	200
Health and Nutrition Development Society	-	200
Kiran Foundation	-	200
Muhammadi Blood Bank	-	200
Sargodhian Spirit Trust	-	200
Patients Welfare Association	-	150
Health Education and Livelihood Promoter	-	100
Jamal Noor Hospital	-	100
Karigar Training Institute	-	100
Marie Adeliade Leprosy Centre	-	100
SINA Health, Education and Welfare Trust	-	100
Health Oriented and Preventative Education	-	100
Trust Jamiat Taleem Ul Quran	-	100
Women Islamic Lawyer's Forum	-	100
	49,850	38,400

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For the year ended December 31, 2019

20.3.2 The balance in Charity's savings account is Rs 14.705 million (2018: Rs 0.144 million).

20.3.3 Charity was not paid to any organization in which a director or his spouse had any interest at any time during the year.

20.4 This is net off gain on forward foreign exchange contracts of Rs 2,169 million (2018: loss on forward foreign exchange contracts of Rs 1,132 million).

20.5 The Group has made full provision for Workers Welfare Fund based on profit for the respective years (2008-2019). In 2016, the Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund were not lawful. The Federal Board of Revenue filed review petitions against this order which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not be treated as conclusive. Accordingly, the Group continues to maintain the provision in respect of WWF.

21 SHARE CAPITAL

21.1 Authorised capital

2019 (Number of Shares)	2018 (Number of Shares)		2019 Rupees in '000	2018 Rupees in '000
2,572,180,000	2,338,380,000	Ordinary shares of Rs 10 each	25,721,800	23,383,800
2019 (Number of Shares)	2018 (Number of Shares)		2019 Rupees in '000	2018 Rupees in '000
516,517,908	516,517,908	Ordinary shares	5,165,179	5,165,179
769,593,714	652,674,492	Fully paid in cash	7,695,937	6,526,745
1,286,111,622	1,169,192,400	Issued as bonus shares	12,861,116	11,691,924

21.2 Shareholding held by associated companies are as follows:

Name of Shareholders	2019		2018	
	Number of shares held	Percentage of Shareholding	Number of shares held	Percentage of Shareholding
Noor Financial Investment Company, Kuwait	453,337,898	35.25%	446,432,362	38.18%
Pakistan Kuwait Investment Company (Private) Limited	385,833,481	30.00%	350,757,710	30.00%
Islamic Development Bank, Jeddah	119,916,248	9.32%	109,014,771	9.32%
CDC - Trustee Meezan Islamic Fund	9,119,097	0.71%	6,950,134	0.59%
CDC - Trustee Al Meezan Mutual Fund	1,364,050	0.11%	1,331,500	0.11%
CDC - Trustee Meezan Balanced Fund	1,064,885	0.08%	889,350	0.08%
CDC - Trustee KSE Meezan Index Fund	675,000	0.05%	-	0.00%
CDC - Trustee Meezan Asset Allocation Fund	553,446	0.04%	488,951	0.04%
CDC - Trustee Meezan Dedicated Equity Fund	536,005	0.04%	430,550	0.03%

22 RESERVES

	Note	2019 Rupees in '000	2018 Rupees in '000
Share Premium		2,406,571	2,406,571
Statutory reserve	22.1	12,616,780	9,570,365
Non Distributable Capital Reserve - Gain on Bargain Purchase		3,117,547	3,117,547
General reserve		91,082	91,082
		18,231,980	15,185,565

Notes to and forming part of the Consolidated Financial Statements

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22.1 Under section 21 of the Banking Companies Ordinance, 1962, an amount not less than 20% of the profit is to be transferred to create a reserve fund till such time the reserve fund and the share premium account equal the amount of the paid up capital.

23	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX	Note	2019	2018
			Rupees in '000	
	Available for sale securities			
	- Listed shares / units of mutual fund		1,674,958	277,249
	- Sukuk		12,767,682	(381,916)
			14,442,640	(104,667)
	Non-banking assets acquired in satisfaction of claims	23.1	20,184	34,080
			14,462,824	(70,587)
	Less: Deferred tax asset / (liability) on			
	- Available for sale securities		(5,054,925)	36,632
	- Non-banking assets acquired in satisfaction of claims	23.1	(7,064)	(11,928)
			(5,061,989)	24,704
			9,400,835	(45,883)

23.1 Surplus on revaluation of non-banking assets acquired in satisfaction of claims

Surplus on revaluation as at January 1 - net of deferred tax	22,152	-
Recognised during the year net of deferred tax of Rs 1.750 million (2018: Rs 11.928 million)	3,250	22,152
Adjusted upon transfer to fixed assets during the year - net of deferred tax of Rs 5.175 million (2018: Nil)	(9,610)	-
Transferred to unappropriated profit in respect of disposal during the year - net of deferred tax of Rs 1.397 million (2018: Nil)	(2,593)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax of Rs 0.042 million (2018: Nil)	(79)	-
Surplus on revaluation as at December 31 - net of deferred tax	13,120	22,152

24 NON-CONTROLLING INTEREST

Opening balance	1,006,434	1,007,975
Share of profit for the year	195,198	176,149
Remeasurements of defined benefit plan - net of tax (directly recognised in OCI)	3,181	(2,690)
Dividend payout by Subsidiary	(35,000)	(175,000)
Closing balance	1,169,813	1,006,434

	Percentage of holding	Assets	Liabilities	Revenue	Profit after taxation	Total comprehensive income	Market Value
		Rupees in '000					
24.1 Subsidiary (unlisted)		2019					
AI Meezan Investment Management Limited	65%	4,290,160	947,839	1,559,030	557,709	557,709	N/A
		2018					
AI Meezan Investment Management Limited	65%	3,525,273	649,746	1,474,704	504,222	504,222	N/A

Notes to and forming part of the Consolidated Financial Statements

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25 CONTINGENCIES AND COMMITMENTS	Note	2019	2018
		Rupees in '000	
Guarantees	25.1	38,843,277	31,724,600
Commitments	25.2	711,444,851	432,428,900
Other contingent liabilities	25.3	1,802,000	1,802,000
		752,090,128	465,955,500
25.1 Guarantees:			
Financial guarantees		8,598,348	7,561,791
Performance guarantees		16,037,636	12,533,871
Other guarantees		14,207,293	11,628,938
		38,843,277	31,724,600
25.2 Commitments:			
Documentary letters of credit		98,437,653	92,343,175
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	267,088,452	118,865,324
Commitments for acquisition of:			
- fixed assets		514,594	313,580
- intangible assets		257,790	87,475
Other commitments	25.2.2	345,146,362	220,819,346
		711,444,851	432,428,900

25.2.1 Commitments in respect of forward foreign exchange contracts

	2019	2018
	Rupees in '000	
Purchase	151,033,720	74,321,214
Sale	116,054,732	44,544,110
	267,088,452	118,865,324

25.2.2 Other Commitments

Commitments in respect of financing	25.2.2.1	345,146,362	220,819,346
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25.2.2.1 The Group makes commitments to extend credit (including to related parties) in the normal course of business but these being revocable commitments do not attract any significant penalty or the expense if the facility is unilaterally withdrawn, other than commitments in respect of syndicated / long term financing amounting to Rs 88,634 million (2018: Rs 26,732 million).

25.3 Other contingencies

The Income Tax Department has amended the deemed assessment orders of the Holding company for prior years including the tax year 2018. The additions / disallowances were mainly due to allocation of expenses relating to dividends and capital gain, allowability of provision against loans and advances, provision against investments and provision against other assets. In the amended order for tax year 2015, additional issues with respect to the taxability of gain on bargain purchase and non-adjustment of loss pertaining to HSBC Bank Middle East – Pakistan Branches have also been raised. The Holding company has obtained stay order from the High Court of Sindh against the demands raised through the amended order for the tax year 2015. Both the Holding company and the department have filed appeals with the Appellate Authorities in respect of the aforementioned matters.

The management of the Holding company, in consultation with its tax advisors, is confident that the decision in respect of the above matters would be in Holding company's favour and accordingly no provision has been made in these consolidated financial statements with respect thereto. The additional tax liability in respect of gain on bargain purchase and non-adjustment of loss pertaining to HSBC Bank Middle East – Pakistan Branches is Rs 1,096 million and Rs 706 million respectively.

Notes to and forming part of the Consolidated Financial Statements

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26	PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS	Note	2019	2018
			Rupees in '000	
	On financings	26.1	54,737,673	30,203,441
	On investments in			
	- Available for sale securities		22,052,445	5,330,663
	- Held to maturity securities		154,084	1,573,470
	On deposits / placements with financial institutions		17,334,608	11,521,565
			<u>94,278,810</u>	<u>48,629,139</u>
26.1 The income on Ijarah under IFAS 2 is net off takaful of Rs 1,787 million (2018: Rs 1,359 million) recovered from customers.				
27	PROFIT ON DEPOSITS AND OTHER DUES EXPENSED	Note	2019	2018
			Rupees in '000	
	Deposits and other accounts	27.1	43,739,906	18,190,697
	Sub-ordinated Sukuk		1,793,554	849,039
	Other Musharakahs / Modarabas	27.2	1,228,565	1,413,623
	Ammortisation of lease liability against right-of-use assets		984,034	-
			<u>47,746,059</u>	<u>20,453,359</u>
27.1 This includes conversion cost of Rs 2,172 million (2018: Rs 638 million) against foreign currency deposits.				
27.2 This includes Rs 592 million (2018: Rs 445 million) paid / payable to SBP under Islamic Export Refinance Scheme and Rs 86.7 million (2018: Rs 2.9 million) paid / payable to SBP under the Islamic Long Term Financing Facility.				
28	FEE AND COMMISSION INCOME	Note	2019	2018
			Rupees in '000	
	Trade related fees and commissions		2,487,031	1,821,762
	Management fees in respect of Mutual Funds		1,187,354	1,565,565
	Commission on guarantees		110,334	90,830
	Branch banking customer fees		1,472,109	1,482,742
	Credit processing related fees		108,098	122,941
	Debit card related fees		1,398,843	1,127,899
	Investment banking related fees		232,988	228,653
	Cash management fees		65,076	44,625
	Home remittance related fees		157,245	151,133
	Others		208,396	186,585
			<u>7,427,474</u>	<u>6,822,735</u>
29	LOSS ON SECURITIES - NET	Note	2019	2018
			Rupees in '000	
	Realised	29.1	(428,782)	(39,376)
29.1 Realised (loss) / gain on:				
	Listed Shares		(380,704)	23,921
	Federal Government Securities		(77,759)	(18,195)
	Non Government Debt Securities		40,864	-
	Associates		(11,183)	(44,551)
	Other Securities		-	(551)
			<u>(428,782)</u>	<u>(39,376)</u>

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30	OTHER INCOME	Note	2019	2018
			Rupees in '000	
	Gain on termination of			
	- Ijarah financing		380,404	198,793
	- Diminishing Musharakah financing		43,153	21,388
	Gain on sale of fixed assets		100,940	85,781
	Loss on disposal of non-banking assets		(2,529)	-
	Rental income		11,198	5,989
	Others		2,449	1,535
			<u>535,615</u>	<u>313,486</u>
31	OPERATING EXPENSES			
	Total compensation expense	31.1	13,400,938	10,608,215
	Property expense			
	Depreciation on right-of-use assets		2,193,511	-
	Rent and taxes		174,415	2,086,351
	Utilities cost (including electricity and diesel)		891,749	723,796
	Security (including guards)		628,569	526,788
	Repair and maintenance (including janitorial charges)		504,205	413,537
	Depreciation		614,256	593,458
	Others		52,325	55,401
			5,059,030	4,399,331
	Information technology expenses			
	Software maintenance		427,118	203,423
	Hardware maintenance		296,132	190,466
	Depreciation		325,402	311,061
	Amortisation		267,293	230,168
	Network charges		220,383	181,381
			1,536,328	1,116,499
	Other operating expenses			
	Communication (including courier)		506,946	333,315
	Local transportation and car running		535,695	408,425
	Depreciation on vehicles, equipments, etc.		824,269	658,452
	Legal and professional charges		123,651	83,511
	NIFT and other clearing charges		125,654	148,890
	Travelling and conveyance		143,023	98,624
	Training and Development		86,356	84,286
	Stationery and printing (including debit card related cost)		924,134	499,113
	Marketing, advertisement and publicity		604,876	364,136
	Fees, subscription and other charges		276,235	190,988
	Office supplies		278,552	228,614
	Entertainment		92,947	76,910
	Takaful expense		101,098	119,620
	Security charges - cash transportation		370,823	256,322
	Auditors' Remuneration	31.2	11,789	17,998
	Repairs and maintenance		332,259	167,361
	Brokerage and bank charges		177,843	175,475
	Shariah Board's fees and allowances	40	27,133	23,082
	Non-executive Directors' fee	40	57,418	48,542
	Donation	31.3	202,500	7,920
	Others		26,308	19,825
	Reimbursement of expenses from associated funds to the subsidiary		(371,800)	(348,232)
			<u>5,457,709</u>	<u>3,663,177</u>
			<u>25,454,005</u>	<u>19,787,222</u>

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	Note	2019	2018
		Rupees in '000	
31.1 Total compensation expense			
Managerial Remuneration			
i) Fixed		8,357,135	7,034,329
ii) Cash Bonus / Awards etc.		3,851,727	2,524,530
Charge for defined benefit plan		396,854	359,607
Contribution to defined contribution plan		332,266	286,118
Compensated Absences		90,996	38,095
Others including EOBI, SESSI, uniform, sports etc.		371,960	365,536
Total compensation expense		13,400,938	10,608,215
31.2 Auditors' remuneration			
Audit fee		4,817	4,279
Fee for interim review		1,010	982
Special certifications / review		4,121	9,696
		9,948	14,957
Sindh sales tax on services		851	1,150
Out of pocket expenses		990	1,891
		11,789	17,998
31.3 Donation			
Meezan Bank Foundation	31.3.1	200,000	-
Learning Is For Everyone (L.I.F.E.) School		2,500	-
The Supreme Court of Pakistan and the Prime Minister of Pakistan Diarmer – Bhasha and Mohmand Dams Fund		-	7,920
		202,500	7,920
31.3.1 The Holding company is in the process of establishing Meezan Bank Foundation (the Foundation) with an initial contribution of Rs 200 million to promote development and advance the welfare and well-being of the people of Pakistan. Certain key management personnel of the Holding company would be appointed to manage the affairs of the Foundation.			
31.4 Total cost for the year relating to outsourced activities is Rs 1,958 million (2018: Rs 1,593 million) entirely relating to companies incorporated in Pakistan and mainly on account of security guards, janitorial staff and courier services.			
32 OTHER CHARGES	Note	2019	2018
		Rupees in '000	
Penalties imposed by the State Bank of Pakistan		82,275	16,419
33 PROVISIONS AND WRITE OFFS - NET			
Provision against non-performing islamic financings and related assets - net	11.10	3,072,771	894,866
Provision against diminution in the value of investments	10.3	1,089,539	307,401
Other provision / (reversals)	33.1	45,825	(17,594)
Bad debts written off directly		-	464
(Reversals) / provision against off-balance sheet obligations	20.2	(5,681)	1,820
Recovery against written off financings	33.2	(16,024)	(18,906)
		4,186,430	1,168,051
33.1 This mainly represents provision on account of operational losses incurred by the Group in the current year.			
33.2 This includes recoveries against financing written off by HSBC ME prior to its acquisition by the Group.			

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

34	TAXATION	Note	2019	2018
			Rupees in '000	
	Current			
	- for the year		11,939,734	6,772,179
	- for prior years	34.1	470,030	-
			12,409,764	6,772,179
	Deferred			
	- for the year		(1,211,657)	(726,099)
			11,198,107	6,046,080

34.1 The Finance Supplementary (Second Amendment) Act, 2019 has reversed the phase-wise reduction in rate of Super Tax for banking companies from 4% to 3% and further levied an additional Super Tax charge at 4% for Tax Year 2018 (Accounting Year 2017), which was previously not chargeable resulting in additional Super Tax charge of Rs 470 million in the current year. The aggregate Super Tax charge for the year ended December 31, 2019 is Rs 1,670 million.

34.2	Relationship between tax expense and accounting profit	Note	2019	2018
			Rupees in '000	
	Profit before taxation		26,977,746	15,179,990
	Effects of:			
	-Tax calculated at the applicable rate of 35%		9,442,212	5,312,997
	- Super tax @ 4%		1,199,643	660,333
	- Prior year Super Tax		470,030	-
	- Income subject to reduced rate of tax		(32,686)	47,669
	- Permanent differences		49,614	3,494
	- Others		69,294	21,587
	Tax charge for the year		11,198,107	6,046,080

35	BASIC AND DILUTED EARNINGS PER SHARE		2019	2018
			Rupees in '000	
	Profit for the year		15,584,441	8,957,761
			(Number)	
	Weighted average number of ordinary shares		1,286,111,622	1,286,111,622
			(Rupees)	
	Basic and diluted earnings per share	35.1	12.12	Restated 6.96

35.1 The Holding company has issued bonus shares during the year and accordingly the earnings per share for the comparative year has been restated.

36	CASH AND CASH EQUIVALENTS	Note	2019	2018
			Rupees in '000	
	Cash and balances with treasury banks	7	92,193,877	65,022,412
	Balances with other banks	8	15,414,833	8,277,146
			107,608,710	73,299,558

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	Note	2019	2018
37 STAFF STRENGTH		Number of Staff	
Permanent		9,291	7,834
Contractual basis		1,436	1,345
Group's own staff strength at the end of the year		10,727	9,179
Outsourced	37.1	1,623	1,474
Total Staff Strength		12,350	10,653

37.1 This excludes outsourced security guards and janitorial staff.

38 DEFINED BENEFIT PLAN

38.1 Gratuity Funded Scheme of MBL

The activities of the Gratuity Funded Scheme are governed by Meezan Bank Limited Staff Gratuity Fund established in 2000 under the provisions of a Trust Deed. Plan assets held in trust are governed by the Trust Deed as is the nature of the relationship between the Bank and the trustees and their composition. Responsibility for governance of the plan including the investment decisions lies with the Trustees. The Board of Trustees comprise of representatives of the Bank and scheme participants in accordance with the Fund's trust deed.

38.2 Number of Employees under the Gratuity Funded Scheme

	2019	2018
	(Number)	
Number of Employees eligible under the Gratuity Funded Scheme	8,788	7,464

	2019	2018
38.3 Reconciliation of amount payable to defined benefit plan	Rupees in '000	
Present value of defined benefit obligations	1,735,808	1,386,260
Fair value of plan assets	(1,491,746)	(1,063,037)
	244,062	323,223

38.4 Plan assets consist of the following:

	2019		2018	
	Rupees in '000	%	Rupees in '000	%
Meezan Aamdan Certificates	1,005,447	67.40	918,936	86.44
Al Meezan Mutual Fund	56,629	3.80	56,293	5.30
Meezan Asset Allocation Plan	63,881	4.28	59,694	5.62
Fatima Fertilizer Company Limited - Sukuk	5,886	0.39	8,829	0.83
Bank Islami Pakistan Limited - Additional Tier 1 Sukuk	5,000	0.34	-	-
Fixed deposit with Dubai Islamic Bank Limited	350,000	23.46	-	-
Savings account with Meezan Bank Limited	4,903	0.33	19,285	1.81
	1,491,746	100.00	1,063,037	100.00

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

38.5 The movement in the defined benefit obligation over the year is as follows:

	2019		
	Present value of obligation	Fair value of plan assets	Total
	Rupees in '000		
At January 1	1,386,260	(1,063,037)	323,223
Current service cost	308,887	-	308,887
Return expense / (income)	182,129	(163,407)	18,722
	1,877,276	(1,226,444)	650,832
Remeasurements:			
-Return on plan assets, excluding amounts included in return expense / (income) shown as above	-	(14,540)	(14,540)
-Experience gains	(69,007)	-	(69,007)
	(69,007)	(14,540)	(83,547)
	1,808,269	(1,240,984)	567,285
Contribution	-	(323,223)	(323,223)
Benefit payments	(72,461)	72,461	-
At December 31	1,735,808	(1,491,746)	244,062

	2018		
	Present value of obligation	Fair value of plan assets	Total
	Rupees in '000		
At January 1	1,297,029	(855,904)	441,125
Current service cost	291,330	-	291,330
Return expense / (income)	115,726	(96,168)	19,558
	1,704,085	(952,072)	752,013
Remeasurements:			
- Return on plan assets, excluding amounts included in return expense / (income) shown as above	-	201,822	201,822
- Experience gains	(189,487)	-	(189,487)
	(189,487)	201,822	12,335
	1,514,598	(750,250)	764,348
Contribution	-	(441,125)	(441,125)
Benefit payments	(128,338)	128,338	-
At December 31	1,386,260	(1,063,037)	323,223

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

38.6 Charge for defined benefit plan (in respect of the Gratuity Funded Scheme)

	2019	2018
	Rupees in '000	

38.6.1	Cost recognised in consolidated profit and loss		
	Current service cost	308,887	291,330
	Net return cost	18,722	19,558
		<u>327,609</u>	<u>310,888</u>
38.6.2	Re-measurements recognised in Consolidated OCI during the year		
	Loss on obligation - experience adjustment	(69,007)	(189,487)
	Return on plan assets over expected return	(14,540)	201,822
	Total re-measurements recognised in consolidated OCI	<u>(83,547)</u>	<u>12,335</u>

Total expense recognized in Consolidated Profit and Loss Account amounted to Rs 384.532 million (2018: Rs 351.317 million) of which Rs 327.609 million (2018: Rs 310.888 million) pertains to approved Gratuity Funded Scheme and Rs 56.923 million (2018: Rs 40.429 million) pertains to End of Service unfunded Defined Benefit scheme. Total credit recognized in Consolidated Other Comprehensive Income amounted to Rs 124.144 million (2018: credit of Rs 1.998 million) of which credit of Rs 83.547 million (2018: charge of Rs 12.335 million) pertains to approved defined Benefit Gratuity Funded Scheme and credit of Rs 40.597 million (2018: credit of Rs 14.333 million) pertains to End of Service unfunded Defined Benefit Scheme.

38.7 The plan assets and defined benefit obligations (in respect of the Gratuity Funded Scheme) are based in Pakistan.

38.8	Principal actuarial assumptions	2019	2018
	Discount rate	13.00% p.a	13.75% p.a
	Expected rate of increase in salaries	12.00% p.a	12.75% p.a
	Expected rate of return on investments	13.00% p.a	13.75% p.a
	Normal retirement age	60 years	60 years

38.9 Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables.

38.10 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation - Increase / (Decrease)	
	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees in '000	
Discount rate	1%	(179,969)	212,867
Salary growth rate	1%	221,547	(189,896)
Withdrawal rate	10%	4,013	(4,183)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the Consolidated Statement of Financial Position.

38.11 The weighted average duration of the defined benefit obligation is 10.92 years.

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For the year ended December 31, 2019

38.12 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity funded scheme is as follows:

At December 31, 2019	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Rupees in '000				
Gratuity	109,607	104,800	276,556	12,749,713	13,240,676

38.13 Funding levels are monitored on an annual basis and are based on actuarial recommendations. Contribution for the next year works out to Rs 321.943 million as per the actuarial valuation report of the Bank as of December 31, 2019.

38.14 Through its Gratuity Funded Scheme, the Fund is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to corporate sukuk yields; if plan assets underperform to the yield, this will create a deficit. The Fund believes that due to long-term nature of the plan liabilities and the strength of the Bank's support, the current investment strategy manages this risk adequately.
Changes in Sukuk yields	A decrease in corporate sukuk yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' sukuk holdings.
Inflation risk	The majority of the plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities. However plan assets are variable rate instruments and are re-priced at regular intervals to off set inflationary impacts.
Life expectancy / Withdrawal rate	The majority of the plans' obligations are to provide benefits on severance with the Bank on achieving retirement. Any change in life expectancy / withdrawal rate would impact plan liabilities.

38.15 End of Service Unfunded Defined Benefit Scheme

The Holding company also operates an End of Service unfunded Defined Benefit Scheme for the founding President and Chief Executive Officer.

The charge in respect of current service cost is recognised based on expected period of future service. The net charge for the year of this benefit amounted to Rs 16.326 million. The charge of Rs 56.923 million has been recognized in the Consolidated Profit and Loss Account and the credit / reversal of Rs 40.597 million has been recognized in Consolidated Other Comprehensive Income. The present value of defined benefit obligation recognised in respect of this benefit amounts to Rs 317.180 million.

The principal actuarial assumptions comprise of discount rate of 13 percent and salary increase rate of 12 percent. The retirement age used by the actuary is 66 years. The sensitivity of the defined benefit obligation due to a one percent change in discount rate would be Rs 1.394 million (in case the discount rate is increased) and Rs 1.413 million (in case the discount rate is decreased). The sensitivity of the defined benefit obligation due to change in withdrawal rates would be higher by Rs 0.03 million (in case of ten percent increase in assumption) and lower by Rs 0.03 million (in case of ten percent decrease in assumption). These sensitivities are calculated using the same methodology as explained in note 38.10.

38.16 The disclosure made in notes 38.1 to 38.15 are based on the information included in the actuarial valuation report of the Holding company as of December 31, 2019.

39 DEFINED CONTRIBUTION PLAN

The Group also operates a recognized contributory provident fund for all permanent employees. Equal monthly contributions are made, both by the Group and the employees, to the fund at a rate of 10% of basic salary.

	2019	2018
	Rupees in '000	
Contribution from the Group	332,266	286,118
Contribution from the employees	332,266	286,118
	664,532	572,236

Notes to and forming part of the Consolidated Financial Statements

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40 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

	2019						
	Chairman	Directors Executives (other than CEO)	Non- Executives	Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Rupees in '000						
Fees and allowances	12,219	-	45,199	27,133	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	-	70,506	391,609	316,399
ii) Cash Bonus	-	-	-	-	126,911	294,065	250,000
Charge for gratuity fund / EOSB	-	-	-	-	16,326	16,794	14,429
Contribution to defined contribution plan	-	-	-	-	-	20,084	17,116
Others	-	-	-	-	1,333	72,054	-
	12,219	-	45,199	27,133	215,076	794,606	597,944
Number of persons	1	-	10	4	1	52	57

	2018						
	Chairman	Directors Executives (other than CEO)	Non- Executives	Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
	Rupees in '000						
Fees and allowances	10,011	-	38,531	23,082	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	-	70,506	329,960	299,736
ii) Cash Bonus	-	-	-	-	105,759	302,428	175,718
Charge for gratuity fund / EOSB	-	-	-	-	26,096	14,002	13,268
Contribution to defined contribution plan	-	-	-	-	-	16,828	15,590
Others	-	-	-	-	1,297	51,676	-
	10,011	-	38,531	23,082	203,658	714,894	504,312
Number of persons	1	-	8	4	1	42	57

40.1 The Chief Executive, the key management personnel and certain material risk takers / controllers have been provided with free use of the Group's cars.

40.2 The amount of cash bonus to the key management personnel and other material risk takers / controllers, is based on the management's best estimate.

Notes to and forming part of the Consolidated Financial Statements

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40.3 Remuneration to Directors for participation in Board and Committee Meetings

2019							
Sr. No.	Name of Director	Meeting Fees and Allowances					
		For Board Meetings	For Board Committees				Total Amount
			Board Audit Committee	Risk Management Committee	Information Technology Committee	Human Resources and Remuneration Committee	
Rupees in '000							
1	Mr Riyadh S.A.A. Edrees (Chairman)	10,997	-	-	-	1,222	12,219
2	Mr Faisal A.A.A. Al-Nassar (Vice Chairman)	6,752	939	1,080	-	-	8,771
3	Mr Bader H.A.M.A. Al Rabiah	4,277	909	-	-	-	5,186
4	Mr Alaa A. Al-Sarawi	3,181	909	-	-	909	4,999
5	Mr Mohamed Guermazi	2,190	-	310	-	-	2,500
6	Mr Saad Fazil Abbasi	3,705	-	1,059	-	-	4,764
7	Mr Mubashar Maqbool	1,089	-	311	311	-	1,711
8	Mr Noorur Rahman Abid	4,261	1,217	-	594	1,217	7,289
9	Ms Nausheen Ahmad	3,271	-	-	-	624	3,895
10	Mr Atif Azim	2,183	-	-	624	-	2,807
11	Mr Mansur Khan	2,085	-	-	596	596	3,277
		43,991	3,974	2,760	2,125	4,568	57,418

2018							
Sr. No.	Name of Director	Meeting Fees and Allowances					
		For Board Meetings	For Board Committees				Total Amount
			Board Audit Committee	Risk Management Committee	Information Technology Committee	Human Resources and Remuneration Committee	
Rupees in '000							
1	Mr Riyadh S.A.A. Edrees (Chairman)	9,010	-	-	-	1,001	10,011
2	Mr Faisal A.A.A. Al-Nassar (Vice Chairman)	6,256	-	1,001	-	-	7,257
3	Mr Bader H.A.M.A. Al Rabiah	3,504	-	-	-	-	3,504
4	Mr Alaa A. Al-Sarawi	3,503	1,001	-	-	-	4,504
5	Mr Mansur Khan	3,501	-	-	1,001	-	4,502
6	Mr Noorur Rahman Abid	3,501	1,001	-	-	1,001	5,503
7	Mr Mohammad Abdul Aleem	3,501	1,001	-	1,001	-	5,503
8	Mr Muhammad Zarrug Rajab	2,530	723	-	-	-	3,253
9	Mr Talal S.A. Al-Shehab	3,504	-	-	-	1,001	4,505
		38,810	3,726	1,001	2,002	3,003	48,542

40.4 Remuneration to Members Shariah Board

	2019			2018		
	Chairman	Resident Member	Non Resident Members	Chairman	Resident Member	Non Resident Members
	Rupees in '000					
Fee and allowances	-	2,912	24,221	-	1,780	21,302
Total number of persons	1	1	2	1	1	2

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41 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

(a) **Financial instruments in level 1**

Financial instruments included in level 1 comprise of investments in listed ordinary shares, listed sukuk, units of open end mutual fund and global sukuk bonds classified as available for sale.

(b) **Financial instruments in level 2**

Financial instruments included in level 2 comprise of GoP Ijarah sukuk classified as available for sale.

(c) **Financial instruments in level 3**

Currently, no financial instruments are classified in level 3.

The Group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

There were no transfers between levels 1 and 2 during the year.

Valuation techniques used in determination of fair values

Item	Valuation approach and input used
GoP Sukuk	The fair value of GoP Ijarah Sukuk quoted are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined/ approved dealers / brokers.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by SBP.
Global Sukuk Bonds	The valuation has been determined through closing rates of Bloomberg.
Listed Securities	The valuation has been determined through closing rates of Pakistan Stock Exchange.
Mutual Funds	The valuation has been determined based on Net asset values declared by respective funds.

Fair value of Islamic financing and related assets, other assets, other liabilities and fixed term deposits and other accounts cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of Islamic financing and related assets has been calculated in accordance with the Bank's accounting policy as stated in note 6.3.2.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these assets and liabilities are short term in nature or in the case of financings and deposits are frequently repriced.

41.2 The table below analyses financial and non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cash flows) (Level 3).

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	2019			
Recurring Fair Value Measurements	Level 1	Level 2	Level 3	Total
	Rupees in '000			
ON BALANCE SHEET FINANCIAL INSTRUMENTS				
Investments - Net				
Financial Assets				
Available for sale securities				
Ordinary shares - listed	5,544,826	-	-	5,544,826
Pakistan Energy Sukuk - listed	97,362,650	-	-	97,362,650
GoP Sukuk	-	12,792,286	-	12,792,286
Global Sukuk Bonds	8,083,166	-	-	8,083,166
OFF BALANCE SHEET FINANCIAL INSTRUMENTS				
Forward purchase of foreign exchange contracts	-	154,054,304	-	154,054,304
Forward sale of foreign exchange contracts	-	118,014,717	-	118,014,717

Investment in associates (listed - mutual funds) have market value of Rs 4,869 million (2018: Rs 4,196 million) as disclosed in note 10.7 to these consolidated financial statements which is being valued under level 1.

41.3 Fair value of non-financial assets

Non-banking assets acquired in satisfaction of claims have been carried at revalued amounts determined by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 14. The valuations are conducted by the valuation experts appointed by the Group which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Group's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these consolidated financial statements.

Notes to and forming part of the Consolidated Financial Statements

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41.4 Financial assets not measured at fair value	Carrying Value	
	2019	2018
	Rupees in '000	
Cash and balances with treasury banks	92,193,877	65,022,412
Balances with other banks	15,414,833	8,277,146
Due from financial institutions - net	223,689,325	184,814,600
Investments - net	101,015,130	95,046,058
Islamic financings and related assets - net	493,775,346	512,564,522
Other assets - net	40,162,500	25,121,364

42 SEGMENT ANALYSIS

42.1 Segment Details with respect to Business Activities:

	2019					
	Corporate and Commercial banking	Retail banking	Trading and sales	Asset Management	Others	Inter-segment Eliminations
	Rupees in '000					
Profit and Loss Account						
External Revenue	51,893,574	9,320,828	39,875,952	1,649,017	2,335,602	-
Inter segment revenue - net	-	75,722,753	-	-	197,777	(75,920,530)
Total Income	51,893,574	85,043,581	39,875,952	1,649,017	2,533,379	(75,920,530)
Segment direct expenses	3,276,695	68,229,024	842,189	759,375	803,514	-
Inter segment expense allocation	41,590,952	-	34,329,578	-	-	(75,920,530)
Total expenses	44,867,647	68,229,024	35,171,767	759,375	803,514	(75,920,530)
Provisions and write offs - net	1,418,899	1,670,240	1,097,291	-	-	-
Profit before tax	5,607,028	15,144,317	3,606,894	889,642	1,729,865	-
Statement of Financial Position						
Cash & Bank balances	-	100,667,273	6,898,321	43,116	-	-
Due from financial institutions - net	-	-	223,689,325	-	-	-
Investments - net	16,564,479	-	209,081,683	4,020,910	-	-
Net inter segment lending	-	792,814,927	-	-	529,069	(793,343,996)
Islamic financings and related assets - net	407,789,877	85,985,469	-	-	-	-
Others	18,646,459	28,202,430	23,732,938	792,683	-	-
Total Assets	443,000,815	1,007,670,099	463,402,267	4,856,709	529,069	(793,343,996)
Due to financial institutions	41,129,507	909,114	8,769	-	-	-
Deposits & other accounts	-	932,568,765	-	-	-	-
Subordinated Sukuk	14,000,000	-	-	-	-	-
Net inter segment borrowing	354,997,417	-	438,346,579	-	-	(793,343,996)
Others	10,310,734	62,333,839	453,045	1,091,175	529,069	-
Total liabilities	420,437,658	995,811,718	438,808,393	1,091,175	529,069	(793,343,996)
Equity	22,563,157	11,858,381	24,593,874	3,765,534	-	-
Total Equity & liabilities	443,000,815	1,007,670,099	463,402,267	4,856,709	529,069	(793,343,996)
Contingencies & Commitments	411,637,486	73,364,190	267,088,452	-	-	-

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	2018					
	Corporate and Commercial banking	Retail banking	Trading and sales	Asset Management	Others	Inter-segment Eliminations
	Rupees in '000					
Profit and Loss Account						
External Revenue	28,610,386	5,880,628	19,086,444	1,323,975	2,087,409	-
Inter segment revenue - net	-	39,985,198	-	-	92,553	(40,077,751)
Total Income	28,610,386	45,865,826	19,086,444	1,323,975	2,179,962	(40,077,751)
Segment direct expenses	1,802,047	36,412,638	1,262,603	614,980	548,533	-
Inter segment expense allocation	23,370,533	-	16,707,218	-	-	(40,077,751)
Total expenses	25,172,580	36,412,638	17,969,821	614,980	548,533	(40,077,751)
Provisions and write offs - net	826,756	22,847	318,448	-	-	-
Profit before tax	2,611,050	9,430,341	798,175	708,995	1,631,429	-
Statement of Financial Position						
Cash & Bank balances	-	70,880,687	2,396,541	22,330	-	-
Due from financial institutions - net	-	-	184,814,600	-	-	-
Investments - net	21,076,097	-	102,666,770	3,372,509	-	-
Net inter segment lending	-	671,148,377	-	-	297,553	(671,445,930)
Islamic financings and related assets - net	431,967,241	80,597,281	-	-	-	-
Others	16,888,683	20,233,304	6,394,201	441,163	-	-
Total Assets	469,932,021	842,859,649	296,272,112	3,836,002	297,553	(671,445,930)
Due to financial institutions	23,171,084	627,074	12,609,653	-	-	-
Deposits & other accounts	-	785,444,592	-	-	-	-
Subordinated Sukuk	14,000,000	-	-	-	-	-
Net inter segment borrowing	400,580,898	-	270,865,032	-	-	(671,445,930)
Others	11,971,613	49,403,905	56,876	592,118	297,553	-
Total liabilities	449,723,595	835,475,571	283,531,561	592,118	297,553	(671,445,930)
Equity	20,208,426	7,384,078	12,740,551	3,243,884	-	-
Total Equity & liabilities	469,932,021	842,859,649	296,272,112	3,836,002	297,553	(671,445,930)
Contingencies & Commitments	301,374,997	45,715,180	118,865,323	-	-	-

43 TRUST ACTIVITIES

The Holding company provides trustee services in respect of Islamic Financing transactions. The services primarily includes holding of assets as security trustee on behalf of investors.

44 RELATED PARTY TRANSACTIONS

- 44.1 Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes major shareholders, associated companies, retirement benefit funds, directors, key management personnel and their close family members.
- 44.2 Transactions with related parties are entered 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 key management personnel is determined in accordance with the terms of their appointment.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

44.3 Key management personnel

- President and Chief Executive Officer - Holding Company
- Deputy Chief Executive Officer - Holding Company

44.4 Details of transactions with related parties and balances with them (other than those disclosed in respective notes) as at the year-end as are follows:

	Total		Associates		Directors		Key Management Personnel		Other Related Parties	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees in '000									
Islamic financing and related assets										
At January 1,	437,528	676,504	437,528	676,504	-	-	-	-	-	-
Addition during the year	3,458,959	3,732,561	3,458,959	3,732,561	-	-	-	-	-	-
Deletion during the year	(3,327,239)	(3,971,537)	(3,327,239)	(3,971,537)	-	-	-	-	-	-
At December 31	569,248	437,528	569,248	437,528	-	-	-	-	-	-
Investments										
At January 1,	4,196,013	5,779,700	4,196,013	5,779,700	-	-	-	-	-	-
Addition during the year	2,027,279	524,448	2,027,279	524,448	-	-	-	-	-	-
Deletion during the year	(1,354,278)	(2,108,135)	(1,354,278)	(2,108,135)	-	-	-	-	-	-
At December 31	4,869,014	4,196,013	4,869,014	4,196,013	-	-	-	-	-	-
Due from financial institutions										
At January 1,	-	-	-	-	-	-	-	-	-	-
Addition during the year	24,985,377	-	24,985,377	-	-	-	-	-	-	-
Deletion during the year	-	-	-	-	-	-	-	-	-	-
At December 31	24,985,377	-	24,985,377	-	-	-	-	-	-	-

Balances pertaining to parties that were related at the beginning of the year but ceased to be related during any part of the current year are not reflected as part of the closing balance. However, new related parties have been added during the year. The same are accounted for through the movement presented above.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

	Total		Associates		Directors		Key Management Personnel		Other Related Parties	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees in '000									
Deposits										
At December 31	5,154,210	5,222,976	1,171,564	1,125,645	95,662	107,304	171,382	523,483	3,715,602	3,466,544
Other Assets										
Profit receivable on financing / investments / placements	710,269	12,820	710,269	12,820	-	-	-	-	-	-
Fee and other receivable	1,603	4,554	1,603	1,054	-	-	-	-	-	3,500
Sub-ordinated Sukuk (Tier II)	568,000	618,000	568,000	618,000	-	-	-	-	-	-
Other Liabilities										
Payable to defined benefit plan	570,234	645,340	-	-	-	-	317,180	300,854	253,054	344,486
Accrued Expenses	200,000	-	-	-	-	-	-	-	200,000	-
Contingencies and Commitments										
Letters of credit (unfunded)	26,076	27,572	26,076	27,572	-	-	-	-	-	-
Transactions, income and expenses										
Profit earned on financing / investments / placements	735,170	46,657	735,170	46,657	-	-	-	-	-	-
Fees and other income earned	1,335,996	1,633,955	1,335,996	1,633,955	-	-	-	-	-	-
Dividend income earned	106,424	17,669	106,424	17,669	-	-	-	-	-	-
Capital loss - net	(11,183)	(44,551)	(11,183)	(44,551)	-	-	-	-	-	-
Return on deposits / borrowing expensed	703,272	249,679	270,336	43,468	1,166	1,463	27,991	12,303	403,779	192,445
Recovery of expenses	2,616	-	-	-	-	-	-	-	2,616	-
Charge for defined benefit plan	263,625	368,587	-	-	-	-	-	-	263,625	368,587
Contribution to defined contribution plan	332,266	286,118	-	-	-	-	-	-	332,266	286,118
Contribution to staff benevolent fund	20,000	20,000	-	-	-	-	-	-	20,000	20,000
Donation	200,000	-	-	-	-	-	-	-	200,000	-
Charity Paid	29,400	28,000	-	-	-	-	-	-	29,400	28,000
Remuneration to key management personnel	352,828	325,879	-	-	-	-	352,828	325,879	-	-
Fee to non-executive directors (note 40)	57,418	48,542	-	-	57,418	48,542	-	-	-	-

45 CAPITAL ASSESSMENT AND ADEQUACY BASEL SPECIFIC

Capital structure

The State Bank of Pakistan (SBP) introduced updated guidelines with respect to disclosure of capital adequacy related information in the financial statements of banks vide its communication dated November 5, 2014. These guidelines are based on the requirements of Basel III which were introduced earlier by the SBP in August 2013 for implementation by banks in Pakistan. The SBP had specified a transitional period for implementing new standards which came to its end on December 31, 2019. The disclosures below have been prepared on the basis of these new guidelines. The comparative information is as per requirements which were applicable last year.

45.1 Capital structure

Under Basel III framework, the Group's regulatory capital has been analysed into two tiers as follows:

- Tier 1 capital (going concern capital) which is sub divided into:
 - a) Common Equity Tier 1 (CET1), which includes fully paid up capital, balance in share premium account, reserve for bonus issue, general reserves and unappropriated profits (net of losses), after regulatory deductions for investment in own shares, and book value of intangibles.
 - b) Additional Tier 1 capital (AT1), which includes perpetual, unsecured, sub-ordinated, non-cumulative and contingent convertible Sukuk instrument issued by the Group.
- Tier II capital, which includes sub-ordinated sukuk, general provisions for loan losses (upto a maximum of 1.25% of credit risk weighted assets), reserves on revaluation of available for sale investments after deduction of indirect holding of own capital.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

Banking operations are categorised in either the trading book or the banking book and risk weighted assets are determined according to the specified requirements that seek to reflect the varying levels of risk attached to assets and off balance sheet exposures.

The required capital adequacy ratio is achieved by the Group through:

- (a) Adequate level of paid up capital;
- (b) Adequate risk profile of asset mix;
- (c) Ensuring better recovery management; and
- (d) Maintaining acceptable profit margins.

45.2 Capital adequacy ratio

The main objective of the capital management is to improve the financial position and strengthen the statement of financial position of the Group to support the growth in business, provide protection to depositors and enhance shareholders' value.

The Holding company's Board and the management is committed to maintaining a sound balance between depositors' liability and shareholders' funds so that optimal capital / debt ratio is maintained. The optimal capital / debt ratio will provide reasonable assurance to depositor's about safety and security of their funds and at the same time provide impetus to the management to invest their depositors' funds into profitable ventures without compromising the risk profile of the Holding company. The capital requirement of the Holding company has been determined based on the projected growth plan to be achieved in the next 3 years in all areas of business operations. Further, it also takes into account a road map for capital enhancement as directed by the SBP vide its various circulars issued from time to time.

The Holding company prepares Annual Budget and Three Year Plan for purpose of the growth map and future direction. Bottom up approach is used to prepare annual budget and detailed deliberations are held while preparing Three Year Plan. The growth prospects takes into consideration prevailing economic and political factors in Pakistan and abroad.

In implementing current capital requirements the SBP requires banks to maintain minimum Capital Adequacy Ratio (CAR) of 12.50% as of December 31, 2019 whereas CAR stood at 17.17% at the year ended December 31, 2019.

The Group calculates capital adequacy ratio for credit risk, market risk and operational risk based upon requirements under Basel Accord as per guidelines issued by the SBP from time to time in this regard.

Sensitivity and stress testing of the Group under different risk factors namely yield rate, forced sale value of collateral, non-performing financings and foreign exchange rate depicts that the Bank's capital adequacy ratio is above the regulatory requirements.

The Group has taken into account credit risk, market risk and operational risk when planning its assets.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

46 CAPITAL ADEQUACY AND LEVERAGE RATIOS

	2019	2018
	Rupees in '000	
Minimum Capital Requirement		
Paid-up capital (net of losses)	12,861,116	11,691,924
Capital Adequacy Ratio		
Eligible Common Equity Tier 1 Capital	51,558,453	42,034,961
Eligible Additional Tier 1 Capital	6,992,866	7,027,818
Total Eligible Tier 1 Capital	58,551,319	49,062,779
Eligible Tier 2 Capital	16,905,639	9,989,706
Total Eligible Capital (Tier 1 + Tier 2)	75,456,958	59,052,485
Risk Weighted Assets		
Credit Risk	342,898,741	323,222,054
Market Risk	19,624,994	16,845,781
Operational Risk	76,873,048	56,780,995
Total	439,396,783	396,848,830
Common Equity Tier 1 Capital Adequacy ratio	11.73%	10.59%
Tier 1 Capital Adequacy Ratio	13.33%	12.36%
Total Capital Adequacy Ratio	17.17%	14.88%
Leverage Ratio		
Tier-1 Capital	58,551,319	49,062,779
Total Exposures	1,363,702,150	1,109,745,157
Leverage Ratio	4.29%	4.42%

46.1 Full disclosure on Capital Adequacy & Leverage Ratio prepared as per SBP instructions is available at [http:// www.meezanbank.com](http://www.meezanbank.com)

47 RISK MANAGEMENT

The wide variety of the Group's business activities require the Group to identify, assess, measure, aggregate and manage risks effectively which are constantly evolving as the business activities expand in response to the Group's strategy and growth. The Group manages the risk through a framework of risk management encompassing policies and procedures, organisational structures, risk measurement and monitoring processes and techniques that are closely aligned with business activities of the Group.

Risk management principles

- The Board of Directors (the Board) provides overall risk management supervision. The Board Risk Management Committee regularly reviews the Holding company's risk profile.
- The Group has set up objectives and policies to manage the risks that arise in connection with the Group's activities. The risk management framework and policies of the Group are guided by specific objectives to ensure that comprehensive and adequate risk management tools and techniques are established to mitigate the salient risk elements in the operations of the Group.
- The establishment of the overall financial risk management objectives is consistent and in tandem with the strategy to create and enhance shareholders' value, whilst guided by a prudent risk management framework.
- The structure of risk management function is closely aligned with the organisational structure of the Group.
- The risk management function is independent of the Group's operations.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

Risk management organisation

The Board Risk Management Committee comprises of four non-executive directors. One of the non-executive directors of the Holding company chairs the Risk Management Committee.

Specialized Committees comprising of Senior Management team members perform their functions in line with the strategic direction set by the Board of the Holding company while ensuring that there is optimal balance between risk reward trade-off. The Committees include:

Name of the sub-committee	Chaired by
Credit Risk Management Committee (CRMC)	President & CEO of the Holding company
Asset and Liability Management Committee (ALCO)	President & CEO of the Holding company
Compliance & Operational Risk Management Committee (CORMC)	President & CEO of the Holding company

CRMC is responsible to oversee credit risk activities on Group wide basis while ensuring compliance with regulatory requirements & internal policies. Its responsibilities also include to provide support and guide front lines in managing their businesses, perform finance portfolio review, establish financing standards and benchmarks, maintain adequate industry diversification and decide upon provisioning. It is also required to delegate financing approving powers & prudential limits on large financing exposures. Credit Committee, a sub-committee of CRMC is the highest level body for approval of financing transactions.

ALCO is responsible for reviewing the Asset and Liability structure of the MBL, monitoring the liquidity situation and overall changing market scenario. Market and Liquidity risks are examined based on stress testing exercises and gap analysis. ALCO is also responsible for monitoring policy rate movements and taking necessary steps across various products to ensure that the overall profitability of the MBL is maximized without compromising on risk appetite. ALCO also ensures that the MBL overall operations are fully compliant with regulatory framework for the business as provided by the SBP.

The CORMC is responsible for overseeing compliance risk by reviewing the adequacy of controls in place to meet regulatory requirements. The Committee is responsible for promoting compliance culture in MBL, facilitate in implementation of Compliance Program and oversee Money Laundering and Financing Terrorism risk. In addition, the Committee also oversees Operational Risk Framework by ensuring that policies and procedures are in place in all Key risk areas and by reviewing Key Risk Indicators. The Committee also monitors level of compliance of major unresolved and recurring issues pointed out in the Internal Audit, Shariah Audit and SBP Inspection Report.

The Group's risk management, compliance, internal audit and legal departments support the risk management function. The role of the risk management department is to assess, measure, identify risks and established risk mitigants through a detailed policy and monitoring framework. The compliance department ensures that all the directives and guidelines issued by the SBP are being complied with in order to mitigate the compliance risk. The internal audit and BRR department reviews the compliance of internal control procedures with internal and regulatory standards.

47.1 Credit Risk

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform such obligations is impaired resulting in economic loss to the Group. This credit risk arises mainly from both direct financing activities as well as contingent liabilities.

Credit risk management and structure

The Group manages credit risk by effective credit appraisal mechanism, approving and reviewing authorities, limit structures, internal credit risk rating system, collateral management and post disbursement monitoring so as to ensure prudent financing activities and sound financing portfolio under the umbrella of a comprehensive Financing Policy approved by the Board of Directors of the Holding company. A comprehensive financing procedural manual approved by the senior management is also in place. The Group also ensures diversification of its portfolio into different business segments, products and sectors. Further, to avoid risk concentration; counterparty limits, counterparty group limits and industry concentration limits are also established, monitored and assessed in the light of changing counterparty and market conditions.

Watchlist procedure is also functioning which identifies financings with early warning indicators in respect of clients having the potential to become non performing. The risk management function also monitors the non-performing financing portfolio of the MBL and reports all significant matters to the Board Risk Management Committee.

The Group takes into account the risk mitigating effect of the eligible collaterals for the calculation of capital requirement for credit risk. Use of Credit Risk Mitigation (CRM) resulted in the total credit risk weighted amount of Rs 342,898.741 million (2018: Rs 323,222.054 million).

Thus, use of CRM resulted in capital adequacy ratio of the Group of 17.17%.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

47.1.1 Segmental information

47.1.1.1 Due from financial institutions

Credit risk by public / private sector

	Gross amount due from financial institution		Non-performing amount due from financial institution		Provision held	
	2019	2018	2019	2018	2019	2018
	Rupees in '000					
Public/ Government	163,347,061	75,782,901	-	-	-	-
Private	60,383,830	109,073,265	41,566	41,566	41,566	41,566
	223,730,891	184,856,166	41,566	41,566	41,566	41,566

47.1.1.2 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Provision held	
	2019	2018	2019	2018	2019	2018
	Rupees in '000					
Automobile and transportation equipment	776,919	697,495	-	-	-	-
Cement	500,000	500,000	-	-	-	-
Chemical and Pharmaceuticals	45,896	53,648	45,896	53,648	45,896	53,648
Construction and allied industries	400,000	400,000	-	-	-	-
Federal Government Securities	96,658,346	89,420,405	-	-	-	-
Fertilizer	49,707	249,307	-	-	-	-
Financial	2,986,023	2,773,756	-	-	-	-
Foreign Government Securities	4,666,473	4,788,337	-	-	-	-
Oil and Gas	4,350,000	5,800,000	-	-	-	-
Power (electricity)	95,199,348	11,074,050	-	-	-	-
Textile	269,287	119,287	119,287	119,287	119,287	119,287
Transport, Storage and Communication	-	2,433,333	-	-	-	-
	205,901,999	118,309,618	165,183	172,935	165,183	172,935

Credit risk by public / private sector

	Gross investments		Non-performing investments		Provision held	
	2019	2018	2019	2018	2019	2018
	Rupees in '000					
Public/ Government	198,315,800	110,137,212	-	-	-	-
Private	7,586,199	8,172,406	165,183	172,935	165,183	172,935
	205,901,999	118,309,618	165,183	172,935	165,183	172,935

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

47.1.1.3 Islamic financing and related assets

Credit risk by industry sector

	Gross amount		Non-performing amount		Provision held	
	2019	2018	2019	2018	2019	2018
Rupees in '000						
Agriculture, Feed Mills, Poultry, Dairy, Forestry and Fishing	6,532,725	6,375,526	54,637	-	53,338	-
Automobile and transportation equipment	17,428,237	10,788,382	642,232	631,912	642,232	628,164
Cement	14,735,150	13,151,742	-	-	-	-
Chemical and Pharmaceuticals	14,159,334	13,500,193	75,137	88,671	75,137	81,421
Construction and allied industries	21,959,860	26,154,132	462,354	36,443	139,135	36,443
Electronics and electrical appliances	5,556,206	5,382,465	-	37,800	-	37,800
Exports/Imports	2,424,536	2,953,481	155,324	154,767	155,324	154,767
Fertilizer	6,254,098	9,758,803	38,833	38,833	38,833	38,833
Financial	778,364	1,359,991	-	-	-	-
Food	106,554,649	118,998,351	999,984	439,156	972,992	435,968
Footwear and Leather garments	3,641,150	3,028,701	201,201	230,006	201,201	230,006
Individuals	49,641,378	50,039,790	383,905	334,438	241,345	228,583
Insurance	247,572	211,676	-	-	-	-
Mining and Quarrying	6,284,400	2,727,796	-	-	-	-
Oil and Gas	22,022,980	35,817,044	-	-	-	-
Paper, board and packaging	9,808,539	10,221,330	285,327	99,905	190,601	97,890
Power (electricity)	80,339,579	71,885,424	846,119	-	846,119	-
Services	7,979,122	4,754,839	24,220	19,616	21,909	19,616
Sugar	6,511,846	11,456,405	108,718	108,718	108,718	108,718
Textile	85,320,362	82,653,750	4,323,075	4,336,655	4,278,286	4,272,687
Transport, Storage and Communication	23,973,248	23,466,606	92,884	53,791	41,417	30,534
Wholesale and Retail Trade	10,940,491	12,699,242	153,068	279,220	140,868	275,010
Others	3,418,750	4,878,094	148,701	95,311	137,064	95,090
	506,512,576	522,263,763	8,995,719	6,985,242	8,284,519	6,771,530

Credit risk by public / private sector

	Gross amount		Non-performing amount		Provision held	
	2019	2018	2019	2018	2019	2018
Rupees in '000						
Public / Government	121,590,108	138,584,630	-	-	-	-
Private	384,922,468	383,679,133	8,995,719	6,985,242	8,284,519	6,771,530
	506,512,576	522,263,763	8,995,719	6,985,242	8,284,519	6,771,530

Notes to and forming part of the Consolidated Financial Statements

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47.1.1.4 Contingencies and Commitments

Credit risk by industry sector

	2019	2018
	Rupees in '000	
Agriculture, Feed Mills, Poultry, Dairy, Forestry and Fishing	3,888,017	10,427,720
Automobile and transportation equipment	10,379,265	7,746,560
Cement	2,205,610	7,054,100
Chemical and Pharmaceuticals	16,519,610	15,021,157
Construction and allied industries	20,041,620	24,290,006
Electronics and electrical appliances	5,637,909	5,390,375
Exports/Imports	1,114,977	899,538
Fertilizer	10,264,420	19,817,808
Financial	202,504,092	110,082,698
Food	48,788,281	38,801,583
Footwear and Leather garments	5,025,428	5,036,464
Individuals	20,880,737	26,649,477
Insurance	146,942	-
Mining and Quarrying	2,778,730	2,272,204
Oil and Gas	32,763,650	9,840,327
Paper, board and packaging	11,008,615	7,973,098
Power (electricity)	72,679,466	31,795,720
Services	43,451,226	25,106,116
Sugar	20,553,186	17,893,407
Textile	183,142,496	83,632,808
Transport, Storage and Communication	12,157,381	1,859,337
Wholesale and Retail Trade	18,985,405	7,973,811
Others	7,173,065	6,391,186
	<u>752,090,128</u>	<u>465,955,500</u>

Credit risk by public / private sector

Public/ Government	92,505,223	37,375,897
Private	659,584,905	428,579,603
	<u>752,090,128</u>	<u>465,955,500</u>

47.1.1.5 Concentration of Top 10 exposures

Top 10 exposures on the basis of total funded and non-funded exposures aggregated to Rs 264,457 million (2018: Rs 180,712 million) as follows:

	2019	2018
	Rupees in '000	
Funded Exposure	213,395,745	145,056,016
Non Funded Exposure	51,061,637	35,655,566
Total Exposure	<u>264,457,382</u>	<u>180,711,582</u>

The sanctioned limits against these top 10 exposures aggregated to Rs 326,544 million (2018: Rs 205,451 million). None of the exposure against these top 10 customers is in classified stage.

Notes to and forming part of the Consolidated Financial Statements

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47.1.1.6 Islamic Financing and related assets - Province / Region-wise Disbursement & Utilization

2019							
Province / Region	Disbursements		Utilization				
	Rupees in '000						
	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan	
Punjab	263,517,532	263,517,532	-	-	-	-	-
Sindh	256,420,540	3,280,581	251,802,543	627,755	671,012	-	38,649
KPK including FATA	1,248,056	-	-	1,248,056	-	-	-
Balochistan	772,392	-	-	-	772,392	-	-
Islamabad	38,469,256	-	-	-	-	38,469,256	-
AJK including Gilgit-Baltistan	616,957	-	-	-	-	-	616,957
Total	561,044,733	266,798,113	251,802,543	1,875,811	1,443,404	38,469,256	655,606

2018							
Province / Region	Disbursements		Utilization				
	Rupees in '000						
	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan	
Punjab	299,569,251	299,569,251	-	-	-	-	-
Sindh	297,780,172	28,501,991	252,632,490	4,084,133	11,487,367	1,073,801	390
KPK including FATA	2,476,320	-	-	2,476,320	-	-	-
Balochistan	347,823	-	-	-	347,823	-	-
Islamabad	111,318,054	-	-	-	-	111,318,054	-
AJK including Gilgit-Baltistan	747,443	-	-	-	-	-	747,443
Total	712,239,063	328,071,242	252,632,490	6,560,453	11,835,190	112,391,855	747,833

47.1.2 Credit Risk - General Disclosures

The Group has adopted Standardised Approach of Basel Accord for calculation of capital charge against credit risk. Therefore, risk weights for the credit risk related assets (on-balance sheet and off-balance sheet - market and non market related exposures) are assigned on basis of standardised approach.

The Group is committed to further strengthen its risk management framework which will enable the Group to move ahead for adopting Foundation Internal Ratings Based (IRB) approach of Basel II. Meanwhile, none of the Group's asset class is subject to the Foundation IRB or advanced IRB approaches.

47.1.2.1 Credit Risk: Disclosures for portfolio subject to the Standardised Approach

Under standardised approach the capital requirement is based on the credit rating assigned to the counterparties by the External Credit Assessment Institutions (ECAIs) duly recognised by the SBP for capital adequacy purposes. In this connection, the Group utilises the credit ratings assigned by ECAIs and has recognised agencies such as PACRA (Pakistan Credit Rating Agency) and VIS Credit Rating Company which are also recognised by the SBP.

In case of foreign currency exposures against banks, ratings assigned by S&P, Fitch and Moody's have been applied. In case of exposure against banks, some banks have multiple ratings but those ratings do not result in mapping with different risk weights.

Types of Exposure and ECAI's used

Exposures	2019				
	VIS	PACRA	Standard & Poors (S&P)	Fitch	Moody's
Corporate	√	√	√	√	√
Banks	√	√	√	√	√
Public Sector Entities	√	√	-	-	-

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Use of ECAI Ratings

The Group prefers solicited ratings over unsolicited ratings at all times, owing to the greater degree of accuracy (in general) associated with solicited ratings. Unsolicited ratings may only be used in cases where a solicited rating is not available.

Mapping to SBP Rating Grades

The alignment of the Alphanumerical scale of each agency used with risk buckets is as per instructions laid down by SBP under Basel III requirements.

47.1.2.2 Credit exposures subject to standardised approach

On-balance Sheet Exposures	2019			2018		
	Amount Outstanding	Deduction Credit Risk Management	Net amount	Amount Outstanding	Deduction Credit Risk Management	Net amount
Rupees in '000						
Banks						
20%	213,182,550	172,015,972	41,166,578	194,042,282	143,659,107	50,383,175
50%	2,947,550	-	2,947,550	985,696	-	985,696
100%	665,142	-	665,142	-	-	-
150%	57,283	-	57,283	83,328	-	83,328
Unrated	11,872,860	-	11,872,860	451,096	-	451,096
Sovereigns						
0%	216,586,461	31,286,757	185,299,704	173,195,662	30,719,089	142,476,573
20%	-	-	-	276,755	-	276,755
50%	2,813,316	-	2,813,316	2,051,928	-	2,051,928
100%	213,088	-	213,088	151,309	-	151,309
Public Sector entities						
20%	28,487,673	18,750,845	9,736,828	32,314,645	13,052,617	19,262,028
Unrated (50%)	172,718,924	178,650,321	-	91,677,679	91,947,049	-
Corporate						
20%	94,382,029	1,557,502	92,824,527	93,937,224	1,784,000	92,153,224
50%	75,285,341	40,000	75,245,341	55,606,232	2,329,667	53,276,565
100%	11,258,273	-	11,258,273	3,258,718	-	3,258,718
150%	-	-	-	1,019,233	-	1,019,233
Unrated 1 (100%)	71,775,088	5,959,663	65,815,425	92,818,644	4,798,516	88,020,128
Unrated 2 (125%)	62,331,059	10,532,509	51,798,550	57,987,218	2,624,655	55,362,563
Retails						
75%	58,377,604	11,778,165	46,599,439	60,304,873	10,700,598	49,604,275
Past Due						
50%	102,828	32,248	70,580	54,913	27,743	27,170
100%	613,339	22,146	591,193	246,140	10,386	235,754
150%	33,417	15,515	17,902	17,790	10,242	7,548
Total	1,023,703,825	430,641,643	598,993,579	860,481,365	301,663,669	559,087,066

47.1.2.3 Credit Risk: Disclosures with respect to Credit risk mitigation for Standardised approach and IRB

The Group obtains capital relief for both its on-balance and off-balance sheet non-market related exposures by using simple approach for credit risk mitigation (CRM). Off-balance sheet items under the simplified standardised approach are converted into credit exposure equivalents through the use of credit conversion factors. Under the standardised approach the Group has taken advantage of the cash collaterals available with the Group in the form of security deposits, cash margins, certificates of Islamic investment, monthly mudaraba certificate, saving accounts, guarantees, shares and Government securities.

Valuation and management of eligible collaterals for CRM is being done in accordance with the conditions laid down by the State Bank of Pakistan. Eligible collaterals for CRM purposes do not expose the Group to price risk as they are in the form of cash/cash equivalent collaterals. Since eligible collaterals for CRM purposes are all in the form of cash/cash equivalent collaterals, they generally do not pose risk to the Group in terms of change in their valuation due to changes in the market condition.

The credit equivalent amount of an off-balance sheet market related foreign exchange contracts are determined by using the current exposure (mark to market) method.

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The total benefit of Rs 430,641.643 million was availed through CRM against total on-balance sheet exposure of Rs 1,119,353.298 million. Under off-balance sheet, non-market related exposures; total benefit of Rs 13,602.003 million was availed by the Bank through CRM against total off-balance sheet, non-market related exposure of Rs 485,001.676 million. In the year 2019, total CRM benefit was Rs 444,243.646 million as against amount of Rs 319,304.216 million in year 2018.

47.1.2.4 Credit concentration risk

Credit concentration risk arises mainly due to concentration of exposures under various categories viz., industry, geography, and single / group borrower obligor. Within credit portfolio, as a prudential measure aimed at better risk management and avoidance of concentration of risks, the SBP has prescribed regulatory limits on banks' maximum exposure to single and group obligors. Within the SBP limits, the Group has further defined limits to avoid excessive concentration of portfolio.

47.2 Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects yield rate risk, currency risk and other price risks. Banks could be adversely affected by movements in market rates or prices such as benchmark rates, deposit rates, foreign exchange rates, equity prices and market conditions resulting in a loss to earnings and capital.

47.2.1 Equity position in the banking and trading book

The Group classifies and values its investment portfolio in accordance with the directives of SBP as stated in note 6.4 to these consolidated financial statements.

Trading book

Held for trading and available for sale securities with trading intent;

- They are marked to market daily; and
- Any valuation difference is charged / credited to the profit and loss account in case of held for trading securities and to surplus on revaluation of investments - net of tax under equity in case of available for sale securities.

Banking book

Assets outside trading book are part of the banking book. These may include assets classified as available for sale and held to maturity investments.

47.2.2 Balance sheet split by trading and banking books

	2019			2018		
	Banking Book	Trading Book	Total	Banking Book	Trading Book	Total
Rupees in '000						
Cash and balances with treasury banks	92,193,877	-	92,193,877	65,022,412	-	65,022,412
Balances with other banks	15,414,833	-	15,414,833	8,277,146	-	8,277,146
Due from financial institutions	223,689,325	-	223,689,325	184,814,600	-	184,814,600
Investments - net	219,253,232	10,413,840	229,667,072	121,881,948	5,233,428	127,115,376
Islamic financing and related assets - net	493,775,346	-	493,775,346	512,564,522	-	512,564,522
Fixed assets	23,663,521	-	23,663,521	13,228,398	-	13,228,398
Intangible assets	800,532	-	800,532	644,956	-	644,956
Deferred tax assets	-	-	-	868,024	-	868,024
Other assets - net	46,910,457	-	46,910,457	29,215,973	-	29,215,973
	1,115,701,123	10,413,840	1,126,114,963	936,517,979	5,233,428	941,751,407

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The Group uses a number of methods to monitor and control market risk exposures. One of the major tools used by the Group to monitor and limit market risk is Value at Risk (VaR). VaR is defined as the estimated loss that will arise on a position or a portfolio over a particular (holding) period of time from an adverse market movement with a specific probability (confidence level). The VaR model used by the Group takes 99% confidence level and assumes a 1 to 10 days holding period whilst using the historical simulation taking the data of the last three years. Daily VaR figures are circulated to the senior management and regular summaries are reported in ALCO meetings.

The VaR reports are complemented by various other position and sensitivity limit structures, including stress, sensitivity, gap and scenario analysis. The capital charge for market risk has been calculated by using Standardized Approach.

47.2.3 Foreign exchange risk

The foreign exchange risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. It refers to the impact of adverse movement in currency exchange rates on the value of open foreign currency position. The objectives of the foreign exchange risk management is to minimise the adverse impact of foreign exchange rate movements on the assets and liabilities mismatch (tenor and position) and maximise their earnings.

Whenever a commercial bank deals in foreign currency, it is exposed to risk of exchange rate. The Group's assets and liabilities in foreign currencies give rise to foreign exchange risk which has to be managed by the Group; this risk is mitigated by using different hedging techniques. Hedging is a way used by a Group to eliminate or minimize its risk exposures. Hedging can be done using different ways like gap analysis, hedging (forwards), assigning limits in terms of amount, tenor, currency, product, countries, counterparties etc. The Group limits its currency exposure to the extent of statutory net open position prescribed by the SBP except in the cases where exemption is provided by the SBP. Foreign exchange open and mismatch positions are controlled through close monitoring and are marked to market on a daily basis.

The analysis below represents the concentration of the Group's foreign currency risk for on and off balance sheet financial instruments:

	2019			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000			
Pakistan Rupees	1,085,948,332	988,341,824	(34,978,988)	62,627,520
United States Dollars	37,480,391	66,756,731	29,327,718	51,378
Great Britain Pounds	706,604	4,516,282	3,838,766	29,088
Japanese Yen	48,430	4,449	(49,893)	(5,912)
Euro	1,177,207	3,234,587	2,089,398	32,018
Singapore Dollars	-	6,491	11,504	5,013
Australian Dollars	123,245	1,976	(141,022)	(19,753)
Canadian Dollars	21,101	1,470	(11,513)	8,118
United Arab Emirates Dirham	46,414	-	(42,157)	4,257
Swiss Francs	106,543	100,172	(1,599)	4,772
Saudi Riyal	19,479	-	-	19,479
Swedish Krona	3,244	-	-	3,244
Malaysian Ringgit	1,643	-	-	1,643
Hongkong Dollar	1,323	35	-	1,288
Thailand Bhat	1,177	-	-	1,177
Norwegian Krone	4,086	-	-	4,086
Danish Krone	36,194	-	(30,204)	5,990
Chinese Offshore Spot	2,488	-	-	2,488
Chinese Yuan	387,062	370,000	(12,010)	5,052
Total foreign currency exposure	40,166,631	74,992,193	34,978,988	153,426
Total currency exposure	1,126,114,963	1,063,334,017	-	62,780,946

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	2018			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000			
Pakistan Rupees	908,238,899	834,865,732	(29,777,104)	43,596,063
United States Dollars	30,482,064	55,168,119	24,656,496	(29,559)
Great Britain Pounds	677,715	3,995,066	3,330,962	13,611
Japanese Yen	34,146	45	(28,994)	5,107
Euro	1,715,095	3,876,456	2,119,253	(42,108)
Singapore Dollars	5,162	4	-	5,158
Australian Dollars	68,746	3,077	(101,482)	(35,813)
Canadian Dollars	165,561	1,387	(163,246)	928
United Arab Emirates Dirham	62,398	-	(30,244)	32,154
Swiss Francs	4,867	-	(5,641)	(774)
Saudi Riyal	18,551	-	-	18,551
Swedish Krona	436	-	-	436
Malaysian Ringgit	1,247	-	-	1,247
Hongkong Dollar	993	34	-	959
Thailand Bhat	1,086	-	-	1,086
Norwegian Krone	1,428	-	-	1,428
Danish Krone	1,046	-	-	1,046
Chinese Offshore Spot	2,019	-	-	2,019
Chinese Yuan	269,948	264,548	-	5,400
Total foreign currency exposure	33,512,508	63,308,736	29,777,104	(19,124)
Total currency exposure	941,751,407	898,174,468	-	43,576,939

	2019		2018	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in foreign exchange rates				
- Consolidated Profit and Loss Account	-	1,992	-	992
- Consolidated Other Comprehensive Income	-	-	-	-

47.2.4 Equity position risk

Equity position risk is defined as the risk to earnings or capital arising from adverse changes in value of equity portfolios of Group. The limits assigned to various individual scrips and total portfolio investments are fixed as per the guidelines issued by the SBP. The Group invests in only Shariah compliant equities as advised by the Resident Shariah Board Member.

	2019		2018	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 5% change in equity prices				
- Consolidated Profit and Loss Account	-	-	-	-
- Consolidated Other Comprehensive Income	-	236,574	-	205,492

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47.2.5 Yield / profit rate risk

Yield risk occurs when there is a mismatch between positions, which are subject to profit rate alterations within a particular time period. The Group's financing, placement and investment activities give rise to profit rate risk. The effect of changes in profit rate is on the Group's income, and resultant impact is on the Group's net worth.

Profit rate risk is primarily managed by monitoring the rate sensitive gaps and by having the pre-approved limits for repricing buckets. ALCO is the supervising body for adherence with these, complemented by the monitoring of sensitivity of the Group's financial assets and liabilities to various scenarios.

The Group estimates changes in the market value of equity due to changes in the yield rates on on-balance sheet positions and their impact on capital adequacy ratio by conducting stress tests. It also assesses risk on earnings of the Group by various shocks.

	2019		2018	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000				
Impact of 1% change in discount rates				
- Consolidated Profit and Loss Account	959,913	-	854,290	-
- Consolidated Other Comprehensive Income	-	-	-	-

47.2.6 Mismatch of yield rate sensitive assets and liabilities

2019												
Effective yield rate %	Total	Exposed to yield risk									Non-yield bearing financial instruments	
		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years		
Rupees in '000												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	-	92,193,877	-	-	-	-	-	-	-	-	-	92,193,877
Balances with other banks	0.80	15,414,833	5,771,943	-	-	-	-	-	-	-	-	9,642,890
Due from financial institutions	11.31	223,689,325	53,211,438	67,361,553	31,204,048	71,912,286	-	-	-	-	-	-
Investments	11.17	229,667,072	901,250	100,397,792	25,682,538	773,340	42,433,712	42,147,026	4,189,364	1,873,040	-	11,269,010
Islamic financing and related assets	12.36	493,775,346	166,792,950	72,353,643	50,157,224	13,757,900	7,517,591	10,606,330	16,840,760	3,401,060	-	152,347,888
Other assets	-	44,902,056	-	-	-	-	-	-	-	-	-	44,902,056
		1,099,642,509	226,677,581	240,112,988	107,043,810	86,443,526	49,951,303	52,753,356	21,030,124	5,274,100	-	310,355,721
Liabilities												
Bills payable	-	17,186,807	-	-	-	-	-	-	-	-	-	17,186,807
Due to financial institutions	3.27	42,047,390	41,701,568	188,330	46,934	268	21,279	13,918	66,324	-	-	8,769
Deposits and other accounts	5.44	932,568,765	584,512,636	10,217,343	1,460,000	500,000	-	-	-	-	-	335,878,786
Sub-ordinated Sukuk	12.81	14,000,000	14,000,000	-	-	-	-	-	-	-	-	-
Other liabilities	-	40,162,500	-	-	-	-	-	-	-	-	-	40,162,500
		1,045,965,462	640,214,204	10,405,673	1,506,934	500,268	21,279	13,918	66,324	-	-	393,236,862
On-balance sheet gap		53,677,047	(413,536,623)	229,707,315	105,536,876	85,943,258	49,930,024	52,739,438	20,963,800	5,274,100	-	(82,881,141)
Non financial assets												
- Fixed assets		23,663,521	-	-	-	-	-	-	-	-	-	-
- Intangible assets		800,532	-	-	-	-	-	-	-	-	-	-
- Deferred tax assets		-	-	-	-	-	-	-	-	-	-	-
- Other assets		2,008,401	-	-	-	-	-	-	-	-	-	-
		26,472,454	-	-	-	-	-	-	-	-	-	-
Non financial liabilities												
- Other liabilities		14,360,104	-	-	-	-	-	-	-	-	-	-
- Deferred tax liabilities		3,008,451	-	-	-	-	-	-	-	-	-	-
		17,368,555	-	-	-	-	-	-	-	-	-	-
Total net assets		62,780,946	-	-	-	-	-	-	-	-	-	-
Off-balance sheet financial instruments												
Forward purchase of foreign exchange contracts		151,033,720	-	-	-	-	-	-	-	-	-	151,033,720
Forward sale of foreign exchange contracts		116,054,732	-	-	-	-	-	-	-	-	-	116,054,732
Off-balance sheet gap		34,978,988	-	-	-	-	-	-	-	-	-	34,978,988
Total yield risk rate sensitivity gap			(413,536,623)	229,707,315	105,536,876	85,943,258	49,930,024	52,739,438	20,963,800	5,274,100	-	(47,902,153)
Cumulative yield risk rate sensitivity gap			(413,536,623)	(183,829,308)	(78,292,432)	7,650,826	57,580,850	110,320,288	131,284,088	136,558,188	136,558,188	88,656,035

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2018											
Effective yield rate %	Exposed to yield risk										Non-yield bearing instruments financial
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	
Rupees in '000											
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks	-	65,022,412	-	-	-	-	-	-	-	-	65,022,412
Balances with other banks	0.31	8,277,146	310,375	-	-	-	-	-	-	-	7,966,771
Due from financial institutions	6.28	184,814,600	112,255,476	63,354,736	9,204,388	-	-	-	-	-	-
Investments	5.65	127,115,376	2,304,228	34,162,300	13,928,470	2,233,979	16,478,405	42,433,712	4,195,450	1,667,139	9,434,916
Islamic financing and related assets	7.90	512,564,522	179,575,584	92,482,198	69,817,791	11,757,760	6,274,079	9,389,053	15,009,074	2,074,916	126,184,067
Other assets	-	25,121,364	-	-	-	-	-	-	-	-	25,121,364
		922,915,420	294,445,663	189,999,234	92,950,649	13,991,739	22,752,484	51,822,765	19,204,524	3,742,055	233,729,530
Liabilities											
Bills payable	-	23,750,543	-	-	-	-	-	-	-	-	23,750,543
Due to financial institutions	4.01	36,407,811	35,371,084	-	-	-	-	-	-	-	1,036,727
Deposits and other accounts	2.57	785,444,592	470,707,108	24,158,618	4,228,460	673,000	-	-	-	-	285,677,406
Sub-ordinated Sukuk	8.55	14,000,000	7,000,000	7,000,000	-	-	-	-	-	-	-
Other liabilities	-	24,831,103	-	-	-	-	-	-	-	-	24,831,103
		884,434,049	513,078,192	31,158,618	4,228,460	673,000	-	-	-	-	335,295,779
On-balance sheet gap		38,481,371	(218,632,529)	158,840,616	88,722,189	13,318,739	22,752,484	51,822,765	19,204,524	3,742,055	(101,566,249)
Non financial assets											
- Fixed assets		13,228,398	-	-	-	-	-	-	-	-	-
- Intangible assets		644,956	-	-	-	-	-	-	-	-	-
- Deferred tax assets		868,024	-	-	-	-	-	-	-	-	-
- Other assets		4,094,609	-	-	-	-	-	-	-	-	-
		18,835,987	-	-	-	-	-	-	-	-	-
Non financial liabilities											
- Other liabilities		13,740,419	-	-	-	-	-	-	-	-	-
- Deferred tax liabilities		-	-	-	-	-	-	-	-	-	-
		13,740,419	-	-	-	-	-	-	-	-	-
Total net assets		43,576,939	-	-	-	-	-	-	-	-	-
Off-balance sheet financial instruments											
Forward purchase of foreign exchange contracts		74,321,214	-	-	-	-	-	-	-	-	74,321,214
Forward sale of foreign exchange contracts		44,544,110	-	-	-	-	-	-	-	-	44,544,110
Off-balance sheet gap		29,777,104	-	-	-	-	-	-	-	-	29,777,104
Total yield risk rate sensitivity gap		(218,632,529)	158,840,616	88,722,189	13,318,739	22,752,484	51,822,765	19,204,524	3,742,055	276,777	(71,789,145)
Cumulative yield risk rate sensitivity gap		(218,632,529)	(59,791,913)	28,930,276	42,249,015	65,001,499	116,824,264	136,028,788	139,770,843	140,047,620	68,258,475

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market profit rates on both its fair value and cash flow risks.

Profit margins may increase as a result of such changes but may reduce to losses in the event that unexpected movement arise.

47.3 Liquidity risk

Liquidity risk is the potential for loss to the Group arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring an unacceptable cost.

The Holding company's Board of Directors sets the policy for managing liquidity risk and entrusts accountability for supervision of the implementation of this strategy to senior management. Senior Management exercises its responsibilities for managing market & liquidity risk through various committees including the Asset & Liability Management Committee (ALCO). Treasury department manages the Holding company's liquidity position on a daily basis. The Holding company's main approach of managing the liquidity risk is to make certain that it will always have adequate liquidity to meet its liabilities when they are due in normal and stressed scenarios without incurring any untoward expenditure or risking reputational harm. ALCO monitors the maintenance of liquidity ratios, depositor's concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual deposits. Regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions.

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47.3.1 Maturities of assets and liabilities based on contractual maturities

2019													
Total	Upto 1 Day	Upto 7 Days	Upto 14 Days	Upto 1 month	Upto 2 months	Upto 3 months	Over 3 to 6 months	Over 6 months to 1 Years	Over 1 to 2 Years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
Rupees in '000													
Assets													
Cash and balances with treasury banks	92,193,877	30,423,979	20,589,966	20,589,966	20,589,966	-	-	-	-	-	-	-	-
Balances with other banks	15,414,833	6,207,417	6,207,416	-	3,000,000	-	-	-	-	-	-	-	-
Due from financial institutions	223,689,325	-	16,576,749	11,713,028	24,921,661	46,811,741	20,549,812	31,204,048	71,912,286	-	-	-	-
Investments	229,667,072	716,367	1,896,535	2,212,624	5,057,426	-	142,232	13,209,287	1,958,724	44,326,455	46,560,745	8,866,106	101,048,351
Islamic financing and related assets	493,775,346	134,023,901	10,432,916	5,070,508	14,227,764	39,593,919	21,639,592	61,633,801	20,126,208	33,964,982	42,039,856	61,107,183	32,294,942
Fixed assets	23,663,521	15,336	92,017	107,353	245,379	635,357	458,934	1,364,771	2,682,055	5,205,811	4,988,921	1,993,218	769,590
Intangible assets	800,532	445	2,668	3,113	7,116	13,342	13,342	40,028	80,053	160,106	160,106	320,213	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	46,910,457	221,182	1,585,547	1,925,892	3,893,489	6,568,334	5,296,429	12,230,628	9,825,643	2,496,209	2,433,539	434,767	8,796
	1,126,114,963	171,608,627	57,383,814	41,622,484	71,942,801	93,622,693	48,090,341	119,682,563	106,584,969	86,153,563	96,183,167	72,721,487	134,121,681
													26,396,773
Liabilities													
Bills payable	17,186,807	5,671,646	3,837,814	3,837,814	3,839,533	-	-	-	-	-	-	-	-
Due to financial institutions	42,047,390	232,531	230,832	163,416	586,610	13,848,089	8,063,415	11,765,032	214,435	646,184	872,916	2,532,447	2,891,483
Deposits and other accounts	932,568,765	688,755,659	18,571,404	18,614,941	33,059,099	16,546,999	15,599,382	20,955,042	29,581,392	54,734,432	7,518,851	11,633,489	16,998,075
Sub-ordinated Sukuk	14,000,000	-	-	-	-	-	-	-	-	-	-	-	7,000,000
Deferred tax liabilities	3,008,451	8,357	50,141	58,499	133,707	250,705	250,705	752,113	1,504,224	-	-	-	-
Other liabilities	54,522,604	259,223	1,858,246	2,257,127	4,107,132	7,698,024	6,195,644	14,334,179	11,515,559	2,925,533	2,852,084	509,542	10,311
	1,063,334,017	694,927,416	24,548,437	24,931,797	41,726,081	38,343,817	30,109,146	47,806,366	42,815,610	58,306,149	11,243,851	14,675,478	26,899,869
		(523,318,789)	32,835,377	16,690,687	30,216,720	55,278,876	17,981,195	71,876,197	63,769,359	27,847,414	84,939,316	58,046,009	107,221,812
													19,396,773
Net assets													
Share capital	12,861,116												
Reserves	18,231,980												
Unappropriated profit	21,117,202												
Surplus on revaluation of assets - net	9,400,835												
Non-controlling interest	1,169,813												
	62,780,946												

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

	2018													
	Total	Upto 1 Day	Upto 7 Days	Upto 14 Days	Upto 1 month	Upto 2 months	Upto 3 months	Over 3 to 6 months	Over 6 months to 1 Years	Over 1 to 2 Years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
	Rupees in '000													
Assets														
Cash and balances with treasury banks	65,022,412	21,457,396	14,521,672	14,521,672	14,521,672	-	-	-	-	-	-	-	-	-
Balances with other banks	8,277,146	4,138,573	4,138,573	-	-	-	-	-	-	-	-	-	-	-
Due from financial institutions	184,814,600	-	19,205,698	53,240,917	39,808,862	43,516,511	19,838,225	9,204,387	-	-	-	-	-	-
Investments	127,115,376	908,933	866,310	1,098,195	2,704,893	3,006,392	28,341,656	1,159,534	4,320,420	18,128,237	49,530,621	7,787,206	7,770,924	1,492,055
Islamic financing and related assets	512,564,522	143,920,374	7,842,269	4,767,501	24,972,247	28,834,181	24,703,611	71,147,499	21,102,254	20,258,507	21,295,023	60,784,958	66,268,129	16,667,969
Fixed assets	13,228,398	53,058	318,350	371,409	848,934	261,616	115,691	357,132	695,914	1,277,800	1,082,355	1,493,090	1,485,685	4,867,364
Intangible assets	644,956	703	4,217	4,920	11,246	30,988	30,988	61,186	90,172	154,673	125,688	119,582	10,593	-
Deferred tax assets	868,024	2,412	14,473	16,885	38,595	72,366	72,366	217,099	433,828	-	-	-	-	-
Other assets	29,215,973	60,968	961,099	951,320	2,663,445	4,530,913	2,444,558	5,616,454	9,484,432	702,102	691,425	1,105,087	-	4,170
	941,751,407	170,542,417	47,872,661	74,972,819	85,569,894	80,252,967	75,547,095	87,763,291	36,127,020	40,521,319	72,725,112	71,289,923	75,535,331	23,031,558
Liabilities														
Bills payable	23,750,543	8,075,185	5,225,119	5,225,119	5,225,120	-	-	-	-	-	-	-	-	-
Due to financial institutions	36,407,811	496,366	12,470,460	110,411	404,595	12,871,833	4,496,541	4,496,541	-	-	627,074	107,610	326,380	-
Deposits and other accounts	785,444,592	573,359,841	32,577,225	17,472,856	29,542,966	29,421,284	20,294,930	20,572,571	27,133,880	5,496,273	6,421,521	11,814,447	11,336,798	-
Sub-ordinated Sukuk	14,000,000	-	-	-	-	-	-	-	-	-	-	-	7,000,000	7,000,000
Deferred Tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	38,571,522	127,736	1,355,971	1,413,642	3,715,092	6,102,573	3,994,583	10,462,514	9,404,967	575,195	564,506	850,936	-	3,807
	898,174,468	582,059,128	51,628,775	24,222,028	38,887,773	48,395,690	28,786,054	35,531,626	36,538,847	6,071,468	7,613,101	12,772,993	18,663,178	7,003,807
Net assets	43,576,939	(411,516,711)	(3,756,114)	50,750,791	46,682,121	31,857,277	46,761,041	52,231,665	(411,827)	34,449,851	65,112,011	58,516,930	56,872,153	16,027,751
Share capital	11,691,924													
Reserves	15,185,565													
Unappropriated profit	15,738,899													
Deficit on revaluation of investments	(45,883)													
Non-Controlling Interest	1,006,434													
	43,576,939													

Current and Savings deposits have been classified under maturity upto one day as these do not have any contractual maturity.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

47.3.2 Maturities of assets and liabilities based on expected maturities

2019									
Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
Rupees in '000									
Assets									
Cash and balances with treasury banks	92,193,877	92,193,877	-	-	-	-	-	-	-
Balances with other banks	15,414,833	15,414,833	-	-	-	-	-	-	-
Due from financial institutions	223,689,325	53,211,438	67,361,553	31,204,048	71,912,286	-	-	-	-
Investments	229,667,072	9,882,951	142,233	13,209,287	1,958,724	44,326,455	46,560,745	101,048,351	3,672,220
Islamic financing and related assets	493,775,346	71,410,519	91,038,670	89,358,276	54,941,144	33,964,982	42,039,856	61,107,183	17,619,774
Operating fixed assets	23,663,521	460,086	1,094,290	1,364,771	2,682,055	5,205,811	4,988,921	1,993,218	769,590
Intangible assets	800,532	13,345	26,684	40,026	80,054	160,106	160,106	320,211	-
Deferred tax assets	-	-	-	-	-	-	-	-	-
Other assets	46,910,457	5,541,348	11,743,352	11,332,940	16,371,033	719,468	647,574	544,649	10,093
	1,126,114,963	248,128,397	171,406,782	146,509,348	147,945,296	84,376,822	94,397,202	72,831,367	134,122,976
									26,396,773
Liabilities									
Bills payable	17,186,807	17,186,807	-	-	-	-	-	-	-
Due to financial institutions	42,047,390	1,213,389	21,911,504	11,765,032	214,435	646,184	872,916	2,532,447	2,891,483
Deposits and other accounts	932,568,765	119,374,865	68,589,546	54,872,846	77,557,953	122,536,448	59,556,140	94,176,651	168,674,435
Sub-ordinated Sukuk	14,000,000	-	-	-	-	-	-	-	7,000,000
Deferred tax liabilities	3,008,451	250,704	501,410	752,113	1,504,224	-	-	-	-
Other liabilities	54,522,604	8,481,728	13,893,668	14,334,178	11,515,559	2,925,534	2,852,084	509,542	10,311
	1,063,334,017	146,507,493	104,896,128	81,724,169	90,792,171	126,108,166	63,281,140	97,218,640	178,576,229
									174,229,881
Net assets	62,780,946	101,620,904	66,510,654	64,785,179	57,153,125	(41,731,344)	31,116,062	(24,387,273)	(44,453,253)
									(147,833,108)
Assets									
Share capital	12,861,116	-	-	-	-	-	-	-	-
Reserves	18,231,980	-	-	-	-	-	-	-	-
Unappropriated profit	21,117,202	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net	9,400,835	-	-	-	-	-	-	-	-
Non-controlling interest	1,169,813	-	-	-	-	-	-	-	-
	62,780,946	-	-	-	-	-	-	-	-
Liabilities									
Bills payable	23,750,543	23,750,543	-	-	-	-	-	-	-
Due to financial institutions	36,407,811	13,481,832	17,368,374	4,496,541	-	-	627,074	107,610	326,380
Deposits and other accounts	785,444,592	125,678,932	86,607,369	54,888,366	75,663,743	74,127,863	59,084,393	95,325,715	214,068,211
Sub-ordinated Sukuk	14,000,000	-	-	-	-	-	-	-	7,000,000
Deferred Tax liabilities	-	-	-	-	-	-	-	-	-
Other liabilities	38,571,522	6,652,805	10,056,792	10,462,515	9,404,967	575,195	564,506	850,936	3,806
	898,174,468	169,564,112	114,032,535	69,847,422	85,068,710	74,703,058	60,275,973	96,284,261	221,394,591
									7,003,806
Net assets	43,576,939	109,852,140	76,077,551	49,830,720	(15,625,025)	(34,181,739)	12,449,139	(24,994,338)	(145,859,260)
									16,027,751
Assets									
Share capital	11,691,924	-	-	-	-	-	-	-	-
Reserves	15,185,565	-	-	-	-	-	-	-	-
Unappropriated profit	15,738,899	-	-	-	-	-	-	-	-
Deficit on revaluation of investments	(45,883)	-	-	-	-	-	-	-	-
Non-controlling interest	1,006,434	-	-	-	-	-	-	-	-
	43,576,939	-	-	-	-	-	-	-	-

Regarding behaviour of non-maturity deposits (non-contractual deposits), the Holding company has carried out a behavioural study using the Value at Risk (VaR) methodology based on 5 years data. On the basis of its findings, 28.7% of current accounts and 19.3% of saving accounts are bucketed into 'Upto 1-Year maturity' whereas, 71.3% of current accounts and 80.7% of savings accounts are bucketed into maturities of above 1-Year.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

47.4 Operational risk

The Group uses Basic Indicator Approach (BIA) for assessing the capital charge for operational risk. Under BIA the capital charge is calculated by multiplying average positive annual gross income of the Holding company over past three years with 15% as per guidelines issued by SBP under Basel II.

To reduce losses arising from operational risk, the Holding company has strengthened its risk management framework by developing policies, strategies, guidelines and manuals. It also includes set up of functions like operational risk management, prevention of fraud and forgery and information security function, defining responsibilities of individuals, implementing four eye principle, enhancing security measures, improving efficiency and effectiveness of operations, outsourcing and improving quality of human resources through trainings and development.

48 PROFIT / (LOSS) DISTRIBUTION TO DEPOSITORS' POOLS AND SPECIFIC POOLS

48.1 The Holding company managed following general and specific pools during the year:

2019							
General Remunerative (Savings and Fixed) Depositors' Pools	Profit Rate and weightage announcement period	Profit rate return earned - Average	Profit Sharing Ratio of Mudarib	Mudarib Fee	Profit rate return distributed to remunerative deposits (Savings and Fixed) - Average	Percentage of Mudarib Share transferred through Hiba	Amount of Mudarib Share transferred through Hiba to remunerative deposits
				Rupees in '000			Rupees in '000
PKR Pool	Monthly	11.62%	50%	25,610,675	7.88%	35%	8,987,680
USD Pool	Monthly	4.63%	75%	1,238,082	1.16%	-	-
GBP Pool	Monthly	2.21%	90%	44,400	0.22%	-	-
EUR Pool	Monthly	1.06%	90%	11,967	0.11%	-	-

2018							
General Remunerative (Savings and Fixed) Depositors' Pools	Profit Rate and weightage announcement period	Profit rate return earned - Average	Profit Sharing Ratio of Mudarib	Mudarib Fee	Profit rate return distributed to remunerative deposits (Savings and Fixed) - Average	Percentage of Mudarib Share transferred through Hiba	Amount of Mudarib Share transferred through Hiba to remunerative deposits
				Rupees in '000			Rupees in '000
PKR Pool	Monthly	7.06%	50%	13,314,826	3.91%	10%	1,388,628
USD Pool	Monthly	3.81%	75%	720,723	0.95%	-	-
GBP Pool	Monthly	1.18%	90%	20,169	0.12%	-	-
EUR Pool	Monthly	0.17%	90%	1,637	0.02%	-	-

2019							
Specific Pools	Profit Rate and weightage announcement period	Profit rate return earned	Profit Sharing Ratio	Investment ratio	Profit rate return distributed	Percentage of Mudarib Share transferred through Hiba	Amount of Mudarib Share transferred through Hiba to remunerative deposits
Islamic Export Refinance (IERS) Musharaka Pool	Monthly	7.74%	-*	-*	2.06%	N/A	N/A
Inter Bank Musharaka / Mudaraba borrowing Pool	As required	14.88% - 5.24%	-*	-*	13.75% - 4.50%	N/A	N/A
Special Sharikah Certificate Musharaka / Mudaraba borrowing Pool	As required	16.85% - 5.24%	-*	-*	14.85% - 4.00%	N/A	N/A

* The profit sharing ratio and the investment ratio varies on case to case basis.

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

2018							
Specific Pools	Profit Rate and weightage announcement period	Profit rate return earned	Profit Sharing Ratio	Investment ratio	Profit rate return distributed	Percentage of Mudarib Share transferred through Hiba	Amount of Mudarib Share transferred through Hiba to remunerative deposits
Islamic Export Refinance (IERS) Musharaka Pool	Monthly	5.16%	-*	-*	2.19%	N/A	N/A
Inter Bank Musharaka / Mudaraba borrowing Pool	As required	11.46% - 5.24%	-*	-*	10.70% - 5.60%	N/A	N/A
Special Sharikah Certificate Musharaka / Mudaraba borrowing Pool	As required	15.55% - 5.24%	-*	-*	10.80% - 3.50%	N/A	N/A

* The profit sharing ratio and the investment ratio varies on case to case basis.

48.2 Following weightages have been assigned to different major products under the General pools during the year:

	Percentage to Total Mudaraba based Deposits		Maximum Weightage	Minimum Weightage	Maximum Weightage	Minimum Weightage
	2019	2018	2019	2019	2018	2018
PKR Pool						
Saving Accounts	21.83%	24.05%	0.65	0.39	0.67	0.57
Meezan Bachat Account	17.63%	18.69%	0.78	0.39	0.88	0.57
Karobari Munafa Account	9.29%	10.11%	1.00	0.39	1.36	0.57
Certificate of Islamic Investment	16.23%	3.07%	1.27	0.45	1.72	0.70
Meezan Aamdan Certificate	7.15%	7.80%	1.34	0.70	1.72	1.19
USD Pool						
Saving Accounts	4.12%	4.64%	0.45	0.45	0.45	0.45
Certificate of Islamic Investment	2.37%	2.33%	1.35	0.77	1.35	1.35
GBP Pool						
Saving Accounts	0.41%	0.49%	0.27	0.27	0.27	0.27
EUR Pool						
Saving Accounts	0.21%	0.27%	0.27	0.27	0.27	0.27

48.3 Allocation of Income and Expenses to Depositors' Pools

Following are material items of revenues, expenses, gains and losses

	2019	2018
	Rupees in '000	
Profit / return earned on islamic financing and related assets, investments and placements	88,429,444	46,724,070
Other Income (including other charges and interpool income)	5,267,122	2,717,152
Directly related costs attributable to pool	(1,844,037)	(1,431,931)

Notes to and forming part of the Consolidated Financial Statements

For the year ended December 31, 2019

49 GENERAL

Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated financial statements, wherever necessary to facilitate comparison and better presentation.

50 NON-ADJUSTING EVENT

50.1 The Board of Directors of the Holding company in their meeting held on February 12, 2020 has announced final cash dividend of Rs 2 per share (20%). The consolidated financial statements for the year ended December 31, 2019, do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the year ending December 31, 2020.

50.2 On January 09, 2020, the Holding company has issued further Tier II capital of Rs 4 billion, in form of privately placed, unsecured and sub-ordinated Sukuk. The Sukuk carry an expected profit rate of 6 month KIBOR plus 0.9% payable on semi-annual basis. The Sukuk has a maturity of 10 years and the Sukuk is fully redeemable at the maturity. The sukuk has been rated AA (Double AA) by VIS Credit Rating Company Limited.

51 DATE OF AUTHORISATION

These consolidated financial statements were authorised for issue on February 12, 2020 by the Board of Directors of the Holding company.



Riyadh S. A. A.
Edrees
Chairman



Irfan Siddiqui
President &
CEO



Faisal A. A. A.
Al-Nassar
Director



Noorur Rahman
Abid
Director



Shabbir Hamza
Khandwala
Chief Financial Officer

Consolidated Statement Showing Written-off Financing or any Other Financial Relief Of Rupees 500,000 or Above (Annexure 1)

During the year ended December 31, 2019

Rupees in '000

Consolidated Statement showing written-off financing or any other financial relief of rupees 500,000 and above during the year ended December 31, 2019.

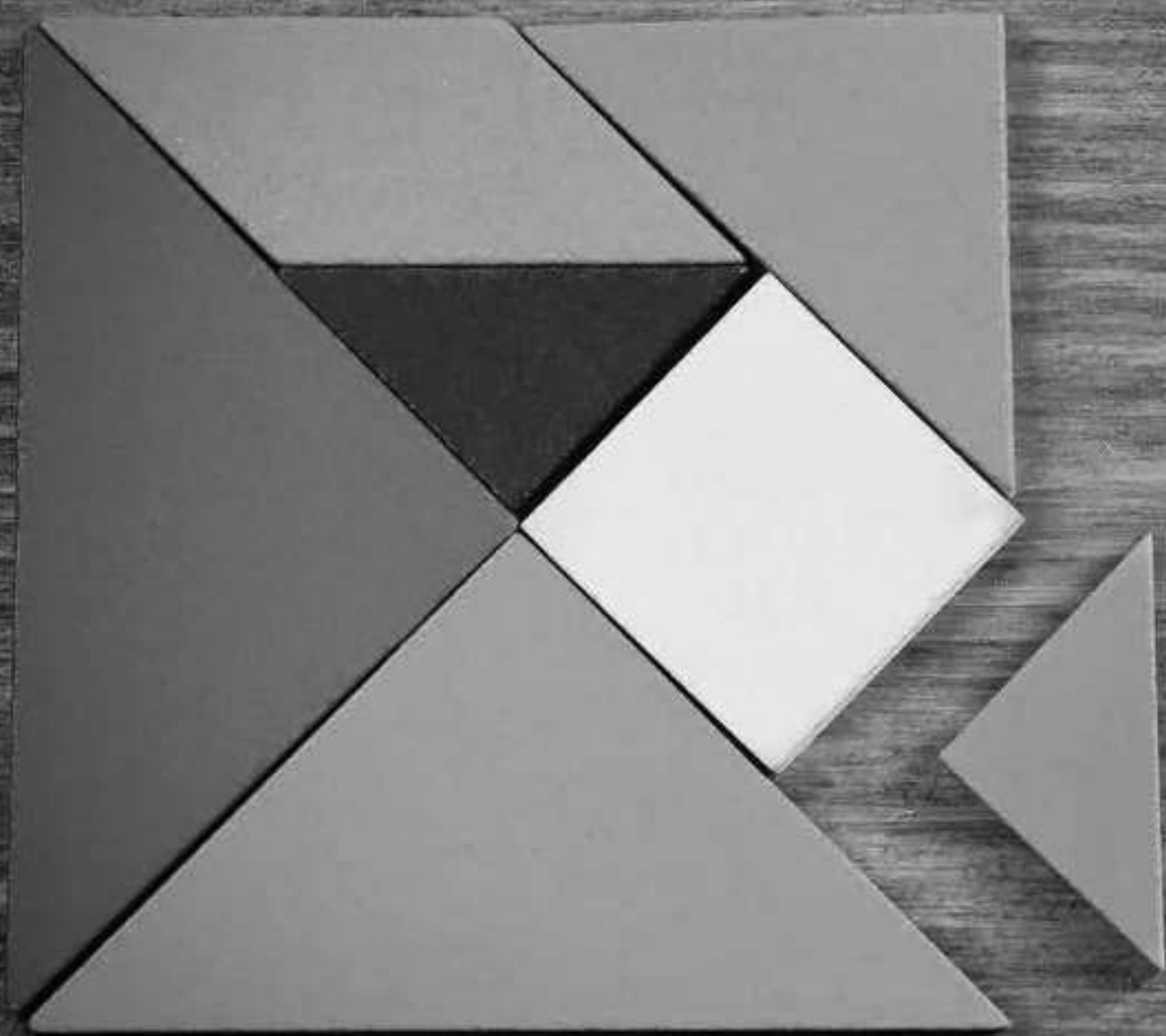
S. No.	Name and address of the borrower	CNIC No.	Father's / Husband's Name	Outstanding liabilities as at January 1, 2019				Principal written-off	Profit written-off	Other Financial Relief	Total (9+10+11)
				Principal	Profit	Others	Total (5+6+7)				
1	2	3	4	5	6	7	8	9	10	11	12
1.	Mian Muhammad Aslam House # 149, Block G, State Enterprise Officers Co-operative Housing Scheme, Margzar Colony, Lahore	35202-3392038-3	Mian Feroz ud din	705	5,988	230	6,923	-	5,671	230	5,901
2.	Muhammad Ramzan House # 326 Block J-1, Johar Town, Lahore	34101-0264801-5	Muhammad Hassan	6,803	7,048	430	14,281	-	7,283	430	7,713
3.	Babar Ali Bhatti House # 176, Block E, Punjab Small Industries Employees Co-operative Housing Society, Lahore	35202-2848882-3	Muhammad Shafi	2,538	4,231	214	6,983	-	4,426	214	4,640
4.	D.S.I. Corporation (Private) Limited Plot No. 50, Sector 7-A, Korangi Industrial Area, Karachi	Shabir Ahmed Desai 42301-2624689-9 Dawood Moosa Desai 42301-1697255-1 Muhammad Sadique Desai 42301-2624784-9 Shahid Mahmood Desai 42301-2625734-9 Muhammad Amin Desi 42301-8645590-1	Haji Moosa Desai	54,034	4,127	-	58,161	34,782	4,127	-	38,909
5.	D.S.I. Pakistan (Private) Limited Plot No. 50, Sector 7-A, Korangi Industrial Area, Karachi	Shabir Ahmed Desai 42301-2624689-9 Dawood Moosa Desai 42301-1697255-1 Muhammad Sadique Desai 42301-2624784-9 Shahid Mahmood Desai 42301-2625734-9 Muhammad Amin Desi 42301-8645590-1	Haji Moosa Desai	33,253	2,717	-	35,970	-	2,717	-	2,717

Consolidated Statement Showing Written-off Financing or any Other Financial Relief Of Rupees 500,000 or Above (Annexure 1)

During the year ended December 31, 2019

Rupees in '000

S. No.	Name and address of the borrower	CNIC No.	Father's / Husband's Name	Outstanding liabilities as at January 1, 2019				Principal written-off	Profit written-off	Other Financial Relief	Total (9+10+11)
				Principal	Profit	Others	Total (5+6+7)				
1	2	3	4	5	6	7	8	9	10	11	12
6.	Prima Marine Oil & Lubricants (Private) Limited Khayban-e-Ittehad Road, Phase VI, Muslim Commercial Area, Defence Housing Authority, Karachi	Faisal Fayyaz Shaikh 42301-0942295-7 Shehla Faisal 42301-0896563-2	Fayyaz Ahmed Shaikh Faisal Fayyaz Shaikh	130,000	808	-	130,808	-	1,717	-	1,717
				227,333	24,919	874	253,126	34,782	25,941	874	61,597



ADDITIONAL INFORMATION

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-

Pattern of Shareholding

As at December 31, 2019

No. of Shareholders	From	No. of Shares To	'Shares held'	Percentage
539	1	100	10,034	0.0008%
349	101	500	104,421	0.0081%
254	501	1000	193,949	0.0151%
592	1001	5000	1,501,956	0.1168%
194	5001	10000	1,410,332	0.1097%
102	10001	15000	1,280,560	0.0996%
62	15001	20000	1,115,233	0.0867%
46	20001	25000	1,053,654	0.0819%
36	25001	30000	979,071	0.0761%
28	30001	35000	919,794	0.0715%
20	35001	40000	756,335	0.0588%
15	40001	45000	636,549	0.0495%
15	45001	50000	716,530	0.0557%
16	50001	55000	844,115	0.0656%
8	55001	60000	461,351	0.0359%
11	60001	65000	690,086	0.0537%
7	65001	70000	479,079	0.0372%
4	70001	75000	293,085	0.0228%
8	75001	80000	624,010	0.0485%
8	80001	85000	663,250	0.0516%
10	85001	90000	882,972	0.0687%
7	90001	95000	650,659	0.0506%
5	95001	100000	489,680	0.0381%
7	100001	105000	716,017	0.0557%
2	105001	110000	214,340	0.0167%
2	110001	115000	228,181	0.0177%
5	115001	120000	587,853	0.0457%
7	120001	125000	854,690	0.0665%
4	125001	130000	508,459	0.0395%
2	130001	135000	267,000	0.0208%
4	135001	140000	550,516	0.0428%
3	140001	145000	424,570	0.0330%
4	145001	150000	592,200	0.0460%
3	150001	155000	458,960	0.0357%
1	155001	160000	159,275	0.0124%
3	160001	165000	488,445	0.0380%
4	165001	170000	664,991	0.0517%
1	170001	175000	175,000	0.0136%
1	175001	180000	178,000	0.0138%
1	180001	185000	180,440	0.0140%
2	190001	195000	386,210	0.0300%
4	195001	200000	792,426	0.0616%
1	205001	210000	206,873	0.0161%
1	215001	220000	217,675	0.0169%
3	220001	225000	669,500	0.0521%
2	230001	235000	468,400	0.0364%
1	235001	240000	236,414	0.0184%
4	240001	245000	972,149	0.0756%
1	250001	255000	253,216	0.0197%
3	255001	260000	774,125	0.0602%
1	260001	265000	263,000	0.0204%
1	270001	275000	272,500	0.0212%
1	280001	285000	283,360	0.0220%
1	285001	290000	285,300	0.0222%
3	290001	295000	878,498	0.0683%
2	295001	300000	599,236	0.0466%
2	310001	315000	624,552	0.0486%
1	315001	320000	315,906	0.0246%
1	320001	325000	323,500	0.0252%
2	325001	330000	654,000	0.0509%
1	340001	345000	344,500	0.0268%
1	345001	350000	350,000	0.0272%
2	355001	360000	715,000	0.0556%
1	385001	390000	388,467	0.0302%
1	390001	395000	391,050	0.0304%
2	400001	405000	807,366	0.0628%
1	420001	425000	420,682	0.0327%
2	460001	465000	928,060	0.0722%
1	485001	490000	486,306	0.0378%
1	500001	505000	500,786	0.0389%
2	510001	515000	1,022,890	0.0795%
1	530001	535000	532,739	0.0414%
1	535001	540000	536,005	0.0417%
1	545001	550000	549,714	0.0427%
1	550001	555000	553,446	0.0430%
1	555001	560000	556,784	0.0433%
2	640001	645000	1,286,767	0.1001%
1	655001	660000	657,737	0.0511%

No. of Shareholders	No. of Shares		'Shares held'	Percentage
	From	To		
1	665001	670000	666,317	0.0518%
1	670001	675000	675,000	0.0525%
1	710001	715000	710,726	0.0553%
1	740001	745000	744,779	0.0579%
1	750001	755000	752,472	0.0585%
1	805001	810000	808,000	0.0628%
1	850001	855000	850,889	0.0662%
1	880001	885000	882,988	0.0687%
1	895001	900000	899,971	0.0700%
1	900001	905000	903,591	0.0703%
2	910001	915000	1,825,508	0.1419%
2	935001	940000	1,872,621	0.1456%
1	960001	965000	962,512	0.0748%
1	975001	980000	975,419	0.0758%
1	1005001	1010000	1,006,512	0.0783%
1	1010001	1015000	1,011,500	0.0786%
2	1035001	1040000	2,074,809	0.1613%
1	1050001	1055000	1,054,082	0.0820%
1	1060001	1065000	1,064,885	0.0828%
1	1085001	1090000	1,088,701	0.0847%
2	1095001	1100000	2,200,000	0.1711%
1	1160001	1165000	1,162,810	0.0904%
1	1165001	1170000	1,168,227	0.0908%
2	1205001	1210000	2,416,000	0.1879%
1	1215001	1220000	1,215,358	0.0945%
1	1230001	1235000	1,231,500	0.0958%
1	1255001	1260000	1,259,900	0.0980%
1	1290001	1295000	1,293,090	0.1005%
1	1320001	1325000	1,323,000	0.1029%
1	1360001	1365000	1,364,050	0.1061%
1	1450001	1455000	1,453,955	0.1130%
1	1460001	1465000	1,461,846	0.1137%
1	1465001	1470000	1,466,520	0.1140%
1	1495001	1500000	1,500,000	0.1166%
1	1560001	1565000	1,560,772	0.1214%
1	1595001	1600000	1,600,000	0.1244%
1	1650001	1655000	1,654,505	0.1286%
1	1775001	1780000	1,776,064	0.1381%
2	1825001	1830000	3,652,242	0.2840%
1	1845001	1850000	1,850,000	0.1438%
1	1940001	1945000	1,944,000	0.1512%
1	1995001	2000000	2,000,000	0.1555%
1	2015001	2020000	2,017,191	0.1568%
1	2115001	2120000	2,117,500	0.1646%
1	2300001	2305000	2,304,052	0.1791%
1	2350001	2355000	2,350,150	0.1827%
1	2685001	2690000	2,689,843	0.2091%
1	2725001	2730000	2,729,394	0.2122%
1	2795001	2800000	2,800,000	0.2177%
1	2810001	2815000	2,813,135	0.2187%
1	2870001	2875000	2,871,088	0.2232%
1	2910001	2915000	2,914,067	0.2266%
1	3845001	3850000	3,848,083	0.2992%
1	4020001	4025000	4,023,930	0.3129%
1	4065001	4070000	4,068,120	0.3163%
2	4125001	4130000	8,254,689	0.6418%
1	4465001	4470000	4,467,650	0.3474%
1	4560001	4565000	4,562,900	0.3548%
1	5155001	5160000	5,157,601	0.4010%
1	5205001	5210000	5,205,500	0.4047%
1	5495001	5500000	5,500,000	0.4276%
1	5990001	5995000	5,994,100	0.4661%
1	6055001	6060000	6,056,282	0.4709%
1	7945001	7950000	7,946,899	0.6179%
1	9115001	9120000	9,119,097	0.7090%
1	10195001	10200000	10,196,620	0.7928%
1	10555001	10560000	10,560,000	0.8211%
2	10595001	10600000	21,191,732	1.6477%
1	10950001	10955000	10,953,697	0.8517%
1	11425001	11430000	11,429,097	0.8887%
1	14125001	14130000	14,127,821	1.0985%
1	16695001	16700000	16,698,855	1.2984%
1	30155001	30160000	30,159,000	2.3450%
1	119915001	119920000	119,916,248	9.3239%
1	385830001	385835000	385,833,481	30.000%
1	453335001	453340000	453,337,898	35.2487%
<u>2,534</u>			<u>1,286,111,622</u>	<u>100.0000</u>

Categories of Shareholders

For the year ended December 31, 2019

Particulars	2019			2018		
	Number of Shareholders	Shares held	Percentage	Number of Shareholders	Shares held	Percentage
Directors, Chief Executive, their spouse and minor children	8	14,094,533	1.10%	4	9,179,415	0.79%
Associated Companies, undertakings and related parties	9	972,400,110	75.61%	8	916,295,328	78.37%
Banks, Development Financial Institutions and Non Banking Finance Companies	12	3,081,696	0.24%	5	1,099,497	0.09%
Insurance Companies	8	27,609,509	2.15%	10	30,928,748	2.65%
Mudarabah and Mutual Funds	56	36,914,564	2.87%	52	39,269,329	3.36%
General Public						
a. Local	2,054	49,948,238	3.88%	1,833	40,807,331	3.49%
b. Foreign	153	8,173,497	0.64%	104	3,261,324	0.28%
Others	234	173,889,475	13.52%	136	128,351,412	10.98%
Total	2,534	1,286,111,622	100.000%	2,152	1,169,192,384	100.000%

Additional Information as at December 31, 2019

Particulars	2019			2018		
	Number of Shareholders	Shares held	Percentage	Number of Shareholders	Shares held	Percentage
Associated Companies & Shareholders with more than 10% shareholding						
Noor Financial Investment Co, Kuwait	1	453,337,898	35.25%	1	446,432,362	38.18%
Pakistan Kuwait Investment Co. (Pvt.) Ltd.	1	385,833,481	30.00%	1	350,757,710	30.00%
Islamic Development Bank, Jeddah	1	119,916,248	9.32%	1	109,014,771	9.32%
CDC Trustee Meezan Islamic Fund	1	9,119,097	0.71%	1	6,950,134	0.59%
CDC Trustee Meezan Balanced Fund	1	1,064,885	0.08%	1	889,350	0.08%
CDC Trustee Meezan Dedicated Equity Fund	1	536,005	0.04%	1	430,550	0.03%
CDC Trustee Meezan Asset Allocation Fund	1	553,446	0.04%	1	488,951	0.04%
CDC Trustee Al Meezan Mutual Fund	1	1,364,050	0.11%	1	1,331,500	0.11%
CDC Trustee KSE Meezan Index Fund	1	675,000	0.05%	-	-	-
Directors, Chief Executive, their spouse and minor children						
Mr. Noorur Rahman Abid	1	3,665,262	0.28%	1	3,332,057	0.28%
Ms. Nausheen Ahmad	1	550	0.00%	-	-	0.00%
Mr. Atif Azim	1	500	0.00%	-	-	0.00%
Mr. Irfan Siddiqui	1	4,127,490	0.32%	1	3,752,264	0.32%
*Mr. Ariful Islam	-	-	-	1	2,094,593	0.18%
**Ms.Laila M.S.A.S.A.S. Abbas	-	-	-	1	501	0.00%
Executives	23	3,273,187	0.25%	21	910,329	0.08%
Public Sector Companies, Corporations, Banks, DFI's, NBFC's, Insurance Companies, Mudarabah, Mutual Funds and other Organizations	310	241,495,244	18.78%	203	199,648,986	17.08%
General Public	2,188	61,149,279	4.75%	1,916	43,158,326	3.69%
	2,534	1,286,111,622	100.00%	2,152	1,169,192,384	100.00%

*Mr. Ariful Islam DCEO, has resigned from directorship on March 1, 2019

**Ms.Laila M.S.A.S.A.S. Abbas resigned from directorship on February 19, 2019

Correspondent Banking Network

Bank	Country	Bank	Country
AFGHAN UNITED BANK	AFGHANISTAN	STANDARD CHARTERED BANK	BANGLADESH
BANK ALFALAH LIMITED		SHAHJALAL ISLAMI BANK LIMITED	BANGLADESH
(AFGHANISTAN - KABUL BRANCH)	AFGHANISTAN	SOCIAL ISLAMI BANK LIMITED	BANGLADESH
ISLAMIC BANK OF AFGHANISTAN		UNION BANK LIMITED	BANGLADESH
(FORMERLY BAKHTAR BANK)	AFGHANISTAN	BELARUSBANK	BELARUS
BANK OF AMERICA, N.A. SYDNEY	AUSTRALIA	MINSK TRANSIT BANK	BELARUS
JPMORGAN CHASE BANK, N.A.,		BANK OF AMERICA MERRILL LYNCH	
SYDNEY BRANCH	AUSTRALIA	INTERNATIONAL DESIGNATED	
HSBC BANK AUSTRALIA LIMITED	AUSTRALIA	ACTIVITY COMPANY, BRUSSELS BRANCH	BELGIUM
INDUSTRIAL AND COMMERCIAL		BYBLOS BANK EUROPE S.A.	BELGIUM
BANK OF CHINA SYDNEY BRANCH	AUSTRALIA	COMMERZBANK AG, THE, BRUSSELS BRANCH	BELGIUM
BANK OF SYDNEY LTD	AUSTRALIA	DEUTSCHE BANK A.G.	BELGIUM
NATIONAL AUSTRALIA BANK LIMITED	AUSTRALIA	BELFIUS BANK SA/NV	BELGIUM
ALLGEMEINE SPARKASSE		HABIB BANK LTD.	BELGIUM
OBEROESTERREICH BANK		KBC BANK NV	BELGIUM
AKTIENGESELLSCHAFT	AUSTRIA	FIRST NATIONAL BANK OF BOTSWANA LIMITED	BOTSWANA
UNICREDIT BANK AUSTRIA AG	AUSTRIA	BANCO BRADESCO S.A.	BRAZIL
COMMERZBANK AG,		BANCO BRADESCO SA	
NIEDERLASSUNG WIEN WIEN	AUSTRIA	(FORMERLY KIRTON BANK S.A. -	
DEUTSCHE BANK		BANCO MULTIPLO)	BRAZIL
AKTIENGESELLSCHAFT FILIALE		ITAU UNIBANCO S/A (SUCCESSOR	
WIEN (VIENNA BRANCH)	AUSTRIA	OF BANCO ITAU BBA S.A.)	BRAZIL
ERSTE GROUP BANK AG	AUSTRIA	DEUTSCHE BANK S.A. - BANCO ALEMAO	BRAZIL
HYPO VORARLBERG BANK AG	AUSTRIA	EUROBANK BULGARIA AD	BULGARIA
OBERBANK AG	AUSTRIA	UNITED BULGARIAN BANK AD	BULGARIA
RAIFFEISEN BANK		UNICREDIT BULBANK AD	BULGARIA
INTERNATIONAL AG	AUSTRIA	BANK OF AMERICA, NATIONAL	
RAIFFEISENLANDESBANK		ASSOCIATION, CANADA BRANCH	CANADA
OBEROESTERREICH		BANK OF MONTREAL, THE	CANADA
AKTIENGESELLSCHAFT	AUSTRIA	JPMORGAN CHASE BANK, TORONTO BRANCH	CANADA
AL BARAKA ISLAMIC BANK		CANADIAN IMPERIAL BANK OF COMMERCE	CANADA
B.S.C CLOSED	BAHRAIN	HABIB CANADIAN BANK	CANADA
BANK AL HABIB LIMITED	BAHRAIN	HSBC BANK CANADA	CANADA
BMI BANK BSC (C)	BAHRAIN	ROYAL BANK OF CANADA	CANADA
ITHMAAR BANK B.S.C. (C)	BAHRAIN	TORONTO-DOMINION BANK, THE	CANADA
GULF INTERNATIONAL BANK, B.S.C.	BAHRAIN	ITAU CORPBANCA (FORMERLY	
WOORI BANK, MANAMA	BAHRAIN	BANCO ITAU CHILE)	CHILE
TURKIYE IS BANKASI A.S.		AGRICULTURAL BANK OF CHINA, THE	CHINA
BAHRAIN BRANCH	BAHRAIN	BANK OF BEIJING	CHINA
JS BANK LIMITED	BAHRAIN	BANK OF CHINA	CHINA
KHALEEJI COMMERCIAL BANK B.S.C. (C)	BAHRAIN	BANK OF GANZHOU CO., LTD.	CHINA
STANDARD CHARTERED BANK	BAHRAIN	BANK OF JINING CO. LTD	CHINA
UNITED BANK LIMITED	BAHRAIN	BANK OF JIANGSU CO LTD	CHINA
BANK ALFALAH LIMITED		JPMORGAN CHASE BANK (CHINA)	
(BANGLADESH - DHAKA BRANCH)	BANGLADESH	COMPANY LIMITED	CHINA
SONALI BANK LIMITED	BANGLADESH	CHINA CITIC BANK	CHINA
CITIBANK N.A.	BANGLADESH	CITIBANK (CHINA) CO., LTD.	CHINA
EASTERN BANK LTD.	BANGLADESH	COMMERZBANK AG	CHINA
EXPORT IMPORT BANK OF BANGL		BANK OF COMMUNICATIONS	CHINA
ADESH LTD	BANGLADESH	ZHEJIANG CHOUZHOU	
THE HONGKONG AND SHANGHAI		COMMERCIAL BANK CO., LTD	CHINA
BANKING CORPORATION LIMITED	BANGLADESH	DEUTSCHE BANK (CHINA) CO. LTD.	CHINA
WOORI BANK, DHAKA	BANGLADESH	SKANDINAVISKA ENSKILDA	
ISLAMI BANK BANGLADESH LTD	BANGLADESH	BANKEN AB (PUBL), SHANGHAI BRANCH	CHINA
INTERNATIONAL FINANCE		CHINA EVERBRIGHT BANK	CHINA
INVESTMENT AND COMMERCE		INDUSTRIAL BANK CO., LTD.	CHINA
BANK LTD.	BANGLADESH	JIANGSU HAIAN RURAL	
MERCANTILE BANK LIMITED	BANGLADESH	COMMERCIAL BANK CO., LTD	CHINA
NATIONAL BANK LIMITED	BANGLADESH	HSBC BANK (CHINA) COMPANY LIMITED	CHINA

Bank	Country
HUA XIA BANK	CHINA
INDUSTRIAL BANK OF KOREA (CHINA) LIMITED	CHINA
INDUSTRIAL AND COMMERCIAL BANK OF CHINA	CHINA
KOREA DEVELOPMENT BANK, THE	CHINA
LAISHANG BANK CO., LTD (FORMERLY LAIWU CITY COMMERCIAL BANK CO., LTD)	CHINA
MIZUHO BANK (CHINA),LTD.	CHINA
JINAN RURAL COMMERCIAL BANK CO.,LTD(FORMERLY SHANDONG JINAN RUNFENG RURAL COOPERATIVE BANK)	CHINA
STANDARD CHARTERED BANK (CHINA) LIMITED	CHINA
SHENGJING BANK CO.,LTD	CHINA
WEIFANG RURAL COMMERCIAL BANK CO., LTD	CHINA
BANK OF WENZHOU (FORMERLY WENZHOU CITY COMMERCIAL BANK)	CHINA
YANTAI BANK CO., LTD.	CHINA
QISHANG BANK	CHINA
ZHEJIANG MINTAI COMMERCIAL BANK	CHINA
BANK OF CYPRUS PUBLIC COMPANY LIMITED	CYPRUS
HELLENIC BANK PUBLIC COMPANY LTD.	CYPRUS
UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.	CZECHIA
ČESKOSLOVENSKÁ OBCHODNÍ BANKA, A.S.	CZECHIA
CITIBANK EUROPE PLC, ORGANIZACNÍ SLOŽKA	CZECHIA
COMMERZBANK AG	CZECHIA
KOMERCNÍ BANKA A.S.	CZECHIA
HSBC FRANCE, POBOČKA PRAHA	CZECHIA
DANSKE BANK A/S	DENMARK
NORDEA DANMARK, FILIAL AF	
NORDEA BANK ABP, FINLAND	DENMARK
RINGKJOBING LANDBOBANK A/S (FORMER NORDJYSKE BANK)	DENMARK
RINGKJOBING LANDBOBANK A/S	DENMARK
SKJERN BANK	DENMARK
SYDBANK A/S	DENMARK
BANK OF ALEXANDRIA S A E	EGYPT
CITIBANK CAIRO	EGYPT
HSBC BANK EGYPT S.A.E	EGYPT
EMIRATES NATIONAL BANK OF DUBAI SAE (FORMERLY BNP PARIBAS SAE,EGYPT)	EGYPT
MASHREQ BANK	EGYPT
AWASH INTERNATIONAL BANK S.C.	ETHIOPIA
COMMERCIAL BANK OF ETHIOPIA	ETHIOPIA
DASHEN BANK S.C.	ETHIOPIA
DANSKE BANK A/S, FINLAND BRANCH	FINLAND
SKANDINAVISKA ENSKILDA BANKEN	FINLAND
NORDEA BANK ABP	FINLAND
OP CORPORATE BANK PLC	FINLAND
BMCE BANK INTERNATIONAL PLC	
SUCCURSALE EN FRANCE	FRANCE
BNP-PARIBAS SA (FORMERLY BANQUE NATIONALE DE PARIS S.A.)	FRANCE
BYBLOS BANK EUROPE S.A. (PARIS BRANCH)	FRANCE
HSBC FRANCE (FORMERLY HSBC CCF)	FRANCE
CREDIT MUTUEL - CIC BANQUES	FRANCE
COMMERZBANK AG	FRANCE
DEUTSCHE BANK AG	FRANCE
NATIONAL BANK OF PAKISTAN	FRANCE

Bank	Country
CREDIT DU NORD	FRANCE
SUMITOMO MITSUI BANKING CORPORATION EUROPE LIMITED	FRANCE
SOCIETE GENERALE	FRANCE
UNION DE BANQUES ARABES ET FRANCAISES	FRANCE
COMMERZBANK AG	GERMANY
SPARKASSE KOELNBONN (FORMER STADTSPARKASSE KOELN)	GERMANY
DEUTSCHE BANK AG	GERMANY
SPARKASSE DORTMUND	GERMANY
SEB AB (PUBL.) FRANKFURT BRANCH	GERMANY
DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK	GERMANY
LANDESBANK HESSEN-THUERINGEN GIROZENTRALE	GERMANY
HAMBURG COMMERCIAL BANK AG	GERMANY
UNICREDIT BANK AG (HYPOVEREINSBANK)	GERMANY
BANKHAUS LAMPE KG	GERMANY
MAINZER VOLKSBANK E.G.	GERMANY
NATIONAL BANK OF PAKISTAN, FRANKFURT	GERMANY
NORDEA BANK ABP FRANKFURT BRANCH	GERMANY
VTB BANK (EUROPE) SE	GERMANY
SPARKASSE BREMEN AG, DIE	GERMANY
STANDARD CHARTERED BANK AG	GERMANY
LANDESBANK BADEN-WUERTTEMBERG	GERMANY
HSBC TRINKAUS UND BURKHARDT AG	GERMANY
VOLKSBANK BIELEFELD-GUETERSLOH EG	GERMANY
SPARKASSE WESTMUENSTERLAND	GERMANY
ABN AMRO BANK N.V. HONG KONG BRANCH	HONG KONG
AXIS BANK LIMITED	HONG KONG
INTESA SANPAOLO SPA HONG KONG	HONG KONG
BANK OF AMERICA, N.A. HONG KONG	HONG KONG
JPMORGAN CHASE BANK, N.A., HONG KONG BRANCH	HONG KONG
CITIBANK N.A.	HONG KONG
COMMERZBANK AG	HONG KONG
DEUTSCHE BANK AG	HONG KONG
DBS BANK (HONG KONG) LIMITED	HONG KONG
SKANDINAVISKA ENSKILDA BANKEN AB	HONG KONG
HABIB BANK ZURICH (HONG KONG) LIMITED	HONG KONG
HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, THE	HONG KONG
WOORI BANK, HONG KONG	HONG KONG
THE BANK OF NEW YORK MELLON, HONG KONG BRANCH	HONG KONG
KOOKMIN BANK, HONG KONG BRANCH	HONG KONG
KBC BANK NV, HONG KONG	HONG KONG
MASHREQBANK PSC., HONG KONG BRANCH	HONG KONG
NATIONAL BANK OF PAKISTAN HONG KONG	HONG KONG
WELLS FARGO BANK, N.A., HONG KONG BRANCH	HONG KONG
STANDARD CHARTERED BANK (HONG KONG) LIMITED	HONG KONG
SUMITOMO MITSUI BANKING CORPORATION	HONG KONG
INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED	HONG KONG
UNICREDIT BANK HUNGARY ZRT.	HUNGARY
CIB BANK LTD. (FORMERLY CENTRAL-EUROPEAN INT.BANK LTD.)	HUNGARY
COMMERZBANK (BUDAPEST) RT.	HUNGARY
K AND H BANK ZRT.(FORMERLY KERESKEDELMISZES HITELBANK RT)	HUNGARY
RAIFFEISEN BANK ZRT.	HUNGARY
AXIS BANK LIMITED	INDIA
BANK OF BARODA	INDIA

Correspondent Banking Network

Bank	Country	Bank	Country
BANK OF CEYLON	INDIA	WOORI BANK, TOKYO	JAPAN
BANK OF AMERICA, N.A. MUMBAI	INDIA	MIZUHO BANK, LTD.	JAPAN
JPMORGAN CHASE BANK, N.A., MUMBAI BRANCH	INDIA	NATIONAL BANK OF PAKISTAN	JAPAN
CITIBANK N.A.	INDIA	WELLS FARGO BANK, N.A., TOKYO BRANCH	JAPAN
DEUTSCHE BANK AG	INDIA	STANDARD CHARTERED BANK	JAPAN
EMIRATES NBD BANK (P.J.S.C)	INDIA	SUMITOMO MITSUI BANKING CORPORATION	JAPAN
HDFC BANK LIMITED	INDIA	U.B.A.F. - UNION DE BANQUES ARABES	
JAMMU AND KASHMIR BANK LTD	INDIA	ET FRANCAISES TOKYO BRANCH	JAPAN
MASHREQ BANK	INDIA	HOUSING BANK FOR TRADE AND FINANCE, THE	JORDAN
PUNJAB NATIONAL BANK	INDIA	JORDAN ISLAMIC BANK	JORDAN
STATE BANK OF INDIA	INDIA	SB SBERBANK JSC	KAZAKHSTAN
STANDARD CHARTERED BANK	INDIA	GULF AFRICAN BANK LTD	KENYA
BANK MANDIRI (PERSERO), PT	INDONESIA	HABIB BANK AG ZURICH	KENYA
PT. BANK CIMB NIAGA, TBK.	INDONESIA	KCB BANK KENYA LIMITED	KENYA
MUFG BANK, LTD. JAKARTA BRANCH	INDONESIA	JPMORGAN CHASE BANK, N.A., SEOUL BRANCH	KOREA, REPUBLIC OF
PT BANK SYARIAH MANDIRI	INDONESIA	KOOKMIN BANK	KOREA, REPUBLIC OF
BANK CENTRAL ASIA	INDONESIA	DAEGU BANK, LTD.,THE	KOREA, REPUBLIC OF
JPMORGAN CHASE BANK, N.A., JAKARTA BRANCH	INDONESIA	DEUTSCHE BANK AG, SEOUL BRANCH	KOREA, REPUBLIC OF
DEUTSCHE BANK AG	INDONESIA	THE HONGKONG AND SHANGHAI BANKING	
PT BANK HSBC INDONESIA	INDONESIA	CORPORATION LIMITED, SEOUL BRANCH	KOREA, REPUBLIC OF
PT.BANK WOORI SAUDARA INDONESIA 1906 TBK	INDONESIA	WOORI BANK, SEOUL	KOREA, REPUBLIC OF
PT. BANK SBI INDONESIA	INDONESIA	INDUSTRIAL BANK OF KOREA	KOREA, REPUBLIC OF
STANDARD CHARTERED BANK	INDONESIA	KEB HANA BANK	KOREA, REPUBLIC OF
RASHEED BANK	IRAQ	KYONGNAM BANK	KOREA, REPUBLIC OF
AIB BANK	IRELAND	NONGHYUP BANK (FORMERLY KNOWN	
INTESA SANPAOLO BANK IRELAND PLC	IRELAND	AS NATIONAL AGRICULTURAL	
BANK OF AMERICA MERRILL LYNCH		COOPERATIVE FEDERATION)	KOREA, REPUBLIC OF
INTERNATIONAL DESIGNATED ACTIVITY COMPANY	IRELAND	NATIONAL BANK OF PAKISTAN, SEOUL	
BANK OF IRELAND	IRELAND	BRANCH KOREA	KOREA, REPUBLIC OF
CITIBANK EUROPE PLC	IRELAND	WELLS FARGO BANK, N.A., SEOUL BRANCH	KOREA, REPUBLIC OF
DANSKE BANK A/S	IRELAND	BUSAN BANK	KOREA, REPUBLIC OF
CREDITO EMILIANO S.P.A.	ITALY	STANDARD CHARTERED BANK KOREA LIMITED	KOREA, REPUBLIC OF
UNIPOL BANCA SPA	ITALY	SHINHAN BANK	KOREA, REPUBLIC OF
BANCO BPM SPA	ITALY	SUMITOMO MITSUI BANKING CORPORATION	KOREA, REPUBLIC OF
BANCA DI PISA E FORNACETTE CREDITO		U.B.A.F.-UNION DE BANQUES ARABES ET FRANCAISES	KOREA, REPUBLIC OF
COOPERATIVO SOC.COOP.P.A.	ITALY	BOUBAN BANK (K.S.C)	KUWAIT
INTESA SANPAOLO SPA	ITALY	BURGAN BANK K.P.S.C	KUWAIT
UBI BANCA S.P.A.	ITALY	COMMERCIAL BANK OF KUWAIT KPSC,THE	KUWAIT
BANK OF AMERICA MERRILL LYNCH		KUWAIT FINANCE HOUSE (K.S.C.)	KUWAIT
INTERNATIONAL DESIGNATED ACTIVITY		NATIONAL BANK OF KUWAIT S.A.K.P.	KUWAIT
COMPANY, MILAN BRANCH	ITALY	LUMINOR BANK AS LATVIAN BRANCH	LATVIA
CREDITO VALTELLINESE	ITALY	BANK OF BEIRUT S.A.L.	LEBANON
BPER BANCA S.P.A.	ITALY	BYBLOS BANK S.A.L.	LEBANON
COMMERZBANK AG	ITALY	LEBANON AND GULF BANK SAL	LEBANON
BANCA DI CREDITO COOPERATIVO DI		SOCIETE GENERALE BANK AND TRUST S.A.	LUXEMBOURG
CARATE BRIANZA S.C.A.R.L.	ITALY	THE HONGKONG AND SHANGHAI	
CREDIT AGRICOLE ITALIA S.P.A.	ITALY	BANKING CORPORATION LIMITED	MACAO
DEUTSCHE BANK S.P.A.	ITALY	AMBANK (M) BERHAD	MALAYSIA
ICCREA BANCA - ISTITUTO CENTRALE		BANK MUAMALAT MALAYSIA BERHAD (6175-W)	MALAYSIA
DEL CREDITO COOPERATIVO	ITALY	BANK OF AMERICA, MALAYSIA BERHAD	MALAYSIA
HSBC FRANCE, MILAN BRANCH	ITALY	MUFG BANK (MALAYSIA) BERHAD	MALAYSIA
BANCA MONTE DEI PASCHI DI SIENA S.P.A.	ITALY	J.P.MORGAN CHASE BANK BERHAD	MALAYSIA
BANCA POPOLARE DI SONDRIO	ITALY	CIMB BANK BERHAD	MALAYSIA
BANCA UBAE SPA	ITALY	CITIBANK BERHAD	MALAYSIA
UNICREDIT S.P.A.	ITALY	CIMB ISLAMIC BANK BERHAD	MALAYSIA
MUFG BANK, LTD.	JAPAN	DEUTSCHE BANK (MALAYSIA) BERHAD	MALAYSIA
JPMORGAN CHASE BANK, N.A., TOKYO BRANCH	JAPAN	HSBC BANK MALAYSIA BERHAD	MALAYSIA
CITIBANK N.A., TOKYO BRANCH	JAPAN	INDUSTRIAL AND COMMERCIAL BANK	
COMMERZBANK AG TOKYO	JAPAN	OF CHINA (MALAYSIA) BERHAD.	MALAYSIA
DEUTSCHE BANK AG	JAPAN		

Bank	Country	Bank	Country
MALAYAN BANKING BERHAD (MAYBANK)	MALAYSIA	HABIB METROPOLITAN BANK LIMITED	PAKISTAN
RHB BANK BERHAD	MALAYSIA	MCB BANK LIMITED	PAKISTAN
AL RAJHI BANKING AND INVESTMENT CORPORATION (MALAYSIA) BHD	MALAYSIA	NATIONAL BANK OF PAKISTAN	PAKISTAN
STANDARD CHARTERED BANK MALAYSIA BERHAD	MALAYSIA	SAMBA BANK LIMITED	PAKISTAN
CREDIT EUROPE BANK N.V. MALTA BRANCH	MALTA	SILKBANK LIMITED	PAKISTAN
HSBC BANK MALTA P.L.C.	MALTA	STANDARD CHARTERED BANK (PAKISTAN) LIMITED	PAKISTAN
BANQUE ISLAMIQUE DE MAURITANIE	MAURITANIA	SINDH BANK LIMITED	PAKISTAN
AFRASIA BANK LIMITED	MAURITIUS	SONERI BANK LIMITED	PAKISTAN
HONGKONG AND SHANGHAI BANKING CORPORATION LTD., THE	MAURITIUS	SUMMIT BANK LTD	PAKISTAN
MAUBANK LTD	MAURITIUS	UNITED BANK LIMITED	PAKISTAN
BANCO DEL BAJIO, S.A.	MEXICO	BANK OF PALESTINE PLC	PALESTINE, STATE OF
BANCO NACIONAL DE MEXICO S.A.	MEXICO	ASIAN DEVELOPMENT BANK	PHILIPPINES
BANK OF AMERICA, MEXICO S.A.	MEXICO	THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD - PHILIPPINE BRANCH	PHILIPPINES
TRADE AND DEVELOPMENT BANK OF MONGOLIA	MONGOLIA	ALIOR BANK SPOLKA AKCYJNA	POLAND
ATTIJARIWafa BANK (FORMERLY BANQUE COMMERCIALE DU MAROC)	MOROCCO	BANK BPH SA	POLAND
BANQUE MAROCAINE DU COMMERCE EXTERIEUR	MOROCCO	MBANK S.A. (FORMERLY BRE BANK S.A.)	POLAND
SOCIETE GENERALE MAROCAINE DE BANQUES	MOROCCO	DEUTSCHE BANK POLSKA S.A.	POLAND
KANBAWZA BANK LTD	MYANMAR	HSBC FRANCE (SPOLKA AKCYJNA) ODDZIAL W POLSCE	POLAND
BANK OF KATHMANDU LIMITED	NEPAL	BANK POLSKA KASA OPIEKI SA - BANK PEKAO SA	POLAND
HIMALAYAN BANK LTD.	NEPAL	SOCIETE GENERALE SPOLKA AKCYJNA ODDZIAL W POLSCE	POLAND
NABIL BANK LIMITED	NEPAL	NOVO BANCO, SA	PORTUGAL
NIC ASIA BANK LIMITED	NEPAL	CAIXA ECONOMICA MONTEPIO GERAL, CAIXA ECONOMICA BANCARIA, SA	PORTUGAL
ABN AMRO BANK N.V.	NETHERLANDS	BARWA BANK	QATAR
BANK OF AMERICA MERRILL LYNCH INTERNATIONAL DESIGNATED ACTIVITY COMPANY, AMSTERDAM BRANCH	NETHERLANDS	THE COMMERCIAL BANK (Q.S.C)	QATAR
COMMERZBANK AG KANTOOR AMSTERDAM	NETHERLANDS	DOHA BANK	QATAR
DEUTSCHE BANK AG	NETHERLANDS	MASHREQ BANK	QATAR
HSBC FRANCE, AMSTERDAM BRANCH	NETHERLANDS	QATAR INTERNATIONAL ISLAMIC BANK	QATAR
RABOBANK	NETHERLANDS	QATAR NATIONAL BANK	QATAR
BANK OF NEW ZEALAND	NEW ZEALAND	UNITED BANK LIMITED, DOHA	QATAR
HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, THE	NEW ZEALAND	UNICREDIT BANK SA	ROMANIA
NLB BANKA AD SKOPJE	NORTH MACEDONIA	CITIBANK EUROPE PLC, DUBLIN-SUCURSALA ROMANIA	ROMANIA
DANSKE BANK A/S	NORWAY	ALEF-BANK	RUSSIAN FEDERATION
DNB BANK ASA	NORWAY	ASIAN-PACIFIC BANK	RUSSIAN FEDERATION
SKANDINAVISKA ENSKILDA BANKEN	NORWAY	VEB.RF	RUSSIAN FEDERATION
NORDEA BANK ABP, FILIAL I NORGE	NORWAY	HSBC BANK (RR) OOO	RUSSIAN FEDERATION
HSBC BANK OMAN S.A.O.G	OMAN	BANK OF AMERICA, N.A. (MOSCOW)	RUSSIAN FEDERATION
BANK DHOFAR (S.A.O.G.)	OMAN	UNICREDIT BANK AO	RUSSIAN FEDERATION
BANK MUSCAT SAOG	OMAN	BANK OTKRITIE FINANCIAL CORPORATION (PUBLIC JOINT-STOCK COMPANY)	RUSSIAN FEDERATION
BANK NIZWA	OMAN	CREDIT BANK OF MOSCOW (PUBLIC JOINT STOCK COMPANY)	RUSSIAN FEDERATION
SOHAR INTERNATIONAL BANK S.A.O.G	OMAN	VTB BANK (PJSC)	RUSSIAN FEDERATION
HABIB BANK OMAN	OMAN	ALAWWAL BANK	SAUDI ARABIA
ALLIED BANK LIMITED	PAKISTAN	BANK AL BILAD	SAUDI ARABIA
ALBARAKA BANK (PAKISTAN) LIMITED	PAKISTAN	BANK AL-JAZIRA	SAUDI ARABIA
BANK ALFALAH LIMITED	PAKISTAN	BANQUE SAUDI FRANSI	SAUDI ARABIA
ASKARI BANK LIMITED	PAKISTAN	JPMORGAN CHASE BANK, N.A. RIYADH	SAUDI ARABIA
BANK AL HABIB LIMITED	PAKISTAN	DEUTSCHE BANK AG, RIYADH BRANCH	SAUDI ARABIA
BANKISLAMI PAKISTAN LIMITED	PAKISTAN	EMIRATES NBD PJSC	SAUDI ARABIA
THE BANK OF PUNJAB	PAKISTAN	GULF INTERNATIONAL BANK B.S.C., RIYADH	SAUDI ARABIA
CITIBANK N.A.	PAKISTAN	AL INMA BANK	SAUDI ARABIA
DEUTSCHE BANK AG, KARACHI BRANCH	PAKISTAN	ISLAMIC DEVELOPMENT BANK	SAUDI ARABIA
DUBAI ISLAMIC BANK PAKISTAN LIMITED	PAKISTAN	INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION (MEMBER ISLAMIC DEVELOPMENT BANK GROUP)	SAUDI ARABIA
FAYSAL BANK LIMITED	PAKISTAN	NATIONAL BANK OF PAKISTAN	SAUDI ARABIA
FIRST WOMEN BANK LIMITED	PAKISTAN	NATIONAL COMMERCIAL BANK, THE	SAUDI ARABIA
HABIB BANK LIMITED	PAKISTAN	RIYAD BANK	SAUDI ARABIA
INDUSTRIAL AND COMMERCIAL BANK OF CHINA, KARACHI BRANCH	PAKISTAN	AL RAJHI BANK	SAUDI ARABIA
JS BANK LIMITED	PAKISTAN	SAUDI BRITISH BANK, THE	SAUDI ARABIA
BANK OF KHYBER, THE	PAKISTAN	ABN AMRO BANK N.V. SINGAPORE BRANCH	SINGAPORE
MCB ISLAMIC BANK LIMITED	PAKISTAN		

Correspondent Banking Network

Bank	Country	Bank	Country
AXIS BANK LIMITED	SINGAPORE	HATTON NATIONAL BANK PLC	SRI LANKA
INTESA SANPAOLO S.P.A.	SINGAPORE	HONGKONG AND SHANGHAI BANKING	
BANK MANDIRI (PERSERO)TBK. PT	SINGAPORE	CORPORATION LIMITED, THE	SRI LANKA
BANK OF AMERICA, N.A. SINGAPORE	SINGAPORE	MCB BANK LTD.	SRI LANKA
MUFG BANK, LTD.	SINGAPORE	NATIONS TRUST BANK PLC	SRI LANKA
UNICREDIT BANK AG SINGAPORE		PUBLIC BANK BERHAD	SRI LANKA
BRANCH (HYPOVEREINSBANK AG		PEOPLE'S BANK, HEAD OFFICE	SRI LANKA
SINGAPORE BRANCH)	SINGAPORE	STANDARD CHARTERED BANK	SRI LANKA
JPMORGAN CHASE BANK, N.A.	SINGAPORE	DANSKE BANK	SWEDEN
CITIBANK, N.A.	SINGAPORE	SKANDINAVISKA ENSKILDA BANKEN	SWEDEN
COMMERZBANK AG, SINGAPORE BRANCH	SINGAPORE	SVENSKA HANDELSBANKEN AB	SWEDEN
DBS BANK LTD.	SINGAPORE	NORDEA BANK ABP, FILIAL I SVERIGE	SWEDEN
DEUTSCHE BANK AG	SINGAPORE	ARAB BANK (SWITZERLAND) LTD	SWITZERLAND
EMIRATES NBD BANK PJSC (ENBD)	SINGAPORE	BANK JULIUS BAER AND CO.LTD., ZURICH	SWITZERLAND
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)	SINGAPORE	BARCLAYS BANK (SUISSE) S.A.	SWITZERLAND
FIRST ABU DHABI BANK PJSC		BANQUE CANTONALE DE GENEVE	SWITZERLAND
(FORMERLY NATIONAL BANK OF		BANQUE CANTONALE VAUDOISE	SWITZERLAND
ABU DHABI)	SINGAPORE	BANQUE DE COMMERCE ET DE PLACEMENTS S.A.	SWITZERLAND
HABIB BANK LIMITED	SINGAPORE	COMMERZBANK AG	SWITZERLAND
THE HONGKONG AND SHANGHAI		DEUTSCHE BANK AG ZURICH BRANCH	SWITZERLAND
BANKING CORPORATION LIMITED	SINGAPORE	CREDIT EUROPE BANK (SUISSE) S.A.	SWITZERLAND
WOORI BANK, SINGAPORE	SINGAPORE	HABIB BANK AG ZURICH	SWITZERLAND
KBC BANK N.V.	SINGAPORE	HSBC BANK PLC	SWITZERLAND
MIZUHO BANK, LTD.	SINGAPORE	BANCA POPOLARE DI SONDRIO (SUISSE)	SWITZERLAND
NORDEA BANK ABP	SINGAPORE	UBL (SWITZERLAND) AG	SWITZERLAND
OVERSEA-CHINESE BANKING CORPORATION LIMITED	SINGAPORE	ZUERCHER KANTONALBANK	SWITZERLAND
WELLS FARGO BANK, NA	SINGAPORE	BANK OF AMERICA, N.A.	TAIWAN
QATAR NATIONAL BANK (Q.P.S.C)	SINGAPORE	JPMORGAN CHASE BANK, N.A.,	TAIWAN
RABOBANK SINGAPORE	SINGAPORE	CITIBANK TAIWAN LIMITED	TAIWAN
STANDARD CHARTERED BANK	SINGAPORE	DEUTSCHE BANK AG,	TAIWAN
SHINHAN BANK, SINGAPORE BRANCH	SINGAPORE	MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.	TAIWAN
SUMITOMO MITSUI BANKING CORPORATION	SINGAPORE	THE BANK OF NEW YORK MELLON,	TAIWAN
TORONTO DOMINION BANK	SINGAPORE	STANDARD CHARTERED BANK (TAIWAN) LIMITED	TAIWAN
U.B.A.F. - UNION DE BANQUES ARABES ET FRANCAISES	SINGAPORE	SUMITOMO MITSUI BANKING	
CESKOSLOVENSKA OBCHODNA BANKA, A.S.	SLOVAKIA	CORPORATION TAIPEI BRANCH	TAIWAN
COMMERZBANK AG	SLOVAKIA	TAIWAN COOPERATIVE BANK LTD	TAIWAN
UNICREDIT BANKA SLOVENIJA D.D.	SLOVENIA	KING'S TOWN BANK	TAIWAN
CITIBANK SOUTH AFRICA	SOUTH AFRICA	UNION BANK OF TAIWAN	TAIWAN
FIRSTRAND BANK LIMITED	SOUTH AFRICA	AMANA BANK LIMITED	TANZANIA, UNITED REPUBLIC OF
HBZ BANK LIMITED	SOUTH AFRICA	HABIB AFRICAN BANK	TANZANIA, UNITED REPUBLIC OF
HABIB OVERSEAS BANK LIMITED	SOUTH AFRICA	BANGKOK BANK PUBLIC COMPANY LIMITED	THAILAND
STANDARD CHARTERED BANK	SOUTH AFRICA	BANK OF AMERICA, N.A. BANGKOK	THAILAND
ARES BANK, S.A.	SPAIN	CITIBANK N.A.	THAILAND
KUTXABANK, S.A.	SPAIN	DEUTSCHE BANK AG, BANGKOK BRANCH	THAILAND
BANCO BILBAO VIZCAYA ARGENTARIA S.A.	SPAIN	KRUNG THAI BANK PUBLIC COMPANY LIMITED	THAILAND
BANK OF AMERICA MERRILL LYNCH		MIZUHO BANK, LTD., BANGKOK BRANCH	THAILAND
INTERNATIONAL DESIGNATED ACTIVITY		STANDARD CHARTERED BANK (THAI) PCL	THAILAND
COMPANY, MADRID BRANCH	SPAIN	SIAM COMMERCIAL BANK PCL., THE	THAILAND
BANCO DE SABADELL, S.A.	SPAIN	SUMITOMO MITSUI BANKING CORPORATION	THAILAND
ABANCA CORPORACION BANCARIA, S.A.	SPAIN	ARAB TUNISIAN BANK	TUNISIA
BANKIA S.A.	SPAIN	CITIBANK N.A.	TUNISIA
CAIXABANK, S.A.	SPAIN	SOCIETE TUNISIENNE DE BANQUE	TUNISIA
COMMERZBANK AG	SPAIN	TURKIYE FINANS KATILIM BANKASI A.S.	TURKEY
HSBC FRANCE, SUCURSAL EN ESPANA	SPAIN	ALBARAKA TURK PARTICIPATION BANK	TURKEY
AMANA BANK PLC	SRI LANKA	AKTIF YATIRIM BANKASI A.S.	TURKEY
AXIS BANK LTD.	SRI LANKA	CITIBANK A.S.	TURKEY
BANK OF CEYLON	SRI LANKA	DENIZBANK A.S.	TURKEY
SAMPATH BANK PLC	SRI LANKA	HABIB BANK LTD.	TURKEY
HABIB BANK LTD.	SRI LANKA	HSBC BANK A.S.	TURKEY

Bank	Country	Bank	Country
TURKIYE IS BANKASI A.S.	TURKEY	HSBC BANK PLC	UNITED KINGDOM
KUVEYT TURK KATILIM BANKASI A.S.	TURKEY	MASHREQ BANK PSC	UNITED KINGDOM
ODEABANK A.S.	TURKEY	UNITED NATIONAL BANK	UNITED KINGDOM
SEKERBANK T.A.S.	TURKEY	NORDEA BANK ABP LONDON BRANCH	UNITED KINGDOM
TURKLAND BANK A.S. (T-BANK)	TURKEY	NATIONAL WESTMINSTER BANK PLC	UNITED KINGDOM
TURKIYE CUMHURİYETİ ZIRAAT BANKASI A.S.	TURKEY	STANDARD CHARTERED BANK	UNITED KINGDOM
TURKIYE GARANTI BANKASI A.S.	TURKEY	NEW YORK COMMUNITY BANK	UNITED STATES OF AMERICA
TURKIYE HALK BANKASI A.S. (HEAD OFFICE)	TURKEY	AMERICAN FIRST NATIONAL BANK	UNITED STATES OF AMERICA
TURKIYE VAKIFLAR BANKASI T.A.O.	TURKEY	ABACUS FEDERAL SAVINGS BANK	UNITED STATES OF AMERICA
YAPI VE KREDİ BANKASI A.S.	TURKEY	INTESA SANPAOLO SPA NEW YORK BRANCH	UNITED STATES OF AMERICA
ZIRAAT KATILIM BANKASI A.S.	TURKEY	BANGKOK BANK PUBLIC COMPANY LIMITED, NEW YORK	UNITED STATES OF AMERICA
JSC 'BANK CREDIT DNEPR'	UKRAINE	DEUTSCHE BANK TRUST COMPANY AMERICAS	UNITED STATES OF AMERICA
JSC THE STATE EXPORT-IMPORT BANK OF UKRAINE	UKRAINE	BNP PARIBAS U.S.A - NEW YORK BRANCH	UNITED STATES OF AMERICA
PSC PROMINVESTBANK	UKRAINE	BANK OF AMERICA, N.A.	UNITED STATES OF AMERICA
ABU DHABI ISLAMIC BANK	UNITED ARAB EMIRATES	MUFG BANK LTD.	UNITED STATES OF AMERICA
ABU DHABI COMMERCIAL BANK	UNITED ARAB EMIRATES	BANCO DO BRASIL S.A	UNITED STATES OF AMERICA
AJMAN BANK PJSC	UNITED ARAB EMIRATES	BRANCH BANKING AND TRUST COMPANY	UNITED STATES OF AMERICA
AXIS BANK LIMITED, DIFC BRANCH (REGULATED BY DFSA)	UNITED ARAB EMIRATES	CATHAY BANK	UNITED STATES OF AMERICA
HSBC BANK MIDDLE EAST LIMITED	UNITED ARAB EMIRATES	JPMORGAN CHASE BANK, N.A.	UNITED STATES OF AMERICA
MASHREQBANK PSC.	UNITED ARAB EMIRATES	CITIBANK N.A.	UNITED STATES OF AMERICA
BANQUE DE COMMERCE ET DE PLACEMENTS SA-DIFC BRANCH	UNITED ARAB EMIRATES	FIRST TENNESSEE BANK N.A.	UNITED STATES OF AMERICA
COMMERCIAL BANK OF DUBAI	UNITED ARAB EMIRATES	GULF INTERNATIONAL BANK	UNITED STATES OF AMERICA
CITIBANK N.A.	UNITED ARAB EMIRATES	HABIB BANK LIMITED	UNITED STATES OF AMERICA
DEUTSCHE BANK AG	UNITED ARAB EMIRATES	HANMI BANK	UNITED STATES OF AMERICA
DUBAI ISLAMIC BANK	UNITED ARAB EMIRATES	HABIB AMERICAN BANK	UNITED STATES OF AMERICA
EMIRATES NBD BANK PJSC	UNITED ARAB EMIRATES	WOORI BANK	UNITED STATES OF AMERICA
FIRST ABU DHABI BANK PJSC	UNITED ARAB EMIRATES	UNICREDIT BANK AG (HYPOVEREINSBANK)	UNITED STATES OF AMERICA
HABIB BANK LIMITED	UNITED ARAB EMIRATES	ISRAEL DISCOUNT BANK OF NEW YORK	UNITED STATES OF AMERICA
HABIB BANK AG ZURICH	UNITED ARAB EMIRATES	INTERNATIONAL FINANCE CORPORATION	UNITED STATES OF AMERICA
KEB HANA BANK ABUDHABI BRANCH	UNITED ARAB EMIRATES	THE BANK OF NEW YORK MELLON	UNITED STATES OF AMERICA
EMIRATES ISLAMIC BANK	UNITED ARAB EMIRATES	KEYBANK NATIONAL ASSOCIATION	UNITED STATES OF AMERICA
MCB BANK LIMITED	UNITED ARAB EMIRATES	MALAYAN BANKING BERHAD	UNITED STATES OF AMERICA
FIRST ABU DHABI BANK PJSC	UNITED ARAB EMIRATES	MIZUHO BANK, LTD. NEW YORK BRANCH	UNITED STATES OF AMERICA
NATIONAL BANK OF FUJAIRAH	UNITED ARAB EMIRATES	HSBC BANK USA, N.A.	UNITED STATES OF AMERICA
NATIONAL BANK OF KUWAIT (S.A.K.).	UNITED ARAB EMIRATES	MASHREQBANK PSC., NEW YORK BRANCH	UNITED STATES OF AMERICA
NOOR BANK P.J.S.C.	UNITED ARAB EMIRATES	NONGHYUP BANK, NEW YORK BRANCH	UNITED STATES OF AMERICA
NATIONAL BANK OF RAS AL-KHAIMAH, THE	UNITED ARAB EMIRATES	NATIONAL BANK OF PAKISTAN	UNITED STATES OF AMERICA
STANDARD CHARTERED BANK	UNITED ARAB EMIRATES	NORDEA BANK ABP, NEW YORK BRANCH	UNITED STATES OF AMERICA
UNITED ARAB BANK	UNITED ARAB EMIRATES	WELLS FARGO BANK, N.A.	UNITED STATES OF AMERICA
UNION NATIONAL BANK	UNITED ARAB EMIRATES	PNC BANK, N.A.	UNITED STATES OF AMERICA
UNICREDIT S.P.A.	UNITED ARAB EMIRATES	STATE BANK OF INDIA (CALIFORNIA)	UNITED STATES OF AMERICA
UNITED BANK LTD.	UNITED ARAB EMIRATES	STANDARD CHARTERED BANK	UNITED STATES OF AMERICA
ALLIED IRISH BANK (GB) (AIB GROUP (UK) PLC T/A)	UNITED KINGDOM	SUMITOMO MITSUI BANKING CORPORATION	UNITED STATES OF AMERICA
BRITISH ARAB COMMERCIAL BANK PLC	UNITED KINGDOM	SUNTRUST BANK	UNITED STATES OF AMERICA
INTESA SANPAOLO SPA LONDON BRANCH	UNITED KINGDOM	SOCIETE GENERALE	UNITED STATES OF AMERICA
BANK OF CHINA	UNITED KINGDOM	UNITIBANK	UNITED STATES OF AMERICA
BANK MANDIRI (EUROPE) LIMITED	UNITED KINGDOM	REGIONS BANK	UNITED STATES OF AMERICA
BANK OF AMERICA, N.A. LONDON	UNITED KINGDOM	U.S. BANK N.A.	UNITED STATES OF AMERICA
BYBLOS BANK EUROPE S.A. (LONDON BRANCH)	UNITED KINGDOM	WELLS FARGO BANK, N.A.	UNITED STATES OF AMERICA
JPMORGAN CHASE BANK, N.A.	UNITED KINGDOM	BANCO ITAU	URUGUAY
CITIBANK N.A.	UNITED KINGDOM	CITIBANK N.A.	VIET NAM
COMMERZBANK AG	UNITED KINGDOM	DEUTSCHE BANK AG, HO CHI MINH CITY BRANCH	VIET NAM
NORTHERN BANK LIMITED (TRADING AS DANSKE BANK)	UNITED KINGDOM	WOORI BANK VIETNAM LIMITED	VIET NAM
DEUTSCHE BANK AG	UNITED KINGDOM	SOUTHEAST ASIA COMMERCIAL JOINT STOCK BANK	VIET NAM
EMIRATES NBD BANK (P.J.S.C)	UNITED KINGDOM	VIETNAM BANK FOR AGRICULTURE AND RURAL DEVELOPMENT	VIET NAM
SKANDINAVISKA ENSKILDA BANKEN LONDON	UNITED KINGDOM	VIETNAM PUBLIC JOINT STOCK COMMERCIAL BANK (PVCOMBANK)	VIET NAM
GULF INTERNATIONAL BANK B.S.C.	UNITED KINGDOM	SABA ISLAMIC BANK	YEMEN
HBL BANK UK LIMITED	UNITED KINGDOM	SHAMIL BANK OF YEMEN AND BAHRAIN	YEMEN
HSBC UK BANK PLC	UNITED KINGDOM	UNITED BANK LIMITED	YEMEN
HABIB BANK ZURICH PLC	UNITED KINGDOM		
WOORI BANK, LONDON	UNITED KINGDOM		
KEB HANA BANK	UNITED KINGDOM		
MIZUHO BANK, LTD. LONDON BRANCH	UNITED KINGDOM		

Branch Network

Alhamdulillah, Meezan Bank has established 760 branches in 223 cities across Pakistan. This is a milestone that is not only the success story of Meezan Bank but also the continuing success story of Islamic banking in Pakistan. With this extensive network, our existing and potential customers are now closer than ever in attaining Islamic banking at their doorstep. All branches provide real time online banking facilities to customers.

As the first and largest dedicated Islamic bank in Pakistan, Meezan Bank's team continues to build on its Vision of establishing 'Islamic banking as banking of first choice'. One of the key objectives of the Bank is to have its footprint strategically placed throughout the country enabling public to avail the benefits of Shariah-compliant banking in their neighbourhood.

The Bank presently operates in the following cities of Pakistan:

Abbottabad	Ghakhar Mandi	Kunri	Quetta
Abdul Hakeem	Ghotki	Lahore	Rahim Yar Khan
Ahmedpur East	Gilgit	Lalamusa	Raiwind
Alipur	Gojra	Lalian	Rajanpur
Alipur Chatha	Gujar Khan	Larkana	Rashidabad
Arifwala	Gujranwala	Layyah	Rawalakot
Athara Hazari	Gujrat	Liaquatpur	Rawalpindi
Attock	Hafizabad	Lodhran	Rawat
Badin	Hala	Loralai	Renala Khurd
Bahawalnagar	Harappa	Mailsi	Sadiqabad
Bahawalpur	Haripur	Malakwal	Sahiwal
Balakot	Haroonabad	Mamukanjan	Sakrand
Bannu	Hasilpur	Manawala	Sambrial
Batagram	Hassanabdal	Mandi Bahauddin	Samundri
Bhakkar	Haveli Lakha	Manga Mandi	Sanawan
Bhalwal	Havelian	Mansehra	Sanghar
Burewala	Hazro	Mardan	Sara-e-Alamgir
Chak Jhumra	Hub (Lasbela)	Matli	Sargodha
Chakwal	Hyderabad	Matta	Shahdadkot
Chamman	Islamabad	Mehar	Shahdadpur
Charsadda	Jacobabad	Mehrabpur	Shahkot
Chichawatni	Jahanian	Mian Channu	Shakargarh
Chillas	Jalalpur Jattan	Mianwali	Sharaqpur Sharif
Chiniot	Jampur	Minchinabad	Sheikhupura
Chishtian	Jand	Mirpur Azad Kashmir	Shikarpur
Chitral	Jaranwala	Mirpurkhas	Shinkari
Choa Saidan Shah	Jauharabad	Moro	Shorkot
Chowk Sarwar Shaheed	Jehangira	Multan	Shujabad
Chung	Jhang	Muridkay	Sialkot
Chunian	Jhelum	Muslim Bagh	Sillanwali
Dadu	Kabirwala	Muzaffarabad	Skardu
Dadyal	Kahrar Pakka	Muzaffargarh	Sukkur
Daharki	Kahuta	Nankana Sahib	Swabi
Dahranwala	Kamalia	Narowal	Swari
Dalowali	Kamar Mashani	Naushahro Feroz	Swat
Daska	Kamoki	Nawabshah	Talagang
Daultala	Karachi	Nowshera	Tando Adam
Daur	Karak	Oghi	Tando Allahyar
Depalpur	Kasur	Okara	Tando Mohammad Khan
Dera Ghazi Khan	Khairpur	Pabbi	Tank
Dera Ismail Khan	Khairpur Tamewali	Pakpattan	Tarlai
Digri	Khanbela	Panjgoor	Taunsa
Dijkot	Khanewal	Pano Akil	Taxila
Dina	Khanpur	Pasni	Thatta
Dinga	Khar	Pasrur	Timergara
Dukki	Kharian	Pattoki	Toba Tek Singh
Dunyapur	Khipro	Peshawar	Turbat
Ellahabad	Khushab	Phalia	Umerkot
Faisalabad	Khuzdar	Pind Dadan Khan	Vehari
Farooqabad	Kohat	Pindi Gheb	Wah Cantt
Fatehpur	Kot Addu	Pirmahal	Wazirabad
Fazilpur	Kot Chutta	Pishin	Yazman
Fort Abbas	Kot Ghulam Muhammad	Qalanderabad	Zafarwal
Gaggo Mandi	Kot Radha Kishan	Qazi Ahmed	Zahir Pir
Garha Morh	Kotla Arab Ali Khan	Qila Saifullah	Zhob
Gawadar	Kotli	Quaidabad	

For 2020, Meezan Bank has planned to expand its Branch Network by 110 branches countrywide. Meezan Bank's mission is to provide its customers dedicated and pure Islamic banking facilities with the greatest of convenience and personalized services. It remains the Bank's endeavour to establish solid foundations of Islamic banking in Pakistan.

Abbottabad

Abbottabad Branch

Plot No. 843-846, Mansehra Road,
Abbottabad
Tel: (92-992) 344701-3

Ayub Medical Complex Branch

Ayub Medical Complex Mirpur Branch
Abbottabad

City Abbottabad Branch

Jamal Building , Eidgah Road,
Abbottabad
Tel: (92-992) 341990-03

Nawan Shehr Branch

Mandi Ali Khan Baba, Murree Road
Nawan Shehr Abbottabad

Abdul Hakeem

Abdul Hakeem Branch

Khewat No.59/56, Khatooni No.200-210,
Kacha Khuh Road, Abdul Hakeem
Tel: (92-065) 2441151-3

Ahmedpur East

Ahmedpur East Branch

Property No. 338, Block-IV, Kutchery
Road, Ahmedpur East
Tel: (92-62) 2273261-2

Alipur

Alipur Branch

Khata No.230, Khasra No.13714, Ward
No.18, Near College Chowk, Multan
Road, Alipur
Tel: (92-066) 2700731-34

Alipur Chatha

Alipur Chatha Branch

Khewat No.743, Khatoni No.1129,
Khasra No.3577/1694, Alipur Chatha
Tel: (92-055) 6333405-6

Arifwala

Arifwala Branch

Shop No.68-69-A, Main City road,
Timber Market, Arifwala
Tel: (0457) 834502-3

Athara Hazari

Dargahi Shah Branch

Khatooni No.493, 505, Khewat No.121,
Layyah Road, Adjacent Siraj Sugar Mills,
Dargahi Shah, Tehsil Athara Hazari,
District Jhang

Attock

Attock Branch

G-4, Block G, Siddiqui Road, Attock City.
Tel: (92-57) 2700811-12

Badin

Badin Branch

Survey No.206, Ward No.4, Agro Dal
Area Civil Hospital Road, Badin

Bahawalnagar

Bahawalnagar Branch

Shop No. 12, Grain Market,
Minchanabad Road, Bahawalnagar
Tel: (92-63) 2271611-2

Bahawalnagar II Branch

Khewat No. 2276, Khatooni No. 2423,
Baldia Road, Bahawalnagar.

Bahawalpur

Airport Road Branch

Shop Nos.12-14, Airport Road,
Bahawalpur
Tel: (92-62) 2740635-7

Circular Road Branch

Circular Road, Near Milad chowk,
Bahawalpur
Tel: (92-62) 2732145-47

Dubai Chowk Branch

Property No. 209-CB, Ahmedpur East
Road, Near Dubai Chowk, Bahawalpur
Tel: (92-62) 2889417-18

Satellite Town Branch

Plot No. 20/D, Street No.30, One Unit
Chowk, Satellite Town, Bahawalpur
Tel: (92-62) 2285303-04, 2285306-07

Shahi Bazar Branch

Property No. 3 BIV-400 Zanana Hospital
Chowk Shahi Bazar, Bahawalpur.
Tel: (92-62) 2730042-43

Balakot

Balakot Branch

Khasra No. 3727/1882 Opposite Police
station, Naran Road,Balakot

Bannu

Bannu Branch

Property No. 322-D, 322-D/A, Outside
Qasayban Gate Hospital Road, Bannu
Tel: (92-928) 620841-3

Bannu II Branch

Khata No.332, Khasra No.2093, Moza
Fatima Khell, Salami Chowk, Dera Ismail
Khan Road Bannu
Tel: (92-928) 610341-3

Batagram

Batagram Branch

Khasra No. 3359/971 & 3360/971,
Kahata No. 880/1351 & 881/1351, Sultan
Market, Ajmeera, Batagram
Tel: (92-997) 310850-51

Batkhela

Batkhela Branch

Near Old Dir Adda Main Bazar Batkhela

Besham

Besham Branch

Main Bazar Besham

Burewala

Burewala Branch

Multan Road, Opp. College Road,
Burewala
Tel: (92-67) 3773751-4

Vehari Bazar Branch

Property 44 Block-F, Vehari Bazar,
Burewala.
Tel: (92-67) 3351112-13

Bhalwal

Bhalwal Branch

Property No. 941/935/20, Khewat
No.770, Khatooni No.791, Block-04,
Main Liaqat Shaheed Road, Bhalwal
Tel: (92-48) 6642383-4

Bhakkar

Bhakkar Branch

Plot No.203, Shops No.203/1, 203/2,
203/3, Jhang Road, Chisti Chowk,
Bhakkar

Chakwal

Chakwal Branch

B-VI/4-A, Bab-e-Chakwal, Talagang
Road, Chakwal
Tel: (92-543) 543381-4

Chak 77

Chak77 Branch

Khewat No.178, Khatooni No.3502, Chak
No.77 , Satyana Road, Faisalabad

Chak Jhumra

Chak Jhumra Branch

Plot No. 12/2, 13, 14/2, Ghalla Mandi,
Chak Jhumra, Faisalabad
Tel: (92-41) 8761173-4

Chamman

Chamman Branch

Khasra # 579-580 Jogi Ram Road,
Trunch Bazar, Chamman
Tel: (92 826) 618355

Charsadda

Mardan Road Charsadda Branch

Shop No. 286-287, Khata No.486, Sultan
Building, Main Mardan Road Charsadda
Tel: (92-91) 9220171-73

Shabqadar Branch

Khasra No.3976/339-340-401, Khata
No.656/1780, 663/1789, Shabqadar

Chichawatni

Chichawatni Branch

Property No. 278-279, Adjacent National
Saving Centre, G.T. Road, Chichawatni
Tel: (92-405) 487601-03

Chiniot

Sharah-e-Quaid-e-Azam Chiniot Branch

P-468, AI-469 II,
Shahrah-e-Quaid-e-Azam, Chiniot
Tel: (92-47) 6331103-4

Chishtian

Chishtian Branch

Plot No. 109, B- Block, Opposite Ghalla
Mandi Gate, Chishtian
Tel: (92-63) 2509301-2

Chitral

Chitral Branch

Ataleeq Bazar, Main By-Pass Road
Chitral

Chilas

Chilas Branch

Abu Bakar Siddique Chowk, Main Bazar
Chilas
Tel: (92-05812) 450673-74

Choa Saidan Shah

Choa Saidan Shah Branch

Khasra No.3125,5440/3124, Khewat
No.438/1295, 189/363, Chakwal Road,
Choa Saidan Shah
Tel: (92-543) 579108-9

Chowk Sarwar Shaheed

Chowk Sarwar Shaheed Branch

Khata No.18,Multan Road, Chowk
Sarwar Shaheed, Tehsil Kot Addu
District Muzaffargarh
Tel: (92-066) 2210117-19

Chunian

Chunian Branch

Khewat No.522, Khatooni No.4874,
Khasra No.6298/3284 & 6299/3284
Opposite Total Petrol Pump, Main
Changa Manga Road, Chunian
Tel: (92-049) 4530292-94

Chung

Chung Multan Road Branch

Main Stop Chung, Main Multan Road,
Chung, Lahore
Tel: (92-42) 35404761- 63

Dadu

Dadu Branch

Ground Floor, Nareja Shopping Centre,
Kutchery Chowk, Near College Road,
Dadu
Tel: (92-245) 710816-8

Dadyal

Dadyal Branch

Plot No. 313, Hussain Shopping Centre,
Main Bazar Dadyal, Mirpur Azad Kashmir
Tel: (92-5827) 465881-3

Daharki**Daharki Branch**

Survey No.446, Deh Daharki, Tappo
Daharki, Taluka Daharki
Tel: (92-723) 641385-7

Dahranwala**Main Highway Road Branch**

Khata No. 59/56, Khatooni No. 201, Main
Highway Road, Dahranwala
Tel: (92-063) 2440390

Dalowali**Dalowali Branch**

Khewat No.34, Khatooni No.77-83,
Dalowali Jammu Road Sialkot
Tel: (92-052) 3206033-5

Dargai**Main Bazar Branch**

Adjacent Shell Filling Station, Main
Bazar, Dargai, District Malakand

Darya Khan**Darya Khan Branch**

Mizail Chowk Tehsil Darya Khan District
Bhakkar

Daska**Circular Road Daska Branch**

Circular Road Daska
Tel: (92-52) 6612046-8

Daska Branch

Rest House Chowk, Gujranwala Road,
Daska
Tel: (92-52) 6612837-41

Daultala**Daultala Branch**

Khatooni No.3044,3416-3418, Main
Road, Daultala

Daur**Daur Branch**

Plot No. 41, Ali Abad Daur
Tel: (92 44) 325064-325066

Depalpur**Depalpur Branch**

Khewat No. 2100/2053, Khatooni No.
3159, Kutchery Road Depalpur
Tel: (92 44) 4544550-51

Dera Ghazi Khan**Dera Ghazi Khan Branch**

Jampur Road, Dera Ghazi Khan
Tel: (92-64) 2474255-7

Dera Ghazi Khan III Branch

Kalma Chowk Azmat Road
Dera Ghazi Khan

Sangham Chowk D.G Khan Branch

Khata No 711, Khasra No 91/12/3,
Mauza Gadai Shumali, Sangham Chowk,
Dera Ghazi Khan
Tel: (92-64) 2460613-15

Dera Ismail Khan**Dera Ismail Khan Branch**

Plot No.04. Shops No. 168-170. Circular
Road Bazar Area cantt Dera Ismail Khan.
Tel: (92-966) 717257-8

Digri**Digri Branch**

Survey No. 413, Ward No.B, Tando
Ghulam Ali Road, Digri
Tel: (92-233) 870213-16

Dijkot**Samundri Road Dijkot Branch**

Killa No.3/8/1, Chack No.263 Main
Samundri Road, Dijkot

Dina**Dina Branch**

Al-Bilal Shopping Centre, Main Chowk,
G.T. Road, Dina, Distt. Jhelum
Tel: (92-544) 636119-21

Dinga**Dinga Branch**

Khewat No.1246, Khatooni No.2599,
Khasara # 4165 Fowara Chowk Kharian
Road Dinga
Tel: (053) 7401692-94

Dukki**Dukki Branch**

Plot No.329, Nana Sahab, Ziarat Road,
Dukki
Tel: (92-824) 666013

Dunyapur**Dunyapur Branch**

Khewat No. 189, 225 Khatooni No. 516,
517 Dokota Road Dunyapur
Tel: (92-60) 8304118-19

Ellahabad**Ellahabad Branch**

Khewat No.443, Khatooni No.707-740,
Main Depalpur Road, Ellahabad, Tehsil
Chunian, District Kasur
Tel: (92-49) 4751371-73

Faisalabad**Bilal Gunj Market Branch**

P-1154, Islam Nagar, Bilal Gunj Market,
Sargodha Road, Faisalabad
Tel: (92-41) 8784051-53

Bhowana Bazar Branch

150-D. Main Bhowana Bazar, Faisalabad
Tel: (92-41) 2633042-4

Canal Road Branch

P-404, 405, Amin Town, Near Kashmir
Bridge, West Canal Road, Faisalabad
Tel: (92-41) 8505438-40

Circular Road Branch

Shop # 6,7,8, Jinnah Market, Circular
Road, Faisalabad.
Tel: (92-41) 2628161-63

Civil Lines Branch

Plot No. 17/K, Civil Lines, Bilal Road,
Faisalabad
Tel: (92-41) 2603471-473

Clock Tower Branch

P-175, Clock Tower, Karkhana Bazar,
Faisalabad
Tel: (92-41) 2606085-7

D-Type Colony Branch

P-755-756, Bukhari Chowk, D-Type
Colony, Faisalabad
Tel: (92-41) 2668806-07

Dijkot Road Branch

Shop # 85, Dijkot Road, Adjacent to
Grain Market, Faisalabad
Tel: (92-41) 2416141-3

Eden Square Branch

Property Unit No. P-50, opposite Hassan
Villas, Chak 208 Road, Eden Square
Faisalabad

Fawara Chowk Faisalabad Branch

301-A, Nalka Stop, Main Road, Peoples
Colony No. 2, Fawara Chowk Faisalabad
Tel: (92-41) 8710523-24

Ghulam Muhammad Abad Branch

P-317, Alaf Sani Chowk, Main Saddar
Bazar, Ghulam Muhammad Abad,
Faisalabad
Tel: (92-41) 2694381- 83

Gole Cloth Katchery Bazar Branch

P-54 Gole Cloth, Katchery Bazar,
Faisalabad
Tel: (92-41) 2610373-4

Gulberg Branch

P-307-A, Gulberg Colony, Main Bazar,
Faisalabad
Tel: (92-41) 2541611-13

Hajiabad Branch

Plot No. P-409, Main Sheikhpura Road
Hajiabad Faisalabad
Tel: (92-41) 8846181-83

Jail Road Branch

Plot No.17-B, Jail Road, Faisalabad
Tel: (92-41) 111 852 852

Jaranwala Road Branch

Property No.P-1, Near Hassan Park,
Corner Farid Road, Main Jaranwala
Road, Faisalabad
Tel: (92-41) 2428241-43

Jhang Road Branch

Plot No. S-29-30, Near Ayub Colony,
Opposite Motor Market, Jhang Road,
Faisalabad
Tel: (92-41) 2650854-6

Kotwali Road Branch

P-66, Kotwali Road Faisalabad
Tel: (92-41) 2602586-8

Liaqat Abad Branch

Plot-8/75, Khatooni No.15009, Khewat
No.12469, Main ABC Road Liaqat Abad,
Faisalabad
Tel: (92-41) 2551561-3

Madina Town Susan Road Branch

Plot No. 98/23, Madina Town, Susan
Road, Faisalabad
Tel: (92-41) 8557141-3

Mansoorabad Branch

Plot No. P-1224 Corner Dipu Bazar, Main
Jhumra Road, Mansoorabad, Faisalabad
Tel: (92-41) 8734400-02

Millat Chowk Branch

B-165, Gulistan colony #2, Millat Chowk
Faisalabad
Tel: (92-41) 8784346-47

Peoples Colony Branch

Plot No 144-C/3, Peoples Colony no 1,
Main Jaranwala Road, Faisalabad
Tel: (92-41) 8555002-4

PMC Branch Branch

P-1, Allied Moor, Opposite Punjab
Medical College, Jail Road, Faisalabad.
Tel: (92-41) 8781381-83

Sadhar Branch

Khasra No.20/5/1, Chak No.67-JB, Main
Sadhar, Jhang Road, Faisalabad
Tel: (92-41) 2519120-22

Saleemi Chowk Branch

Property No. 907-B2 / 907-B3, Block B,
Peoples Colony No. 1, Saleemi Chowk
Faisalabad
Tel: (92-41) 8711961-63

Samanabad Branch

Plot No. P-178/1 A, Main Road,
Samanabad, Faisalabad
Tel: (92-41) 2663840-2

Sargodha Road Branch

Plot No. 654-656, Near Hafeez Plaza, Ali
Town Sargodha Road, Faisalabad
Tel: (92-41) 8785151-3

Satyana Road Branch

718-I, Batala Colony Main Satyana Road
Faisalabad
Tel: (92-41) 8500719-20

Serena Hotel Branch

Serena Hotel, Club Road, Faisalabad
Tel: (92-41) 2602595-7

Tata Market Branch

Chak No. 212-RB Main Road, Factory
Area, Opposite Madina Centre, Tata
Market, Faisalabad
Tel: (92-41) 2417555-7

Yarn Market Branch
P-180, Yarn Market, Montgomery Bazar,
Faisalabad
Tel: (92-41) 2541501-03

Fatehpur
Fatehpur Branch
Khewat No.14, Karor Lal Eisan Road,
Fatehpur
Tel: (92-0606) 841135-37

Fazilpur
Fazilpur Branch
Khata No.18, Mauza 571/TDA, Rajanpur
Road, Fazilpur, Tehsil & District Rajanpur

Farooqabad
Farooqabad Branch
Plot No. B1-S3-16, Chowk Mirza Abdul
Ghafoor, Farooqabad.
Tel: (92-056) 3875821

Fort Abbas
Fort Abbas Branch
Khewat No.347/348, Khatooni No.347,
Qasba Mandi, Zia-ul-Haq Shaheed Road
Fort Abbas
Tel: (92-063) 2510584-85

Gaggo Mandi
Gaggo Mandi Branch
Khasra No.59/3, Khewat No. 56/52,
Khatooni No. 218, Opposite Grain
Market, Sheikh Fazal Road, Gaggo
Mandi
Tel: (92-067) 3500574-75

Garha Morh
Garha Morh Branch
Khata No.35/37, Khatooni No.146-147,
Multan Road Adda Garha Morh, District
Vehari
Tel: (92-067) 3690212-3

Gwadar
Airport Road Gwadar Branch
Khasra No.575,593-596, Khewat No.202,
Airport Road Gawadar.
Tel: (92-86) 4210124-25

Ghakhar Mandi
Ghakhar Mandi Branch
Khewat No.1959, Khatooni No.2726, G. T
Road Ghakhar Mandi
Tel: (92-055) 3832743-744

Ghotki
Ghotki Branch
Survey No.10, Deh Odharwali Tappo
Ghotki
Tel: (92-0723) 600134-36

Gilgit
Gilgit Branch
Shop No. 433/102, Northern Light
Infantry, Welfare Complex Gilgit Baltistan
Tel: (92-0581) 458039-41

Gojra
Gojra Branch
Al Khalid Shopping Centre, Opposite
Surayya Hospital, Tehsil Office Road,
Gojra
Tel: (92-46) 3516272-3

Gujar Khan
Gujar Khan Branch
B-III, 215-E, G.T. Road, Gujar Khan
Tel: (92-51) 3515679-83

Gujranwala
Awan Chowk Branch
Pindi Bypass Road, Awan Chowk,
Gujranwala
Tel: (92-55) 3412251-53

Citi Housing Society Gujranwala Branch
Plot No.31, Block PH-1-C, Phase-1, Citi
Housing Society, Gujranwala
Tel: (92-55) 4287480-1

Dal Bazar Branch
Property No. BII-19S-31, Near Chowk
Chashma, Dal Bazar, Gujranwala
Tel: (92-55) 4227592-6

D.C Colony Branch
Shops No.UG-08 - UG-11, Commercial
Centre, Ravi Block, PGECHS, D.C
Colony, Gujranwala
Tel: (92-55) 3782805-07

D.C Road Branch
Khewat No.391, Khatooni No.407,
Khasra No.970, D.C Road, Gujranwala
Tel: (92-55) 3848019-21

Fareed Town Branch
Khewat No.768, Khatooni No.932,
Khasra No.2400/1191, Chacheryali, Near
Petroleum Chowki, Fareed Town,
Gujranwala
Tel: (92-55) 3826523-25

Garden Town Gujranwala Branch
Plot No.17G/C, Phase-II, Garden Town
Gujranwala
Tel: (92-55) 3894493-5

Gondlanwala Road Gujranwala Branch
Khewat No.76, Khatooni No.79, Khasra
No.7818, Gondlanwala Road Gujranwala
Tel: (92-55) 3842303-05

G.T Road Gujranwala Branch
Khasra No.2503, Khewat No.2925,
Khatooni No.3341, G.T Road,
Gujranwala
Tel: (92-55) 4242717

G.T Road Rahwali Branch
Khewat No.637, Khatooni No.1023,
Mohallah Shareef Pura, G.T Road
Rahwali, Gujranwala Cantt
Tel: (92-55) 3828543-44

Hafizabad Road Branch
Khewat # 2116, Khatooni # 2352, Khasra
20, Mohallah Baghbanpura, Hafizabad
Road Gujranwala
Tel: (92-55) 4442104-06

Kashmir Plaza Branch
Kashmir Plaza, Near Ghalla Mandi G.T
Road, Gujranwala
Tel: (92-55) 3847205-8

Master City Branch
Plot No.159 / COM, Block C, Sector
Azka, Master City, Gujranwala

Model Town Gujranwala Branch
Property No.BXIV-18AS-18/A, Waqia Plot
No.1-L/B, Model Town Gujranwala
Tel: (92-55) 3857314-16

More Eminabad Branch
Khasra No.1282, Khatooni No.8-17, G.T
Road, More Eminabad, Gujranwala
Tel: (92-55) 3261180-82

Peoples Colony Branch
13-Y/ 7-SITE-1, Peoples Colony
Gujranwala
Tel: (92-55) 4240571-3

Outside Khiali Gate Branch
Khasra No.7854-58/2211, Outside Khiali
Gate, Gujranwala

Qila Didar Singh Branch
Khasra No.4215 / 184 , Khatooni
No.1736, Khewat No.1394, Mohallah
Qasurian, Moza Qila Didar Singh, Tehsil
& District Gujranwala
Tel: (92-55) 4711103-5

Shaheenabad Branch
Near Gulshan-e-Iqbal Park, GT Road,
Gujranwala
Tel: (92-55) 3252041-43

Sheikhupura Road Branch
Khewat No. 42, Khatooni No. 43, Khasra
No. 182, Mian Sansi, Sheikhupura Road
Gujranwala
Tel: (92-55) 4233981-83

Satellite Town Gujranwala Branch
Plot No.40-A, Nursery Chowk, Satellite
Town, Gujranwala
Tel: (92-55) 3847191-3

Sialkot Road Branch
Khewat No. 517, Khatooni No. 632,
Khasra No. 227, Wania More, Sialkot
Road Gujranwala
Tel: (92-55) 3200102-04

Wapda Town Gujranwala Branch
Block No.13, Wapda Town, Gujranwala
Tel: (92-55) 4283902-5

Gujrat
Chowk Pakistan Branch
Property No. B-II 849-850, Chowk
Pakistan, Circular Road, Gujrat
Tel: (92-53) 3522352-4

Gujrat Branch
Amin Fan Building, G.T Road, Gujrat
Tel: (92-53) 3538104-7

Kutchery Chowk Branch
B-1/92, Opposite Bar Room, Kutchery
Chowk, Gujrat
Tel: (92-53) 3600751-753

Gulyana
Gulyana Branch
Khewat No.51, Khatooni No.117-135,
Mohal Tibbi Zinda Gulyana, Tehsil
Kharian, District Gujrat
Tel: (92-53) 7578112 - 114

Hafizabad
Hafizabad Branch
Sagar Road Branch, Hafizabad
Tel: (92-54) 7540811-2

Hala
Hala Branch
Survey No.1406/29, Ward B, National
Highway Hala, District Matari
Tel: (92-022) 3331375

Hangu
Hangu Branch
Khatooni No.5872-5873, Mouza Hangu,
Tehsil & District Hangu

Harappa
Harappa Branch
Khewat No.139/137, Khatooni No.319,
Nai Wala Road, Harappa
Tel: (92-40) 4504306-07

Haripur
Haripur Branch
Gul & Sons Plaza G T Road Haripur
Tel: (92-995) 627250-3

Khalabat Township Branch
Plot No.250, Commitie Chowk Sector-4
Near Main Chowk, Khalabat Township

Main Bazar Branch
Circular Road Opp Choki Police Haripur.
Tel: (92-995) 615103, 615322, 615323

Haroonabad
Haroonabad Branch
14-C, Grain Market, Haroonabad
Tel: (92-63) 2251751-2

Hazro
Hazro Branch
Khasra No.562, 564, Moza Pirdad,
Zia ul Haq Shaheed Road, Hazro
Tel: (92-057) 2310645

Hassanabdal
Hassanabdal Branch
Khewat No.1756, Khatooni No.2201,
Khasra No.1956 Near Bus Stand Main
G.T Road Hassanabdal
Tel: (92-057) 2520708-711

Hasilpur
Hasilpur Branch
68/B, Baldia Road, Hasilpur
Tel: (92-62) 2443300-1

Havelian
Havelian Branch
Near Old TMA Office, Main Bazar
Havelian,
Distt. Abbottabad
Tel: (92-992) 811501-3

Haveli Lakha
Haveli Lakha Branch
Khewat No. 697/695, Khatooni No. 1065,
Pakpattan Road, Near Grain Market,
Haveli Lakha.

Hub (Lasbela)
Hub Chowki Branch
Hub City, District Lasbela, Balochistan
Tel: (92-853) 310252-3

Hyderabad
Auto Bhan Branch
Shop No 6 & 7, Boulevard Enclave Auto
Bhan Road Latifabad No. 3, Hyderabad
Tel: (92-22) 3821291-8

Citizen Colony Branch
Shop No.1-4, Citizen Plaza, Citizen
Colony, Jamshoro Road, Hyderabad
Tel: (92-22)2100904-8

Cloth Market Branch
C/916/918, Guru Nagar, Hyderabad
Tel: (92-22) 2621341-2

Defence Branch
Shop No. 07, 08 ,09, Block A, Defence
Plaza, Thandi Sarak, Hyderabad

Gari Khata Branch
City Survey No. F/1054,
Ward - F, Gari Khata, Hyderabad
Tel: (92-22) 2725671-2

Hyderabad Branch
Saddar Bazar Cantonment, Hyderabad
Tel: (92-22) 2782772

Latifabad Branch
3/D Commercial Area, Latifabad No. 7,
Hyderabad
Tel: (92-22) 3866964-5

Latifabad-II Branch
Plot No. A/53 Block-B, Unit No. 05, Shah
Latifabad, Hyderabad
Tel: (92-22) 3864281-84

Market Road Branch
Market Road Hyderabad, Survey No.
2669, 2669/1, Ward-A, Market Road,
Hyderabad
Tel: (92-22) 2638362-6

Qasimabad Branch
Plot No. QEA/R-6/03-4,11-12,
Housing Scheme No. 1, Main Road
Qasimabad, Hyderabad
Tel: (92-22) 2670511-5

SITE Hyderabad Branch
Plot No. A/3, Fateh Chowk, SITE Area,
Hyderabad
Tel: (92-22) 3880202-03

Station Road Branch
Shop No.F-438/2, F-438/3, Ward "F",
Station Road, Hyderabad
Tel: (92-22) 2729791-94

Islamabad
Aabpara Branch
Plot No. Ramna 6/1-4, Aabpara Market,
Sector G-6, Islamabad
Tel: (92-51) 2603061-4

Bahria Enclave Branch
Plot No. 10 – A , Al-Sultan Arcade Main
Enclave Avenue, Bahria Enclave
Islamabad
Tel: (92-51) 5191801-2

Bani Gala Branch
Khasra No. 631-632, Khewat No. 504,
Sadaat Market, Main Bazar Bani Gala
Islamabad
Tel: (92-51) 2612790-92

Barakahu Branch
Fazal ul Haq Plaza, Main Murree Road,
Baharakahu, Islamabad
Tel: (92-51) 2232881-2

B-17 Islambad Branch
Mumtaz Plaza Plot No. 43 Commercial
Area Sector B-17 Block B, Multi
Gardens, Main G.T Road Islamabad
Tel: (92-51) 5203240-3

DHA Phase II Branch
Plot No. 7, Sector A, Near Gate No-3,
Kalsum Plaza, DHA Phase-II, Islamabad
Tel: (92-51) 5161562-4

D-12 Markaz Islamabad Branch
Plot No. 10, Shop No. 21-25, AIMS
Arcade, D-12 Markaz, Islamabad
Tel: (92-51) 2706682-4

D-17 Islamabad Branch
Plot No.A-1, Shop Nos.G 01-04, 06, 24,
Prime Arcade Main Markaz Margalla
View Housing Society, D-17/2 Islamabad
Tel: (92-51) 2229996-98

E-11 Markaz Branch
Plot No. 02, 03, 04, Square Eleven Plaza,
Islamabad Garden Phase II, Sector
E-11/1 Islamabad.
Tel: (92-51) 2305691-92

F-6 Markaz Branch
Ground & First Floor, Sethi Plaza, Super
Market, F-6 Markaz, Islamabad
Tel: (92-51) 2601791-5

F-7 Jinnah Super Market Branch
Unit No. 14, Plot No. 12-B, F-7 Markaz,
Jinnah Super Market, Islamabad
Tel: (92-51) 2655001-4

F-8 Branch
Panther Plaza, F-8 Markaz, Islamabad
Tel: (92-51) 2817403-5

F-10 Markaz Branch
Plot No. 2-F, F-10 Markaz, Islamabad
Tel: (92-51) 2112762-3

F-11 Branch
Shops No. 2, 3, 9, 10,11 & 12, Ground
Floor, Sardar Arcade, F-11 Markaz,
Islamabad
Tel: (92-51) 2228384-5, 2228388-9

G-8 Branch
Plot No. 40-A , I & T Centre, Jhelum
Road , G – 8/1 , Islamabad.
Tel:(92-51) 2261040 - 41

G-9 Markaz Branch
21-B, G-9 Markaz, Islamabad
Tel: (92-51) 2285849-51

G-10 Markaz Islamabad Branch
Plot No.20-E, G-10 Markaz, Islamabad
Tel: (92-51) 2351953-4

G-11 Branch
Plot No.15, Penorama Arcade,
G-11 Markaz, Islamabad
Tel: (92-51) 2830513-6

G-13 Branch
Plot No 2-A , Qaiser Wasim Plaza, G-13
Markaz, Islamabad
Tel:(92-51)2285849 – 50

G-15 Markaz Branch
Plot No. 18 , Family Plaza, Jammu &
Kashmir Housing Society, G-15 Markaz
Islamabad
Tel: (92-51)2328317-8

Ghouri Town Branch
Plot No. 11-12 Sadiq Center Phase V-A
Ghouri Town Islamabad
Tel: (92-51) 2157680-83

G.T Road Humak Branch
Khasra No.3102, Chaudhry Plaza ,
Adjacent Amazon Mall, G.T Road
Humak, Islamabad
Tel: (92-51) 5560237-38

Jinnah Garden Branch
Plot No.15-16, Twin Tower, Jinnah
Commercial Centre-1 , Naval Anchorage
Road, Main Gate Jinnah Garden,
Islamabad
Tel: (92-51) 5959977-78

Islamabad Stock Exchange Branch
Room No. 218, 2nd Floor, 55-B,
Islamabad Stock Exchange Towers,
Jinnah Avenue, Islamabad
Tel: (92-51) 2894671-4

Jinnah Super Branch
Plot # Q-13, College Road F-7 Jinnah
Super Market Islamabad
Tel: (92-51) 2656501-5

I-8 Branch
Plot No. 25, VIP Square, I-8 Markaz,
Islamabad
Tel: (92-51) 4861389-92

I-9 Branch
Plot No. 2/A, Industrial Area, I-9,
Islamabad
Tel: (92-51) 4859644-7

I-10 Branch
Shop No. 7-10, Ahmadal Plaza, Plot No.
3-I, Sector I-10 Markaz, Islamabad
Tel: (92-51) 4432711-3

I-11 Sabzi Mandi Branch
Plot No.189/A, Sabzi Mandi, I-11,
Islamabad
Tel: (92-51) 4100637-40

Jinnah Avenue Branch
Plot No. 37-B, Tahir Plaza, Jinnah
Avenue, Blue Area, Islamabad
Tel: (92-51) 2276712-5, 2801112-5

Naval Complex E-8 Branch
Naval Shopping Centre, Naval Complex,
E-8, Islamabad
Tel: (92-51) 2261192-93

PWD Branch
Plot No. 786-G, Block-C, Pakistan PWD
Employees Co-operative Housing
Society, Lohi Bher, Islamabad
Tel: (92-51) 5170756-8

Soan Garden Branch
Plot No. SC-17, Iftikhar Shopping Mall,
Main Double Road, Soan Garden
Islamabad
Tel: (92-51) 5739501 - 2

74-E Blue Area Branch
Unit No. 03-04 , Plot No.74-East Ajaib
Plaza, Blue Area Islamabad
Tel: (92-51) 2605693-97

Jand
Jand Branch
Khewat # 122, Khata 142, Khasra # 15989/11409, Tehsil Jand, District Attock
Jand
Tel: (92-057) 2621405-7

Jacobabad
Jacobabad Branch
Survey No.764/1, Old College Road Ward No.02, Jacobabad
Tel: (92-0722) 650276-78

Jahanian
Main Bazar Jahanian Branch
Khewat No. 71, Khatooni No. 73, Khasra No. 139, Main Bazar Jahanian

Jehangira
Jehangira Branch
Khata No.121/126 Khasra No.896/629/2 Moza Dheri Khattak , G.T Road
Jehangira

Jalalpur Jattan
Circular Road Branch
Khewat No.1729/1730 Khatooni No. 2355-2358 2359-2362, Circular Road, Jalalpur Jattan
Tel: (92 53) 3430313-5

Jampur
Jampur Branch
Indus Highway, Dera Road, Opposite Nadra Office, Jampur
Tel: (92-604) 569446-8

Jaranwala
Jaranwala Branch
P-92, Main Hassan Road, Jaranwala City
Tel: (92-041) 4312084-85-86

Jauharabad
Jauharabad Branch
Plot No.191, Khewat No.681, Khatooni No.1101, Block No.14, Main Bazar Jauharabad
Tel: (0454) 720683-84

Jhang
Rail Bazar Chowk Branch
P-864, Block-9, Circular Road, Rail Bazar Chowk, Jhang
Tel: (92-47) 7652203-4

Yousaf Shah Road Branch
Khata # 709 Civil Station Near Katachery Chowk Yousaf Shah Road Tehsil and District Jhang
Tel: (92-47) 7652101-104

Jhelum
G.T Road Jada Branch
Khatooni No.996, Main G.T Road Jada, Jhelum
Tel: (92-054) 4273427-8

Jhelum Branch
B-VI-24-S-II, Mehar Plaza, Civil Lines, Jhelum
Tel: (92-544) 611751-5

Kabirwala
Adda 8 Kasi Branch
Khewat No.62/61, Khatooni No.223, Adda 8 Kasi Multan Road, Tehsil Kabirwala, District Khanewal

Kabirwala Branch
Property No. 162, Khanewal Road, Opposite PSO Petrol Pump, Kabirwala
Tel: (92-65) 2400721-3

Kahrora Pakka
Kahrora Pakka Branch
Plot No.107/C/4, Khewat No.27, Dunya Pur Road, Kahrora Pakka, District Lodhran
Tel: (92-608) 341016-17

Kamoki
G.T Road Kamoki Branch
Main G.T Road, Kamoki
Tel: (92-55) 6810351-3

Kamar Mashani
Kamar Mashani Branch
Khewat No. 936/915, Khatooni Nos. 1974-1976, Mohalla Sodhri, Kamar Mashani, Tehsil Esa Khel, District Mianwali
Tel: (92-045) 9397081-2

Kameer
Adda Kameer Branch
Khewat No.80/78, Khatooni No.409, 120/9L, Adda Kameer

Kandhkot
Kandhkot City Branch
Survey No.168/01-24, Main Shikarpur Road Near Ghanta Ghar Chowk, Taluka Kandhkot District Kashmir

Kandiaro
Kandiaro Branch
Survey No. 701 situated at Hospital road Kandiaro, Deh Kandiaro District Naushahro Feroz

Karachi
4K Chowrangi
Plot No.SA- 7 Sector No. 5-H, 4K Chowrangi North Karachi
Tel: (92-21) 36836876-9

26 Street DHA Karachi Branch
Plot # 15-C, Badar Commercial Street No. 1, D.H.A Phase V, Karachi,
Tel: (92-21) 35161361-65

Abdullah Haroon Road Branch
S/1, Plot No. P.R 2/31/5, Preedy Quarters, Abdullah Haroon Road, Karachi
Tel: (92-21) 32700143-5

Abul Hasan Isphani Road Branch
Plot No. 25-A, Main Abul Hasan Isphani Road, Azeem Khan Goth, Gulshan-e-Iqbal, Block 4-A, Karachi
Tel: (92-21) 34810729-32

Alaska Residency Branch
Shop Number 11-13 Plot No.A, K.D.A Scheme No.33 Safara Goth Scheme-33, Gulistan-e-Johar Karachi

Al-Hilal Society Branch
Nafees Arcade, Plot No. SC-14, Chandni Chowk, KDA Scheme No.7, Main University Road, Karachi
Tel: (92-21) 34124111-5

Al-Tijarah Centre Branch
S-8, Ground Floor, Al-Tijarah Centre, Block-6, PECHS, Shahrah-e-Faisal, Karachi
Tel: (92-21) 34169030-4

Alamgir Road Branch
Plot No. Z-484, Block No-3, Bhadr Yar Jang Co-operative Housing Society, Alamgir Road, Karachi
Tel: (92-21) 34140968

Allama Iqbal Road Branch
Plot No. 830-C, Central Commercial Area, Block 2, PECHS, Allama Iqbal Road, Karachi
Tel: (92-21) 34373263

Azam Town Branch
Old Plot No. 2209/A, New No R-2889/A Street No. 8 Azam Town, Karachi

Azeem Pura Branch
CB-11/18 ,CB11/19, Survey No.330, Main Azeem pura Road, Shah Faisal Colony Karachi
Tel: (92-21) 34683811-4

Azizabad Branch
Shop Nos. S-3, S-4, S-5, S-6, Plot No.CS-54, Azizabad, Block 7, Federal B Area, KDA Scheme No.16, Karachi
Tel: (92-21) 36376211-15

Babar Market Landhi Branch
2-A/167,168 & 169, Babar Market, Landhi Township, Karachi
Tel: (92-21) 35011071-5

Bahria Town Branch
Shop No. 07, Plot Old Customer support centre, Bahria Town Karachi, Main super highway Karachi, Pakistan.
Cell: 0304 1927363 - 64 0304-0920612

Bahadurabad Branch
Plot No.28, Adam Arcade, Bihar Muslim co-operative Housing Society, Bahadurabad Karachi
Tel: (92-21) 34145018-21

Baitul Mukkaram Masjid Branch
Shop No. S-3, S-4, Yasir Apartments,FL-6,Block No. 16, Gulshan-e-Iqbal, Karachi
Tel: (92-21) 34839021-3

Baitus Salam Branch
Plot # 22-C, Commercial Street No.03, Baitus Salam DHA Phase-IV, Karachi
Tel: (92-21) 35805181-85

Baldia Town No.9 Branch
Plot No.ST-21, Saeedabad, Baldia Town No.9, Karachi
Tel: (92-21) 32819106-10

Banaras Branch
Plot No.3, Bacha Khan Chowk Karachi
Tel: (92-21) 36414571-4

Baradari North Karachi Branch
Plot No A-45, Sector 11-B, North Karachi Township, Karachi
Tel: (92-21) 36900930-34

Barkat-e-Hyderi Branch
D-10, Block-H, Scheme No 2, North Nazimabad, Karachi
Tel: (92-21) 36705073-159 162-146-194-215

Beaumont Plaza Branch
Plot No.4, Shop No.7 & 8, Beaumont Road, Civil Lines Quarters, Karachi
Tel: (92-21) 35642370-74

Belle View Towers Branch
Shop No.2, Ground Floor, Belle View Towers, Nishtar Road Garden East Quarters, Karachi
Tel: (92-21) 32244578-79-80-81-82-83

Bhittai Colony Korangi Branch
Plot No.395, Block "A", Bhittai Colony, Korangi, Karachi
Tel: (92-21) 3515-1741-45

Bilawal Chowk Branch
Plot No. Commercial 7/1, Green Belt Residency, Shop No 4 & 5, Block 2 , Scheme 5, Clifton Karachi
Tel: (92-21) 35830628,729,1448, 2083

Bin Qasim National Highway Branch
Survey # 435, Deh Landhi, Taluka Bin Qasim town, Karachi
Tel: (92-21) 35012365, 35012376

Block-4 Clifton Branch
Plot No. COM-2/A, Block 4, Scheme No. 5, Kehkashan, Clifton, Karachi
Tel: (92-21) 35879531-35

Block-A North Nazimabad Branch
Plot No. SD-1, Block A, KDA Scheme No. 2, North Nazimabad, Karachi
Tel: (92-21) 36722430-4

Block-E North Nazimabad Branch
Plot No.ST-4, Shop # A/D-66 & 67, Block "E" Hyderi, North Nazimabad, Karachi
Tel: (92-21) 36724294-96

Block-F North Nazimabad Branch
Shop # 9,10,11 & 12 Sub-Plot # SC14-3 Plot No SC-14,Block -F, KDA Scheme No. 2 ,Samar Residency North Nazimabad Karachi
Tel: (92-21) 36723549-554

Block L North Nazimabad Branch
Showroom No.G-3 & G-4, Plot No.B-74, Block – L, North Nazimabad, Karachi
Tel: (92-21) 36620080-084

Block-18, Gulistan-e-Jauhar Branch
Rufi Lacks Drive, Unit No. 34 & 35, Perfume Chowk, Block-18, Gulistan-e-Jauhar, Karachi
Tel: (92-21) 34198130-134

Block-3 A Gulistan-e-Jauhar Branch
Palm Residency, Unit # 01, Block- 3A, Kamran Chowrangi, KDA Scheme-36, Gulistan-e-Jauhar
Tel: (92-21) 34161921-25

Boat Basin Branch
Shop No. 40-43, Commercial Sub Plot No. FL-7/C4 of Plot No. 7, Block No. 5, Clifton, Karachi
Tel: (92-21) 35870697-8

Bohrapir Branch
Ranchore Quarter, Prince Street, Bohrapir, Karachi
Tel: (92-21) 32712915-8, 32712909

Boulton Market Branch
Plot No. 8-9/D-I, Serai Quarters, Boulton Market, M.A. Jinnah Road, Karachi
Tel: (92-21) 32467811-5

Bombay Bazar Branch
Shop No G-2, survey No 7, Sheet No. B.R.03 (Old No.A-15/10, Bunder Quarters, Karachi)
Tel: (92-21) 32468701-05

Buffer Zone Branch
R-914, Sector-15-A/1, Buffer Zone, North Karachi, Karachi
Tel: (92-21) 36965851-5

Cattle Colony Landhi Branch
Plot No. 45/B, Cattle Colony Landhi, Karachi
Tel: (92-21) 35135-181- 85

Cause Way Branch
Plot No.H-3/A, Sector 5, Cause Way, Korangi Industrial Area Karachi
Tel: 0305-2236983, 0305-2236698

Chakiwara Branch
Survey No.24, Sheet No.LY 45 Opposite Saify Park, Lyari Quarters, Chakiwara, Karachi
Tel: (92-21) 32530941

Commercial Avenue Phase VII DHA Branch
Plot No.33-D, Khy-e-Sehar Lane 4, Commercial Avenue, Phase VII, D.H.A, Karachi
Tel: (92-21) 35171201-05

Coral Towers Emaar Branch
Coral Towers, Crescent Bay, Abdul Sattar Edhi Avenue, DHA Phase VIII, Karachi

Chawla Market Nazimabad No.1 Branch
Shop No.1-4, Bukshi Residency, Plot No.3, Sub-Block-K, Chawla Market Nazimabad No.1, Karachi

Clifton Branch
Shop # 5, 6, Ground Floor, Al-Karam Centre, BC1, Block-7, Main Clifton Road,Clifton, Karachi, Add Space Shop # 4, Plot # BC 2, Block 7 Clifton, Kararachi
Tel: (92-21) 35372060-64

Cloth Market Branch
Shop # 14, Ground Floor, Atique Market, Survey No.1-2, Survey Sheet B.R.2, Bunder Quarters, Karachi
Tel: (92-21) 32418137-39

Darakhshan Society Malir Branch
Plot No. A-16/1, Darakhshan Society, Malir Township, Karachi
Tel: (92-21) 34492788, 34493005

Denso Hall Branch
Plot No. 21 Ward No. W-07, Denso Hall M.A. Jinnah Rood Karachi
Tel: (92-21) 32776731-5

DHA Phase II Extension Branch
C-69 & C-71, 12th Commercial Street, Phase-II (Extension), DHA, Karachi
Tel: (92-21) 35311953-8

DHA Phase I Branch
Ground Floor, Plot No. 119, DHA Phase I, Korangi Road, Karachi
Tel: (92-21) 35396854-8

DHA IV Branch
Plot No 78, 10th, Commercial Street, Phase IV, DHA, Karachi
Tel: (92-21) 35314861-4

Dhorajee Branch
Plot # 355, C.P & Berar Co-operative Housing Society Block-7/8, Karachi
Tel: (92-21) 34860861-4

Drigh Road Branch
Plot No.26/183 Drigh Road Cantt Bazar Faisal Base, Karachi
Tel: (92-21) 34687172-76

Do Talwar Clifton Branch
The Plaza Plot No.G-7, Showroom No. 24, 25, 26,27, KDA Scheme 5, Clifton Do Talwar Block-9, Karachi
Tel: (92-21) 3530-8762-3

Enquiry Office, Nazimabad No.2 Branch
Plot No.1, Sub Block-D, Block No.II, Nazimabad No.2, Karachi
Tel: (92-21) 36700451-455

F.B Area Branch
C-12, Block-10, F.B. Area, Karachi
Tel: (92-21) 36805370

F.B Area Block 6 Branch
C-31 Block 6 F.B Area near Karimabad, Karachi
Tel: (92-21) 36830450-1

Federal B Industrial Area Branch
Plot No. ST-7, Block – 22, Federal B Industrial Area, Karachi
Tel: (92-21) 36834625-29

Phase VII Ext DHA
Plot No. 3-C, Corner of 5th Tariq Commercial Street, DHA Phase VII Ext, Karachi

Queens Road Branch
Plot No. 1-A, Sheet QR-9, Queens Quarters, Queens Road, Karachi

FTC Branch
Ground Floor, Block-B, Finance & Trade Centre, Shahrah-e-Faisal, Karachi
Tel: (92-21) 35650771-5

Garden West Branch
Shop No. 9,10,11 & 12 , Plot Survey no.130/1 Sheet No. G-R.2, Garden West, Karachi
Tel: (92-21) 32241383-87

Gharibabad Branch
Plot Number.73, Survey No.538 Deh Gujro Tapo Songal Near Gharibabad, Liaquatabad Karachi
Tel: (92-21) 34853041-5

Gizri Branch
Plot No. K-7/9 Gizri, Chaudhry Khalique-uz-Zaman Colony, Bakhshan Village, Bazar Area, Clifton, Karachi
Tel: (92-21) 35865670-4

Godhra Camp Branch
Plot No.C-340 Sector 11-E Ali Muhammad Goth, Godhra Camp Karachi

Gole Market Nazimabad Branch
Plot No. 2-E/3, Gole Market Nazimabad, Karachi
Tel: (92-21) 3641 8011-15

Gulbahar Branch
Shop No. G-8, G-9, G-10 and G-11, Sub Plot No.20/3, Sana Towers, Firdous Co-operative Housing Society, Golimar Chowrangi, Nazimabad, Karachi
Tel: (92-21) 36701155-9

Gulbai SITE Area Branch
Plot No. C-25, Gulbai, SITE Area, Karachi
Tel: (92-21) 32594711-5

Gulberg Branch
Plot No. B-1, Block 18, Gulberg, F.B. Area, Karachi
Tel: (92-21) 36829112-5

Gulshan-e-Iqbal Branch
Shop No. 1, 2, 3 & 4, Plot No.B-41, Block 13-A, Gulshan-e-Iqbal, Karachi
Tel: (021) 4811901-905

Gulshan-e-Iqbal Block-5 Branch
Plot No. 9/FL-3 KDA Scheme No. 24, Gulshan-e-Iqbal Block-5, Main Rashid Minhas Road, Karachi.

Gulshan-e-Hadeed Branch
Plot No.C-27, Sub Sector 8-C/I, Phase I, Gulshan-e-Hadeed, Steel Town, Karachi
Tel: (92-21) 34712151-155

Gulistan-e-Jauhar Block-1 Branch
Shops No. 1, 2, 3, 7, Ground Floor, Samrah Arcade, Plot No. SB-04, Block 1, KDA Scheme No. 36, Gulistan-e-Jauhar, Karachi
Tel: (92-21) 34013922-6

Gulshan Block 2 Branch
Plot No. SB 08, Gulshan-e-Iqbal Block 2, Near Rab Medical Centre, Karachi
Tel: (92-21) 34971232

Gulshan Chowrangi Branch
Gulistan-e-Erum, Sub-Plot # 5-A/1-10, Plot No.FL-5, Block-3, Scheme 24 Gulshan-e-Iqbal, Karachi
Tel: (92-21) 34811849-56, 34810762

Gulshan-e-Iqbal Block 6 Branch
Plot No. FL-6 /1/A-4, Al-Shams Plaza, Block-6, KDA Scheme No. 24, Rashid Minhas Road, Gulshan-e-Iqbal, Karachi
Tel: (92-21) 3481-3521-25

Gulistan-e-Jauhar Branch
Plot No ST-19,Block 15, Scheme 36,Gulistan-e-Jauhar, Karachi
Tel: (92-21) 34030251-55

Gulshan-e-Maymar Branch
Flat No. A-102 & shop no. 1 & 2, Sub Plot no. SB-1 / X / IV, Gulshan-e-Maymar Karachi
Tel: (92-21) 36350513-4-5

Gulzar-e-Hijri Branch

Plot No.B-14, Al-Memon Welfare Cooperative Housing Society, Unit No.1-3, Sector 13-A, Scheme-33 Gulzar-e-Hijri, Karachi
Tel: (92-21) 3465-5860-64

Hadi Market Branch

Nazimabad No. 4 Shop No.1-4, Commercial Plot No.7, Sub-Block-C, Block-IV, Nazimabad, KDA Scheme 2, Hadi Market Karachi

Hub River Road Branch

Building No. 06 Commercial Sector No. 04, Haroon Bahria Cooperative Housing Society, Hub River Road, Karachi
Tel: (92-21) 32364236-9

Hussainabad Branch

Plot # 1109 & 1110, Block # 3, Ground Floor, Pakistan Memon Education & Welfare Society Hussainabad Karachi
Tel: (92-21) 36320461

I.I.Chundrigar Branch

Shop No. 9 & 10, Gul Tower, I.I.Chundrigar Road Karachi
Tel: (92-21) 32423676

Indus Mehran Cooperative Housing Society Branch

Plot No.14-A, Naiclass No.55, Indus Mehran Co-operative Housing Society Malir, Karachi
Tel: (92-21) 3449640-44

Jama-e-Millia Malir Branch

Plot No.S-25, Survey No.282, Gulzar-e-Ibrahim, Jama-e-Millia Malir, Karachi
Tel: (92-21) 3416-2270-74

Jamshed Road Branch

Plot No. 713/6, Shaheen Tower, Jamshed Quarters, M.A Jinnah Road, Karachi
Tel: (92-21) 34923281-5

Javed Bahria Cooperative Housing Society Branch

Plot No.34, Javed Bahria Cooperative Housing Society, Hawksbay Road, Karachi
Tel: (92-21) 32351201-04

Jodia Bazar Branch

MR5/115-114 Darya Lal Street, Jodia Bazar, Karachi
Tel: (92-21) 32473326-28

Joffa Towers Branch

SB-23 & 24, Office No. G2, 102-104, Joffa Towers, Main University Road, Block-13-C, Gulshan-e-Iqbal, Karachi
Tel: (92-21) 34830141-5

Jubilee Market Branch

Plot No.64, Ghulam Hussain Hidayatullah Colony, Jubilee Market Karachi
Tel: (92-21) 32720454-58

Kaghzi Bazar Branch

Shop No. 7, G-1 & S-1 Old Town, Main Kaghzi Bazar Karachi

Katchi Gali No.2 Branch

No. G-1, situated at Katchi Gali No. 2, Marriot Road, Karachi
Tel: (92-21) 32443526-7

K.A.E.C.H.S Branch

Plot No. SA / 49 (Commercial) Block No. 4, Karachi Administrative Employees Co-operative Housing Society LTD. Karachi
Tel: (92-21) 34302920

Karachi Cantt Branch

Shop No.1, Salalah Apartment, Civil Lines Quarters, Dr. Dawood Pota Road, Near Cantt. Station, Karachi
Tel: (92-21) 3562-0180-84

KDLB Branch

2nd Floor, KDLB Building, West Wharf Road, Karachi
Tel: (92-21) -32314103-07

Keamari Branch

Plot No. 29/1, Opposite Jungle Shah College, Keamari Town, Karachi
Tel: (92-21) 32863170-4

Khadda Market Branch

(Khayaban-e-Shamsheer) Branch Plot No.4-C, Khadda Market, Khayaban-e-Shamsheer, DHA Phase V, Karachi
Tel: (92-21) 35240811-5

Khadija Market, Block I North Nazimabad Branch

Plot No. SC-4, Shop Nos. 2, 2-A, 3, 4, 5 Khadija Market, Block I North Nazimabad Karachi
Tel: (92-21) 3672-2790 - 94

Khalid Bin Waleed Branch

Plot No. 89/N, Muhammadi Terrace, Block-2, Khalid Bin Waleed Road, P.E.C.H.S, Karachi
Tel: (92-21) 34383914-16

Kharadar Branch

Shop No.1, Ground Floor, Al-Fatima Plaza, Paria Street, Ghulam Hussain Kassam Quarters, Kharadar, Karachi
Tel: (92-21) 32316510-4

Khayaban-e-Bokhari Branch

Plot No 22-C, Khayaban-e-Bokhari, Ph-VI, DHA Karachi
Tel: (92-21) 35243561-5

Khayaban-e-Rahat Branch

Plot No. 32 /C, Shop No.1-5, Khayaban-e-Rahat Phase VI, DHA Karachi
Tel: (92-21) 3585-7531-35

Khayaban-e-Sehar Branch

9-C, Shahbaz Commercial. Lane 1, Khayaban-e-Sehar, Phase VI, DHA, Karachi
Tel: (92-21) 35349307-13

Khayaban-e-Shamsheer Branch

23-C, Main Khayaban-e-Shamsheer, Phase V (Ext) DHA, Karachi
Tel: (92-21) 35247600-04

Khayaban-e-Ittehad Branch

Plot No.124-N, Khayaban-e-Ittehad DHA Phase VI Karachi
Tel: (92-21) 3515-5911-15

Korangi Branch

Plot No. LS-3, ST-3/1, Sector No.15, Korangi Industrial Area, Karachi
Tel: (92-21) 35114324-5

Korangi Township Branch

Plot No.LS 03, ST 37/4, Korangi 3 ½, Sector 35 – C, Korangi, Karachi

Kokan Colony Baldia Town Branch

Plot No. 328 Deh Moach Kokan Colony Baldia Town Karachi.
Tel: (92-21) 32591300-04

Korangi II Branch

Q 37, Sector 33-A, Main Road Korangi, Karachi
Tel: (92-21) 35059215-16

Korangi Industrial Area II Branch

Plot No.27 & 28, Sector - 16, Korangi Industrial Area, Karachi
Tel: (92-21) 3514-4341-45

Korangi Darul Uloom Branch

Sector 28, Darul Uloom, Main Korangi Industrial Road, Karachi
Tel: (92-21) 35123134-35, 35123138-40

Lasbella Branch

Plot No.460, G-2, Garden East Lasbella, Karachi
Tel: (92-21) 32244290-294

Lea Market Branch

Plot No. 3/20, Khajoor Bazar, Lea Market, Karachi
Tel: (92-21) 32521650-4

Liaquatabad Branch

No.18, Plot No. 1/19, S.M.Taufiq Road, Liaquatabad, Karachi
Tel: (92-21) 34125673

Liaquat Market Malir Branch

Plot No. LS-38, ST-32 Block-04, Malir Township Liaquat Market Malir, Karachi
Tel: (92-21) 34502880-84

Light House Branch

Plot No. 57, Jahangir Mansion, Shop No.14, Thatia Compound Street, Wadhmal Odharam Quarters, Light House, M.A Jinnah Road, Karachi
Tel: (92-21) 32742775-6

M.A. Jinnah Road Branch

M.R2/52, Sheba Centre, M.A Jinnah Road Karachi
Tel: (92-21) 32467032-7036

Machi Miani Branch

Plot No.98/1, Sheet No.GK-6 Ghulam Hussain Kassim Quarters Kharadar, Machi Miani, Karachi
Tel: (92-21) 32331201-05

Marriott Hotel Branch

Marriott Hotel, Abdullah Haroon Road, Karachi
Tel: (92-21) 35683491

Malir Cantt Branch

Army Shopping Complex, Malir Cantt, Karachi
Tel: (92-21) 34196121-25

Malir Cantt II Branch

Army Defence Centre, New Chowk Road, Near Check Post No.06, Malir Cantonment Karachi
Tel: (92-21) 34900543-47

Malir City Branch

Salman Tower & Shopping Mall, Malir, Main National Highway, Karachi
Tel: (92-21) 34493103-7

Maskan Chowrangi Branch

Plot No. FL-12/B-41, Allah Noor Apartment, Block 7, KDA Scheme No. 24, Maskan Chowrangi, Gulshan-e-Iqbal Karachi
Tel: (92-21) 34835100-04

Mausamyat Scheme 33 Branch

Shop No.28-31, Shumail Complex, Mausamyat, KDA Scheme 33, beside Dow Hospital Ojha, Karachi

Maymar Avenue Branch

Shop No.2,16, Com-2 Sector 15-A Scheme 33, Maymar Avenue Karachi

Mehmoodabad Branch

Plot No. 178 -179, Survey No. 250- 251 Sheet No. MAC-II Mehmoodabad
Tel: (92-21) 35319051 - 055

Metroville SITE Branch

Plot No.E-11, E-12 Block-1 Metroville,
SITE Karachi
Tel: (92-21) 36752601-5

Model Colony Branch

Plot No.6, Survey No.N-55, Tina Square
Housing Project,Deh Mehran,Tappo,
Malir Karachi
Tel: (92-21) 34492445-7

Muhammad Ali Society Branch

Plot No 5/F, Muhammad Ali Memorial
Co-Operative Housing Society, Karachi
Tel: (92-21) 34301864-67

Nanakwara Branch

Plot No. WO-1/13, Muhammadi Manzil,
Syedna Tahir Saifuddin Road, Paan
Mandi, Nanakwara, Karachi
Tel: (92-21) 327141014-105

Nadir House Branch

Nadir House Branch, I.I. Chundrigarh
Road Karachi
Tel: (92-21) 32410085-88

Nayabad Branch

Plot No. No. 113/A, Shop No.1-6, 18-29,
Shah Waliullah Road Nayabad Lyari,
Karachi
Tel: (92-21) 32385631-5

Nazimabad No. 3 Branch

3-A-1/13 Nazimabad No. 3, Karachi
Tel: (92-21) 36707431-4

New Challi Branch

Fakhri Trade Centre, Plot No. SR – 6/10,
Shahra-e-Liaquat, New Challi, Karachi.
Tel: (92-21) 32602121-126

New Town Branch

Plot No.371 Kutiana Centre, Shop
No.10-13, Jamshed Quarters, Karachi
Tel: (92-21) 34943581-5

New Truck Stand Hawksbay Branch

Plot No.F-1/4 to F-1/9, K-28 Phase-I
Trans Lyari, Hakwsbay Road, Karachi
Tel: (92-21) 32373204-13

New Fruit & Vegetable Market Super Highway Branch

Block No. C-X, New Fruit & Vegetable
Market, Super Highway, Karachi
Tel: (92-21) 3687-0190-94

NHS Karsaz Branch

NHS Phase I Main Gate, Dalmia Road,
Karsaz Karachi

Nishtar Road Branch

Property No.26A, S4/B, S-5A,S-5/5B/6,
Plot # 31/1/15, SHEET NO L.R.9,
Lawrence Quarters, Nishtar Road,
Karachi

Nishat Commercial Branch

Plot No. 1-C/I, Nishat Lane No. 6, Phase
VI, DHA, Karachi

North Karachi Branch

Plot # SA-6 (ST-8),11-C-1 North Karachi
Tel: (92-21) 36965051-55

North Karachi Industrial Area Branch

Plot # 1-A, Sector # 12-C,North Karachi
Town ship Karachi
Tel: (92-21) 36963117-121

North Napier Branch

Shop No. 12,Poona wala, Trade
Tower,W.O 1/55, Opposite City Court
Chabba Gali,Main North Napier Road
Karachi
Tel: (92-21) 32713530-34

North Nazimabad Block-M Branch

Plot No. SB-2, Block-M,
North Nazimabad, Karachi
Tel: (92-21) 36627054-5

Nursery Branch

Plot No.13-A, Survey Sheet No. 35-P/1,
Amber Pride show room No.1, Ground
Floor, Block-06 P.E.C.H.S, Nursery,
Karachi
Tel: (92-21) 34396510-14

Orangi Town Branch

Plot No. LS-15, Sector 6-E, Orangi Town,
Karachi
Tel: (92-21) 36694370-4

Orangi Town Sector 10 Branch

Plot No.LS-06-07, Sector No.10, Orangi
Town Karachi

Orangi Town No.15 Branch

Plot No.LS-3,LS-35 Sector 14-A, Orangi
Town No.15, Karachi
Tel: (92-21) 36690231-40

Panorama Center Branch

Survey # 248 , Shop # 6 & 6-A Panorama
Centre, Staff Line, Fatima Jinnah Road,
Saddar, Karachi
Tel: (92-21) 335642587-91

P & O Plaza Branch

Ground Floor, P & O Plaza, Opposite
Muhammadi House, I.I Chundrigar Road,
Karachi
Tel: (92-21) 32467901-5

Pakistan Chowk Branch

Ground Floor, Plot No. 08, Survey Sheet
No. RB-5, Pakistan Chowk Arambagh,
Road, Karachi
Tel: (92-21) 32219651-6

Paposh Nagar Branch

Plot No.18, Row No.1, Block-E, Block
No-V, Paposh Nagar Nazimabad, Karachi
Tel: (92-21) 36700640-44

PIB Colony Branch

Plot No 390-391, PIB Colony Main Road,
Karachi
Tel: (92-21) 34191201-205

Plaza Quarters Branch

Plaza Square Karachi, Bombay Building,
City Survey No. 37/22, Off M.A. Jinnah
Road, Karachi
Tel: (92-21) 32751560, 32751124

PNSC (Lalazar) Branch

37-A, Lalazar Area, Off Moulvi
Tamizuddin Khan Road, Karachi
Tel: (92-21) 35636240

Port Qasim Branch

Plot No. W2/1-3, North Western Industrial
Zone, Port Qasim, Authority Karachi
Tel: (92-21) 34154304 - 9

Power House Branch

Plot No. R-17, Sector 5-C/4, North
Karachi
Tel: (92-21) 36902608-12

Rashid Minhas Road Branch

Ground Floor, Aqsa Tower, Block-C,
Rashid Minhas Road, KDA Scheme
No.33, Karachi
Tel: (92-21) 34978062, 34978064

Razi Road Branch

Plot No 44-A, Nice Trade Orbit, Block 6,
Razi Road, PECHS, Karachi
Tel: (92-21) 34370151-155

Regal Chowk Branch

Shop No. 1-B, Survey No. 273/2,
Sheet A.M (Part -2), Rahman Mansion,
Artillery Maidan Quarter, Frere Road,
Saddar, Karachi
Tel: (92-21) 32701151-5

Saddar Branch

Survey No.70/2, Survey Sheet No.SB-6,
Javeria Gems & Jewels centre, Raja
Ghazanfar Ali Khan Road, Saddar Bazar
Quarters Karachi
Tel: (92-21) 35224601-05

Saeedabad Baldia Town Branch

Plot No.604 & 609/1-A, Sector 5-J,
Saeedabad Baldia Town, Karachi
Tel: (92-21) 32817511-5

Safara Chowk Branch

Shop No. 3, 4, 5 & 6, Ground Floor,
Prime Tower, Plot No. SB-20, Block 7,
KDA Scheme No. 36,
Safara Chowk, Gulistan-e-Jauhar,
Karachi
Tel: (92-21) 34660661-5

Sharafabad Branch

Plot No.525, Block-3, Shop No. 1-3,
Ground Floor, Karachi Memon
Cooperative Housing Society,
Sharafabad, Karachi
Tel: (92-21) 3494-2941-45

Shaheen Complex Branch

Shaheen Commercial Complex, M.R.
Kayani Road, GPO Box 121, Karachi
Tel: (92-21) 111 852 852

Shahrah-e-Faisal Branch

Showroom No.4-7, Ibrahim Trade Tower,
Plot No.1, Survey Sheet No.35-P/I,
Block-7-8, Maqbool Co-Operative
Housing Society, Shahrah-e-Faisal,
Karachi
Tel: (92-21) 34322183-9

Shahrah-e-Quaideen Branch

Plot # 19/A, Block 2, PECHS, Main
Shahrah-e-Quaideen Road, Karachi
Tel: (92-21) 3418 8601-05

Shahrah-e-Orangi Branch

Plot No. CI-59, Sector 11, Orangi
Township, Orangi, Karachi
Tel: (92-21) 36699621-25

Shadman Karachi Branch

Plot No. ST 21/2A Sec.No 14-B,
Shadman, North Karachi
Tel: (92-21) 36940650-54

Shaheed-e-Millat Road Branch

Plot No. 7-A/228, Block-3, Dehli
Mercentile Muslim Cooperative Housing
Society Ltd, Shaheed-e-Millat Road,
Karachi
Tel: (92-21) 34140151-155

Saba Avenue Branch

Plot # 22-C-C, Saba Avenue, DHA Phase
VI, Karachi
Tel: (92-21) 35155901-905

South Asia Pakistan Terminal Branch

Plot No.1, South Asia Pakistan Terminal
Building, Container Port Road Keamari,
Karachi

Shah Faisal Colony Branch

CB-33, Al Falah Society, Shah Faisal
Colony, Karachi
Tel: (92-21) 34686271-3

Shamsi Society Malir Halt Branch

Plot No. CM 44 & 45, Ground Floor
Shamsi cooperative Housing Society
Ltd., Malir Halt, Karachi
Tel: (92-21) 34682405-07

Shahrah Darul Uloom Branch

Plot No.3, Sector 27, Korangi Industrial
Area, Shahrah Darul uloom Karachi
Karachi

Shershah Branch

Plot No. D.283/15 & 16, Quality Godown
Shershah Road, SITE Karachi
Tel: (92-21) 32562411-15

Sidco Centre Branch

Shop No.13, Sidco Centre Din
Muhammad Wafai Road Karachi
Tel: (92-21) 35224850-54

Shireen Jinnah Colony Branch

Plot No. 4-B,Block No. 1, Clifton Karachi
Tel: (92-21) 35833025, 35836758,
35836780

Sir Syed Road Branch

Plot No. 152-S, Ground Floor, Sir Syed
Road, Block 2, PECHS, Karachi
Tel: (92-21) 35143500-4

SITE Branch

Plot No. B/9-C, Site Area, Karachi
Tel: (92-21) 32550328-31

SITE-II, Super Highway Branch

Showroom # 1 & 2, Plot # D/41-A, SITE-
Super Highway Phase-II, Karachi
Tel: (92-21) 36880342-349

Soldier Bazar Branch

G-2, Ground Floor, Plot No. SOL.B-2/16,
VII-E/100/1, Soldier Bazar Quarters,
Karachi
Tel: (92-21) 32290320-24

Steel Market Branch

Plot No.5, Shop No12, Al-Hamd Centre,
Ranchore Quarter Steel Market,
Baba-e-Urdu Road Karachi

Stock Exchange Branch

Office # 41, 42 & 43 1st Floor Stock
Exchange Building, I.I Chundrigar Road
Karachi
Tel: (92-21) 32470920-8

Super Highway Branch

Highway Trade Centre, Shop # 11-12-13
&14 Block-2, Sector1-A, Super Highway,
Karachi
Tel: (92-21) 36830076-78, 36830045 &
36830107

Tahir Villa Chowrangi Branch

Plot No. 74/1, Block 5, Tahir Villa
Chowrangi, F.B.Area, Karachi
Tel: (92-21) 36364452-54

Tariq Road Branch

Plot No. 138-A, Block No. 02, PECHS,
Tariq Road, Karachi
Tel: (92-21) 34300180-84

Textile Avenue Branch

Plot No. H-6, SITE Survey Sheet No. 21,
Near Site Police Station SITE, Karachi
Tel: (92-21) 32584850-59

Timber Market Branch

Plot No. 03, Main Timber Market,
Siddique Wahab Road, Karachi
Tel: (92-21) 32740060 - 64

Times Square Branch

Shop No.1-4, Sub Plot No.FL
11/3/1/A-1/2, Plot No.11/3, Times Square
KDA Scheme 24, Gulshan-e- Iqbal Block
06 Karachi
Tel: (92-21) 34826051-5

Tipu Sultan Road Branch

Plot No.104-105, Sheet No.35-P/1,
Block-7-8, Banglore cooperative
Housing Society, Tipu Sultan Road
Karachi

Urdu Bazar Branch

Shops No. 11 & 12, Anfal Centre,
Plot No. RB-9/1, Rambagh Quarters,
Urdu Bazar, Karachi
Tel: (92-21) 32603031-5

University Road Branch

Plot No. SB-25, S-1, S-2 & S-3, Block-1
Gulistan-e-Jauhar, Main University Road,
Karachi.
Tel: (92-21) 34170471-5

UP Auto Market Branch

Plot No.LS-54 & 49 ST-10 Sector 11- I
North Karachi
Tel: (92-21) 6900681-87

Water Pump Branch

Plot No. BS-13,Block No.14, Federal
B.Area Karachi.
Tel: (92-21) 36332443, 36332523

West Wharf Road Branch

Plot No.14, A & K Chambers West Wharf
Road, Karachi
Tel: (92-21) 32203445-9

Karak**Karak Branch**

Khasra Nos.615-616-243-236-233-235,
Tehsil Road, Karak
Tel: (092) 7211032-34

Karoor Lal Eesan**Karoor Lal Eesan Branch**

Ward No.5, Karoor Lal Eesan District
Layyah

Kahuta**Kahuta Branch**

Khewat # 15-16 Khatooni # 17-20, Gul
Siraj Plaza Rawalpindi Road Kahuta
Tel: (92-051) 3313015-16

Kamalia**Kamalia Branch**

Khasra No. 4169-4191, Muhallah
Mitianwala, Railway Road, Kamalia
Tel: (92-046) 3413590-94

Kasur**Kasur Branch**

216-9, R-IV, Railway Road, Kasur
Tel: (92-492) 2764999

Khairpur**Khairpur Branch**

Shop No.1,2,3 Ground Floor
Civic Centre, Mall Road, Khairpur
Tel: (92-243) 715772-73

Khairpur Tamewali**Khairpur Tamewali Branch**

Khairpur Adda, Hasilpur Road, Khairpur
Tamewali

Khanewal**Civil Club Road Branch**

Khewat No.13, Khatooni No.13, Civil
Club Road, Khanewal

Khanewal Branch

Plot No. 624-625, Block No. 8, Sir Syed
Road, Khanewal
Tel: (92-65) 2556625-7

Khanpur**Khanpur Branch**

Kutchery Road, Khanpur
Tel: (92-68) 5577127-8

Khan Bela**Khan Bela Branch**

Main K.L.P Road, Khan Bela
Tel: (92-068) 5580100-101

Khar Bajour**Khar Bajour Branch**

Madina Market, Main Munda Road,
Opposite Tanki Market, Khar Bazaar,
District Bajour

Kharian**G.T Road Kharian Branch**

Ground Floor, Barakat Plaza, Main G.T
Road, Kharian
Tel: (92-537) 533497-8

Khushab**Katha Chowk Khushab Branch**

P-4106-27-1, Sargodha Road, Katha
Chowk, Khushab
Tel: (92-454) 711683-4

Khuzdar**Khuzdar Branch**

Khasra No. 3042/1569, Sultan Ibrahim
Road, Khuzdar

Khipro**Khipro Branch**

Survey 896-CS No.4449-4453 and
4455-4458, Mirpur Khas Road Khipro
Tel: (92-0233) 879012 - 879016

Kohat**Kohat Branch**

1st Floor, Jinnah Municipal Plaza, TMA,
Near King Gate, Bannu Road, Kohat
Tel: (92-922) 523037-40

Kot Addu**Kot Addu Branch**

Khewat No. 264/241, Ward No. 2, Mauza
Pirhar Sharqi, G.T.Road,
Kot Addu.
Tel: (92-66) 2240333-37

Kot Chutta**Kot Chutta Branch**

Khata No.31, Mauza No.03 Indus
Highway Kot Chutta
Tel: (92-64) 2843193-4-5

Kot Ghulam Muhammad**Kot Ghulam Muhammad Branch**

Survey No.699, Main Station Road Kot
Ghulam Muhmmad
Tel: (92-023) 3866114-8

Kot Radha Kishan**Kot Radha Kishan Branch**

Shop No. 9, Grand City Center, Main
Raiwind Pattoki Road, Kot Radha Kishan
Tel: (92-049) 2382011

Kotli AJ&K**Kotli AJ&K Branch**

Mouza Pang Piran, Pindi Road, Kotli AJK
Tel: (92-05826) 444673-4-5

Kotla Arab Ali Khan**Kotla Arab Ali Khan Branch**

Khewat No.123/119, Khatooni
No.571,573, Kotla Arab Ali Khan, Tehsil
Kharian, District Gujrat
Tel: (92-053) 7575703-704

Kunri**Kunri Branch**

Plot No. 12, Survey No. 263,
Station Road, Deh Gorraho, Kunri,
District Umerkot
Tel: (92-238) 558412-15

Lahore**Akbar Chowk Branch**

Plot No.46, Block-10 Sector B-1
Township Lahore
Pabx: (92-042) 35201425-26

Akbari Mandi Branch

Outside Akbari Mandi, Circular Road,
Lahore
Tel: (92-42) 37660969-70

Askari-IX Branch

Commercial Area, Shop No.17-20,
25-27-28, Askari-IX Lahore
Tel: (92-42) 36611363-5

Askari X Lahore Cantt Branch

Sector F, Shop No 6-7, 14-15
Commercial Area, Askari X Lahore Cantt
Tel: 0309-7772562-64

Askari XI Lahore Cantt Branch

Outside Gate No.1, Commercial Area,
Main Entrance, Askari XI Lahore Cantt
Tel: 0309-7772581-3

Al-Saeed Chowk Branch

Al-Saeed Chowk, near Phool Mandi,
Saggian By pass, Jaranwala Road, Tehsil
Ferozwala, District Sheikhpura, Lahore
Tel: (92-42) 37163873-5

Allama Iqbal Town Branch
06 Asif Block Main Boulevard Allama Iqbal Town Lahore
Tel: (92-42) 37806882 - 37806887

Avian Chowk Branch
H # 44, Nadeem Shaheed Road, Avian Chowk, Near Pakki Thatti, Samanabad, Lahore
Tel: (92-42) 37563352-54

Azam Cloth Market Branch
19-Bismillah Block, Azam Cloth Market, Lahore
Tel: (92-42) 37642011-3

Badami Bagh Branch
35-Peco Road, Badami Bagh, Lahore
Tel: (92-42) 37369610-3

Bahria Town Branch
Plot No.68/69-B, Sector-C, Bahria Town Lahore
Tel: (92-42) 35976270-72

K-Block, Model Town Branch
Plot No. 8 & 9, Commercial Market, K-Block, Model Town, Lahore.
Tel: (92-42) 35915601

Badami Bagh Auto Market Branch
Property No. 355,357 Circular Road, Outside Kashmiri Gate, Badami Bagh Auto Market, Lahore
Tel: (92-42) 37104010-13

Bahria Orchard Branch
Plot No.16, Phase-1 Central Block Bahria Orchard, Lahore
Tel: (92-42) 35475712-16

Bedian Road Branch
Khasra No. 3799, Mauza Lidhar, Main Bedian Road, Lahore
Tel: (92-42) 35749607-10

Bedon Road Branch
Plot No.15 Bedon Road, Lahore
Tel: (92-42) 36290273-76

Begum Kot Branch
Plot # 4/A Geya Musa, Begum Kot Shahdrah, Lahore
Tel: (92-42) 37929103-05

Bilal Gunj Lahore Branch
Khewat No.1611 Khatooni No.2842 Khasra No.3807, Bilal Gunj Sheesh Mahal Road, Lahore
Tel: (92-42) 3716657-58

Bhubtian Branch
Khasra No.4202/711, Bhubtian Chowk, Raiwind Road Lahore
Tel: (92-42) 35320413-15

Brandrath Road Branch
46 Brandrath Road, Lahore
Tel: (92-42) 37676388-92

Burki Road Branch
Khasra No.159, Khatooni No.30, Khewat No.20, Main Burki Road, Adjacent Paragon City, Lahore
Tel: (92-42) 37167203-4

Bund Road Branch
Property No. SW XI 1-S-1/B/6, Main Bund, Road, Lahore
Tel: (92-42) 37482671-3

Carol Ghatti Branch
Carol Ghatti Chowk, Near Ring Road Junction Lahore

Canal Bank Road Branch
Mughalpura Lahore Branch PlotNo. 125, StNo. 33, Naya Pul, Punj Pir Road, Canal Bank Road, Mughalpura, Lahore
Tel: (92-42) 365543-44

Canal View Housing Society Branch
Plot No.16, Commercial Area, Canal View Housing Society, Lahore
Tel: 0304-1927540, 0304-1927541, 0304-1927542

Cavalry Ground Branch
72-Commercial Area, Cavalry Ground, Lahore Cantt
Tel: (92-42) 36619780-3

Chowk Baba Attar Ichra Branch
Plot # SXVIII-44-S-110/A, Ichra II, Chowk Baba Attar, Lahore
Tel: (92-42) 37534152-54

Chungi Amar Sadhu, Branch
Khasra # 1050, DAR Plaza, Chungi Amar Sadhu, Main Ferozpur Road, Lahore
Tel: (92-42) 35922114-17

Circular Road Branch
133-Circular Road Near PTCL Exchange Lahore
Tel: (92-42) 37642001-05

Civic Centre Johar Town Branch
Property No. 20, Civic Centre, Johar Town, Lahore
Tel: (92-42) 35189531-3

Cloth Market Branch
F-2332, Rrara Taillian, Near Kashmir Block, Azam Cloth Market, Lahore
Tel: (92-42) 7380461-65

CMA Society Branch
Plot No. 29, Block-A, Military Accounts Co-operative Housing Society, Lahore
Tel: (92-42) 35460863-66

College Road Branch
House # 15, Block 2, Sector C-1, Township College Road Lahore
Tel: (92-42) 35157181-85

Davis Road Branch
Property No.SE-16-R-17, Near to Jang Press Office, Davis Road Lahore

DHA Phase I Branch
167- G, DHA Phase I, Lahore
Tel: (92-42) 35742891-2

DHA Phase III Branch
Plot No. 97-Y, DHA Phase III Commercial, Opposite Sheba Park, Lahore
Tel: (92-42) 35742582-3

DHA Phase IV Branch
210-CCA, Phase-IV DHA, Lahore
Tel: (92-42) 35747761-2

DHA Phase V Branch
Plot No.6 - CCA Phase V, DHA Lahore
Tel: (92-42) 37182334-5

DHA Phase VI Branch
Plot No. 101, Main Boulevard Phase VI (Commercial), DHA Lahore
Tel: (92-42) 35006026, 042-35006028-9

DHA Phase VIII Branch
Plot No.C-3, Commercial Broadway, Phase VIII, DHA Lahore
Tel: (92-42) 38107774-75

Dholanwal Branch
Plot No. 37-A, Dholanwal Near Shezan Factory Bund Road, Lahore
Tel: (92-42) 37467113-4

Doctors Hospital - Johar Town Branch
Plot No.3-A, G-Block, Doctors Hospital, Johar Town, Lahore
Tel: (92-42) 35453153-55

Eden City Branch
Plot No 19, Block A, Eden City Lahore Cantt
Tel: (92-42) 37185438-39, 37185443

EME Housing Society Branch
Plot No. 1 & 37, Block-D Commercial, EME Sector, DHA, Lahore
Tel: (92-42) 37498956-8

Faisal Town Branch
Plot # 16, Block B, Faisal Town, Lahore
Tel: (92-42) 35202116 - 8

Falcon Complex Gulberg III Branch
Emporium No. 3, Upper Ground Floor, PAF Falcon Complex, Gulberg III Lahore
Tel: (92-42) 35925093-94, 35925288

Ferozpur Road Branch
Opposite DESCON Head Quarters, 18-KM Main Ferozpur Road, Lahore
Tel: (92-42) 35401873-6

Garhi Shahu Branch
Property No.84, Allama Iqbal Road, Garhi Shahu, Lahore
Tel: (92-42) 36294191-92

Ghalib Market Branch
64 A-II, Gulberg III, Ghalib Market, Lahore
Tel: (92-42) 35772147-9

G.T Road Daroghawala Branch
Plot No. 329-F, Main G.T Road, Daroghawala, Lahore
Tel: (92-42) 36550501-3

Green Town Branch
72-3-C-1 Quaid-e-Azam Town, Green Town, Lahore
Tel: (92-42) 35116706-042-35116709

Gulberg Branch
60-Main Boulevard Gulberg, Lahore
Tel: (92-42) 35879870-2

Gulshan-e-Ravi Branch
Plot No. 9, Block F, Gulshan-e-Ravi, Lahore
Tel: (92-42) 37404822-5

Haider Road Township Branch
434, A-1, Haider Road Township, Lahore
Tel: (92-42) 35157101-3

Hall Road Branch
S-50-R-19, Hall Road, Lahore
Tel: (92-42) 37211806-8

Harbanspura Branch
Property No. 116, Saeed Block, Canal Bank, Salamat Pura, Harbanspura, Lahore
Tel: (92-42) 36520121-22, 36520129

Ichra Branch
156-Main Ferozpur Road, Ichra, Lahore
Tel: (92-42) 37522989-1

Islampura Branch
Property No. 61, Main Bazar, Islampura, Lahore
Tel: (92-42) 37117463-4

J-III Johar Town Branch
Plot No. 12, Block- J-III, Opposite Expo Centre Johar Town, Lahore
Tel: (92-42) 35311862 - 864

Johar Town Branch
63/R-1, M.A Johar Town Branch, Lahore
Tel: (92-42) 35314631-4

Karim Block Branch
Baig Plaza, 21 Commercial Zone, Karim Block, Allama Iqbal Town, Lahore
Tel: (92-42) 35296701-5

Kahna Nau Ferozpur Road Branch
Khasra # 1508, Hakeem Colony, Mouza Gujumatta Tehsil Cantt, Kahna Nau, Ferozpur Road, Lahore
Tel: (92-42) 35270205-7

Kot Abdul Malik Branch
Mouza Sharqpur Khurd, Kot Abdul Malik
Main Sheikhpura Road, Lahore
Tel: (92-42) 37340743-5

Khayaban-e-Jinnah Road Branch
Plot No. 630/325 Air line Housing
Society, Block B, Phase I, Iqbal Avenue
Cooperative Housing Society,
Khayaban-e-Jinnah Road, Lahore
Tel: (92-42) 35955461-63

Khayaban-e-Iqbal Branch
Plot No.34-A, Khayaban-e-Iqbal,
Sector-XX, Phase III-C,DHA, Lahore
Tel: (92-42) 356948833-34-35-38

Liberty Market Branch
Shop # 14-17, Liberty Shopping Centre,
Gulberg III, Lahore
Tel: (92-42) 35760813, 35760814

Liberty Roundabout Branch
131-E/1 Gulberg III, Liberty Roundabout
Lahore
Tel: (92-42) 35871223-5

L.D.A Scheme Tajpura Branch
Plot No.425 A, L.D.A Scheme Tajpura
Lahore
Tel: (92-42) 36631463-5

Main Boulevard Branch
E-44-1-4-COM, Iqbal Park Commercial,
Main Boulevard DHA, Lahore
Tel: (92-42) 36621482-4

Main G.T Road UET Branch
Opposite To Sabzi Mandi , Singhpura
Stop Main Gt Road, Near UET, Lahore

Maulana Shaukat Ali Road Branch
Plot No. 4-E Jauhar Town, Adjacent
BOR, Main Maulana Shaukat Ali Road
Lahore
Tel: (92-42) 35202067-69

McLeod Road Branch
SE-10-R-2/12, Nihal Chand Building,
Mc'Leod Road, Lahore
Tel: (92-42) 36284501-4

Mini Market College Road Gulberg II Branch
Plot No.25-L, College Road, Gulberg II
Lahore
Tel:(92-42)35246614-16

Model Town C-Block Lahore Branch
Shop Nos.16-17-18, Central Commercial
Market, C-Block Model Town Lahore

Model Town Link Road Branch
Plot No. 13, Model Town Link Road,
Lahore
Tel: (92-42) 35942355-8

Moon Market Allama Iqbal Town Lahore Branch
Plot No. 10, Kashmir Block, Main
Boulevard, Allama Iqbal Town Lahore
Tel: (92-42) 35427936-40

Moti Bazar Branch
Property No. F-2627, Ali Arcade Chowk
Choona Mandi, Moti Bazar Lahore
Tel: (92-42) 37338870-75

Mozang Road Branch
Plot No 15-A, Farid Kot House, Mozang
Road Lahore
Tel: (92-42) 37110403-6

Mustafa Abad Branch
Property No. SE-6-R-148, Allama Iqbal
Road, Mustafa Abad, Lahore
Tel: (92-42) 36886051-3

Mustafa Town Branch
Property # 15, Mamdot Block, Mustafa
Town Scheme, Lahore
Tel: (92-42) 35418031-33

Multan Road Branch
S-94, R-334, Multan Road, Near Social
Security Hospital, Multan Chungi, Lahore
Tel: (92-42) 37492383-85

Naseerabad Ferozpur Road Branch
Plot No.405 Naseerabad Gulberg III,
Main Ferozpur Road, Lahore
Tel: (92-42) 35441601-3

New Anarkali Bazar Branch
Property No.S-64-R-132-134/2 New
Anarkali Bazar Lahore
Tel: (92-42) 37360590-91, 37311977-83

New Fruit Market Branch
Property No.116-117 New Fruit Market
Ravi Road Lahore
Tel: (92-42) 37729213-17

New Garden Town Branch
Flat No. A, Block-V, Awami Flats 1-4,
Usman Block, New Garden Town,
Lahore
Tel: (92-42) 35941474-7

New Muslim Town Branch
Plot # 15-B New Muslim Town, Ayubia
Market, Lahore
Tel: (92-42) 35926800-02

Nishat Colony Branch
Khasra No 296 Nishat Colony Lahore
Cantt
Tel: (92-42) 35896011-13

Peco Road Branch
34-S/246 Moza Kot Lakhpat Peco Road,
Lahore
Tel: (92-42) 35862902-5

Punjab Cooperative Housing Society Branch
66-F, Phase I, Punjab Co-operative
Housing Society, Ghazi Road, Lahore
Cantt
Tel: (92-42) 35924683-4

Q-Block DHA Phase II Branch
295-Q Commercial Area, Phase II DHA,
Lahore
Tel: (92-42) 35708324-7

Qainchi Amar Sidhu Branch
Khewat No. 1831, Khatooni No. 2125,
Shop No. S-86R-376/ B, Qainchi Amar
Sidhu, Ferozepur Road, Lahore

Qartaba Chowk Branch
Qartaba Chowk, Temple Road, Rehman
Chamber, Lahore
Tel: (92-42) 37112406-10

Quaid-e-Azam Industrial Estate Branch
169 - S, Quaid-e-Azam Industrial Estate,
Kot Lakhpat, Lahore
Tel: (92-42) 35215765

Rachna Town Branch
Plot No.209, Khewat No.597, Khatouni
No.1635, Near Moria Bridge Rachna
Town Lahore
Tel: (92-42) 37920171-2

Raja Market, New Garden Town, Branch
81-Ahmad Block, Raja Market, New
Garden Town, Lahore
Tel: (92-42) 35913345-7

Ravi Road Branch
33, Main Ravi Road, Opposite Bilal
Masjid, Lahore
Tel: (92-42) 37706835-7

Riwaz Garden Branch
Plot No.317, Riwaz Garden, Near
Chuhburji Lahore
Tel: (92-42) 37242381-84

Sabzazar Branch
Plot No.325, Block – B, Main Boulevard,
Sabzazar, Lahore
Tel: (92-42) 35962280-82

Saddar Bazar Branch
Property No. 1184, Dubai Chowk, Main
Tufail Road, Saddar Bazar, Lahore
Tel: (92-42)-36622824-6

Samanabad Branch
Plot No. 210, Main Poonch Road,
Samanabad, Lahore
Tel: (92-42) 37587213-5

Shad Bagh Branch
13-A, Tajpura Chowk, Near PTCL
exchange, Shad Bagh, Lahore
Tel: (92-42) 37600667-9

Shadman Colony Branch
91 Shadman Colony - 1, Shadman,
Lahore
Tel: (92-42) 37522976-9

Shahdra Branch
113 G.T. Road, Lahore
Tel: (92-42) 37921266-7

Shahdra Town Branch
Property No.N-130-R-32/26/1, Jahangir
Park, Shahdra Town Lahore

Shahalam Market Branch
D-2050, Fawara Chowk,
Inside Shahalam Market, Lahore
Tel: (92-42) 37377340-3

Shahkam Chowk, Canal Road Branch
Plot 47-48, Block B, Mohlanwal Scheme,
Shahkam Chowk Canal Road, Lahore
Tel: (92-42) 35966778

Shah Jamal Branch
Property No.158, Shah Jamal Road,
Lahore
Tel: (92-42) 35912954-56

Shalimar Garden Branch
Chowk Shalimar Bagh, G.T Road,
Baghban Pura, Lahore
Tel: (92-42) 36846584-8

Shalimar Link Road Branch
Khata No. 222, Khatooni No.397, Khasra
No.2240, Near Shalimar Hospital
Shalimar Link Road Lahore
Tel: (92-42) 36810102-06

State Life Society Branch
Plot No.1011, Sector F, State Life
Society, Lahore
Tel: (92-42) 35474180-81-82

Sultan Pura Branch
Property No. 16, Hide Market Sultan Pura
Lahore
Tel: (92-42) 36862452-58

Sunder Industrial Estate Branch
Khewat No.331, Khatooni No.338, Near
Sunder Industrial Estate Gate-1,Sunder
-Raiwind Road ,Tehsil Raiwind, Lahore
Tel: 0304-1927540, 0304-1927541,
0304-1927542

T Block Phase II Branch
Plot No. 07, 2-C, CCA-T Block Phase –II
Lalok Jan Chowk DHA Lahore
Tel: (92-42) 5707383-86

Thokar Niaz Baig Branch
171-A, Ali Town Raiwind Road, Lahore
Tel: (92-42) 7516128-30

Tufail Road Branch
Shop No.06, 10-11, 33-34 Cantt
Shopping Plaza, Tufail Road Lahore
Cantt
Tel: (92-42) 36602701-703

Urdu Bazar Branch
4-Kabeer Street, Urdu Bazar, Lahore
Tel: (92-42) 37116684-7

Valancia Town Branch
Plot No.1-D, Valencia Society Lahore
Tel: (92-42) 35225894-98

Walton Road Branch
E-28/E, Street # 1, Shaheen Colony,
Walton Road Lahore
Tel: (92-42) 36626602-603, 36626606

WAPDA Town Chowk Branch
Plot No. 429, Block-E, Main Boulevard,
P.I.A Employees Co-operative Housing
Society, Wapda Town Chowk, Lahore
Tel: (92-42) 35211591-4

Wahdat Road Branch
Plot No.16-A, Wahdat Road Branch,
Lahore.
Tel: (92-42) 35912954-56

West Wood Colony Branch
Plot No 24, West Wood Colony, Canal
Road, Lahore
Tel: (92-42) 37498592-93

Zafar Ali Road Branch
Plot No.03, Zafar Ali Road, Gulberg V,
Lahore
Tel: (92-42) 35775758-59

Zahoor Elahi Road Branch
Building No.3-A, Block A, Gulberg II,
Zahoor Elahi Road, Lahore
Tel: (92-42) 111 852 852

Zarrar Shaheed Road Branch
Khasra No. 3939/3296, Block-B,
Al-Faisal Town, Zarrar Shaheed Road,
Lahore Cantt
Tel: (92-42) 36674862

Lalamusa
Lalamusa Branch
Col. Plaza, Plot No. 9, Camping Ground,
G.T. Road, Lalamusa
Tel: (92-53) 513022, 7513032

Main Bazar Lalamusa Branch
Property No.B-9/18/R.H & B-9/26/Shop &
B-9/27/Shop,Main Bazar Lalamusa
Tel: (92-53) 7511803-04

Lalian
Lalian Branch
Sargodha Road, Lalian District Chiniot

Larkana
Larkana Branch
Property No.1796, Ward No. A, Bank
Square, Bunder Road, Larkana
Tel: (92-74) 4055923-5

Layyah
Layyah Branch
Property No. B-II-174, 175, 176, Chobara
Road, Layyah
Tel: (92-606) 412975-7

Liaquatpur
Liaquatpur Branch
Plot No.150, Rest House Road,
Liaquatpur
Tel: (92-068) 5693263-264

Lodhran
Lodhran Branch
Plot No. 493-A, A-1, A-2/5H, Ghosia
Chowk, Multan Bahawalpur Road,
Lodhran
Tel: (92-608) 364797-8

Lora
Lora Branch
Main Bazar Lora

Loralai
Loralai Branch
Plot No. 1060, Zhob Road, Loralai,
Balochistan
Tel: (92-824) 4660103

Mailsi
Mailsi Branch
Khewat No.75/73, Khatooni No.99,
Colony Road, Mailsi
Tel: (92-67) 3750704- 05

Mamukanjan
Mamukanjan Branch
Khewat No.106, Khatooni No.330-376,
Lakar Mandi Bazar, Iron Market, Luqman
Chowk, Mamukanjan, Tehsil
Tandlianwala,
District Faisalabad
Tel: (92-041) 3435165-6

Manawala
Manawala Branch
Khatooni No. 1931-1933, Main Bazar,
near Union Council Office, Old Nankana
Road, Manawala

Manawala II, Faisalabad Branch
Plot No.5/1/Khasra No.2/1/1/10,Khatoni
No7003, Khewat No. 6703, Sheikhpura
Road,Manawala ,Faisalabad

Manga Mandi
Manga Mandi Branch
Kasra No.11809, Khewat No.49 Manga
Mandi bypass Main Multan Road

Mandi Bahauddin
Mandi Bahauddin Branch
Plot No. 5/181 Ward No. 5,
Outside Ghallah Mandi, Near Tawakli
Masjid,
Mandi Bahauddin
Tel: (92-546) 520931-3

Mandi Faizabad
Mandi Faizabad Branch
Main Lahore - Jaranwala Road, Mandi
Faizabad

Malakwal
Malakwal Branch
Khewat No.448, Khatooni No.779-789,
Badshah Pur Road, Malakwal
Tel: (92-546) 581591-2

Katchery Road Branch
Khewat No. 1047-1048, Khatooni
No.1055-1056 Katchery Road,
Mandi Bahauddin
Tel: (92-546) 500693-4

Mansehra
Lari Adda Branch
Near Madni Masjid, Lari Adda,
Karakuram Highway, Mansehra
Tel: (92-997) 307640-2

Mansehra Branch
Meezan Plaza, Near Markazi Jamia
Masjid, Abbottabad Road, Mansehra
Tel: (92-997) 308315-8

Mardan
Bank Road Mardan Branch
Khewat No.1643, Khatooni No.2393,
Khasra No. 2126-2128, Bicket Gunj,
Bank Road Mardan.
Tel: (92-937) 9230561-3

Par Hoti Branch
Khata No 367 neher chowk Main Bazar
Par Hoti Mardan
Tel: (92-937) 560013-14

Matli
Matli Branch
Survey No. 245, Plot No. 29, Notkani
Chowk, Matli
Tel: (92-0297) 840163-4-5

Matta Swat
Matta Branch
Khasra No.2879, Main Bazar, Baghderai
Road, Matta, District Swat

Mehar
Mehar Branch
Plot No. 151, Khairpur Nathan Shah
Road, Mehar
Tel: (92-25)4730913-4

Mehrabbpur
Mehrabbpur Branch
Land Bearing No.12/111-A, Thari Road
Mehrabbpur, Taluka Kandyaro, District
Nowsheroferoz

Mian Channu
Mian Channu Branch
17-B, Ghazi More, G.T. Road, Mian
Channu
Tel: (92-65) 2662001-3

Mianwali
Mianwali Branch
Property No. D-3-4/A, Ballo Khel Road,
Mianwali
Tel: (92-459) 233305-9

Minchinabad
Circular Road Minchinabad Branch
Khata No. 152, Khatooni No. 152,
Circular Road, Minchinabad
Tel: (92-063) 2750383-84

Mirpur Azad Kashmir
Mirpur Branch
Plot No. 123, Sector F/1, Sultan Plaza,
Kotli Road, Mirpur Azad Kashmir
Tel: (92-5827) 438891-3

Mirpurkhas
Mirpurkhas Branch
Plot No. 15, Ward No. A, Adam Mohallah
Town, Umerkot Road, Mirpurkhas
Tel: (92-233) 876103-8

Satellite Town Branch
Survey No.14/4 - 15/12, Satellite Town,
Near Chandni Chowk Mirpurkhas
Tel: (92-233) 861764-5

Moro
Moro Branch
Property No. 60, Ward 13,
Main Road National Highway, Moro
Tel: (92-242) 411008-14

Multan
Adda Laar Branch
Khewat No.220 Murabba No. 86 Adda
Laar, N-5 National Highway Road,
Multan
Tel: (92-61) 4377501-2

Bahawalpur Bypass Chowk Branch
Khewat No. 537/530, Khatooni No.796.
Shaukat Commercial Center Bahawalpur
Road Near Bahawalpur Bypass Chowk,
Multan
Tel: (92-61) 4482702-706

Bosan Road Branch
Chungi No. 9, Lawyers Colony,
Bosan Road, Multan
Tel: (92-61) 6210090-2

Chowk Fawara Branch
Khewat No.140, Property No.
1925/26/27/28, Mouza Taraf Ismail, Near
Chowk Fawara, Abdali Road Multan
Tel: (92-61) 4570334-38

Chowk Shaheedan Branch
Property No. 3493, Chowk Shaheedan,
Multan
Tel: (92-61) 4502906-9

Chungi No.1 Branch
Chungi No. 01, Near Pull Wasil Chowk,
Multan
Tel: (92-61) 4544501-6

Chungi No.14 Branch
Ground Floor, Al Makkah Centre Chungi
No.14, Multan
Tel: (92-61) 4577572-4

Gulgasht Branch
437/C Gulgasht Colony, Multan
Tel: (92-61) 6511931-2

Hussain Agahi Branch
Property No. 2560,
Ward No. 10, Hussain Agahi Road,
Multan
Tel: (92-61) 4512206-7

MDA Chowk Branch
Khewat No.289-B, 286-R Khatooni No.
359-360, Babar Colony, Police Line
Road, MDA Chowk Multan
Tel: (92-61) 4510423-25

Model Town Branch
Property No.110/A-111/A, Model Town,
Multan
Tel: (92-61) 6522183-185

Nawan Shaher Branch
Plot No.92,93,94, LMQ Road,
Chowk Nawan Shaher, Multan
Tel: (92-61) 4785604-07

Old Shujabad Road Multan Branch
Khewat No.332, Mouza Qutabpur , Old
Shujabad Road, Multan
Tel: (92-61) 6303731-34

Qadafi Chowk Branch
Khatooni No. 1261 , Qadafi Chowk
Masoom Shah Road, Multan
Tel: (92-61) 6780853-54

Rasheed Abad Branch
Khatooni No.1101, Shop No.1, 2, 3
Anees Plaza, Chowk Rasheedabad,
Khanewal Road, Multan
Tel: (92-61) 6305714-6

Sameejabad Multan Branch
Khasra No.10/7/1, Khewat No.04, Peeran
Ghaib Road, Sameejabad Multan.

Shah Rukn-e-Alam Branch
Shop No. 26-27, Block F, Main Market,
T-Chowk, Shah Rukn-e-Alam Colony, Multan
Tel: (92-61) 6784324-5

Sher Shah Road Branch
Property No. 50/A, Opposite Garden
Town, Sher Shah Road, Multan
Tel: (92-61) 6536752-5

University Road Branch
Khewat No.856/833, Khatooni No.1309,
Shalimar Colony Chowk, University
Road, Multan
Tel : (92-61) 6224974-5

Vehari Chowk Branch
Shop Nos. 82,83,84,112, Madni
Commercial Center, Near Vehari Chowk,
Multan
Tel: (92-61) 6241201-3

Vehari Road Branch
Al Hamd Centre Plot No. 2228/10 Vehari
Road Grain Market Multan
Tel: (92-61) 6244153-5

Willayatatabad Branch
Building No.728, Near Willayatatabad Gate
01, Willayatatabad Colony, Vehari Road,
Multan

Muridkay
Muridkay Branch
Khewat No. 1061, Khatooni No. 2615,
G.T Road Muridkay District Sheikhpura
Tel: (92-42) 37980131-133

Muslim Bagh
Muslim Bagh Branch
Shop No 40 - 41, School Road, Muslim
Bagh
Tel: (92-823) 669592-3

Muzaffarabad
Madina Market Muzaffarabad Branch
Mohallah Madina Market,
Muzaffarabad, AJ&K
Tel: (92-5822) 920457-9, 920458-60

Muzaffarabad Branch
Secretariat Road, Sathra Muzaffarabad,
Azad Jammu & Kashmir
Tel: (92-5822) 920458-60

Muzaffargarh
Muzaffargarh Branch
Property No. 470, Block No. IV, Hakeem
Plaza, Multan Road, Muzaffargarh
Tel: (92-662) 428708-10

Nankana Sahib
Nankana Sahib Branch
P-66, Guru Bazar Ghalla mandi
Nankana Sahib
Tel: (92-56) 2877023-24

Narowal
Kutchary Road Narowal Branch
Building No.B-IV/ 4B/ 7, Kutchary Road
Narowal
Tel: (92-054) 2411703-6

Naushahro Feroz
Naushahro Feroz Branch
Plot No.1 , Survey No.331, National
Highway Naushahro Feroz

Nawabshah
Nawabshah Branch
Plot No. 573, Ground Floor, Ward-B,
Katcheri Road, Nawabshah
Tel: (92-244) 330902-6

Sanghar Road Branch
Plot No A-17 Survey No. 166/1,166/2,
166/3, Ali Raza Shah Colony, Deh 86,
Nasrat, Sanghar Road Nawabshah
Tel: (92-244) 4361924-25

Nowshera
Nowshera Branch
Ground Floor, Taj Building Main G.T
Road Nowshera Cantt-Pakistan
Tel: (92-923) 613174-5

Oghi
Oghi Branch
Khata No 324/730, Main Bazar Oghi
Tel: (92-099) 7320038-40

Okara
Okara II Branch
Khatooni No. 448, Depalpur Chowk, G.T
Road, Okara
Tel: (92-44) 2701106-07

Okara III Branch
Khewat No.522, Khatoni No.533 Block C,
College Road, Opposite Municipal
Corporation, Okara
Tel: (92-44) 2510784-8

Okara Branch
MA Jinnah Road, Okara
Tel: (92-44) 2521935-7

Okara Cantt Branch
Plot No. 111-D, Okara Cantt
Tel: (92-44) 2880335-36-37

Pabbi
Pabbi Branch
Khasra No.2080, Main G.T Road, Pabbi
Tel: (92-923) 528401-403

Pakpattan
Pakpattan Branch
College Road, Pakpattan
Tel: (92-457) 352711-13

Pano Akil
Pano Akil Branch
City Survey No.07 & 8/1, Situated At Deh
Pano Akil Tapo Taluka Pano Akil District
Sukkur

Panjgoor
Panjgoor Branch
Chitkan Bazar, Panjgoor

Pasni
Pasni Branch
Khewat No.41 Near Gull Rang Market
Fish Harbor Road, Pasni

Pasrur
Timber Market Pasrur Branch
Property No. 369-BI-327/GODOWN ,
Timber Market Pasrur, Tehsil Pasrur
District Sialkot
Tel: (92-052) 6441934-6

Pattoki
Pattoki Branch
Shop No. 09-11, Abdullah Centre,
Opposite Ghalla Mandi,
Shahrah-e-Quaid-e-Azam, Pattoki
Tel: (92-49) 4421025-8

Peshawar
Charsadda Road Branch
Property No. 190, Opposite Al Hajj
Market, Mirch Mandi, Charsadda Road,
Peshawar
Tel: (92-91) 5270543-5

Chowk Yadgar Branch
Mohmand Plaza, Naz Cinema Road,
Peshawar City, Peshawar
Tel: (92-91) 9213950-2

Dalazak Road Branch
Khata No 46/57, Khasra No 424/398/191,
Malik Plaza, Opposite Muslim College of
Commerce, Iqbal Colony, Main Dalazak
Road, Peshawar
Tel: (92-91) 2245901-3

G.T. Road Branch
Taxation # 3845,3846, Main G.T Road
Kirashan Pura, Mouza, Tukrah # 1,
Peshawar
Tel: (92-91) 2612020-3

Gulbahar Branch
Plot No. 45, New Nanak Pura Gulbahar,
Peshawar
Tel: (92-91) 2603091-3

Hayatabad Township Branch
Plot No. 08, Bilal Market, Sector D-1,
Phase 1, Hayatabad, Peshawar
Tel: (92-91) 5816163-5

Karkhano Market Branch
Al Haj Shopping Centre, Karkhano
Market, Jamrul Road, Peshawar
Tel: (92-91) 5893471-4

Khyber Bazar Branch
Property No.417/D, Rehman Baba
Colony, Mohallah Akara Mufti Abdul Latif
Khan, Outside Bajori Gate, Khyber Bazar
Peshawar
Tel: (92-91) 2564019-20

Kohat Road Branch
Khasra No.1493 & 1953, Mauza Achar
Hadbast No.254, Opposite Small
Industrial Estate, Kohat
Road Peshawar
Tel: (92-91) 2320676-576

New Fruit Market Branch
Khata No.91, Khatooni No.189, Khasra
No.275, Mouza Kala, New Fruit Market
Peshawar

New Sabzi Mandi Peshawar Branch
Khata & Khatooni No. 168/722-724,
Mouza Phundu, Had Bast No.137
Inqalab Road, New Sabzi Mandi
Peshawar
Tel: (92-91) 5509601

Ring Road Peshawar Branch
Khasra No.4628/3253, Khata No.
186/549, Near Pashtakhara Chowk, Ring
Road, Peshawar
Tel: (92-91) 5230581-3

Saddar Road Branch
6 Saddar Road, Peshawar Cantt.
Peshawar
Tel: (92-91) 9213471-5

University Road Branch
Khattak Plaza, University Road,
Peshawar
Tel: (92-91) 5703400-2

Warsak Road Branch
Azam Market. Opp. Peshawar Public
School & College, Warsak Road,
Peshawar.
Tel: (92-91) 5201307- 9

Phalia
Phalia Branch
Khewat # 174, Khatooni # 436, Khasra #
106 Helan Road, Phalia
Tel: (92-0546) 586273-5

Pir Mahal
Pir Mahal Branch
Plot No. P-10-11, Kousar Abad,
Chak Abadi 779-GB, Qasba Pir Mahal
Tel: (92-46) 3367601-7

Pind Dadan Khan
Dadan Khan Branch
Property No.659-660, Khatooni
No.746-747, Mohal Barati, Tehsil Pind
Dadan Khan, District Jehlum Pind
Tel: (92-054) 4212067-8

Pindi Gheb
Pindi Gheb Branch
Khasra No. 5208/1, Kuchery
Road Pindi Gheb
Tel: (92-057) 2350195-8

Pishin
Pishin Branch
Khasra No.649-653, Block-1, Bund Road
Pishin
Tel: (92-826) 421015-17

Qalanderabad
Qalanderabad Branch
Khata No.206, Khatoni No.290, Khasra
No.329/2, Shahrah-e-Resham Road,
Qalanderabad
Tel: (0992) 370600-02

Qazi Ahmed
Qazi Ahmed Branch
Survey No.1335, Deh Saindal Kamal,
National Highway Qazi Ahmed
Tel: (92-244) 321086)

Qilla Saifullah
Qilla Saifullah Branch
Khasra No.27, Intiqal No.59, Jahangir
Market Quetta Road, Qilla Saifullah
Tel: (92-0823) 610206-207,
0823-610234-235

Quaidabad
Quaidabad Branch
Khewat No. 1054, Khatooni No.1433,
Khasra No. 13/2, 14/2 Main Sargodha
Mianwali Road, Quaidabad

Quetta
Alamdar Road Branch
Khasra # 11690/5518, Alamdar Road,
Quetta
Tel: (92-81) 2662502-503

Alamo Chowk Branch
Shop No.17-19, Al-Emirate City Plaza,
Alamo Chowk, Air Port Road, Quetta
Tel: (92-81) 2820158-9

Choharmal Road Branch
Shop No: 1-5, Agha Super Complex
Choharmal Road Quetta
Pabx: (92-81) 2845593-94

Double Road Branch
Khasra No.2, Qithas, Zarghoon Road
Quetta
Tel: (92-81) 2440885-86

Hazar Ganji Branch
Plot No. 715-716 A, Truck Stand, Hazar
Ganji, Quetta
Tel: (92-81) 2472143, 081-2472167

Kawari Road Branch
Kawari Road, Near Children Hospital,
Quetta

Liaquat Bazar Branch
Shop No. 1,2 Alazmat Plaza, Masjid Rd.
London Street, Quetta
Tel: (92-81) 2840195-6

Mannan Chowk Branch
Mannan Chowk, Jinnah Road, Quetta
Tel: (92-81) 2829470-2

Mission Road Branch
Shop No 1-30/51 & 1-30/52, Mission
Road, Opposite Palace Bakery, Quetta
Tel: (92-81) 2832851-5

Sirki Road Branch
Shop No. 1 & 2, Kasi Complex,
Sirki Road, Quetta
Tel: (92-81) 2454222-3

Quetta Cantt Branch
Jinnah Welfare Shopping Complex,
Jinnah Road Quetta Cantt
Tel: (92-81) 2820889

Suraj Ganj Bazar Branch
Khasra No.292, NRB Plaza, Thana Road,
Suraj Ganj Bazar, Quetta
Tel: (92-81) 2831021, 0812-2831022

Rahim Yar Khan
Factory Area Branch
Plot No.21, 22, Shahbaz Pur Road,
Factory Area Rahim Yar Khan
Tel: (92-68) 5888603-04

New Grain Market, Rahim Yar Khan
Branch
Khata No.16/16, Khatooni No.135/137
New Grain Market, By Pass Road, Rahim
Yar Khan
Tel: (92-68) 5708103-04

Rahim Yar Khan Branch
23 - Model Town, Rahim Yar Khan
Tel: (92-68) 5887603-4

Raiwind
Raiwind Branch
Khasra No. 5024 & 5031, Main Bazar,
Opposite Railway Phattak, Raiwind
Tel: (92-42) 35394620-2

Rajanpur
Rajanpur Branch
Khata No.1270, Khasra No.617/1, Jinnah
Road, Rajanpur
Tel: (92-604) 688071-72

Rashidabad
Rashidabad Branch
Survey No. 510-511, Deh Daro, Main
Hyderabad Mirpurkhas Road, Rashidabad
Tel: (92-22) 2732153-55

Rawat
Rawat Branch
Khokhar Mall Plaza, Main G.T Road,
Rawat, Islamabad
Tel: (92-51) 4612346-47

Renala Khurd
Renala Khurd Branch
Plot No. 26-27, 58-60 Khewat No.3,
Khatooni No.4, Khasra No.34/26/2/26,
Welcome Road, Renala Khurd
Tel: (92-044) 2622336-37

Rawalakot
Rawalakot Branch
Plot No. D-269, D-113, Housing Scheme,
Rawalpindi Road, Rawalakot Azad
Jammu Kashmir
Tel: (92-5824) 442240-41

Rawalpindi
Adyala Road Branch
Ground Floor, Daulat Plaza,
Near Dhaman Morh, Main Adyala Road,
Rawalpindi
Tel: (92-51) 5574880-2

Afshan Colony Branch
Khasra No.294, Afshan Colony, Range
Road Rawalpindi Cantt
Tel: (92-51) 5142109-11

Bahria Town Branch
Shop No 10, 11 & 12, Bahria Heights - I,
Phase - I, Bahria Town, Rawalpindi
Tel: (92-51) 5730171-3

Bahria Town Phase-7 Branch
Plot No.36, Sikandar Arcade, Service
Road Spring North, Bahria Town Phase-7
Rawalpindi
Tel: (92-51) 5400373 -75

Bank Road Branch
No. 47/62, Bank Road Saddar, Rawalpindi
Tel: (92-51) 9273404-6

Banni Chowk Branch
Shop Nos. O-383/A, O-383/A-2, O-383/A-3,
Kohati Bazar Banni Chowk Rawalpindi
Tel: (92-51) 5556301-2

Bohar Bazar Branch
D-327, Hakim Muhammad Amjal Khan
Road, Bohar Bazar, Rawalpindi
Tel: (92-51) 5778875, 5778834

Committee Chowk Branch
Plot No.1, Regent Hotel, Sherpao
Colony, Committee Chowk, Chaklala
Road, Rawalpindi

Chah Sultan Chowk Branch
Plot No. NE-4286 - NE-4287 Chah Sultan
Chowk, Rawalpindi
Tel: (92-51) 5702491-2

Chaklala Scheme III Branch
Plot No. 38, Bazar Area,
Chaklala Housing Scheme No. III,
Rawalpindi Cantt
Tel: (92-51) 5766435-8

Chakra Branch
Khasra No. 198-199, Chakra Road,
Rawalpindi
Tel: (92-51) 5189873-75

Chakri Road
Fahad Awan Building, Kota Khurd,
Khasra No.663/17, Main Chakri Road,
Rawalpindi
Tel: (92-51) 5560507-12

Chandni Chowk Branch
Umer Farooq Plaza, Block C, Satellite
Town, Chandni Chowk, Murree Road,
Rawalpindi
Tel: (92-51) 4851046-9

Commercial Market Branch
Plot No. 847-B, Commercial Market,
Satellite Town Rawalpindi
Tel: (92-51) 4944203-04

DHA Phase I Branch
DHA Avenue Mall, Main Boulevard DHA
Phase-I, Rawalpindi
Tel: (92-51) 5788316-17

Fateh Jhang Road Branch
Faisal Town Fateh Jhang Road Rawalpindi
Tel: (92-51) 4342707-8

G.T Road Morgah Branch
Khasra No. 1663, Riaz Plaza, G.T Road
Morgah More, Rawalpindi.
Tel: (92-51) 5450010-11

G.T Road Tarnol Branch
Khan Malook, Wazir Plaza, G.T. Road,
Turnol, Rawalpindi
Tel: (92-51) 2226406

Gulrez Rawalpindi Branch
Plot No. 471 Asghar Mall Plaza Gulrez
Housing Scheme Phase II, Rawalpindi.
Tel: (92-51) 5595895 - 897

Gulzar-e-Quaid Branch
Mangral Plaza, Mauza Gangal, Main
Airport Road, Gulzar-e-Quaid, Rawalpindi
Tel: (92-51) 5191802-3

Hamilton Road Branch
Shop No. AA-710 - 713, Hamilton Road,
Raja Bazar, Rawalpindi
Tel: (92-51) 5777192 - 194

Jinnah Road Branch
Property No. 167, Commercial Area,
Mohan Pura, Jinnah Road - City Saddar
Road, Rawalpindi City
Tel: (92-51) 5778511-2

Kallar Syedan Branch
Khewat No.105, Khatooni No.211, Choa
Road, Mouza & Tehsil Kallar Syedan,
District Rawalpindi
Tel: (92-51) 3572261-263

Kalma Chowk Branch
Ground Floor, Rajco Plaza, Kalma
Chowk,
Kamal Abad, Rawalpindi
Tel: (92-51) 5684491-2

Kamran Market Branch
Plot No.454-A Bakery Road, Saddar
Bazar , Kamran Market, Rawalpindi
Tel: (92-51) 5176515-16

Khana Pul Branch
Khewat No.1674, Khatooni No.2185,
Khasra No.833, Mouza Khana Dak,
Tehsil & District Rawalpindi
Tel: (92-51) 4473781-84

Khayaban-e-Sir Syed Branch
Plot # 164-A/1, Sector-I, Area
Development Scheme Khayaban-e-Sir
Syed Rawalpindi
Tel: (92-51) 4832926-27

Liaquat Road Rawalpindi Branch
Plot No.B-541-542, Liaquat Road
Rawalpindi
Tel: (92-51) 5559121-23

Muslim Town Branch
B-IV, 628-629, Chirah Road, Muslim
Town, Rawalpindi
Tel: (92-51) 4476013

Peshawar Road Branch
Khasra No. 2573 Peshawar Road
Rawalpindi.
Tel: (92-51) 5167368-70

Saidpur Road Branch
Plot No. CA-294/A, Chistiabad,
Shabbir Plaza, Near Siddiqui Chowk,
Saidpur Road Rawalpindi
Tel: (92-51) 4416215-17

Shamsabad Branch
Khewat # 79,80,89,107/1, Khatooni #
97,100,124,132/1, Khasra #
101,102,103,107,106,104,110
Shamsabad Murree Road Rawalpindi
Tel: (92-51) 4854471-4

Tench Bhatta Branch
Property No. CB-185/185-1-11 Tench
Bhatta Rawalpindi Cantt
Tel: (92-51) 5562716-18

Tulsa Road Lalazar Branch
Property No.9-A Main Tulsa Road
Lalazar Rawalpindi Cantt
Tel: (92-51) 5178189-191

Westridge Branch
Al Farooq Plaza Khasra No.1704-1705,
Khewat No.601,606, Khatooni No.
863-868, Moza Chur Harpal Allabad
Westridge-III Rawalpindi
Tel: (92-51) 5490250-252

Sadiqabad
FFC Chowk Branch
Rehmat Center, FFC Chowk, K.L.P Road,
Sadiqabad
Tel: (92-68) 5786209-10

Sadiqabad Branch
31-D, Main Bazar, Sadiqabad
Tel: (92-68) 5701207-8

Sahiwal
Farid Town Branch
Khewat No. 7126, Khatooni No. 7198,
Plot No.357, Block-H, Farid Town
Sahiwal

G.T. Road Sahiwal Branch
Property No. IV-343/334, 343/335, Ghalla
Mandi G.T Road, Sahiwal
Tel: (92-40) 4224911-2

High Street Branch
Khewat # 146, Khatooni # 146, Mission
Chowk, High Street Sahiwal
Tel: (92-40) 4222661-62

Old KLP Road Branch
Khewat No.38/38, Khatooni No.41-44,
Old KLP Road, Sadiqabad
Tel: (92-40) 5700313-14

Pakpattan Road Branch
Khewat No.115, Khatoni No.386, 97/9L,
Pakpattan Road, Besides Engro Foods,
Sahiwal

Sahiwal Branch
276-B-I, Alpha Tower, High Street, Sahiwal
Tel: (92-40) 4465009, 4466592

Sakrand
Sakrand Branch
Deh.18, Taluka City Sakrand, District,
Nawabshah
Tel: (92-244) 322054-57

Sambrial
Sambrial Branch
Property No. B-II-382, street No 4,
Wazirabad Road, Tehsil Sambrial District
Sialkot
Tel: (92-052) 6524061-3

Samundri
Samundri Branch
Plot No 1, Commercial Area Development
Scheme, Gojra Road, Samundri
Tel: (92-041) 3420181-85

Sanghar
Sanghar Branch
Property No.124 / A-1, Housing Society
Town, Sanghar
Tel: (92-235) 543662-3

Sangla Hill
Sangla Hill Branch
Serial No. 50, Block B, Circular Road,
Sangla Hill, District Nankana Sahib
Tel: (92-056) 3548506-07

Sanawan
Sanawan Branch
G.T Road, Sanawan, District Muzaffargarh

Sara-e-Alamgir
Sara-e-Alamgir Branch
Khewat No.92-93, Khatooni No.106-107,
Near Mirpur Bus Stand G.T Road,
Sara-e-Alamgir
Tel: (92-544) 286103-5

Sargodha
47 Adda Branch
Khewat No.167, Khatooni No.195, Main
Canal View Chowk 47 Adda Sargodha
Tel: (92-48) 3212648-9

Bhatta Chowk Sargodha Branch
Khewat No. 355/107, Khatooni No. 434,
Chuk No. 39 Shamali, Bhatta Chowk
Sargodha
Tel: (92-48) 3760083-4

Gole Chowk Branch
Plot No.123-25, Block No. 10, Gole
Chowk, Sargodha
Tel: (92-48) 3700943-45

Muslim Bazar Branch
12-Block Chowk, Muslim Bazar, Sargodha
Tel: (92 48) 3741609-13

New Satellite Town Branch
Property No.01, Khasra No.14380,
Khatooni No.371/392, Block Z, New
Satellite Town Sargodha

Queens Chowk, Sargodha Cantt Branch
Property No 193/1, 194/2,
Mansoorabad, Queens Chowk
Cantonment Area Sargodha
Tel: (92-48) 3722904-6

Sargodha Branch
91 Civil Lines, University Road, Sargodha
Tel: (92-48) 3741608-10

Satellite Town Branch
Plot No. 34 Block-C, Main Chowk,
Satellite Town, Sargodha
Tel: (92-48) 3223731-5

Shahdadpur
Shahdadpur Branch
Property No. 293/1, Ward-C, Station
Road, Shahdadpur
Tel: (92-235) 842952-3

Shahdadkot
Shahdadkot Branch
Survey No.1357/1, Ward-B Kotoo Motoo
Chowk Shahdadkot
Tel: (92-074) 4012895-7

Shakargarh
Shakargarh Branch
B-IV-942/RH-SH, Railway Road
Shakargarh
Tel: (92-54) 2452180-2

Shinkhari
Shinkhari Branch
Bajna Road,Main Bazar Shinkhari

Shorkot
Shorkot Branch
Sabir Chowk, Jhang Road, Shorkot
District Jhang

Skardu
Skardu Branch
Khewat No.62/189/63, Main Bazar Skardu
Tel: (05-815) 456457 to 459

Sharaqpur
Sharaqpur Sharif Branch
Khewat No.542, Khatooni No.
1696-1697, Khasra No.63/243, Main
Circular Road Sharaqpur Sharif Tehsil &
District Sheikhupura Sharif
Tel: (92-56) 2591524-5

Sheikhupura
Sheikhupura Branch
Civic Center, Sargodha Road,
Sheikhupura
Tel: (92-56) 3813360-2

Sheikhupura II Branch
Khata No 465, Khatoni No.903,
Property No.BIX-7-5, Chowk Pir Bahar Shah,
Batti Chowk, Lahore Road Sheikhupura

Sialkot
Aadha, Daska Road Branch
Khewat No. 11, Khatooni No. 29, Near
Aadha Stop, Daska Road Sialkot Sialkot
Tel: (92-52) 3311155-8

Aziz Shaheed Road Branch
Qayyum Trade Center, Aziz Shaheed
Road, Sialkot Cantt
Tel: (92-52) 111 852 852

Circular Road Sialkot
Property No. XXIII - 4S- 17 / RH Circular
Road Sialkot
Tel: (92-52) 4586601-03

Chenab Rangers Oora
Khewat No. 32 Khatooni No.
89-116,Chenab Rangers Road Oora,
Sialkot
Tel: (92-52) 4571594-96

Gohad Pur Branch
Building No. BI - 25 S-304, Airport Road
Gohad Pur Sialkot
Tel: (92-52) 4296054-6

Haji Pura Road Sialkot Branch
Khatooni No.322-324, Khewat No.106,
Haji Pura Road Sialkot
Tel: (92-52) 3574763-65

Kashmir Road Branch
Address: Pakka Garha, Kashmir Road
Sialkot
Tel: (92-52)-4295301-02

Kutchery Road Branch
Kutchery Road, Sialkot
Tel: (92-52) 4263461

Pasrur Road Branch
Plot No.BXIV-II-S-I/B/RH, Pul Aik, Pasrur
Road Sialkot
Tel: (92-52) 3521701-04

Shahabpura Road Branch
Plot No 31-A, Shahabpura Road, Adjacent
to Grays of Cambridge Ltd. Sialkot
Tel: (92-52) 3242941-43

Sibi
Sibi Branch
3-6/15, M.A Jinnah Road, Sibi

Sillanwali
Sillanwali Branch
Khewat # 210, Khatooni # 460, 46 Adda
Road, Near Iqbal Colony, Tehsil
Sillanwali, Dist. Sargodha
Tel: (92-48) 6531402-3

Shahkot
Shahkot Branch
Property No. 518, Jaranwala Bazar,
Corner Circular Road, Sultan Baho
Chowk, Shahkot

Shujabad
Shujabad Branch
Property No.323-A, Ward No.06,
Jalalpur Road, Shujabad
Tel: (92-61) 4425574-76

Shikarpur
Shikarpur Branch
Plot Survey No.5/142, 5/143, 5/144 & 5/158
Circular Road Staurt Gunj, Shikarpur
Tel: (0726) 540341-43

Sukkur
Military Road Branch
Plot No.E-717, Military Road Sukkur.
Tel: (92-71) 5630631- 33

March Bazar Branch
C-45, Station Road, Sukkur
Tel: (92-71) 5620771-3

Sukkur Branch
3-45, Ward-C, Station Road, Sukkur
Tel: (92-71) 5617192-4

Swabi
Swabi Branch
Amjad Mughalbaz Khan Plaza,
Near TMA Office Mardan Road, Swabi
Tel: (92-938) 222704-6

Swari
Swari Branch
Khata No.579, Khatoni No.715, Khasra
No.2964, Moza Swari, Tehsil Gagra,
District Buner
Tel: (92-93) 9555204-5

Swat
Green Chowk Branch
Abasin Tower, Green Chowk,
Madyan Road, Mingora Swat
Tel: (92-946) 711581-83

Mingora Branch
Makanbagh Chowk, Mingora Swat
Tel: (92-946) 714316-8

Talagang
Talagang Branch
Khasra No.529, Khewat No.909 Traffic
Chowk, Old Rawalpindi Road Talagang
Tel: (0543) 410460-61

Tando Adam
Tando Adam Branch
Muhammad Chowk, Tando Adam,
District Sanghar
Tel: (92-235) 576565-66

Tando Allahyar
Tando Allahyar Branch
Survey No. 1610/07, Opposite General
Bus Stand, Tando Allahyar
Tel: (92-22) 3892021, 3891242

Tando Jam
Tando Jam Branch
City Survey No.04, Main Hyderabad
Road

Tando Mohammad Khan
Tando Mohammad Khan Branch
Shop # 25,26 & 27, Deh Pataar main
Hyderabad-Badin Road Tando
Mohammad Khan
Tel: (92-22) 3341584-5

Tank
Tank Branch
Wasiga Nos.05/07/08, Bahi No.01, Jild
No.171, Main Bazar, Tank City
Tel: (92-096) 3511003-4

Tarlai
Tarlai Branch
Khewat No.88, Khatooni No.168, Khasra
No.411/2, Near Tramdi Chowk, Lehtar
Road Tarlai Kalan,
Tehsil & District Islamabad.
Tel: (92-51) 2243700 - 701

Taunsa
Taunsa Branch
Property ETO No.347, 348, 349, 350-III,
Wahuwa Road, Taunsa
Tel: (92-64) 2601301-03, 2601201-02

Taxila
Taxila Branch
Khewat 17, Khatooni 29, Khasra 403,
Nabi Plaza, Chowk Sara-e-Kala, Taxila
Tel: (92-51) 4544119, 4547116

Thatta
Thatta Branch
Memon Shopping Center, Main National
Highway, Opp Sarwari Hala Hancrafts,
Thatta
Tel: (92-298) 550366

Timergara
Timergara Branch
Al-Imran Hotel G.T Road,
Timergara Bazar, Timergara
Tel: (92-945) 825271-3

Toba Tek Singh
Toba Tek Singh Branch
P-103, Farooq Road, Toba Tek Singh
Tel: (92-46) 2513765-6

Topi
Topi Branch
Main Bazar Topi

Tulamba
Tulamba Branch
Khewat No.9/9, Khatooni No.23, Adda
No. 2, Tulamba

Turbat
Main Road Turbat Branch
Khasra No. 32, Khewat No. 32, Main
Road Branch Turbat

Umerkot
Umerkot Branch
Survey No.699,115, Shops No.15-17,
Gulshan-e-Akber Housing Project Phase
II, Mirpurkhas Road, Umerkot
Tel: (92-238) 570409-411

Usta Muhammad
Usta Muhammad Branch
Shop No.355/1, 355/2, 355/3, 355/4,
Jinnah Road, Usta Muhammad

Vehari
Karkhana Bazar Vehari Road Branch
Plot No. 23, Block-A,
Karkhana Bazar, Vehari
Tel: (92-67) 3366031-3

Wah Cantt
Wah Cantt Branch
Ground Floor, Mall View Plaza, Mall
Road, Wah Cantt
Tel: (92-51) 4530584-6

Yazman
Yazman Branch
Khatooni No.166-177 Bahawalpur Road,
Yazman

Wazirabad
Wazirabad Branch
Plot No. I-14S-37, Sialkot Road,
Wazirabad
Tel: (92-55) 6600313-4

Zafarwal
Zafarwal Branch
Khata No.250,262, Khatooni No.501,551,
Khasra No.2473,2474, Narowal Road
Zafarwal
Tel: (92-054) 2538384-6

Zahir Pir
Old KLP Road Zahir Pir Branch
Khata No.158/157, Khatooni No.374, Old
KLP Road, Zahir Pir
Tel: (92-068) 5562307-8

Zhob
Zhob Branch
Patta No. I-46, Market Road, Zhob
Tel: (92-822) 413803

Permanent Booth
Hala Road Isara University Hyderabad
Tel: 0345-8220610

Glossary

AAOIFI

Accounting and Auditing Organization for Islamic Financial Institutions. The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) is an Islamic international autonomous non-for-profit corporate body that prepares accounting, auditing, governance, ethics and Shariah standards for Islamic financial institutions and the industry.

Acceptances

Promise to pay created when the drawee of a time draft stamps or writes the words "accepted" above his signature and a designated payment date.

Accrued Profit

Profit earned but not received from the customer.

Acquirer

Acquirers are banks and financial institutions that collaborate with businesses to accept credit/debit card payments.

Additional Unit Purchase

Purchase of units in excess of initially agreed schedule in Diminishing Musharakah to reduce bank's share in the asset.

Advance Booking

Booking of vehicle with the manufacturer through advance payment.

Advance Rental

Payment of rent after lease agreement before utilization of usufruct.

Agreement Stamping Charges

Charges paid by the customer for stamping of financing agreement.

Al-'Aqd

Legal contract implying an enforceable act involving a bilateral declaration, namely, the offer ('Ejab) and the acceptance (qabul).

Al-Bai

A contract of sale. Tech: Sale of definite goods or property with the free consent of parties for a definite price. It involves offer (Ejab) and acceptance (qabul). It has many types.

Al-Bai' Al-Batil

An agreement of sale which is unlawful in respect of its substance and description.

Al-Bai' Al-Mu'ajjal

A financing technique adopted by Islamic banks. It is a contract in which the seller allows the buyer to pay the price of a commodity at a future date in lump sum or in instalments.

Al-Gharar

Gharar is a state of uncertainty that exists when the process of concluding a transaction involves an unknown aspect.

Al-'Ijma'

Consensus of the Islamic jurists (mujtahidwn) on a certain Shariah issue after the demise of the Holy Prophet (P.B.U.H.)

Al-'Ijtihad

Endeavour of an Islamic jurist to derive or formulate a rule of law pertaining due to a matter not explicitly mentioned in the Shariah sources on the basis of evidence found in the Shariah sources.

Al-Kafalah

A contract of surety in which a person adds to his responsibility or liability on behalf of another person in respect of a demand for a loan or debt.

Al-Mudarabah Al-Muqayyadah

A contract of Mudarabah in which certain conditions like place, season, commodities, credit and techniques of trade are stipulated by the provider of the capital (rabb al-mal).

Al-Mudarabah Al-Mutlaqah

A contract of Mudarabah that does not bind the entrepreneur about the place, time, season, commodities, credit or techniques of trade. These matters are left to the option of the entrepreneur. The Mudarabah contract defines merely the profit-sharing ratio.

Al-Musha'

Mixing up of the proprietary rights of more than one person in a thing, such as in joint ownership where each co-owner has a right until the entire property is distributed.

Al-Qard Al-Hasan

A loan with the stipulation to return the principal sum in the future without any increase.

Al-Qimar

An agreement in which ownership of a property is contingent upon the happening of an uncertain event. By implication it applies to those commutative agreements in which gain of one party is linked with the loss of other party.

Al-Qiyas

Derivation of the law on the analogy of another law if the basis ('illah) of the two is the same. It is one of the primary sources of Islamic law including Islamic economics.

Al-Rahn

To pledge or lodge a real or corporeal property of material value, in accordance with the law, as security for a debt or financial obligation, so as to make it possible for the creditor to regain the debt or some portion of the goods or property.

Al-Tabarru'

It means the right of complete and unfettered disposition over joint property. This right has not been conceded by the jurists to any partner. However, one has the right of tabarru' with personal property.

Amortization Schedule

Information of Equal Monthly Installments (EMI) with breakup of unit price & rental along with balance outstanding.

Annual Fee / Renewal Fee

An annual fee typically charged to customers with debt cards.

Applicable rate

Profit rate applied on the facility.

Application form

A form to be filled in and signed as per the Bank's requirements to avail Banking facilities. Requirement of details to be filled in will vary for each facility. Applications may also require certain specified documents also to be attached.

Appraisal Agency

Agency used for assessing market value of an Asset.

ATM

An automated teller machine or any card-operated machine or device whether belonging to the Bank or other participating banks or financial institutions or concerns or to the Visa Card or MasterCard global ATM Network, or the affiliated networks thereof, as the case may be, which accepts the Card.

Bai' Al-'Amanah

A sale whereby both parties express trust in each other. Examples: bai' al-wafa, bai' al-talji'ah, bai' al-wad'Wyah, Murabaha, etc.

Bai' Al-Dain

Sale of debt.

Bai' Al-'Inah

It refers to the process of purchasing the commodity to a deferred price, and selling it for a lower spot price to the same party from whom the commodity was purchased.

Bai' Al-'Istijrar

A form of sale whereby the buyer keeps on taking the goods from the seller as and when needed with or without settling the price and then settles the account later on.

Bai' Al-Kali Bil Kali

A sale in which both the delivery of the object of the sale and the payment of its price are delayed.

Bai' Al-Khiyar

A sale contract that provides an option to conclude or rescind the deal.

Bai' Al-Muqayadah

Selling a commodity for another commodity/Barter sale.

Bai' Al-Murabahah

Sale of goods with an agreed price with profit on the cost.

Bai' Al-Musawamah

Sale of goods at a price on which the buyer and seller agree after haggling without mentioning the cost to the seller.

Bai Al-Salam

This term refers to advance payment for specifically defined goods which are to be delivered later.

Bai' Al-Tawliyah

A contract of sale in which the seller agrees to sell a product at his cost.

Bai' Al-Wad'iyah

A sales contract in which a seller informs the buyer his actual cost and then gives a further discount on it.

Balloon Payment

Payment by customer in addition/additional/excess to the installment amount to reduce the number of outstanding units.

Bank Investment Ratio (BIR)

Ratio of bank's investment in an asset against the value of that asset.

Banker's lien

Bank's charge on the asset.

Basel II

Basel II is the second of the Basel Committee on Bank Supervision's recommendations, and unlike the first accord, Basel I, where focus was mainly on credit risk, the purpose of Basel II was to create standards and regulations on how much capital financial institutions must put aside. Banks need to put aside capital to reduce the risks associated with their investing and lending practices.

Base rate

Benchmark rate for driving the pricing of product/service.

Billing cycle

Date of a month when bill/statement is generated.

Bills for Collection

A bill of exchange drawn by the exporter usually at a term, on an importer overseas and brought by the exporter to this bank with a request to collect the proceeds.

BOQ

Bill of quantity - Break up of amount in construction cases.

Breakup Value per share

The total worth (equity) of the business per share, calculated as shareholders' equity or Net Assets excluding the impact of revaluation on fixed assets, divided by the total number of share outstanding at year end.

BRP (Bankers Ratio of Profit-Sharing)

Percentage share of profit due to financier in the profit of an enterprise financed on the basis of Mudarabah or Musharakah.

Business Person

Individual having his own business.

Buy-Back

A non-permissible transaction where Bank purchases goods, equipment or property from the client with the agreement that the client would buy it back from the bank at a higher price, to be paid later by the client.

Capital Adequacy Ratio (CAR)

The relationship between capital and risk weighted assets as defined in the framework developed by the State Bank of Pakistan.

Capital Contributions

Relating to an Islamic Fund, they are additional funds collected from investors in the fund to finance needs that may arise in the future as the fund manager considers appropriate. New shares/units are not issued in exchange of these capital contributions.

Capital Transactions

With reference to an Islamic Fund, they include the sale of units/shares, and the number of units/shares issued on reinvestment of distributions/dividends less the value of units/shares returned.

Card

The applicable Visa Card, MasterCard and / or any other card including but not limited to co-branded cards, e-card, debit card the second card as issued by the Bank, from time to time, to the Card member and shall include Supplementary and subsequently issued, renewal or replacement Cards.

Card Account

Visa/Master Card account or any account pertaining to the Card(s) issued by the Bank from time to time, as the case may be, opened by the Bank for the purpose of entering debits / charges incurred by or for the account of, and credits received by or for the Card member and Supplementary Card member.

Card Issuer

A bank, financial institution, credit union, or agency that issues a card to public or its members is called a card issuer.

Card member

A person to whom the Card is issued by the Bank and shall also include every Supplementary Card member.

Card Replacement Fee

Fees to be charged by the bank for replacement of lost/stolen or damage card.

Card Transaction

Any payment made or any amount to be debited from the Card Account or any amount charged by the Bank or any Merchant for any goods, services and other benefits by or through the use of the Card.

Cash Equivalents

Short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Reserve Ratio (CRR)

Cash Reserve Ratio is the amount of funds that the banks have to keep with the State Bank of Pakistan.

CAGR

An abbreviation for Compound Annual Growth Rate.

CDs (Central Deposits)

One of the proposed monetary policy tools for the Islamic economy. The central bank may open investment accounts in member banks in which it deposits whatever money it creates and from which it withdraws whatever money it retires. Member banks may invest these deposits in the real sector in accordance with the investment policy of each bank. Profits earned on such deposits may be used to cover the cost of central bank operations.

Certificate of Musharakah

An Islamic financial instrument approved by the Corporate Law Authority of Pakistan in April 1995.

Charges

The amount payable by the customer to the Bank under the Terms and Conditions, including but not limited to any transactions, Annual Membership , Services Fee, Charity and other fees / charges.

Charity

Means monetarily helping those in need. In IBIs in order to mitigate the risk of delayed payment customer is asked to undertake, that if he/she fails to pay dues on due date, he/she will pay certain amount to a charity, which will be administered through the Islamic Bank. Such amount is not the income of IB.

Clean Limit

Financing Limit which has been granted by the bank without any collateral/liquid/non-liquid securities.

Clear Title

When the property in question is free from any doubt is not disputed and is not having any encumbrances and it is said to have a clear title.

Closed-End Funds

Mutual funds with a fixed number of shares (or units). Unlike open-end funds, new shares/units in a closed-end fund are not created by managers to meet demand from investors. Instead, the shares can only be purchased (and sold) in the secondary market.

Closing Balance

The amount payable (or available) as of last working day of the certain period/month.

Co-Applicant

A co-applicant is a person who signs a finance contract with the primary applicant, pledging to be responsible for paying off financed amount in the event the applicant is unable to pay.

Collateral

An asset pledged to a financier/creditor to guarantee payment/repayment. Collateral could include savings, Sukuks, takaful policies, jewelry, property or other items that are pledged to pay off financing/rentals/balance outstanding if payments are not made according to the contract.

Collector

Bank employee responsible for collection/recovery.

Commingled Mudarabah

Relating to Islamic banks, a form of Mudarabah in which a bank accepts funds for investment and contributes its own funds as well. The profit and loss are shared in agreed proportions and the bank also receives a share of the profit from out of the share of investors for its role as mudarib.

Commitment to Extend Credit

Credit facilities approved but not yet utilized by the client as at the Balance Sheet date.

Commodity Mudarabah

A contract of Mudarabah wherein the owner of capital provides capital in the form of stock-in-trade ('urwd) and not cash.

Constant Musharakah

It is a Musharakah in which the proportionate shares of partners in the equity remain unchanged within the currency of the agreement.

Contingencies

A condition or situation existing at Balance Sheet date where the outcome will be confirmed only by occurrence of one or more future events.

Contract Price

Total amount payable by the Customer to the Bank for the Asset pursuant to the Musawamah / Mudarabah Transaction.

Corporate Governance

The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of an entity, the supervision of executive actions and accountability to owners and others.

Cost/Income Ratio

Operating expenses as a percentage of total income.

Credit History

A financial profile of any person based on how he pays his bills, clears his debt and the amount a person owes to various banks and other financial intuitions.

Credit Limit

It is the maximum amount of money one can draw on his account based on prior sanction or approval from the bank. In other words, drawing limit fixed by a bank for a customer depending on his credit history, paying capacity and relationship with bank.

Credit Murabahah

A sale agreement on the basis of determined profit over the purchase price of the seller with the condition that the buyer will pay the sale price in future.

Credit Rating / Score

A credit rating is an evaluation of the credit risk of a prospective customer, predicting his ability to pay the financed amount, and an implicit forecast of the likelihood of the customer defaulting.

Credit Risk

Credit risk involves the risk that a counter-party to a contractual obligation, be it Murabahah, Mudarabah, 'Ijarah, qard hasan, 'Ijarah wa 'iqatina' or shirkah, would default on the promised date of payment.

Cross sell

Selling of product to already existing customer.

Current

Customer making all the payments on time.

Customer

A person who is availing any facility or products of a bank.

Dealership

Vehicle is provided through dealership.

Debt Ratio/Debt Burden

A ratio of amount of money customer owe to banks or credit issuers against total monthly income of a customer. It reflects the percentage of income that goes to paying customer debts every month. Islamic banks calculate Debt Ratio to assess the amount of financing that can be provided.

Default/ Delinquency

When a customer fails to make any payment(s) due towards the bank as per the terms and conditions agreed or otherwise is termed as default. Furthermore, a breach of contract/terms and conditions may also be categorized as an event of default. Account is classified as delinquent when rentals are not paid according to the contractually agreed upon terms or when due.

Deferred Taxation

Sum set aside for tax in the Financial Statements that will become payable in a financial year other than the current financial year.

Delivery Acceptance Form

In the context of auto finance, this is a mandatory document which the customer signs acknowledging acceptance and possession of vehicle from the dealer.

Desired Financing Amount

Amount required by the customer.

Desired Financing Tenure

Tenure required by the customer.

Diminishing Musharakah

Bank and customer participate in joint ownership of a property. The share of the bank is divided into number of units and the units owned by the Bank are rented to the customer. Customer purchases these units from bank at periodic intervals, thereby increasing his/her share in the undivided property until all the units are purchased by the customer.

Direct Debit / Auto Debit Facility

A facility offered by the bank to customer against which monthly full payment or minimum payment will be debited from his/her account on the due date.

Disbursement

Payment made in the name of the customer.

Discrepancy

Incomplete or missing documents, or alternatively incomplete, illegible or contradictory information in the customer's financing application or documentation provided by customer.

Dishonored/Returned Cheque

A Cheque which is returned by the payer's Bank due any number of possible reasons including but not limited "insufficient funds, amounts' mismatch, illegible signature, overwriting, date-barring etc."

Disputed transaction

A cardholder posted transaction which is not accepted by him/her and requires clarification.

Dividend

A sum of money paid by a company to its shareholders out of its profits (or reserves).

Dividend Payout Ratio

Dividends (cash dividend plus bonus shares) paid per share as a fraction of earnings per share (EPS).

Dividend Yield Ratio

Dividend per share divided by the market value of share.

DPD

Number of days past the due date after the customer's payment became due as per the contractually agreed upon terms and conditions.

Due Date /Payment Due Date /Installment due date

Date specified in the statement of account for monthly payments/schedule for the payment of the Current Balance or Installment to be made to the Bank for the facility availed by the customer.

E-Alerts

Electronic Alerts to be sent to customer via email / SMS.

E-Banking / Internet Banking

Banking transactions which can be conducted on internet after accessing Bank's application with unique password.

E-CIB /Credit Bureau

Electronic Credit Information Bureau-eCIB has been established by the State Bank of Pakistan which requires all banks and financial institutions to report all financings and advances, to the State Bank.

Early Settlement

Payment of entire financed amount before the agreed upon maturity of financing as per payment schedule.

Early Termination Price

If the customer wishes to terminate the Ijarah/Diminishing Musharakah Agreement before the agreed period, the customer has an option to buy the asset on the pre-agreed purchase price.

Earnings per Share

Profit after taxation divided by the weighted average number of ordinary shares in issue.

Effective Tax Rate

Provision for taxation excluding deferred tax divided by the profit before taxation.

EMI

Equal Monthly Installments.

Equity

The amount of the funds on a company's Balance Sheet contributed by the owners (the stockholders) plus the retained earnings (or minus the losses).

Equity/down payment

Customer's stake in the vehicle, customer pays a vehicle value's part before financing.

Expiry Date

The date of expiry specified by the Bank on the Card.

External agencies

Agencies providing services to customers which are on Bank's panel.

Facility Rate / Pricing

Profit rate charged on the product/service.

Fatwa

A decree by a competent Shariah scholar qualified to issue decrees (mufti) on a matter giving an opinion about the position of a matter in the light of the Shariah rules and principles.

FCY

Foreign Currency.

FED

Federal Excise Duty.

Financing Agreement

Document used for agreement between the customer and the bank.

Financial Losses and Provisions

Amount set aside against identified and possible losses on loans, advances and other credit facilities as a result of their becoming partly or wholly un-collectible.

Fiscal Year

A year as reckoned for taxing or accounting purposes.

Fixed Rate

Facilities where the profit rate defined at the time of financing is fixed for the tenure of the facility or until facility is closed.

Fixed Term

This applies to products and services, which have a set lifetime.

Floating Rate

Profit rate renewable after certain defined period of time. The profit rate is linked with KIBOR plus a fixed percentage of profit margins.

Forced Sale Value (FSV)

Forced Sale Value means the value which fully reflects the possibility of price fluctuations and can currently be obtained by selling the mortgaged/pledged assets in a forced/distressed sale conditions.

FX Conversion Charges

Foreign Currency Transactions charges to be borne by customer to convert into Pakistani Rupees.

GCAS

Global Customer Assistance Service.

General Takaful

A form of Islamic insurance to cover losses of fire, theft or natural calamities. The scheme or concept follows the principles of mutual insurance.

Government Securities

Government Securities shall include such types of Pak. Rupee obligations of the Federal Government or a Provincial Government or of a Corporation wholly owned or controlled, directly or indirectly, by the Federal Government or a Provincial Government and guaranteed by the Federal Government as the Federal Government may, by notification in the Official Gazette, declare, to the extent determined from time to time, to be Government Securities.

Gross Dividends

The portion of profits distributed to the shareholders including the tax withheld.

Guarantee

A promise given by a person called 'the guarantor' to pay another person's installment/outstanding balance if that person does not pay them.

Hiba

Gift/Transfer of ownership of an asset without any consideration.

Historical Cost Convention

Recording transactions at the actual value received or paid.

Hypothecation

Process of placing a charge / lien on vehicle financed by the Bank.

IAS

International Accounting Standards.

IFRIC

International Financial Reporting Interpretation Committee.

IFRS

International Financial Reporting Standards.

Ijara/Ijarah

Letting on lease; technically, sale of a definite usufruct in exchange for a definite reward; commonly used for wages. It also refers to a mode of financing adopted by Islamic banks. It is an arrangement under which an Islamic bank leases equipment, a building or other facility to a client against an agreed rental.

Ijarah Expense

Installment of rent paid for leasing an asset are shown as 'Ijarah expense in the books of the lessee.

Ijarah Revenue

Installments of rent received on leased assets by the financial institutions.

Impairment allowances

A provision held on the balance sheet as a result of the raising of a charge against profit for the incurred loss inherent in the lending book. An impairment allowance may either be identified or unidentified and individual or collective.

Income Estimation Agency

Agency used for assessing customer's income.

Income Spread

Represents the difference between the average rate of income earned and the average rate of cost paid on funds.

Investment Assets

With reference to Islamic banks, they are investments in financial instruments using any of the suitable Islamic financial instruments.

Investment Risk Reserve

With reference to Islamic banks, it is the amount appropriated out of the income of investment account holders, after allocating the mudarib's share, in order to provide a cushion against future losses for investment account holders.

Islamic Banking

Banking in consonance with the ethics and value system of Islam as compared to conventional banking that conducts its business of borrowing and lending on the basis of interest.

Islamic Credit Card

It is an Islamic alternative to the conventional credit card.

ISO 27001

ISO/IEC 27001 formally specifies a management system that is intended to bring information security under explicit management control. Being a formal specification means that it mandates specific requirements. Organizations that claim to have adopted ISO/IEC 27001 can therefore be formally audited and certified compliant with the standard.

Istisna'a/Istisna

This is a kind of sale where a commodity is transacted before it comes into existence. It means: To order a manufacturer to manufacture a specific commodity for the purchaser. If the manufacturer under takes to manufacture the goods for him with material from the manufacturer, the transaction of Istisna comes into existence. But it is necessary for the validity of istisna that the price is fixed with the consent of the parties and that necessary specification of the commodity (intended to be manufactured) is fully settled between them.

IVR

Interactive voice response (IVR) is a technology that allows a computer to interact with humans through the use of voice and DTMF (Dual Tone Multi Frequency) tones input via keypad.

KIBOR

Karachi Interbank Offer Rate as directed by SBP on daily basis.

Lawyer appraisal agency

Agency used to verify and appraise the property document.

Leasing Certificate

Leasing certificate is an Islamic financial instrument. The certificate is offered by Islamic banks to savers when the latter want to invest their funds in lease operations.

Lease Facility

A lease is a contractual arrangement calling for the lessee (user) to pay the lessor (owner) for use of an asset.

Liabilities

Any or all amounts payable whatsoever by the customer to the Bank.

Linked Account

Account opened for making monthly payments/installments.

Litigation charges

Charges which will be incurred at the time of filling a suit by the bank against a defaulted customer.

Liquid Assets

The assets which are readily convertible into cash without recourse to a court of law.

LOU

Letter of understanding between the bank and the customer mentioning some of the important terms & conditions related to the financed product usage.

Market Capitalization

Number of ordinary shares in issue multiplied by the market value of shares as at the year end.

Materiality

The relative significance of a transaction or an event the omission or misstatement of which could influence the economic decisions of users of financial statements.

Maturity

Financing payment completion.

Merchant

Any person / entity supplying goods and / or services and / or other benefits who accepts the Card as a means of payment.

Microfinance

The provision of financial services to micro-entrepreneurs and small businesses, which lack access to banking and related services due to the high transaction costs associated with serving these client categories.

Month

Calendar month.

Mortgages

Mortgage is the transfer of an interest in specific immovable property for the purpose of securing the payments by the customer.

Mudarabah

An agreement between two or more persons whereby one or more of them provide finance, while the other provides entrepreneur ship and management to carry on any business venture whether trade, industry or service, with the objective of earning profits. They share the profit in an agreed proportion. The loss is borne only by the financier(s) in proportion to their share in total capital.

Mudarabah Certificate

A financial instrument devised by Islamic investment companies to mobilize funds for investment. A Mudarabah certificate can be for a specific purpose or for a general purpose. The former is related to financing of specific projects and matures only on the completion of the project. The latter can have a specific or indefinite duration but proceeds can be invested in any halal business. Both the types can be issued in negotiable form and can be either registered or bearer.

Mudarabah Shares

Normally issued by the state, they are instruments for obtaining funds from the private sector on the basis of Mudarabah. The state issues a share certificate, indicating the price, the period and the terms of the contract. The funds thus collected are invested in some profit-yielding project so that the state can share profit or loss with the public.

Mudarib

A working partner; the partner who provides entrepreneurship and management in a Mudarabah agreement.

Musharakah

A partnership contract where all the partners invest funds and are not restricted from working for the partnership.

NCCA/ Non Checking Account

A type of account where a customer can only make deposits but cannot withdraw funds from the account. As such, no instruments (debit card, Cheque book, internet banking etc.) are provided to the customer when opening this type of account.

Net Assets Value per Share

Shareholders' funds divided by the number of ordinary shares in issue.

Net Dividends

Dividends net of withholding tax.

NOC

No Objection Certificate issued in favor of the customer after financing clearance.

Non-Performing Loans (NPL)

A financing where the client is not repaying the financier as agreed.

Non-Performing Loan-Substandard Category

Where markup/interest or principal is overdue by 90 days or more from the due date.

NOSTRO

An accounting term used to distinguish an account held for another entity from an account another entity holds.

NPLs to Gross Advances/Loans

Represents the infected portfolio of the bank and is calculated by dividing the total non-performing loans by gross advances.

Object deferred sale

An alternate term for bai' al-salam, where money is paid in advance and the goods are delivered later.

Off Us ATM

Transaction conducted on other bank ATM.

On Us ATM

Transaction conducted on issuer's bank ATM.

Open-END Fund

A regulated investment company with a pool of assets that regularly sells and redeems its shares.

Operating 'ijarah

An operating lease that does not include a promise to transfer the title of the leased asset to the lessee at the end of the lease.

Outstanding balance

Any unpaid amount with respect to a financing facility.

Overdue rentals/ late payments

Amount of rentals which has not been paid as of its due date (or maturity) date. All financial arrangements become overdue one business day after their due date. A customer who is past due may be subject to charity.

Parallel istisna

Another form of Istisna'a, known in modern custom as Parallel Istisna'a 'M-Istisnab at-Mu'wazi', takes effect through two separate contracts. In the first contract, the Islamic Financial Institution acts in the capacity) of a manufacturer, builder or supplier and concludes a contract with the customer. In the second contract, the Institution acts in the capacity of a purchaser and concludes another contract with a manufacturer, builder or supplier in order to fulfill its contractual obligations towards the customer in the first contract. By this process, a profit is realized through the difference in price between the two contracts and, in most cases, one of the two contracts is concluded immediately, (i.e. The Istisna'a contract entered into with the manufacturer, builder or supplier), while the second contract (i.e. The contract entered into with the customer) is concluded later.

Parallel Salam

If the seller enters into another separate Salam contract with a third party to acquire goods, the specification of which corresponds to that of the commodity specified in the first Salam contract, so that he (the seller) can fulfil his obligation under that contract, then this second contract is called, in contemporary custom, Parallel Salam. The following is an example of such a contract. An Institution on one hand buys a specified quantity of

cotton from farmers on a Salam basis and, in turn, the buyer in the first Salam contract enters into a new separate Salam contract with textile mills so as to provide them, by means of that new Salam contract, with cotton, the specifications of which are similar to the specifications of the cotton to be acquired under the first Salam contract, without making the execution of the second Salam contract contingent on the execution of the first Salam contract.

Payment Facility

To pay any amount(s) to any person / party for any purpose settlement of any bills or for any other purpose approved by the Bank from time to time.

Payment Period

Tenure of the facility.

Pension Fund

A fund from which pensions are paid, accumulated from contributions from employers, employees, or both.

PIN/ ATM PIN

The Personal Identification Number issued to a Card member to enable the Card member or a Supplementary Card member or selected by a Card member or a Supplementary Card member and generated through IVR (Interactive Voice Recording) to use the Card at an ATM for a Cash Advance.

Pre-Payment/ Early Settlement

A one off payment along with FED charges which customer may be asked to make if customer decide to pay off financing facility early before maturity.

Pre-Payment Price

Price applied on pre-payment of facility.

Price Earnings Ratio (P/E Ratio)

Market price of a share divided by earnings per share.

Principal

The amount of financing by the bank.

Processing Fee

Onetime Fee charged on approved amount only for processing.

Profit-Sharing Deposits

Financial instrument of riba-free economy. Indicates deposits with commercial banks on the basis of profit sharing.

Progressive Letter

The detailed information/events/picture provided by the cardholder for continuing his/her dispute with the bank against disputed transaction evidences.

Provision

With reference to Islamic banks, a provision is essentially a contra-asset in the statement of financial position and is constituted by charges made as expenses to the banks' income statement.

Rabb-ul-Maal

A person who invests capital in a Mudarabah.

Rate revision letter

Letter for customer when the applicable rate is revised annually.

Ready Delivery

Vehicle available at the dealer for delivery after payment.

Ready Delivery used

Used vehicle available at dealer's end for delivery after payment.

Receivables

With reference to Islamic banks, receivables are amounts due from clients as a result of sale transactions through the financial instruments of Murabahah, Salam or 'istisna'.

Registration charges

Amount required for registering the vehicle with Excise and Taxation Office.

Rental Payment

Amount paid by a lessee to a lessor for the use of an asset.

Reserves

A reserve is essentially a component of equity (of either investment account holders and/or shareholders) and is constituted by appropriations out of income.

Residual Value

Value of the asset after completion of the Ijarah period.

Restricted investment account

Relating to Islamic banking, refers to an investment account in which the bank has the authority to invest the account holder's funds on the basis of Mudarabah contract or agency based contract for investment, but has certain restrictions as to where, how and for what purpose the funds are to be invested. Further, the Islamic bank may be restricted from commingling its own funds with the restricted investment account funds for purposes of investment.

Return on Assets (ROA)

Indicator of profitability of the business relative to the value of its assets, calculated by dividing the net profit (profit after tax) to the average total assets for the period.

Return on Average Equity

Net profit for the year, less preference share dividends if any, expressed as a percentage of average ordinary shareholders' equity.

Riba

Riba literally means increase, addition, expansion or growth. It is, however, not every increase, or growth, which has been prohibited by Islam. In the Shariah, Riba technically refers to the premium that must be paid without any consideration in a Loan contract.

Riba Al-Fadl

A sale transaction of the 'amwal al-ribawiyah (commodities where the injunction relating to Riba is applicable) in which a commodity is exchanged for the same commodity but unequal in amount and the delivery of at least one commodity is postponed. To avoid riba al-fadl, the exchange of commodities from both sides should be equal and instant.

Riba Al-Nasi'ah

Increment on the principal of a loan payable by the borrower. It refers to the practice of lending money for any length of time on the understanding that the borrower would return to the lender at the end of this period the amount originally lent together with an increment.

Right of Set Off

In an event of default or otherwise, bank has the right of set off i.e. bank at its discretion or otherwise and without giving notice to the customer, reserves the right to recover outstanding amount(s) from any of Customer's Account(s) maintained with the bank.

Risk Weighted Assets

On Balance Sheet, assets and the credit equivalent of off balance sheet assets multiplied by the relevant risk weighting factors.

Rupee/PKR

Pakistani Rupee Currency.

Salaried Individual

Person employed on a salaried basis.

Sale Order

Confirmation document sent to the customers before delivering Vehicle.

Schedule of Charges

The document prescribing Service Fee(s), charges and other fee(s) applicable to the Card/ BTF, Card Transactions and / or Card Account, issued by the Bank bi-annually to the Card members.

Secured Limit

Financing Limit which has been granted by bank and is secured against collateral/liquid/non-liquid securities. In an event of default, or otherwise, bank has the right to recover the amount(s) outstanding against the said security.

Self-Employed Professional

Individual having his own professional business.

Service Establishment

Merchant acquiring bank who authorize it's merchant to accept card transaction as per agreement and able to respond disputes queries.

Service Fee/ Annualized Percentage Rate (APR)

Fee as determined by the Bank and prescribed in the Schedule of Charges and payable by the customer on the outstanding Liabilities and other amounts.

Shareholders' Funds

Total of issued and fully paid share capital and capital and revenue reserves.

Shariah Audit

Audit of the operations of an Islamic financial institution to assess the extent to which the institution adhered to the requirements of the Shariah.

Shariah Supervisory Board

Committee of Islamic scholars in Islamic Banks for guidance and supervision and whose decisions are binding upon the bank.

Shariah Compliant

An act or activity that complies with the requirements of the Shariah, or Islamic law. The term is often used in the Islamic banking industry as a synonym for "Islamic"—for example, Shariah-compliant financing or Shariah-compliant investment.

Shirkah

A contract between two or more persons who launch a business or financial enterprise with the purpose of making a profit.

Shirkah al-'aqd

Two or more persons may continue to carry on business on the condition that capital and profit will be shared among them. This is distinguished from shirkah al-milk, which is partnership in joint property without common commercial intention.

Shirkah al-milk

A proprietary partnership occurs when two persons inherit or purchase something together without common commercial intention. Neither of them is permitted to dispose off the other's portion except with the other's permission. Each of them is considered a stranger in regard to the other's portion.

Shukuk/Sukook/Sukuk

Sukuk are certificates of equal value representing undivided shares in ownership of tangible asset, usufruct and services or (in the ownership of) the assets of particular projects or special investment activity.

Subsidiary Company

A company is a subsidiary of another company if the parent company holds more than 50% of the nominal value of its equity capital or holds some share in it and controls the composition of its Board of Directors.

SMS Fee

SMS - Short Message Service Charges

Statement of Account

The Bank's monthly or other periodic statement of account send to its customers showing particulars of the transactions carried out.

Suit

Legal case filing.

Takaful

Islamic Insurance. A scheme of mutual support that provides insurance to individuals against hazards of falling into unexpected and dire need.

Takaful Contribution

The amount payable to a waqf based takaful company in order to become Takaful participant for the coverage of a risk at a pre-determined takaful rate.

Takaful Products

The products designed to cover the customers' liability / assets to any unforeseen circumstances which customer may face in future.

TAT – Turn Around Time

Time required for application processing.

Temporary credit

A limited period of credit posted by bank into cardholder's card account for disputed transaction.

Tenure

The length of time for which a term finance/loan has been approved and is typically structured in 12-month multiples.

Tijarah Financing

Sale & Agency based financing facility for customers who sell finished goods on credit basis. This facility enables customers to sell their finished goods stock, meet their working capital requirements and enjoy the benefits of cash sales.

Time barred Transactions

A posted transaction which is disputed after 120 days' time-limit or MasterCard/Visa allowable time-limits by cardholder.

Title of the property

Documents identifying the owner of the property.

Title of vehicle

Documents identifying the owner of vehicle such as excise file and registration book in Autos.

Top - Up

Top Up means line replenishment/enhancement.

Total Cash Outlay (TCO)

An amount including down payment, takaful, processing fee etc. which is paid after Auto finance approval.

Total Monthly Payment (TMP)

Equal monthly amount payable including installment (Principal + profit) and takaful contribution amount.

Trenches

Financing/Loan disbursed in parts are called trenches.

Undertaking

Unilateral promise/Indemnity provided by the customer.

Units

Undivided portions in an asset.

Unrestricted investment account

Relating to Islamic banking, refers to an investment account where the account holder authorizes the Islamic bank to invest the account holder's funds on the basis of Mudarabah contract in a manner which the Islamic bank deems appropriate without laying down any restrictions as to where, how and for what purpose the funds should be invested.

Unsatisfactory Credit History

Customer is not making payments against availed cross sell facility/product resultantly bank has right to close either temporary or permanently said product/facility.

US Dollar

Currency of the United States of America.

VaR

Value at Risk is an estimate of the potential loss which might arise from market movements under normal market conditions, if the current positions were to be held unchanged for one business day.

Wakalah

Contract of agency in which a person delegates his rights/authorities/business to another and substitutes the other in his own place. The latter is called the wakil, or agent, and the former is called muwakkil, or principal.

Waqf

In Arabic language the word Waqf means preventing something from movement. In Shariah terminology, Waqf refers to making a property invulnerable to any disposition that leads to transfer of ownership, and donating the usufruct of that property to beneficiaries.

Waqif

Relating to the law of waqf, refers to the person who establishes or donates his property by way of waqf.

Weighted Average Cost of Deposits

Percentage of the total cost expensed on average deposits of the bank for the period.

Withdrawal Facility

To withdraw cash either through the Automated Teller Machines ("ATMs") or through use of a Debit Card held by the Customer ("Debit Card").

Zakah (zakat)

A certain portion of wealth levied on Muslims having wealth above an exemption limit (nisab) at a rate fixed by the Shariah to purify wealth. Zakat is one of the five pillars of Islam. The object is to take away a part of the wealth of the well-to-do and to distribute it among the poor and the needy.

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Notice of 24th Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting of the Members of Meezan Bank Limited will be held Insha'Allah on Thursday, March 26, 2020 at 9:30 a.m. at Meezan House C-25, Estate Avenue, SITE, Karachi, Pakistan to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Extraordinary General Meeting held on December 18, 2019.
2. To receive, consider and adopt the Annual Audited Accounts of the Bank, Audited Consolidated Accounts for the year ended December 31, 2019 together with the Auditors' Report, Directors' Report and Chairman's Review Report thereon.
3. To appoint auditors of the Bank for the year ending December 31, 2020 and to fix their remuneration. The present auditors, M/s EY Ford Rhodes., Chartered Accountants, retire and being eligible, offer themselves for reappointment.
4. To consider and, if thought fit, approve as recommended by the Board of Directors, final cash Dividend at the rate of Rs 2 per share i.e. 20% in addition to Rs 3 per share i.e. 30% interim cash Dividend already declared/paid along with 10% Bonus Shares for the year December 31, 2019.

SPECIAL BUSINESS

5. To consider and, if thought fit, approve the Directors' Remuneration Policy of the Bank and to pass the following resolution as an ordinary resolution:

“Resolved that the Directors’ Remuneration Policy of the Bank, as presented to the shareholders, be and is hereby approved.”

6. To approve the remuneration paid/payable to the Chairman, Vice-Chairman and Non-Executive Directors of the Bank for the year ended December 31, 2019 for attending Board Meetings and Meetings of the Committees formed by the Board and to pass the following resolution as an ordinary resolution:

“Resolved that the remuneration paid / payable to the Chairman, Vice-Chairman and Non-Executive Directors of the Bank for the year ended December 31, 2019 for attending Board Meetings and Meetings of the Committees formed by the Board, as disclosed in note 39 of the Audited Financial Statements of the Bank be and is hereby approved.”

7. To transact any other business with the permission of the Chair.

Statements under section 134 (3) of the Companies Act, 2017 pertaining to special business are enclosed.

By Order of the Board



Muhammad Sohail Khan
Company Secretary

Karachi
February 12, 2020

Notes:

- i) The Members' Register will remain closed from March 19, 2020 to March 26, 2020 (both days inclusive) to determine the names of members entitled to receive the 20% cash dividend and attend and vote in the meeting.
- ii) A member eligible to attend and vote at this meeting may appoint any person as proxy to attend and vote in the meeting. Proxies in order to be effective must be received at the Registered Office not less than forty eight (48) hours before the holding of the meeting.
- iii) Members are requested to intimate any changes in address immediately to THK Associates (Pvt.) Ltd., 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400. Phone No. 111-000-322.

For Information of the Members:

- iv) The Government of Pakistan has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies/banks. These rates are as per law.

To enable the Bank to make tax deduction on the amount of Cash Dividend, all the members whose names are not entered into Federal Board of Revenue (FBR)'s Active Tax-Payers List (ATL), despite the fact that they are tax return filers are advised to make sure that their names are entered into ATL, before the date of book closure for cash dividend, otherwise tax on their cash dividend will be deducted as non-filer.

All shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Shares Registrar, in writing as follows:

Folio/CDS	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The required information must reach our Shares Registrar by the close of business (5:00 pm) on March 18, 2020; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s) and tax will be deducted according to proportionate holding of each shareholder as clarified by the FBR vide its clarification letter No. I(54) Exp/2014-132872-R dated September 25, 2014. Shareholders claiming tax exemption under clause 47(B) of Part IV of the Second Schedule of Income Tax Ordinance, 2001 are requested to provide valid exemption certificate under section 159 (1) of the Income Tax Ordinance, 2001 latest by March 18, 2020 to our Shares Registrar as required vide FBR clarification letter No. 1(43)DG (WHT) / 2008-Vol.II-66417-R dated May 12, 2015.

Payment of Cash Dividend through electronic mode:

- v) Under section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividend directly into bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on the Bank's website and send it duly signed alongwith a copy of CNIC to the registrar of the company, THK Associates (Pvt.) Ltd., 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400 in case of physical shares.

In case shares are held in CDC then the Electronic Credit Mandate Form must be submitted directly to shareholder(s)' broker / participant / CDC account services or shareholders can directly register for e-Dividend Services by visiting CDC Portal: <https://eservices.cdcaccess.com.pk/public/index.xhtml>

Electronic Credit Mandate Form

Folio Number / CDC Sub Account Number	
Name of Shareholder	
Title of the Bank Account	
International Bank Account Number	
Name of Bank	
Name of Bank Branch / Address	
Cellular and Landline number	
CNIC / Passport No. (Attach copy)	
Signature of Shareholder	

Availability of Annual Accounts

- vi) Annual Accounts of the Bank for the financial year ended December 31, 2019 have been provided on the Company's website-www.meezanbank.com

Video Conference Facility for Attending General Meetings

- vii) If the Bank receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 07 days prior to date of meeting, the Bank will arrange video conference facility in that city subject to availability of such facility in that city.

To avail this facility a request to be submitted to registered address of the Bank 07 days before holding of the Annual General Meeting.

STATEMENTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

These statements set out the material facts concerning the resolutions contained in items (5) and (6) of the notice pertaining to the special business to be transacted at the Annual General Meeting of the Bank to be held on March 26, 2020.

Approval of Directors' Remuneration Policy of the Bank

The State Bank of Pakistan (SBP) vide its BPRD Circular No. 3 of 2019 dated August 17, 2019 advised to formulate a comprehensive and transparent remuneration policy and set maximum limits for meeting fee. The policy is required to be approved by the shareholders in Annual General Meeting on pre or post facto basis.

Therefore, the Board of Directors of Meezan Bank in its meeting held on February 12, 2020 has recommended the Directors' Remuneration Policy for the approval of shareholders, which is given below.

The non-executive directors are interested in the payment of remuneration and the remaining member of the Board has no interest in the matter.

Directors' Remuneration

The remuneration paid / payable to the non-executive directors was approved by the Board of Directors in terms of Article 52 of the Articles of Association of the Bank. The remuneration requires approval (which is permissible on post facto basis) of the shareholders in Annual General Meeting in terms of requirements of the Prudential Regulations for Corporate / Commercial Banking issued by the State Bank of Pakistan.

The non-executive directors are interested in the payment of remuneration and the remaining member of the Board has no interest in the matter.

Directors' Remuneration Policy

Purpose of Policy

The State Bank of Pakistan, as annexure to BPRD Circular No. 1 of 2017 issued "Revised Guidelines on Remuneration Practices" (the "Guidelines") and BPRD Circular No. 3 of 2019 (the "Circular"). The Guidelines require that the Board of Directors should constitute a Board Human Resource and Remuneration Committee (HR&R) and the Circular requires that the HR&R Committee shall formulate a comprehensive and transparent remuneration policy for the Chairman and other Directors.

The Board's Human Resource and Remuneration Committee (HR&R) , after due deliberation has revised the policy to ensure transparency and fairness as per the said Guidelines of SBP. The purpose of Directors' Remuneration Policy (hereinafter referred as "the Policy") is to set out the guidelines for determination of remuneration of the Board of Directors of Meezan Bank Limited (hereinafter referred to as 'Bank'), for attending Board and its Committees Meetings as per Companies Act 2017, Article of Association of the Bank, State Bank of Pakistan (SBP)'s Prudential Regulations (For Corporate and Commercial Banking) and SBP's Instructions / Circulars issued from time to time.

The Policy applies to all members of the Board, who are entitled to remuneration for attending Board and its committees' meetings. The remuneration of the directors, including the Chairman, for attending meetings of the Board and its committees, will be determined by the Board of Directors and approved by the shareholders. It is clarified that this Policy does not deal with the remuneration of executive directors, who are to be paid usual TA/DA as per the Bank's standard rules and regulations.

Maintenance & Updation

This Policy in its entirety shall be reviewed by the Board HR&R Committee at least once every three (03) years or otherwise as and when required. However, any regulatory requirement (as and when issued) contrary to this Policy shall supersede this Policy and must be complied at all times.

Approval and implementation

This Policy will be reviewed and approved by the Shareholders in the AGM on a pre or Post-facto basis on the recommendation of the Board of Directors. The Board HR&R Committee will take the policy to the Board for their review and recommendation. All subsequent reviews of the document shall continue to be approved at the same level.

Guidelines for Directors' Remuneration

1. General

- 1.1. Remuneration to Non – Executive Directors (including Chairman) shall be paid in accordance with relevant laws and regulations.
- 1.2. Remuneration shall be fixed in Pakistani Rupees (PKR) invariably; nevertheless, payment of the same can be made to foreign Directors in equivalent foreign currency(ies), where necessary, after obtaining the regulatory approvals as may be required from time to time.
- 1.3. Income Tax, at applicable rates will be deducted from the payment of Meeting fee.
- 1.4. No single member of the Board of Directors shall determine his/her own remuneration.
- 1.5. Accountability of the Directors shall be ensured through their periodic performance evaluation.

2. Disclosure Requirements

- 2.1 Proper and transparent disclosure of remuneration and other benefits/facilities provided to the Board members shall be made in the annual financial statements of the Bank, as per SBP instructions issued from time to time.
- 2.2 All regulatory disclosure requirements regarding Directors' Remuneration will be complied with.

3. Provisions to deal with remuneration of underperforming Director(s)

The performance evaluation of (a) overall Board, (b) the Chairperson and (c) individual directors will be done in accordance with the Performance Evaluation Mechanism as per the Guidelines issued vide SBP's BPRD circular 11 of 2016 as amended from time to time. A Director whose average score during the Board's Performance Evaluation exercise is below 60% shall be considered as an 'underperforming Director'. His/her case will be referred to the Board Human Resource and Remuneration (HR&R) Committee for consideration. The HR & R Committee will decide and recommend the course of action in such cases to the Board for approval. The decision of the Board will be valid till the next Board performance evaluation is conducted.

4. Remuneration of Non-Executive and Independent Directors for attending Board / Committee Meetings

Components of Remuneration

SBP, vide BPRD circular 03 of 2019, has fixed the maximum limits of Remuneration for attending a Board / Committee Meeting as under:

Banks which have above Rs.500 billion Assets size or above Rs. 1 billion after tax profit (as per last audited annual accounts) up to Rs.800,000 and for other banks up to Rs.500,000.

SBP has authorized the banks to determine their own maximum remuneration limits for their board members (including Chairman) taking into consideration the level of responsibility and expertise of the concerned directors. The remuneration of Directors shall not exceed the maximum limit specified by the Regulator. Accordingly, the following fee structure has been approved:

4.1. The Fees for attending the Board and its Committee meetings shall be as follows

	Board meeting Fee Rs per meeting	Committee meeting Fee Rs per meeting
Chairman	960,000	650,000
Other Non-executive Directors	800,000	650,000

- 4.2. The Board and Committee meeting fees will be approved by the shareholders in Annual General Meeting on pre or post facto basis on the recommendation of the Board and Board HR&R Committee. The meeting fee, in any case, shall not exceed the limits prescribed by the Regulators.
- 4.3. The Chairman's fee for attending a Board meeting is higher than that of other non-executive Directors within the limit prescribed by law i.e. up to 20% of the normal fee limit, as the office of the Chairman requires investment of additional time and effort to ensure the focus and effectiveness of the Board meetings and to ensure that the Board is effective in its task of setting and implementing the Bank's direction and strategy.
- 4.4. A Director may be allowed to attend a Board meeting via telephone or video conference for a maximum of one meeting per annum, and even that only under circumstances that make it impossible to attend the meeting physically, e.g. non-availability of travel visa etc. The meeting fee for such participation would be 50% of the normal meeting fee.
- 4.5. A Director may attend any number of Committee meetings via telephone or video conference. Normal fee for Committee meeting will be paid to every Non-Executive Director for attending a Committee meeting physically or via telephone or video conference.
- 4.6. All traveling/boarding/lodging expenses of the Directors related to Attendance of Board Meeting(s)/ Committee Meetings will be borne by the Bank at actuals. Expenses such as hotel stay etc. incurred due to personal reason or reason other than performance of Bank's duties and business will be borne by the concerned Director.
- 4.7. The Committee meeting fee for the Chairman would be the same as that for other Directors.
- 4.8. No additional payments or perquisites will be paid to the Non-Executive Directors and Chairman except as mentioned in above clauses.
- 4.9. No consultancy or allied work shall be awarded to a Director or to the firm(s), institution(s) or company(ies) etc. in which he/she individually and/or in concert with other Directors of the Bank, holds substantial interest.

5. Remuneration of the Executive Directors for attending Board / Committee Meetings









- 5.1 No remuneration under this policy would be paid to the Executive Directors except travel and boarding costs as per the Bank's standard rules and regulations and relevant laws.









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(based on live feed from KSE)
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and ios devices

Meezan Bank Limited

Dividend Mandate Form

According to Section 242 of Companies Act, 2017 and Circular No. 18/2017 dated August 1, 2017 issued by Securities and Exchange Commission of Pakistan (SECP), from November 1, 2017 all listed companies are to pay dividend only through electronic mode directly into the bank accounts designated by the entitled shareholders.

In view of above, Shareholder(s) are advised to provide their complete bank account / IBAN detail as per format given below required under clause 7,8 and 9 (ii) of the Companies (Distribution of Dividends) Regulations, 2017 issued under S.R.O.1145 (I) / 2017 dated November 06, 2017 by SECP enabling us to comply with the above Section/Circular.

For physical Shareholder(s):

THK Associates (Pvt) Limited, 1st Floor, 40-C, Block 6, P.E.C.H.S.
Karachi 75400.

For CDC Account holder (s)

in case of CDC account holder / Sub-account holder, please provide said details to CDC / to respective member Stock Exchange.

Company Secretary

Dividend Mandate Details

It is requested that all my cash Dividend amounts declared by the Bank may be credited into the following bank account:

Folio Number / CDC Participants ID A/c No.	
Name of Shareholder	
Title of the Bank Account	
Bank Account Number (Complete) / IBAN	
Bank's Name, Branch Name, Code and Address	
Cell Number	
Landline Number, if any	
Email Address	
CNIC Number/ Passport Number (in case of foreign Shareholder) (attach copy)	

It is stated that the above mentioned information is correct, that I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Shareholder's Signature

میزان بینک لمیٹڈ

ڈیویڈنڈ مینڈیٹ فارم

کمپنیز ایکٹ، 2017 کی شق 242 اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 18/2017 بتاریخ یکم اگست، 2017 کے ذریعے تمام لسٹڈ کمپنیوں کو ہدایت کی گئی ہے کہ یکم نومبر، 2017 کے بعد سے ادا ہونے والے ڈیویڈنڈ کی رقم الیکٹرانک طریقہ کار سے براہ راست شیئر ہولڈرز کی طرف سے فراہم کردہ بینک اکاؤنٹ میں منتقل کی جائے۔

درج بالا ہدایات کے پیش نظر، آپ سے گزارش کی جاتی ہے کہ اپنے مکمل ”انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN)“ کی تفصیل درج ذیل نمونہ کے مطابق کمپنی کو فراہم کریں۔ جس کی ہدایت 6 نومبر، 2017 کو SECP نے جاری کردہ SRO 1145(I)/2007 میں Companies (Distribution of Dividends) Regulations, 2017 کے مطابق کی ہے، تاکہ ہم درج بالا شق پر عمل پیرا ہو سکیں۔ سی ڈی سی اکاؤنٹ ہولڈر/ سب اکاؤنٹ ہولڈر یہ تفصیل متعلقہ ممبر اسٹاک ایکسچینج کو مہیا کریں۔ 7، 8 اور 9(ii) کے مطابق کی ہے، تاکہ ہم درج بالا شق پر عمل پیرا ہو سکیں۔ سی ڈی سی اکاؤنٹ ہولڈر/ سب اکاؤنٹ ہولڈر یہ تفصیل متعلقہ ممبر اسٹاک ایکسچینج کو مہیا کریں۔

فریڈیکل شیئر ہولڈرز کے لئے

سی ڈی سی اکاؤنٹ ہولڈرز کے لئے

ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، فرسٹ فلور، C-40، بلاک-6، پی. ای. سی. ایچ. ایس. کراچی-75400

اگر آپ سی ڈی سی اکاؤنٹ ہولڈر/ سب اکاؤنٹ ہولڈر ہیں تو برائے مہربانی نیچے دی گئی تفصیلات سی ڈی سی/ اسٹاک ایکسچینج کے معزز ممبر کو فراہم کریں۔

کمپنی سیکریٹری

ڈیویڈنڈ مینڈیٹ کی تفصیل:

درخواست کی جاتی ہے کہ بینک کی جانب سے اعلان کردہ میرے ڈیویڈنڈ کی تمام رقم مندرجہ ذیل بینک اکاؤنٹ میں منتقل کی جائے:

فولیو نمبر/ سی ڈی سی پارٹیشنس آئی ڈی نمبر:	
شیئر ہولڈر کا نام:	
بینک اکاؤنٹ جس نام سے ہے:	
مکمل بینک اکاؤنٹ نمبر (IBAN):	
بینک کا نام، برانچ کا نام، کوڈ اور پتہ:	
موبائل نمبر:	
فون نمبر (اگر ہے):	
ای میل:	
کمپیوٹرائزڈ شناختی کارڈ نمبر/ پاسپورٹ نمبر (اگر غیر ملکی شیئر ہولڈر ہو تو) (کاپی منسلک کریں):	

بیان کیا جاتا ہے کہ درج بالا معلومات درست ہیں اور یہ کہ میں درج بالا معلومات کی تبدیلی کی صورت میں کمپنی اور متعلقہ شیئر رجسٹر کو فوری مطلع کروں گا/ گی۔

دستخط شیئر ہولڈر



Meezan Bank
The Premier Islamic Bank

FORM OF PROXY

The Company Secretary
Meezan Bank Limited
Meezan House C-25,
Estate Avenue S.I.T.E.,
Karachi, Pakistan.

I/We _____ of _____ being a member(s) of Meezan Bank Limited and holder of _____ ordinary shares as per Share Register Folio No. _____ and/or CDC Investor Account No. / Participant I.D No. _____ and Sub Account No. _____ do hereby appoint _____ of _____ as my/our proxy to vote and act for me/us on my/our behalf at the 24th Annual General Meeting of Meezan Bank Ltd. to be held on Thursday, March 26, 2020 at 9:30 a.m. at Meezan House, C-25, Estate Avenue, S.I.T.E., Karachi, Pakistan and at any adjournment thereof.

Signed this _____ day of _____ 2020.

Please affix
Rupees five
revenue
stamp

Signature of Member(s)/Attorney

The Signature should agree
with the specimen registered
with the Company

Witness 1

Signature: _____

Name: _____

Address: _____

CNIC or Passport No: _____

Witness 2

Signature: _____

Name: _____

Address: _____

CNIC or Passport No: _____

NOTES:

- Proxies in order to be effective must be received by the Company not later than 48 hours before the time of the meeting.
- A member entitled to attend and vote at the Meeting may appoint another person as his/her proxy to exercise all or any of his rights to attend, speak and vote for him/her.
- Members are required to timely notify any change in their address to Bank's Shares Registrar THK Associates (Pvt.) Ltd. 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi.
- Shareholders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
- If any member appoints more than one proxy and more than one instruments of proxies for any one meeting are deposited with the Company, all such instruments of proxy shall be rendered invalid.

For Attending the Meeting:

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.

- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

For Appointing Proxies:

- The Proxy form be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or any attorney duly authorized by it.
- In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be submitted along with proxy form to the Company.
- The proxy form shall be witnessed by two persons whose name, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.

The Company Secretary
Meezan Bank Limited
Meezan House, C-25,
Estate Avenue, SITE,
Karachi, Pakistan.

Please affix
correct
postage



میزان بینک
پیریمیر اسلامی بینک

نمائندگی فارم

کمپنی سیکریٹری

میزان بینک لمیٹڈ

میزان ہاؤس، ۲۵-C

اسٹیٹ ایونیو، سائٹ، کراچی، پاکستان۔

میں/ہم _____ کا/کے _____ بحیثیت رکن میزان بینک لمیٹڈ
اور شیئر رجسٹر فلیو نمبر _____ یاسی ڈی سی انویسٹر اکاؤنٹ نمبر/سی ڈی سی پارٹنیشنز آئی ڈی نمبر
_____ اور ذیلی اکاؤنٹ نمبر _____ کے مطابق _____ عمومی حصص کا/کے
_____ مالک، _____ کے/کی _____

کو اپنا/ہمارا نمائندہ مقرر کرتا ہوں/کرتی ہوں/کرتے ہیں اور
میزان بینک لمیٹڈ کے ۲۶ مارچ ۲۰۲۰ بروز جمعرات بوقت ۹:۳۰ بجے صبح کو میزان ہاؤس، ۲۵-C، اسٹیٹ ایونیو، سائٹ، کراچی، پاکستان میں منعقد ہونے والے ۲۴ ویں سالانہ اجلاس عام
یا اس کے متواتر اجلاس میں شرکت کرنے اور اپنی/ہماری جگہ ووٹ دینے کا اہل قرار دیتا ہوں/دیتی ہوں/دیتے ہیں۔

برائے مہربانی پانچ روپے
کارپونڈ اسٹیپ چسپاں کریں

دستخط _____ ویں روز _____ ۲۰۲۰ کو کئے گئے۔

رکن (اراکین) کے دستخط
دستخط بینک میں رجسٹرڈ
نمونے سے مطابقت رکھنے چاہئے۔

گواہ 2:

گواہ 1:

دستخط _____ نام _____
دستخط _____ نام _____
پتہ _____ پتہ _____
کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر _____ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر _____

2 کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بمعہ شخصی دستخط
کے پیش کرنا ہوں گی (تاوقتیکہ پہلے فراہم نہ کی گئی ہو)۔

نمائندوں کی تقرری کے لئے (Proxies):

- 1- نمائندگی فارم تقریر کنندہ یا اس کے اٹارنی کی جانب سے دستخط شدہ اور تحریری طور پر تصدیق شدہ ہو، یا اگر تقریر کنندہ کوئی کاروباری ادارہ ہو تو فارم پراس کی مہر ثبت ہو اور اس کی جانب سے قانونی طور پر مقررہ مجاز اٹارنی کے دستخط ہوں۔
- 2- انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا جن کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق آپ لوڈ ہوں، مندرجہ بالا شرائط کے مطابق پراس کی فارم جمع کرائیں گے۔
- 3- کارپوریٹ اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی امیدوار کے شخصی دستخط کے ساتھ کمپنی کو پراس کی فارم کے ساتھ جمع کروانی ہوگی (تاوقتیکہ پہلے فراہم نہ کی گئی ہو)۔
- 4- جن دو افراد سے پراس کی فارم کی تصدیق کروائی جائے گی ان کے نام، پتے کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم میں درج کیے جائیں گے۔
- 5- اصل مالکان اور ان کے نمائندوں کی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراس کی فارم کے ساتھ منسلک کی جائیں گی۔
- 6- حاضر شخص کو اجلاس میں شرکت کے وقت اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوں گے۔

- 1- نمائندگی کا تقریر نامہ مؤثر ہونے کے لئے اجلاس سے کم از کم 48 گھنٹے پہلے کمپنی کو موصول ہو جانا چاہئے۔
- 2- سالانہ اجلاس میں حاضر ہونے اور ووٹ دینے کا حق دار کوئی بھی ممبر کسی دوسرے ممبر کو اجلاس میں حاضر ہونے/راے اور ووٹ دینے کے اپنے کسی ایک یا تمام حقوق استعمال کرنے کے لئے اپنی/اپنا نمائندہ مقرر کر سکتا ہے۔
- 3- ممبران سے درخواست ہے کہ اپنے پتے میں کسی بھی قسم کی تبدیلی کی صورت میں بینک کے شیئر رجسٹرار THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، فرسٹ فلور، 40-C، بلاک-6، پی ای سی ایچ ایس، کراچی کو فوراً مطلع کریں۔
- 4- مزید برآں، شیئر ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر 1 مجریہ 26 جنوری 2000 میں فراہم کردہ ہدایات کی پیروی کرنی ہوگی۔
- 5- اگر کوئی ممبر ایک سے زائد نمائندے مقرر کرتا ہے اور کسی ایک اجلاس کے لئے ایک سے زائد پراس کی فارم موصول ہوتے ہیں، ایسی صورت میں تمام پراس کی فارم غیر مؤثر سمجھے جائیں گے۔

اجلاس میں شرکت کرنے کے لئے:

- 1 انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا جن کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق آپ لوڈ ہوں، کو اجلاس میں شرکت کے وقت اصل قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھانا ہوگا۔

برائے مہربانی
درست ڈاک ٹکٹ
چسپاں کریں

محترم کمپنی سیکریٹری
میزان بینک لمیٹڈ
میزان ہاؤس C-25، اسٹیٹ ایونیو
سائٹ، کراچی، پاکستان



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Meezan Bank
The Premier Islamic Bank

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