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Corporate Information

Board of Directors

Dr. Muhammad Amjad Saqib	Director
Syed Ghazanfar Abbas Jilani	Director
Mr. Mujahid Sherdil	Director
Mr. Mohammad Mudassir Amray	Director
Mr. Asif Reza Sana	Director
Mr. Muhammad Naeem Khan	Director
Mr. Zafar Masud	President & CEO
Mr. Kamran Hafeez	Secretary to the Board

Board Audit Committee

Mr. Mohammad Mudassir Amray	Chairman
Syed Ghazanfar Abbas Jilani	Member
Mr. Muhammad Naeem Khan	Member
Mr. Mujahid Sherdil	Member

Risk Management, Compliance and NPL Review Committee (RMC&NRC)

Syed Ghazanfar Abbas Jilani	Chairman
Mr. Mohammad Mudassir Amray	Member
Dr. Muhammad Amjad Saqib	Member
Mr. Muhammad Naeem Khan	Member

Human Resource, Compensation, Performance Evaluation and Nomination Committee (HRCPE&NC)

Mr. Asif Reza Sana	Chairman
Dr. Muhammad Amjad Saqib	Member
Syed Ghazanfar Abbas Jilani	Member
Mr. Mujahid Sherdil	Member

Strategy, Islamic and Priority Sector Financing Committee (SI&PSFC)

Dr. Muhammad Amjad Saqib	Chairman
Mr. Asif Reza Sana	Member
Mr. Mohammad Naeem Khan	Member
Mr. Mujahid Sherdil	Member

Information Technology and Communications Committee (ITCC)

Mr. Mohammad Mudassir Amray	Member
Mr. Asif Reza Sana	Member
Mr. Zafar Masud	Member

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Registered Office

BOP Tower, 10-B, Block-E-II,
Main Boulevard, Gulberg-III, Lahore.
Telephones: +92 42 35783700-10
Fax No. +92 42 35783975
UAN: 111 200 100

Registrar

M/s. Corplink (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.
Telephones: +92 42 35916714, 35916719, 35839182
Fax No. +92 42 35869037

Website

www.bop.com.pk

Directors' Report

Half Yearly Financial Statements - June 30, 2023

On behalf of the Board of Directors, I am pleased to present Un-audited Unconsolidated Condensed Interim Financial Statements of The Bank of Punjab for the six months period ended June 30, 2023.

The challenging first half of the year concluded on a positive note, with the IMF Executive Board approving a US\$3 billion Standby Arrangement (SBA) after months of delay. This led to the disbursement of an additional US\$ 3 billion from KSA & UAE in deposits with the central bank. This has helped to strengthen the SBP reserves to US\$ 8.2 billion and eased investor concerns over sovereign debt sustainability.

Macroeconomic conditions remained tough in FY2023 following the suspension of the IMF program in November 2022. SBP reserves declined to US\$ 3.9 billion (less than one month of import cover) and PKR remained under pressure, depreciating 26%. This was the primary cause of high inflation, with inflation accelerating to record-high levels of 38% in May 2023.

To counter high inflation, SBP tightened its monetary policy, raising the policy rate by 600bps to 22% during 1st Half of the year June 2023. As a result, credit to the private sector slowed down sharply with banks investing in risk-free government securities. GDP growth slowed down to 0.3% in FY2023, from 6% in FY2022 with the manufacturing sector posting an 8% decline in output. The government projects GDP growth to accelerate to 3.5% in FY2024 on recovery in the agriculture sector and return of investor confidence.

Financial Highlights:	Rs. in Million
Total Assets	2,054,051
Deposits	1,369,862
Gross Advances	907,192
Investments & Lending to Fls	923,108
Profit before taxation	3,918.738
Taxation	470.426
Profit after taxation	3,448.312
Earnings per share (Rupees)	1.05

During the period, the Bank successfully implemented the strategies opted for ensuring sustained growth and stable earning streams. As at June 30, 2023, Bank's Balance Sheet size crossed Rs. 2.0 Trillion mark to stand on list of Large Banks in the industry. Accordingly, Total Assets registered YOY growth of 64%. The Deposits of the Bank also increased to Rs. 1,370 billion with a significant YOY growth of 33%. Further, Bank's CASA Deposits also touched the level of Rs. 889 billion registering a YOY growth of 22%. Loans & Advances stood at Rs. 907 billion with a significant YOY growth of 59%. Similarly, Investments & Lending to Fls improved to Rs. 923 billion with a massive YOY growth of 65%. Bank's Capital Adequacy Ratio also registered substantial improvement and stood at 15.09% as against 12.62% as of June 30, 2022. Accordingly, Bank stood compliant with regulatory capital requirements of CAR & MCR with a sufficient margin over the regulatory requirements.

During 1st Half 2023, Non-Markup/ Interest Income increased to Rs. 5.73 billion as against Rs. 3.60 billion during 1st Half 2022 showing a significant growth of 59%. Net Interest Margin (NIM) also improved to Rs. 17.42 billion as against Rs. 15.86 billion during 1st Half 2022. However, Bank's investment portfolio has due potential for contributing substantial improvement in Bank's NIM on account of repricing of investments in Government Securities. Subsequent to close of half year, substantial portion of these investments has been repriced and rest will be done in due course of time, benefits of which will start surfacing accordingly. During 1st Half of the year, Non-performing Portfolio to the extent of Rs. 3.3 Billion have been recovered/regularized, without the support of large-one-offs and due efforts are also in progress for substantial recovery in coming periods. During 1st Half of the year, the Bank posted pre-tax profit of Rs. 3.9 billion and Earnings per Share (EPS) for the 1st Half of year 2023 remained at Rs. 1.05 per share.

The Bank has been assigned long term entity rating of "AA+" by M/s PACRA with short term rating being at the highest rank of "A1+". The Bank currently has a network of 780 online branches, including 140 Taqwa Islamic Banking Branches and 16 sub-branches. Further, the Bank has a network of 744 ATMs providing 24/7 banking services to the customers. Besides, Bank is also offering a wide range of products/services to its valued clients including Branchless Banking, Mobile Banking, Internet Banking, Credit Card and Cash Management services.

On behalf of the Board, we are thankful to our valued customers and shareholders for their enduring support and also assure them that the Bank would maintain its growth trends. I also extend my gratitude to the Government of the Punjab and State Bank of Pakistan for their continuous support and guidance. Further, the Board also appreciates the efforts of management team and staff for posting good financial performance.



President/ CEO

For and on behalf of the Board



Chairman

ڈائریکٹرز کی رپورٹ

سہ ماہی مالی نتائج - 30 جون 2023

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 30 جون 2023 کو ختم ہونے والی چھ ماہ کی مدت کے لیے دی بینک آف پنجاب کے غیر آڈٹ شدہ کنڈنسڈ عبوری مالیاتی گوشواروں کو پیش کرتے ہوئے خوشی ہو رہی ہے۔

سال کی مشکل پہلی ششماہی ایک مثبت نوٹ پر اختتام پذیر ہوئی، آئی ایم ایف کے ایگزیکٹو بورڈ نے مہینوں کی تاخیر کے بعد US\$3 بلین اسٹیٹڈ بائی آرٹجمنٹ (SBA) کی منظوری دی۔ اس کی وجہ سے KSA اور UAE کی جانب سے مرکزی بینک کے پاس ڈپازٹس میں اضافی 3 بلین ڈالر کی وصولی ہوئی۔ اس سے اسٹیٹ بینک کے ذخائر کو 8.2 بلین ڈالر تک مضبوط کرنے میں مدد ملی ہے اور خود مختار قرضوں کی پائیداری پر سرمایہ کاروں کے خدشات کم ہوئے ہیں۔

نومبر 2022 میں IMF پروگرام کی معطلی کے بعد سال 2023 کی پہلی ششماہی میں میکرو اکنامک حالات سخت رہے۔ SBP کے ذخائر کم ہو کر US\$3.9 بلین (ایک ماہ سے کم درآمدی احاطہ) پر آگئے اور PKR دباؤ میں رہا، اس کی قدر میں 26 فیصد کمی ہوئی۔ یہ اعلیٰ افراط زر کی بنیادی وجہ ہے، مئی 2023 میں مہنگائی 38 فیصد کی ریکارڈ بلند ترین سطح پر پہنچ گئی۔

اعلیٰ افراط زر کا مقابلہ کرنے کے لیے، SBP نے اپنی مانیٹری پالیسی کو سخت کیا، جون 2023 میں پالیسی کی شرح کو 600bps سے بڑھا کر 22 فیصد کر دیا۔ نتیجتاً، بینکوں کی جانب سے خطرے سے پاک سرکاری سیکورٹیز میں سرمایہ کاری کرنے کے ساتھ نجی شعبے کے لیے قرضہ تیزی سے کم ہو گیا۔

مالی سال 2023 میں جی ڈی پی کی شرح نمو 0.3 فیصد پر آگئی، جو کہ مالی سال 2022 میں 6 فیصد تھی، مینوفیکچرنگ سیکٹر کی پیداوار میں 8 فیصد کمی ہوئی۔ حکومت زرعی شعبے میں بحالی اور سرمایہ کاروں کے اعتماد کی واپسی پر مالی سال 2024 میں جی ڈی پی کی شرح نمو کو 3.5 فیصد تک بڑھانے کا منصوبہ رکھتی ہے۔

روپے بلین میں	مالی جھلکیاں:
2,054,051	کل اثاثے
1,369,862	ڈپازٹ
907,192	مجموعی ایڈوانسز
923,108	سرمایہ کاری اور Fls کو قرضے
3,918.738	ٹیکس سے پہلے منافع
470.426	ٹیکس
3,448.312	ٹیکس کے بعد منافع
1.05	نی ٹیسز آمدنی (روپے)

اس مدت کے دوران، بینک نے پائیدار ترقی اور مستحکم آمدنی کے سلسلے کو یقینی بنانے کے لیے منتخب کردہ حکمت عملیوں کو کامیابی کے ساتھ نافذ کیا۔ 30 جون 2023 تک، بینک کی بیلنس شیٹ کا سائز 2.0 ٹریلین روپے سے تجاوز کر گیا اور وہ صنعت میں بڑے بینکوں کی فہرست میں شامل ہو گیا۔ اس کے مطابق کل اثاثوں میں 64 فیصد کا YOY اضافہ ہوا۔ بینک کے ڈپازٹس بھی 33 فیصد کی نمایاں نمو کے ساتھ بڑھ کر 1,370 بلین روپے ہو گئے۔ مزید، بینک کے CASA ڈپازٹس بھی 22 فیصد کی YOY نمو کے ساتھ بڑھ کر 889 بلین روپے کی سطح کو پہنچ گئے۔ قرضے اور ایڈوانسز 59 فیصد کی نمایاں نمو کے ساتھ 907 بلین روپے رہے۔ اسی طرح سرمایہ کاری اور FIs کو قرضے 65 فیصد کی بڑے پیمانے پر YOY نمو کے ساتھ 923 بلین روپے رہے۔ بینک کے کپیٹل ایڈیکٹیوی ریشو میں بھی خاطر خواہ بہتری درج کی گئی جو 30 جون 2022 تک 12.62 فیصد کے مقابلے میں 15.09 فیصد رہی۔ اس کے مطابق، بینک ریگولیٹری تقاضوں پر کافی مارجن کے ساتھ، CAR اور MCR کی ریگولیٹری سرمائے کی ضروریات کے مطابق کھڑا رہا۔

2023 کی پہلی ششماہی کے دوران، غیر مارک اپ/سودی آمدنی 59 فیصد اضافہ کے ساتھ بڑھ کر 5.73 ارب روپے ہو گئی جو 2022 کی پہلی ششماہی کے دوران 3.60 بلین روپے تھی۔ خالص سود کا مارجن (NIM) بھی بہتر ہو کر 17.42 ارب روپے ہو گیا جو 2022 کی پہلی ششماہی کے دوران 15.86 بلین روپے تھا۔ تاہم، بینک کے سرمایہ کاری کے پورٹ فولیو میں سرکاری سیکورٹیز میں سرمایہ کاری کی repricing کی وجہ سے بینک کے NIM میں خاطر خواہ بہتری لانے کی بھرپور صلاحیت ہے۔ نصف سال کے اختتام کے بعد، ان سرمایہ کاری کے کافی حصے کی repricing ہو گئی ہے اور باقی وقت کے ساتھ ساتھ ہو جائے گی، جس کے فوائد اسی کے مطابق ملنا شروع ہو جائیں گے۔ سال کی پہلی ششماہی کے دوران 3.3 بلین روپے کے نان پرفارمنگ پورٹ فولیو کی ریکوری/ریگولر ازیٹیشن ہو گئی ہے اور آنے والے ادوار میں خاطر خواہ بحالی کے لیے مناسب کوششیں بھی جاری ہیں۔ سال کی پہلی ششماہی کے دوران، بینک نے 3.9 بلین روپے کا قبل از ٹیکس منافع حاصل کیا اور سال 2023 کی پہلی ششماہی کے لیے فی شیئر آمدنی (EPS) 1.05 روپے فی شیئر پر رہی۔

بینک کو M/s PACRA کی طرف سے "AA+" کی طویل مدتی ہستی کی درجہ بندی تفویض کی گئی ہے اور مختصر مدت کی درجہ بندی "A1+" کے اعلیٰ ترین درجے پر ہے۔ بینک کے پاس اس وقت 780 آن لائن برانچوں کا نیٹ ورک ہے جس میں 140 تقویٰ اسلامی بینکنگ برانچ اور 16 ذیلی شاخیں شامل ہیں۔ مزید برآں، بینک کے پاس 744 ATMs کا نیٹ ورک ہے جو صارفین کو 24/7 بینکنگ خدمات فراہم کرتا ہے۔ اس کے علاوہ، بینک اپنے قابل قدر گاہکوں کو پروڈکٹس/سروسز کی ایک وسیع رینج بھی پیش کر رہا ہے جس میں برانچ لیس بینکنگ، موبائل بینکنگ، انٹرنیٹ بینکنگ، کریڈٹ کارڈ اور کیش مینجمنٹ سروسز شامل ہیں۔

بورڈ کی جانب سے، ہم اپنے قابل قدر کسٹمرز اور شیئرز ہولڈرز کے ان کی پائیدار حمایت کے لیے شکرگزار ہیں اور انہیں یقین دلاتے ہیں کہ بینک اپنی ترقی کے رجحانات کو برقرار رکھے گا۔ میں حکومت پنجاب اور اسٹیٹ بینک آف پاکستان کی مسلسل مدد اور رہنمائی کا بھی شکریہ ادا کرتا ہوں۔ مزید برآں، بورڈ اچھی مالی کارکردگی پوسٹ کرنے پر انتظامیہ کی ٹیم اور عملے کی کوششوں کو بھی سراہتا ہے۔

بورڈ کے لیے اور اس کی جانب سے

Amjad Khan

ڈائریکٹر

Arif Malik

صدر/اسی ای او



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of The Bank of Punjab

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have received the accompanying unconsolidated interim statement of financial position of The Bank of Punjab ("the Bank") as at June 30, 2023 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statement for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the quarters ended June 30, 2023 and June 30, 2022 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Hammad Ali Ahmad.

A.F. Ferguson & Co.

Chartered Accountants

Lahore.

Dated: August 29, 2023

UDIN: RR202310092Jt8LSdCOM

Unconsolidated Condensed Interim
**FINANCIAL
STATEMENTS**
for the six months ended June 30, 2023



Unconsolidated Condensed Interim Statement of Financial Position

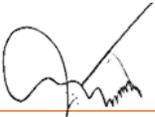
As at June 30, 2023

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks	7	117,220,195	73,203,096
Balances with other banks	8	7,016,637	4,814,454
Lendings to financial institutions	9	2,408,400	69,819,342
Investments - net	10	920,699,143	638,258,636
Advances - net	11	862,798,328	589,581,439
Fixed assets	12	31,502,228	30,339,290
Intangible assets	13	1,854,523	1,767,987
Deferred tax assets - net	14	17,004,261	14,554,517
Other assets - net	15	93,547,471	59,551,375
		2,054,051,186	1,481,890,136
LIABILITIES			
Bills payable	17	7,632,737	6,323,641
Borrowings	18	476,506,700	80,820,212
Deposits and other accounts	19	1,369,861,997	1,227,339,490
Liabilities against assets subject to finance lease		-	-
Subordinated debts	20	27,493,900	17,203,760
Deferred tax liabilities		-	-
Other liabilities - net	21	105,409,653	85,151,020
		1,986,904,987	1,416,838,123
NET ASSETS		67,146,199	65,052,013
REPRESENTED BY			
Share capital - net	22	32,452,535	29,478,381
Reserves		13,373,555	12,683,892
Deficit on revaluation of assets - net of tax	23	(3,756,288)	(2,323,430)
Unappropriated profit		25,076,397	25,213,170
		67,146,199	65,052,013

CONTINGENCIES AND COMMITMENTS

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

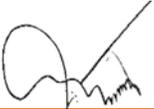
				
Chief Financial Officer	President	Chairman	Director	Director

Unconsolidated Condensed Interim Profit and Loss Account

For the Six Months Ended June 30, 2023 (Un-audited)

	Note	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Rupees in '000'					
Mark-up / return / interest earned	25	76,144,421	32,087,622	126,820,289	58,879,970
Mark-up / return / interest expensed	26	66,494,475	24,336,531	109,402,855	43,016,051
Net mark-up / interest income		9,649,946	7,751,091	17,417,434	15,863,919
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	2,813,244	1,983,430	4,536,489	3,354,691
Dividend income		108,680	57,406	245,869	220,916
Foreign exchange (loss) / income		(3,886)	556,954	776,495	685,798
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities - net	28	(19,838)	(737,331)	39,741	(861,011)
Other income - net	29	92,512	64,856	132,769	198,120
Total non-markup / interest income		2,990,712	1,925,315	5,731,363	3,598,514
Total income		12,640,658	9,676,406	23,148,797	19,462,433
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	10,309,337	6,562,103	18,657,530	13,862,273
Workers' welfare fund		37,953	84,966	68,966	147,071
Other charges	31	8,033	29,780	8,630	33,794
Total non-markup / interest expenses		10,355,323	6,676,849	18,735,126	14,043,138
Profit before provisions		2,285,335	2,999,557	4,413,671	5,419,295
Provisions / (reversal of provisions) and write offs - net	32	475,151	(1,876,261)	494,933	(2,940,245)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		1,810,184	4,875,818	3,918,738	8,359,540
Taxation - net	33	(436,469)	1,615,524	470,426	2,938,719
PROFIT AFTER TAXATION		2,246,653	3,260,294	3,448,312	5,420,821
Basic earnings per share - Rupees	34	0.69	(Restated) 1.00	1.05	(Restated) 1.66
Diluted earnings per share - Rupees	35	0.69	1.00	1.05	1.66

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

 Chief Financial Officer	 President	 Chairman	 Director	 Director
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Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Six Months Ended June 30, 2023 (Un-audited)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
	Rupees in '000'			
Profit after taxation for the period	2,246,653	3,260,294	3,448,312	5,420,821
Other comprehensive income / (loss) for the period:				
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of investments - net of tax	2,973,632	(2,385,306)	(1,063,446)	(3,893,219)
Items that may be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / loss on defined benefit obligations	-	-	-	-
Movement in surplus on revaluation of fixed / non-banking assets - net of tax	(297,195)	177,464	(297,195)	574,026
	(297,195)	177,464	(297,195)	574,026
Total comprehensive income for the period	4,923,090	1,052,452	2,087,671	2,101,628

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

				
Chief Financial Officer	President	Chairman	Director	Director

Unconsolidated Condensed Interim Statement of Changes in Equity

For the Six Months Ended June 30, 2023 (Un-audited)

	Surplus / (Deficit) - net of tax on revaluation of							Total		
	Share capital	Discount on issue of shares	Share capital - net	Share premium	Reserve for issuance of bonus shares	Statutory reserve	Investments		Fixed / non banking assets	Unappropriated profit
	Rupees 'in '000'									
Balance as on January 01, 2022 - audited	26,436,924	(263,156)	26,173,766	2,215,040	-	8,302,011	(6,446,164)	5,077,454	19,510,789	54,832,876
Profit after taxation for the six months ended June 30, 2022	-	-	-	-	-	-	-	-	5,420,821	5,420,821
Other comprehensive (loss) / income	-	-	-	-	-	-	(3,893,219)	574,026	-	(3,319,193)
Total comprehensive (loss) / income for the six months ended June 30, 2022	-	-	-	-	-	-	(3,893,219)	574,026	5,420,821	2,101,628
Transfer to statutory reserve during the period	-	-	-	-	-	1,084,164	-	(62,590)	(1,094,164)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,695)	52,990	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal of assets during the period	-	-	-	-	-	-	-	(354,957)	2,669	1,785
Final stock dividend - December 31, 2021, declared subsequent to year end at 12.5% per share	3,304,615	-	3,304,615	-	3,304,615	-	-	-	(3,304,615)	-
Issuance of bonus shares during the period	3,304,615	-	3,304,615	-	-	-	-	-	(3,304,615)	-
Balance as on June 30, 2022 - un-audited	29,741,539	(263,156)	29,478,381	2,215,040	-	9,386,175	(10,339,383)	5,556,737	20,639,339	56,936,289
Profit after taxation for the six months ended December 31, 2022	-	-	-	-	-	-	-	-	5,413,386	5,413,386
Other comprehensive income	-	-	-	-	-	-	2,520,118	12,800	169,420	2,702,538
Total comprehensive income for the six months ended December 31, 2022	-	-	-	-	-	-	2,520,118	12,800	5,682,806	8,115,724
Transfer to statutory reserve during the period	-	-	-	-	-	1,082,877	-	(71,070)	(1,082,877)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,632)	71,070	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	2,632	-
Balance as on December 31, 2022 - audited	29,741,539	(263,156)	29,478,381	2,215,040	-	10,468,852	(7,819,265)	5,495,835	25,213,170	65,052,013
Profit after taxation for the six months ended June 30, 2023	-	-	-	-	-	-	(1,063,446)	(297,195)	3,448,312	3,448,312
Other comprehensive (loss) / income	-	-	-	-	-	-	(1,063,446)	(297,195)	(1,360,641)	(1,360,641)
Total comprehensive (loss) / income for the six months ended June 30, 2023	-	-	-	-	-	-	(1,063,446)	(297,195)	3,448,312	2,087,671
Transfer to statutory reserve during the period	-	-	-	-	-	689,663	-	(60,653)	(689,663)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,488)	60,653	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(9,076)	15,591	-
Transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	6,515
Final stock dividend - December 31, 2022, declared subsequent to year end at 10% per share	2,974,154	-	2,974,154	-	2,974,154	-	-	-	(2,974,154)	-
Issuance of bonus shares during the period	2,974,154	-	2,974,154	-	-	-	-	-	(2,974,154)	-
Balance as on June 30, 2023 - un-audited	32,715,693	(263,156)	32,452,535	2,215,040	-	11,158,615	(8,892,711)	5,126,423	25,076,397	67,146,199

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






Chief Financial Officer **President** **Chairman** **Director**

Unconsolidated Condensed Interim Cash Flow Statement

For the Six Months Ended June 30, 2023 (Un-audited)

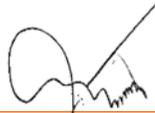
Note	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
	Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,918,738	8,359,540
Less: Dividend income	(245,869)	(220,916)
	3,672,869	8,138,624
Adjustments:		
Depreciation on fixed assets	30 868,829	717,101
Depreciation on non banking assets acquired in satisfaction of claims	30 11,275	21,420
Depreciation on ijarah assets under IFAS - 2	30 92,635	61,584
Depreciation on right of use assets	30 803,090	581,087
Amortization on intangible assets	30 108,820	129,179
Amortization of discount on debt securities - net	(3,961,997)	(1,977,581)
Mark-up on lease liability against right of use assets	26 918,368	639,956
Unrealized loss on revaluation of investments classified as held for trading	28 90,657	-
Provisions / (reversal of provisions) and write-offs - net	32 494,933	(2,940,245)
Workers' welfare fund	68,966	147,071
Gain on termination of lease liability against right of use assets	29 (55,416)	(13,171)
Gain on sale of property and equipment - net	29 (4,866)	(57,936)
Gain on sale of non banking assets - net	29 (59,101)	(114,420)
Realized (gain) / loss on sale of securities - net	28 (130,398)	861,011
Provision for employees compensated absences	11,672	6,020
Provision for gratuity	222,779	170,016
	(519,754)	(1,768,908)
	3,153,115	6,369,716
(Increase) / decrease in operating assets:		
Lendings to financial institutions	67,510,942	(5,199,943)
Held for trading securities	(60,417,551)	33,537,173
Advances - net	(272,908,315)	(37,103,088)
Others assets - net	(34,085,194)	(7,588,829)
	(299,900,118)	(16,354,687)
Increase / (decrease) in operating liabilities:		
Bills payable	1,309,096	(3,376,004)
Borrowings from financial institutions	395,686,488	6,494,127
Deposits	142,522,507	28,995,459
Other liabilities (excluding taxation - net and gratuity fund)	22,711,535	13,234,951
	562,229,626	45,348,533
Payment made to gratuity fund	(171,152)	(268,144)
Income tax paid	(3,768,107)	(2,277,791)
	(3,939,259)	(2,545,935)
Net cash flow from operating activities	261,543,364	32,817,627

Unconsolidated Condensed Interim Cash Flow Statement (Continued...)

For the Six Months Ended June 30, 2023 (Un-audited)

	Note	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
		Rupees in '000'	
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		(222,464,716)	(232,412)
Net investments in held to maturity securities		-	(33,327,345)
Dividends received		245,869	219,547
Investments in operating fixed assets		(1,989,815)	(1,575,907)
Investments in intangible assets		(195,356)	(313,960)
Proceeds from sale of fixed assets		9,828	61,028
Proceeds from sale of non banking assets acquired in satisfaction of claims		95,700	731,323
Investment in subsidiary	10.1.3	(110,487)	-
Net cash used in investing activities		(224,408,977)	(34,437,726)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(2,494,860)	(1,360)
Subscription received - subordinated perpetual term finance certificates		-	7,017,500
Advance subscription received - subordinated perpetual term finance certificates ADT-I 2nd issue	20.2	3,900,000	-
Subscription received - privately placed term finance certificates - III		4,600,000	-
Advance subscription received - privately placed term finance certificates - IV	20.6	4,285,000	-
Payment of lease liability against right of use assets		(1,105,245)	(840,950)
Net cash flow from financing activities		9,184,895	6,175,190
Increase in cash and cash equivalents		46,319,282	4,555,091
Cash and cash equivalents at beginning of the period		78,017,550	80,036,375
Cash and cash equivalents at end of the period		124,336,832	84,591,466
Cash and cash equivalents:			
Cash and balances with treasury banks	7	117,220,195	80,708,312
Balances with other banks	8	7,016,637	3,953,284
Call money lendings	9	100,000	-
Overdrawn nostro accounts		-	(70,130)
		124,336,832	84,591,466

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

				
Chief Financial Officer	President	Chairman	Director	Director

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Six Months Ended June 30, 2023 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

The Bank of Punjab (the Bank) was constituted in Pakistan pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 780 branches including 16 sub branches and 140 Islamic banking branches (December 31, 2022: 780 branches including 16 sub branches and 140 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank also has 40 Islamic banking windows (December 31, 2022: 40) The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ with stable outlook and short term rating of A1+ to the Bank.

2. BASIS OF PRESENTATION

In accordance with the directives of the Government of Pakistan regarding conversion of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the Banks from their customers and immediate resale to them at appropriate price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

These unconsolidated condensed interim financial statements are separate financial statements of the Bank in which the investment in subsidiaries is stated at cost less impairment losses (if any) and has not been accounted for on the basis of reported results and net assets of the investee. Consolidated condensed interim financial statements of the Group are being issued separately.

The financial results of Islamic Banking business have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in note 40 of these unconsolidated condensed interim financial statements.

2.1 Statement of compliance

2.1.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Directives issued by the SBP and the Securities Exchange Commission of Pakistan (SECP);
- Requirements of The Bank of Punjab Act, 1989; and
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017.

Wherever the requirements of the directives issued by the SBP and Securities and Exchange Commission of Pakistan (SECP), The Bank of Punjab Act, 1989, the Banking Companies

Ordinance, 1962 and the Companies Act, 2017 differ with the requirements of these IFRS or IFAS, the requirements of the said directives, The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 take precedence.

- 2.1.2** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 05 dated March 29, 2019 and IAS 34, "Interim Financial Reporting". Accordingly, these unconsolidated condensed interim financial statements do not include all the information and disclosures required for annual unconsolidated financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2022.
- 2.1.3** SBP as per BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and International Accounting Standard (IAS) 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS – 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in preparation of these unconsolidated condensed interim financial statements.
- 2.1.4** The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of "Islamic Financial Accounting Standard - 3" for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). The standard will result in certain new disclosures in these unconsolidated condensed interim financial statements of the Bank.
- 2.1.5** The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

2.1.6 Amendments and interpretations of accounting standards that are effective in the current period:

There are certain amendments and interpretations of existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2023. These are considered either not relevant or not to have any significant impact on the Bank's unconsolidated condensed interim financial statements.

2.1.7 New accounting standards and IFRS interpretations that are not yet effective:

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. The Bank considers that the following standards and interpretations are either not relevant or will not have any material impact on its financial statements in the period of initial application other than IFRS 9.

IFRS 9, "Financial Instruments" has replaced IAS 39, "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'Expected Credit Losses' (ECL) approach rather than 'incurred credit losses' approach. The ECL has impact on all the assets of the Bank which are exposed to credit risk.

As per SBP's BPRD Circular Letter No. 07 dated April 13, 2023, the applicability of IFRS 9 (standard) in Pakistan has been deferred to accounting periods beginning on or after January 01, 2024. Accordingly, these unconsolidated condensed interim financial statements have been prepared in accordance with the existing prudential regime. The Bank calculates the impact of IFRS 9 on the financial statements on parallel run basis based on guidelines issued by State Bank of Pakistan.

Standard or Interpretations		Effective date (annual periods beginning on or after)
IFRS 9	Financial Instruments	January 01, 2024
IAS 1	Classification of Liabilities as Current or Non-current	January 01, 2024
IFRS 16	Amendments to IFRS-16 Leases on sale and leaseback	January 01, 2024

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024, but are considered not to be relevant or will not have any significant effect on the Bank's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

3. BASIS OF MEASUREMENT

3.1 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments and commitments in respect of forward exchange contracts at fair value and lease liability against right of use asset and certain staff retirement benefits at present value. Right of use assets which are initially measured at an amount equal to the corresponding lease liability against right of use assets and depreciated over the respective lease terms.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2022.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting judgments and key estimates adopted in preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2022.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2022.

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
7. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		33,082,275	26,710,371
Foreign currencies		1,599,999	1,491,640
		34,682,274	28,202,011
With SBP in:			
Local currency current account		62,129,284	38,888,327
Foreign currency current account		2,509,567	1,797,861
Foreign currency deposit accounts		5,285,042	3,734,458
		69,923,893	44,420,646
With National Bank of Pakistan in:			
Local currency current account		12,529,624	519,449
Prize bonds		84,404	60,990
		117,220,195	73,203,096
8. BALANCES WITH OTHER BANKS			
In Pakistan:			
Current accounts		87,068	69,188
Deposit accounts		1,759	1,710
		88,827	70,898
Outside Pakistan:			
Current accounts		3,073,829	2,233,769
Deposit accounts		3,853,981	2,509,787
		6,927,810	4,743,556
		7,016,637	4,814,454
9. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		100,000	-
Repurchase agreement lendings (Reverse Repo)	9.2	483,400	52,244,342
Placements	9.3	1,825,000	17,575,000
		2,408,400	69,819,342
9.1 Particulars of lendings			
In local currency		2,408,400	69,819,342
In foreign currencies		-	-
		2,408,400	69,819,342

9.2 Securities held as collateral against repurchase agreement lendings (reverse repo)

	(Un-audited) June 30, 2023			(Audited) December 31, 2022		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	R u p e e s i n ' 0 0 0 '					
Market treasury bills	-	-	-	52,244,342	-	52,244,342
Pakistan investment bonds	483,400	-	483,400	-	-	-
	483,400	-	483,400	52,244,342	-	52,244,342

9.3 These carry profit rates ranging from 20.05% to 22.10% per annum (December 31, 2022: 14.65% to 16.20% per annum) with maturities up to September 26, 2023.

10. INVESTMENTS - NET

10.1 Investments by type:

	Note	June 30, 2023 (Un-Audited)				December 31, 2022 (Audited)			
		Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
		R u p e e s i n ' 0 0 0 '							
Held-for-trading securities									
Federal government securities	10.1.1	66,385,235	-	(62,402)	66,322,833	6,048,429	-	(1,471)	6,046,958
Ordinary shares		453,085	-	(28,255)	424,830	383,064	-	(62,038)	321,026
		66,838,320	-	(90,657)	66,747,663	6,431,493	-	(63,509)	6,367,984
Available-for-sale securities									
Federal government securities	10.1.1 & 10.2	749,824,217	-	(16,328,161)	733,496,056	524,597,694	-	(12,526,946)	512,070,748
Shares		10,648,698	(2,242,331)	(1,069,441)	7,336,926	11,148,229	(2,156,597)	(1,144,246)	7,847,386
Mutual fund & investment trust units		2,628,680	-	1,895	2,630,575	2,628,680	-	6,458	2,635,138
Non government debt securities		15,338,761	(2,639,580)	(21,374)	12,677,807	14,936,247	(2,441,149)	(53,276)	12,441,822
Foreign securities		11,957	-	-	11,957	11,957	-	-	11,957
		778,452,313	(4,881,911)	(17,417,081)	756,153,321	553,322,807	(4,597,746)	(13,718,010)	535,007,051
Held-to-maturity securities									
Federal government securities	10.1.1 & 10.4	97,687,672	-	-	97,687,672	96,883,601	-	-	96,883,601
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		97,688,072	(400)	-	97,687,672	96,884,001	(400)	-	96,883,601
Subsidiaries	10.1.3	275,432	(164,945)	-	110,487	164,945	(164,945)	-	-
Total investments		943,254,137	(5,047,256)	(17,507,738)	920,699,143	656,803,246	(4,763,091)	(13,781,519)	638,258,636

10.1.1 Market treasury bills and Pakistan investment bonds are eligible for re-discounting with SBP.

10.1.2 Certain approved / Government securities are kept with the SBP to meet statutory liquidity requirements calculated on the basis of domestic demand and time liabilities.

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
10.1.3 Investment in subsidiaries			
Punjab Modaraba Services (Private) Limited		164,945	164,945
Punjab Capital Securities (Private) Limited	10.1.4	110,487	-
		275,432	164,945
Provision for diminution held against			
Punjab Modaraba Services (Private) Limited		(164,945)	(164,945)
		110,487	-

10.1.4 During the period, the Bank made direct investment of Rs. 85,487 thousand through acquisition of 100% shares of Punjab Capital Securities (Pvt) Limited (a group company) from First Punjab Modaraba, a subsidiary company of the Bank, in accordance with applicable laws and regulations. Further, in order to support capital base of Punjab Capital Securities (Private) Limited, the Bank made additional investment of Rs 25,000 thousand against which ordinary shares shall be issued in due course of time.

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note	Rupees in '000'	
10.2 Investments given as collateral - at cost / amortised cost		
Market treasury bills	46,104,103	1,380,412
Pakistan investment bonds	365,325,776	506,634
	411,429,879	1,887,046
10.3 Provision for diminution in value of investments		
10.3.1 Movement in provision for diminution in value of investments		
Opening balance	4,763,091	4,110,937
Charge / reversals:		
Charge for the period / year	943,086	1,462,220
Reversals for the period / year	(88,173)	(84,414)
	32	
Reversal on disposal during the period / year	854,913 (570,748)	1,377,806 (725,652)
Closing balance	5,047,256	4,763,091

Category of classification	(Un-audited) June 30, 2023		(Audited) December 31, 2022	
	NPI	Provision	NPI	Provision
	Rupees in '000'			
Domestic				
Loss	2,639,980	2,639,980	2,441,549	2,441,549
Total	2,639,980	2,639,980	2,441,549	2,441,549

10.4 Market value of held to maturity investments amounted to Rs. 82,969,330 thousand (December 31, 2022: Rs. 87,756,050 thousand)..

11. ADVANCES - NET

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2023	(Audited) December 31, 2022	(Un-audited) June 30, 2023	(Audited) December 31, 2022	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Rupees in '000'					
Loans, cash credits, running finances, etc.	735,926,512	496,499,192	47,591,122	48,468,065	783,517,634	544,967,257
Net book value of assets in ijarah under IFAS 2 - In Pakistan	2,081,138	2,272,312	211,963	189,245	2,293,101	2,461,557
Islamic financing and related assets	81,348,751	52,397,637	2,840,903	2,886,934	84,189,654	55,284,571
Bills discounted and purchased	37,174,009	31,645,333	17,221	17,221	37,191,230	31,662,554
Advances - gross	856,530,410	582,814,474	50,661,209	51,561,465	907,191,619	634,375,939
Provision against advances:						
- Specific	-	-	(43,766,868)	(44,179,521)	(43,766,868)	(44,179,521)
- General	(626,423)	(614,979)	-	-	(626,423)	(614,979)
	(626,423)	(614,979)	(43,766,868)	(44,179,521)	(44,393,291)	(44,794,500)
Advances - net of provision	855,903,987	582,199,495	6,894,341	7,381,944	862,798,328	589,581,439

	Note	(Un-audited) June 30, 2023 Rupees in '000'	(Audited) December 31, 2022
11.1 Particulars of advances (gross)			
In local currency		900,544,805	628,970,208
In foreign currencies		6,646,814	5,405,731
		907,191,619	634,375,939

11.2 Advances include Rs. 50,661,209 thousand (December 31, 2022: Rs. 51,561,465 thousand) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited) June 30, 2023		(Audited) December 31, 2022	
	Non performing loans	Provision	Non performing loans	Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	447,461	9,428	258,462	5,390
Substandard	903,176	110,343	2,394,414	109,910
Doubtful	4,021,720	1,270,249	2,872,452	982,934
Loss	45,288,852	42,376,848	46,036,137	43,081,287
Total	50,661,209	43,766,868	51,561,465	44,179,521

11.3 Particulars of provision against advances

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000'					
Opening balance	44,179,521	614,979	44,794,500	46,702,829	3,054,945	49,757,774
Charge for the period / year	1,127,039	11,444	1,138,483	1,427,397	60,034	1,487,431
Reversals for the period / year	(1,539,692)	-	(1,539,692)	(3,950,705)	(2,500,000)	(6,450,705)
	(412,653)	11,444	(401,209)	(2,523,308)	(2,439,966)	(4,963,274)
Amounts written off	-	-	-	-	-	-
Closing balance	43,766,868	626,423	44,393,291	44,179,521	614,979	44,794,500

11.3.1 Particulars of provision against advances with respect to currencies

In local currency	43,766,868	626,423	44,393,291	44,179,521	614,979	44,794,500
In foreign currencies	-	-	-	-	-	-
	43,766,868	626,423	44,393,291	44,179,521	614,979	44,794,500

11.3.2 This includes general provision against consumer, SME financing portfolio and credit cards as required by Prudential Regulations issued by the SBP.

11.3.3 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 3,223,660 thousand (December 31, 2022: Rs 3,115,010 thousand). The FSV benefit availed is not available for cash or stock dividend.

	Note	(Un-audited) June 30, 2023 Rupees in '000'	(Audited) December 31, 2022
12. FIXED ASSETS			
Capital work-in-progress	12.1	654,411	980,802
Right of use assets		12,149,074	12,102,160
Property and equipment		18,698,743	17,256,328
		31,502,228	30,339,290
12.1 Capital work-in-progress			
Civil works		514,683	980,802
Equipment		139,728	-
		654,411	980,802
		(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
		Rupees in '000'	
12.2 Additions to fixed assets			
The following additions / transfer have been made to fixed assets during the period:			
Capital work-in-progress		(326,391)	544,858
Property and equipment:			
Building on freehold land		64,002	3,844,430
Furniture and fixtures		166,719	87,013
Electrical and office equipments		282,449	137,016
Computer equipments		760,063	374,014
Lease hold improvements		940,692	256,279
Vehicles		102,281	176,727
		2,316,206	4,875,479
		1,989,815	5,420,337
12.3 Addition to right of use assets		895,703	1,778,142
12.4 Termination of right of use assets		45,699	71,576
12.5 Disposal of property and equipment:			
The net book value of property and equipment disposed off during the period is as follows:			
Furniture and fixtures		2,545	1,109
Electrical and office equipments		2,341	1,979
Computer equipments		76	4
Vehicles		-	-
		4,962	3,092

Gross carrying amount / cost of vehicles disposed off during the period was Rs. 31,731 thousand. (June 30, 2022: Rs. 44,891 thousand).

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
13. INTANGIBLE ASSETS			
Capital work-in-progress		489,061	370,152
Softwares		1,365,462	1,397,835
		1,854,523	1,767,987
		(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
	Note	Rupees in '000'	
13.1 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Intangible in progress		118,909	65,717
Intangible assets purchased		76,447	248,243
		195,356	313,960
		(Un-audited) June 30, 2023	(Audited) December 31, 2022
14. DEFERRED TAX ASSETS - NET		Rupees in '000'	
Deductible temporary differences on:			
Deficit on revaluation of investments		8,534,370	5,898,745
Right of use assets -net		1,377,615	967,786
Workers Welfare Fund		517,294	424,296
Provision against advances		9,649,487	9,894,016
		20,078,766	17,184,843
Taxable temporary differences on:			
Surplus on revaluation of property and equipment		(2,272,712)	(2,045,558)
Accelerated tax depreciation		(714,595)	(500,433)
Surplus on revaluation of non banking assets		(87,198)	(84,335)
		(3,074,505)	(2,630,326)
		17,004,261	14,554,517
15. OTHER ASSETS - NET			
Income / mark-up accrued in local currency		64,235,922	35,599,543
Income / mark-up accrued in foreign currency		3,481	2,639
Advances, deposits, advance rent and other prepayments		1,649,474	1,292,514
Non-banking assets acquired in satisfaction of claims		2,506,150	2,533,555
Acceptances	21	17,656,297	17,268,248
Branch adjustment account		62,024	27,811
Stock of stationery		323,857	279,117
Suspense account		76,871	51,416
Zakat recoverable from National Investment Trust Limited (NITL)		36,790	36,790
Unrealized gain on revaluation of foreign bills and trade loans		280,727	105,884
Claims receivable against fraud and forgeries		252,409	246,077
Auto Teller Machine and Point of Sale receivable - net		1,147,134	200,131
IBFT receivable		2,988,183	389,268
Others		1,846,867	978,733
		93,066,186	59,011,726
Less: Provision held against other assets	15.1	(672,912)	(635,017)
Other assets (net of provision)		92,393,274	58,376,709
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	1,154,197	1,174,666
Other assets - total		93,547,471	59,551,375

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
15.1	Provision held against other assets		
	Advances, deposits, advance rent & other prepayments	35,723	35,723
	Non banking assets acquired in satisfaction of claims	30,876	30,876
	Zakat recoverable from NITL	36,790	36,790
	Fraud and forgeries	15.1.2	257,306
	Others		312,217
		15.1.1	672,912
			635,017
15.1.1	Movement in provision held against other assets		
	Opening balance	635,017	1,914,474
	Charge for the period / (year)	43,789	33,619
	Reversals during the period / (year)	(2,560)	(1,307,908)
		41,229	(1,274,289)
	Amount written off	(3,334)	(5,168)
	Closing balance	672,912	635,017

15.1.2 This includes provision amounted to Rs. 4,795 thousand (December 31, 2022: Rs. 4,795 thousand) maintained against certain closed cases as per approval of the management.

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
16	CONTINGENT ASSETS		
	Contingent assets	Nil	Nil
17	BILLS PAYABLE		
	In Pakistan	7,632,737	6,323,641
	Outside Pakistan	-	-
		7,632,737	6,323,641

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
18	BORROWINGS		
	Secured		
	Borrowing from SBP under:		
	Export Refinance Scheme (ERF)	30,406,074	31,180,373
	Long Term Financing Facility (LTFF)	12,455,696	13,668,052
	Finance Facility for Storage of Agricultural Produce (FFSAP)	205,624	224,873
	Finance facility for Renewable Energy Performance Platform (REPP)	6,499,021	6,693,669
	Refinancing facility for payment of salaries and wages	-	969,351
	Refinancing facility for combating COVID-19	965,495	1,042,632
	Refinancing facility for working capital of small and medium enterprises	128,205	69,000
	Finance Facility for Temporary Relief Refinance scheme (TERF)	19,982,423	19,889,392
	Finance Facility for women entrepreneurs	1,100	1,300
	Finance Islamic facility for Saaf Rozgar Reimbursement Credit	3,477,063	3,840,524
	Finance Facility for Shamsi Tawanai Consumer	48,107	50,981
	Refinancing facility for modernization of Small and Medium Enterprises (SMEs)	163,646	175,343
		74,332,454	77,805,490
	Repurchase agreement borrowings	400,605,200	1,379,807
	Borrowing from Pakistan Mortgage Refinance Company Limited	1,569,046	1,634,915
	Total secured	476,506,700	80,820,212
	Unsecured		
	Overdrawn nostro accounts	-	-
		476,506,700	80,820,212

19. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	226,448,435	7,062,411	233,510,846	207,308,574	4,661,424	211,969,998
Savings deposits	596,879,646	5,092,507	601,972,153	553,914,328	3,861,179	557,775,507
Term deposits	414,057,912	35,998,917	450,056,829	361,810,847	25,430,470	387,241,317
Others	29,644,828	-	29,644,828	24,170,731	-	24,170,731
	1,267,030,821	48,153,835	1,315,184,656	1,147,204,480	33,953,073	1,181,157,553
Financial institutions:						
Current deposits	2,009,788	1,188,145	3,197,933	2,481,448	1,375,936	3,857,384
Savings deposits	49,927,155	4,255	49,931,410	20,629,277	3,785	20,633,062
Term deposits	1,527,000	-	1,527,000	21,643,000	-	21,643,000
Others	20,998	-	20,998	48,491	-	48,491
	53,484,941	1,192,400	54,677,341	44,802,216	1,379,721	46,181,937
	1,320,515,762	49,346,235	1,369,861,997	1,192,006,696	35,332,794	1,227,339,490

	Note	(Un-audited) June 30, 2023 Rupees in '000'	(Audited) December 31, 2022
20. SUBORDINATED DEBTS			
Subordinated perpetual term finance certificates - ADT I	20.1	8,017,500	8,017,500
Advance subscription money - subordinated perpetual term finance certificates - ADT I 2nd Issue	20.2	3,900,000	-
Privately placed term finance certificates - I	20.3	-	2,494,000
Privately placed term finance certificates - II	20.4	4,291,400	4,292,260
Privately placed term finance certificates - III	20.5	7,000,000	2,400,000
Advance subscription money - privately placed term finance certificates - IV	20.6	4,285,000	-
		27,493,900	17,203,760

20.1 Subordinated perpetual term finance certificates - ADT I

The Bank has issued unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier-I capital under section 66 (1) of the Companies Act, 2017, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 8,017,500 thousand
Issue date:	June 20, 2022
Maturity date:	Perpetual
Rating:	"AA-" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	Perpetual
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.
Profit rate:	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	Not applicable.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

20.2 Advance subscription money - subordinated perpetual term finance certificates - ADT I - 2nd Issue

Prior to close of period ended June 30, 2023, the Bank received Rs. 3,900,000 thousand under formal investor agreement from potential investors as advance subscription money against rated, privately placed, unsecured, subordinated, perpetual and non cumulative debt instrument in the nature of additional Tier I capital term finance certificates. Subordinated to all other debts of the Bank including deposits but superior to equity. The advance subscription money carries mark-up at rate of 6 month KIBOR plus spread of 200 bps per annum.

20.3 Privately placed term finance certificates - I

During the period, the Bank exercised call option for premature redemption of privately placed term finance certificates - I after obtaining approval from the State Bank of Pakistan, and repaid outstanding principal amount of Rs. 2,494,000 thousand to the respective investors. Accordingly, the total liability of the Bank against privately placed term finance certificates - I stands fully settled. The salient features of the TFC's issue were as follows:

Issue amount:	Rs. 2,500,000 thousand
Issue date:	December 23, 2016
Maturity date:	December 22, 2026
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 100 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

20.4 Privately placed term finance certificates - II

The Bank issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 4,300,000 thousand
Issue date:	April 23, 2018
Maturity date:	April 23, 2028
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining

	issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

20.5 Privately placed term finance certificates - III

During the period, the Bank issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 7,000,000 thousand
Issue date:	April 17, 2023
Maturity date:	April 17, 2033
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

20.6 Advance subscription money - privately placed term finance certificates - IV

Prior to close of period ended June 30, 2023, the Bank received Rs. 4,285,000 thousand under formal investor agreement from potential investors as advance subscription money against rated, privately placed / listed, unsecured and subordinated debt instrument in the nature of Tier II capital term finance certificates. The instrument will be unsecured and subordinated as to payment of principal and profit to other indebtedness of the Bank, including deposits, but will rank pari passu

with other Tier II instruments and superior to Additional Tier I instruments. The instrument will be structured to redeem 0.36% of the issue amount during the first 9 years after the issue date and the remaining issue amount of 99.64% in two (2) equal semi - annual installments of 49.82% each in the last year. The advance subscription money carries mark-up at rate of 6 month KIBOR plus spread of 125 bps per annum.

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
21 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		49,502,409	29,550,942
Mark-up / return / interest payable in foreign currency		1,111,735	644,270
Lease key money		14,017,041	13,384,899
Provision for taxation (provisions less payments)		27,522	3,220,400
Sundry creditors and accrued expenses		1,611,731	1,509,474
Acceptances	15	17,656,297	17,268,248
Mark-up payable on subordinated debts		848,942	206,610
Unclaimed dividends		2,586	2,586
Payable to gratuity fund		222,779	171,152
Gratuity payable to key management personnel		12,190	12,190
Payable to charity fund		12	195
Provision against off-balance sheet obligations	21.2	43,983	43,983
Provision for employees compensated absences		164,473	153,884
Mark to market loss on forward foreign exchange contracts - net	15	109,624	112,585
Taxes / zakat / import fee payable		1,438,430	1,770,460
Lease liability against right of use assets		14,960,536	14,352,825
Workers' Welfare Fund	21.1	1,340,659	1,271,693
Others		2,338,704	1,474,624
		105,409,653	85,151,020

21.1 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 (WWF) were not lawful. The Federal Board of Revenue has 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 currently be treated as conclusive. Accordingly, the Bank maintained provision in respect of WWF.

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
21.2 Provision against off-balance sheet obligations		43,983	43,983

The above provision has been made against letters of guarantee issued by the Bank.

22. SHARE CAPITAL - NET

22.1 Authorized capital

(Un-audited) June 30, 2023	(Audited) December 31, 2022		(Un-audited) June 30, 2023	(Audited) December 31, 2022
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

The authorized capital of the Bank is fifty thousand million rupees divided into five thousand million ordinary or preference shares of ten rupees each. The Board of directors approved increase authorized share capital of the Bank to 10,000,000 thousand shares amounting to Rs. 100,000,000 thousand. The Bank has initiated the process for necessary amendments in the Bank of Punjab Act, 1989 through the Provincial Assembly of Punjab.

22.2 Issued, subscribed and paid up capital

(Un-audited) June 30, 2023	(Audited) December 31, 2022		(Un-audited) June 30, 2023	(Audited) December 31, 2022
Number of shares			Rupees in '000'	
Opening Balance				
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
839,925,583	509,464,036	Issued as bonus shares	8,399,256	5,094,641
2,974,153,927	2,643,692,380		29,741,539	26,436,924
Movement during the period / year				
297,415,392	330,461,547	Issued as bonus shares	2,974,154	3,304,615
Closing Balance				
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	839,925,583	Issued as bonus shares	8,399,256	5,094,641
3,271,569,319	2,974,153,927		32,715,693	29,741,539
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
3,271,569,319	2,974,153,927		32,452,535	29,478,381

GoPb held 57.47% shares in the Bank as at June 30, 2023 (December 31, 2022: 57.47%).

23. DEFICIT ON REVALUATION OF ASSETS - NET OF TAX

(Deficit) / surplus on revaluation of:

- Available for sale securities	10.1	(17,417,081)	(13,718,010)
- Property and equipment		6,332,136	6,451,062
- Non-banking assets acquired in satisfaction of claims	15	1,154,197	1,174,666
		(9,930,748)	(6,092,282)
Deferred tax on deficit / (surplus) on revaluation of:			
- Available for sale securities		8,534,370	5,898,745
- Property and equipment		(2,272,712)	(2,045,558)
- Non-banking assets acquired in satisfaction of claims		(87,198)	(84,335)
		6,174,460	3,768,852
		(3,756,288)	(2,323,430)

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
24. CONTINGENCIES AND COMMITMENTS			
Guarantees	24.1	122,370,146	99,484,058
Commitments	24.2	418,883,208	401,862,159
Other contingent liabilities	24.3	291,951	291,951
		541,545,305	501,638,168
24.1 Guarantees:			
Financial guarantees		30,576,573	22,805,891
Performance guarantees		23,022,207	22,031,727
Other guarantees		68,771,366	54,646,440
		122,370,146	99,484,058
24.2 Commitments:			
Documentary credits and short-term trade-related transactions - letters of credit		178,288,644	170,302,819
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	222,146,164	198,951,177
- forward lending	24.2.2	18,264,512	32,465,327
Commitments for acquisition of:			
- fixed assets		33,489	23,097
- intangible assets		150,399	119,739
		418,883,208	401,862,159
24.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		121,107,771	105,509,624
Sale		101,038,393	93,441,553
		222,146,164	198,951,177
24.2.2 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.2.1	18,264,512	32,465,327
24.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.			
	Note	(Un-audited) June 30, 2023	(Audited) Dec 31, 2022
		Rupees in '000'	
24.3 Other contingent liabilities	24.3.1	291,951	291,951
24.3.1 For tax years 2014 - 2022, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans.			

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these condensed interim unconsolidated financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the tax department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate Authorities.

24.4 Claims against the Bank not acknowledged as debts

An amount of Rs. 50,464,625 thousand (December 31, 2022: Rs. 51,158,973 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
Note	Rupees in '000'	
25. MARK-UP / RETURN / INTEREST EARNED		
On loans and advances	61,267,605	26,982,239
On investments:		
Available for sale securities	54,859,757	25,153,252
Held for trading securities	2,357,619	603,517
Held to maturity securities	5,792,417	4,859,831
On lendings to financial institutions:		
Repurchase agreement lendings (Reverse Repo)	1,639,913	578,114
Call money lendings	7,022	41,169
Placements	686,638	475,298
On balances with banks	209,318	186,550
	126,820,289	58,879,970
26. MARK-UP / RETURN / INTEREST EXPENSED		
Deposits and other accounts	78,063,099	36,745,849
Borrowings:		
Securities sold under repurchase agreements	26,052,402	4,296,597
Call borrowings	53,972	5,291
Borrowing from Pakistan Mortgage Refinance Company Limited	60,480	66,868
SBP refinance borrowing	2,117,101	662,127
Subordinated debts:		
Mark-up on subordinated perpetual term finance certificates	918,555	191,963
Mark-up on privately placed term finance certificates	1,218,878	407,400
Mark-up on lease liability against right of use assets	918,368	639,956
	109,402,855	43,016,051

		(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
	Note	Rupees in '000'	
27. FEE AND COMMISSION INCOME			
Branch banking customer fees		181,319	184,568
Consumer finance related fees		259,718	199,310
Card related fees		513,266	562,321
Credit related fees		314,088	723,254
Investment banking fees		222,772	199,082
Branchless banking fees		65,441	87,354
Commission on trade		684,809	571,322
Commission on guarantees		212,387	189,780
Commission on cash management		175,560	159,929
Commission on remittances including home remittances		220,107	207,206
Commission on bancassurance		98,023	42,740
Commission on wheat financing		1,259,096	-
SMS banking income		329,903	227,825
		4,536,489	3,354,691
28 GAIN / LOSS ON SECURITIES - NET			
Realized gain / (loss) on sale of securities - net	28.1	130,398	(861,011)
Unrealized loss - held for trading		(90,657)	-
		39,741	(861,011)
28.1 Realized gain / (loss) on sale of securities - net:			
Federal government securities		(3,320)	(743,085)
Shares		133,718	(117,926)
		130,398	(861,011)
29 OTHER INCOME - NET			
Gain on sale of property and equipment - net		4,866	57,936
Gain on sale of non banking assets - net		59,101	114,420
Gain on termination of lease liability against right of use assets		55,416	13,171
Notice pay on resignations		13,386	12,593
		132,769	198,120

	Note	(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
		Rupees in '000'	
30. OPERATING EXPENSES			
Total compensation expense		9,620,477	7,540,182
Property expense:			
Rent and taxes		11,964	8,899
Insurance		7,721	5,217
Utilities cost		516,275	425,961
Security		4,286	378
Repair and maintenance including janitorial charges		55,709	43,123
Depreciation		363,683	321,031
Depreciation on right of use assets		803,090	581,087
		1,762,728	1,385,696
Information technology expenses:			
Software maintenance		588,018	339,700
Hardware maintenance		31,555	36,926
Depreciation on computer equipment		232,108	199,856
Amortization on intangible assets		108,820	129,179
Network charges		254,486	242,019
		1,214,987	947,680
Other operating expenses:			
Directors' fees and allowances		18,464	28,129
Fees and allowances to shariah board		5,042	4,565
Legal and professional charges		136,486	106,507
Subscription charges		7,264	19,258
Outsourced staff services costs		357,075	266,814
Travelling and conveyance		959,483	659,276
NIFT clearing charges		50,641	39,090
Depreciation		273,038	196,214
Depreciation on non banking assets acquired in satisfaction of claims		11,275	21,420
Depreciation on ijarah assets under IFAS - 2		92,635	61,584
Training and development		58,030	97,804
Postage and courier charges		140,469	94,639
Credit card charges		7,329	-
Stationery and printing		292,261	245,203
Marketing, advertisement and publicity		497,114	477,359
Donations	30.1	-	15,000
Auditors remuneration		3,265	2,843
Insurance		147,038	132,598
Deposit protection fee		290,514	254,641
Repair and maintenance		285,818	171,352
Entertainment expenses		138,644	92,202
Fuel for generator		154,331	90,974
Commission and brokerage		148,559	181,127
Bank charges		22,856	19,844
SMS banking charges		193,640	51,457
ATM charges including mastercard charges		871,412	180,720
Cash remittance charges		380,873	199,703
Branch license fee		19,442	16,446
CNIC verification / ECIB charges		120,115	104,288
Participation and arrangement fee against TFCs		77,864	21,619
Miscellaneous expenses		298,361	136,039
		6,059,338	3,988,715
		18,657,530	13,862,273

- 30.1 This represents donation paid for installation of solar system at Akhuwat University Kasur amounting to Rs. 15,000 thousand in accordance with the approval of Board of Directors of the Bank. None of the directors had any interest in the donee, except for Mr. Dr. Amjad Saqib (Non Executive Director) who is Founder / CEO in Akhuwat.

	Note	(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
		Rupees in '000'	
31. OTHER CHARGES			
Penalties imposed by SBP		8,630	33,794
32. Provisions / (reversal of provisions) and write offs - net			
Provision for diminution in value of investments	10.3.1	854,913	1,059,296
Reversal of provision against advances	11.3	(401,209)	(2,961,735)
Provision / (reversal) of provision against other assets - net	15.1.1	41,229	(1,038,469)
Bad debts written off directly		-	663
		494,933	(2,940,245)
33. TAXATION - NET			
Current	33.1	575,229	3,643,340
Deferred		(104,803)	(704,621)
		470,426	2,938,719

- 33.1 This includes provision for super tax for the period in accordance with Income Tax Ordinance, 2001.

The Government vide Finance Act 2023, has changed the tax rate for banking industry from 35% to 39% and enacted super tax at the rate of 10% for tax year 2023 onwards. Accordingly, the effect of change in current tax and deferred tax rate has been recognized in these unconsolidated condensed interim financial statements.

- 33.2 Provision for Income tax for the period has been recognized based on management's best estimate of the tax payable for the current tax year.

	Note	(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
		Rupees in '000'	
34. BASIC EARNINGS PER SHARE			
Profit after taxation for the period (Rs in '000')		3,448,312	5,420,821
Weighted average number of ordinary shares (No.).		3,271,569,319	(Restated) 3,271,569,319
Basic earnings per share - Rs.		1.05	1.66

35. DILUTED EARNINGS PER SHARE

There were no convertible dilutive potential ordinary shares outstanding as at reporting dates.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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

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 are either short-term in nature or, in the case of customer loans and deposits, are frequently reprised.

36.1 The Bank measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurement using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly. (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

36.1.1 Valuation techniques used in determination of fair values within level 2 and level 3

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP).
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates available on MUFAP
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published at the close of reporting date.
Forward foreign exchange contracts	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Unlisted shares	Break-up value determined on the basis of net assets value of the company using the latest available audited financial statements.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings on freehold land and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

36.2 Fair value of financial assets

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

June 30, 2023 (Un-audited)					
Carrying value / National value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	799,818,889	-	799,818,889	-	799,818,889
Shares	7,761,756	7,740,496	21,260	-	7,761,756
Non-Government debt securities	9,019,204	-	9,019,204	-	9,019,204
Mutual fund & investment trust units	2,630,575	-	2,630,575	-	2,630,575
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	110,487	-	-	110,487	110,487
Financial assets disclosed but not measured at fair value:					
Government securities	97,687,672	-	82,969,330	-	82,969,330
Unlisted term finance certificates / sukuks	3,658,603	-	3,658,603	-	3,658,603
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	120,668,218	-	120,668,218	-	120,668,218
Forward sale of foreign exchange contracts	100,708,464	-	100,708,464	-	100,708,464
December 31, 2022 (Audited)					
Carrying value / National value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	518,117,706	-	518,117,706	-	518,117,706
Shares	8,168,412	8,148,885	19,527	-	8,168,412
Non-Government debt securities	8,856,478	-	8,856,478	-	8,856,478
Mutual funds & investment trust units	2,635,138	-	2,635,138	-	2,635,138
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	-	-	-	-	-
Financial assets disclosed but not measured at fair value:					
Government securities	96,883,601	-	87,756,050	-	87,756,050
Unlisted term finance certificates / sukuks / commercial paper	3,585,344	-	3,585,344	-	3,585,344
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	105,808,826	-	105,808,826	-	105,808,826
Forward sale of foreign exchange contracts	93,853,340	-	93,853,340	-	93,853,340

36.3 Fair value of non financial assets

June 30, 2023 (Un-audited)					
Carrying value / National value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	12,219,177	-	12,219,177	-	12,219,177
Non banking assets acquired in satisfaction of claims	3,629,471	-	3,629,471	-	3,629,471
December 31, 2022 (Audited)					
Carrying value / National value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	12,400,348	-	12,400,348	-	12,400,348
Non banking assets acquired in satisfaction of claims	3,677,345	-	3,677,345	-	3,677,345

37 SEGMENT INFORMATION

37.1 Segment details with respect to business activities

	June 30, 2023 (Un-audited)						Total
	Corporate & investment banking	Cards and Public Sector Deposits	Consumer Banking Group	Treasury	Islamic	Others including Head Office	
	Rupees in '000'						
Profit & loss							
Net mark-up / return / profit	46,645,728	1,648	8,687,099	62,114,238	8,979,093	392,483	126,820,289
Inter segment (cost) / revenue - net	(26,217,745)	52,941,463	31,597,714	(47,532,397)	(411,484)	(10,377,551)	-
Non mark-up / return / interest income	2,126,586	1,104,371	380,802	1,389,581	185,402	544,621	5,731,363
Total income	22,554,569	54,047,482	40,665,615	15,971,422	8,753,011	(9,440,447)	132,551,652
Segment total expenses	2,702,104	51,720,983	29,472,855	26,327,406	6,950,093	10,964,540	128,137,981
Profit before provisions and tax	19,852,465	2,326,499	11,192,760	(10,355,984)	1,802,918	(20,404,987)	4,413,671
Provisions	(613,829)	-	21,182	889,311	152,541	45,728	494,933
Profit / (loss) before tax	20,466,294	2,326,499	11,171,578	(11,245,295)	1,650,377	(20,450,715)	3,918,738
Balance sheet							
Cash and bank balances	-	248,445	43,469,703	69,844,654	10,674,030	-	124,236,832
Investments - net	3,027,034	-	-	885,600,701	32,071,408	-	920,699,143
Net inter segment lending	-	621,356,271	345,902,075	-	-	39,464,500	1,006,722,846
Lendings to financial institutions	-	-	-	583,400	1,825,000	-	2,408,400
Advances - performing	638,247,167	375,538	115,237,205	-	83,429,889	18,614,188	855,903,987
- non-performing - net	3,777,111	-	1,794,080	-	1,301,379	21,771	6,894,341
Others	46,497,325	17,485	11,411,099	24,825,847	10,029,099	51,127,628	143,908,483
Total assets	691,548,637	621,997,739	517,814,162	980,854,602	139,330,805	109,228,087	3,060,774,032
Borrowings	72,830,278	-	1,569,046	400,605,200	1,502,176	-	476,506,700
Subordinated debts	-	-	-	-	-	27,493,900	27,493,900
Deposits and other accounts	194,088,270	599,349,838	470,690,370	-	105,733,519	-	1,369,861,997
Net inter segment borrowing	408,649,646	-	-	580,249,402	-	-	1,006,722,846
Others	15,980,443	22,647,901	45,554,746	-	6,944,605	21,914,695	113,042,390
Total liabilities	691,548,637	621,997,739	517,814,162	980,854,602	132,004,098	49,408,595	2,993,627,833
Equity							67,146,199
Total equity & liabilities							3,060,774,032
Contingencies & commitments	303,133,630	-	132,835	222,146,164	15,656,837	475,839	541,545,305

	June 30, 2022 (Un-audited)						Total
	Corporate & investment banking	Cards and Public Sector Deposits	Consumer Banking Group	Treasury	Islamic	Others including Head Office	
Profit & loss							
Net mark-up / return / profit	19,245,373	5,049	4,962,212	30,113,592	4,298,897	254,847	58,879,970
Inter segment revenue - net	(4,666,758)	26,406,412	13,159,238	(28,228,969)	(235,846)	(6,434,077)	-
Non mark-up / return / interest income	1,313,576	741,187	555,841	306,634	104,757	576,519	3,598,514
Total income	15,892,191	27,152,648	18,677,291	2,191,257	4,167,808	(5,602,711)	62,478,484
Segment total expenses	1,078,320	26,464,038	13,932,081	4,496,460	3,340,802	7,747,488	57,059,189
Profit before provisions and tax	14,813,871	688,610	4,745,210	(2,305,203)	827,006	(13,350,199)	5,419,295
Provisions	(3,118,032)	-	(58,944)	1,059,296	228,938	(1,051,503)	(2,940,245)
Profit / (loss) before tax	17,931,903	688,610	4,804,154	(3,364,499)	598,068	(12,298,696)	8,359,540
Balance sheet							
Cash and bank balances	-	147,504	26,232,485	42,779,915	8,957,646	-	78,017,550
Investments - net	2,877,025	-	-	602,990,890	32,390,721	-	638,258,636
Net inter segment lending	-	540,008,370	323,530,294	-	2,723,384	27,952,943	894,214,991
Lendings to financial institutions	-	-	-	52,244,342	17,675,000	-	69,919,342
Advances - performing	396,470,662	123,805	115,139,152	-	54,669,949	15,795,927	582,199,495
- non-performing	4,585,725	-	1,296,104	-	1,477,233	22,882	7,381,944
Others	32,434,475	6,016	6,943,631	12,742,007	8,088,570	45,998,470	106,213,169
Total assets	436,367,887	540,285,695	473,141,666	710,757,154	125,782,503	89,770,222	2,376,105,127
Borrowings	76,278,779	-	1,634,915	1,379,807	1,526,711	-	80,820,212
Subordinated debts	-	-	-	-	-	17,203,760	17,203,760
Deposits and other accounts	149,447,000	512,781,868	453,463,859	-	111,646,763	-	1,227,339,490
Net inter segment borrowing	185,440,527	-	-	708,774,464	-	-	894,214,991
Others	25,201,581	27,503,827	18,042,892	602,883	6,570,925	13,552,553	91,474,661
Total liabilities	436,367,887	540,285,695	473,141,666	710,757,154	119,744,399	30,756,313	2,311,053,114
Equity							65,052,013
Total equity & liabilities							2,376,105,127
Contingencies & commitments	282,863,157	-	1,103,084	198,951,177	18,285,963	434,787	501,638,168

Due to change in reportable business segments, the figures of comparative periods are realigned for the purposes of comparison.

38. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, employee benefit plans, directors and Key Management Personnel. The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

	June 30, 2023 (Un-audited)					December 31, 2022 (Audited)				
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee Funds	Other related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee Funds	Other related parties
Rupees in '000'										
Lendings to financial institutions:										
Opening balance	-	-	1,825,000	-	-	-	-	1,600,000	-	-
Addition during the period / year	-	-	3,300,000	-	-	-	-	7,775,000	-	-
Repaid during the period / year	-	-	3,300,000	-	-	-	-	7,550,000	-	-
Closing balance	-	-	1,825,000	-	-	-	-	1,825,000	-	-
Investments (gross)	-	-	275,432	-	-	-	-	164,945	-	-
Provision for diminution in value of investments	-	-	164,945	-	-	-	-	164,945	-	-
Advances (gross):										
Opening balance	-	362,721	-	-	-	-	269,016	132,431	-	1,318,019
Addition during the period / year	-	166,675	-	-	-	-	250,149	156,395	-	804,387
Repaid during the period / year	-	53,223	-	-	-	-	156,444	288,826	-	2,122,406
Closing balance	-	476,173	-	-	-	-	362,721	-	-	-
Contingencies (non fund exposure)	-	-	-	-	49,822	-	-	-	-	49,822
Other assets - advance deposits and prepayments	-	5,621	100,000	-	-	-	8,992	100,000	-	-
Other assets - markup receivable	-	19,659	63,282	-	-	-	16,726	28,097	-	-
Right of use assets	-	-	-	-	64,823	-	-	-	-	67,036
Lease liability against right of use assets	-	-	-	-	14,215	-	-	-	-	13,302
Deposits and other accounts:										
Opening balance	239	30,825	40,067	1,036,847	26,391	902	26,795	36,387	374,772	1,558,999
Received during the period / year	28,861	470,173	1,486,307	2,156,217	170,005	7,764	833,334	2,518,801	3,805,306	70,813,694
Withdrawn during the period / year	21,833	478,600	1,439,593	831,093	167,576	8,427	829,304	2,515,121	3,143,231	72,346,302
Closing balance	7,267	22,398	86,781	2,361,971	28,820	239	30,825	40,067	1,036,847	26,391
Other liabilities - markup payable	393	112	489	-	321	8	108	259	-	-
Other liabilities - sundry creditors & accrued expenses	-	-	1420	-	-	-	-	124	-	-
Rupees in '000'										
Income:										
Mark-up / return / interest earned	-	10,239	168,127	-	-	-	8,475	88,028	-	5,678
Fee and commission income	-	881	-	-	-	-	-	-	-	5,356
Expense:										
Mark-up / return / interest expensed	128	226	2,204	123,652	2,047	20	57	413	27,139	96,673
Depreciation on right of use assets	-	-	-	-	2,213	-	-	-	-	1,926
Mark-up on lease liability against right of use assets	-	-	-	-	913	-	-	-	-	1,572
Compensation expense	-	344,463	-	-	-	-	322,118	-	-	-
Commission expense	-	-	3,181	-	-	-	-	1,742	-	-
Directors fee and allowances	18,464	-	-	-	-	28,129	-	-	-	-

38.1 Balances pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through movement presented above.

38.2 The GoPb holds controlling interest (57.47% shareholding) in the Bank and therefore entities which are owned and / or controlled by the GoPb, or where the GoPb may exercise significant influence, are related parties of the Bank. The Bank in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities. The detail of transactions are as follows:

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
Advances	314,085,379	52,906,885
Deposits	607,093,271	549,974,639
Acceptances	71,929	71,929
Contingencies	26,756,554	31,495,126
Mark-up receivable	14,447,120	5,188,460
Mark-up payable	23,215,838	19,952,701
	(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
	Rupees in '000'	
Mark-up earned	17,225,219	3,391,442
Mark-up expensed	46,544,849	23,031,557
Income on contingencies	83,576	71,911

38.3 The Bank made contribution of Rs. 243,336 thousand (June 30, 2022: Rs. 178,819 thousand) to employees provident fund during the period.

38.4 First Punjab Modaraba and Punjab Modaraba Services (Private) Limited are using premises owned by The Bank of Punjab free of cost.

38.5 Advances to employees as at June 30, 2023, other than key management personnel, amounted to Rs. 20,858,648 thousand (December 31, 2022: Rs. 17,649,987 thousand) with markup receivable of Rs. 723,119 thousand (December 31, 2022: Rs. 634,330 thousand), markup income of Rs. 445,845 thousand (June 30, 2022: Rs. 276,054 thousand) and fee and commission income of Rs. 5,540 thousand (June 30, 2022: Nil). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on June 30, 2023 stood at Rs. 49,555 thousand (December 31, 2022: Rs. 58,282 thousand).

38.6 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.

38.7 During the period, the Bank acquired 100% shares of Punjab Capital Securities (Private) Limited from First Punjab Modaraba, as explained in note 10.1.4 of these unconsolidated condensed interim financial statements.

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Rupees in '000'		
39. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital including share premium (net of losses)	34,667,575	31,693,421
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	53,642,872	53,858,265
Eligible Additional Tier 1 (ADT 1) Capital	11,378,567	8,017,500
Total Eligible Tier 1 Capital	65,021,439	61,875,765
Eligible Tier 2 Capital	16,736,771	6,396,254
Total Eligible Capital (Tier 1 + Tier 2)	81,758,210	68,272,019
Risk Weighted Assets (RWAs):		
Credit risk	454,440,228	430,945,557
Market risk	16,786,077	19,124,408
Operational risk	70,680,644	70,680,644
Total	541,906,949	520,750,609
Common equity tier I capital adequacy ratio	9.90%	10.34%
Tier I CAR (%)	12.00%	11.88%
Total CAR (%)	15.09%	13.11%
39.1 Leverage Ratio (LR):		
Eligible Tier-I Capital	65,021,439	61,875,765
Total exposures	2,376,633,596	1,787,497,376
LR (%)	39.1.1 2.74%	3.46%
39.1.1	The SBP vide letter No. BPRD/BA&CP/620/447350/23, dated April 03, 2023, allowed the Bank relaxation from the applicability of leverage ratio requirement of 3% till December 31, 2023, subject to the condition that Bank's leverage ratio shall not fall below 2.5%.	
39.2	The SBP vide letter No. SBHOK-BPRD-BACPD-BOP-503677, dated July 14, 2023, allowed the Bank to include advance subscription money of Rs. 3,900,000 thousand and Rs. 4,285,000 thousand for CAR and LR purposes, as explained in note 20 of these unconsolidated condensed interim financial statements.	

	Note	(Un-audited) June 30, 2023 Rupees in '000'	(Audited) December 31, 2022
39.3 Liquidity Coverage Ratio (LCR):			
Total high quality liquid assets		519,347,346	646,611,725
Total net cash outflow		457,230,628	469,412,209
LCR (%)		113.59%	137.75%

39.4 Net Stable Funding Ratio (NSFR):

Total available stable funding		957,147,000	838,164,000
Total required stable funding		879,189,700	683,105,000
NSFR (%)		108.87%	122.70%

40. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the June 30, 2023, the Bank is operating 140 Islamic banking branches (December 31, 2022: 140 Islamic banking branches) and 40 Islamic banking windows (December 31, 2022: 40).

ISLAMIC BANKING BUSINESS

STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks		9,996,960	8,122,079
Balances with other banks		677,070	735,567
Due from financial institutions	40.1	1,825,000	17,575,000
Investments - net	40.2	32,071,408	32,390,721
Islamic financing and related assets - net	40.3	84,731,268	56,147,182
Fixed assets		3,196,233	3,209,170
Intangible assets		10,166	6,298
Due from head office		-	2,723,384
Other assets		6,822,700	4,873,102
Total assets		139,330,805	125,782,503
LIABILITIES			
Bills payable		642,738	647,861
Due to financial institutions		1,502,176	1,526,711
Deposits and other accounts	40.4	105,733,519	111,646,763
Due to head office		17,823,798	-
Subordinated debt		-	-
Other liabilities		6,301,867	5,923,064
		132,004,098	119,744,399
NET ASSETS		7,326,707	6,038,104
REPRESENTED BY			
Islamic banking fund		2,000,000	2,000,000
Reserves		54,367	26,464
Deficit on revaluation of assets		(1,018,811)	(629,134)
Unappropriated profit	40.5	6,291,151	4,640,774
		7,326,707	6,038,104
CONTINGENCIES AND COMMITMENTS	40.6		

ISLAMIC BANKING BUSINESS

Profit and Loss Account

For the Six Months Ended June 30, 2023 (Un-audited)

		Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
	Note	Rupees in '000'			
Profit / return earned	40.7	5,215,169	2,355,631	8,979,093	4,298,897
Profit / return expensed	40.8	2,991,582	1,198,290	5,596,292	2,281,203
Net profit / return		2,223,587	1,157,341	3,382,801	2,017,694
Fee and commission income		109,645	50,217	179,093	106,249
Dividend income		-	-	-	-
Foreign exchange (loss) / income		(2,625)	(7,167)	3,307	(7,978)
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net		1	-	11	-
Other income		1,730	7,891	2,991	6,486
		108,751	50,941	185,402	104,757
Total income		2,332,338	1,208,282	3,568,203	2,122,451
Operating expenses		1,012,230	638,721	1,765,285	1,295,445
Workers' Welfare Fund		-	-	-	-
Other charges		-	-	-	-
		1,012,230	638,721	1,765,285	1,295,445
Profit before provisions		1,320,108	569,561	1,802,918	827,006
Provisions and write offs - net		51,129	182,344	152,541	228,938
Profit before taxation		1,268,979	387,217	1,650,377	598,068
Taxation	40.9	-	-	-	-
Profit / (loss) after taxation		1,268,979	387,217	1,650,377	598,068

40.1 DUE FROM FINANCIAL INSTITUTIONS

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Secured	1,825,000	-	1,825,000	17,575,000	-	17,575,000

40.2 INVESTMENTS - NET

Investments by segment:

	(Un-audited) June 30, 2023			(Audited) December 31, 2022		
	Cost / Amortized cost	Provision for diminution (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution (Deficit)	Carrying value
	R u p e e s i n ' 0 0 0 '					
Federal government securities:						
-Ijarah sukuk	21,228,174	- (1,091,458)	20,136,716	21,243,759	- (669,504)	20,574,255
-Naya Pakistan Certificates (Roshan Digital)	807,742	-	807,742	682,588	-	682,588
	22,035,916	- (1,091,458)	20,944,458	21,926,347	- (669,504)	21,256,843
Non government debt securities :						
-Listed	8,362,260	- (21,659)	8,340,601	8,393,936	- (53,935)	8,340,001
-Unlisted	2,786,349	-	2,786,349	2,793,877	-	2,793,877
	11,148,609	- (21,659)	11,126,950	11,187,813	- (53,935)	11,133,878
Total investments	33,184,525	- (1,113,117)	32,071,408	33,114,160	- (723,439)	32,390,721

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
40.3 ISLAMIC FINANCING AND RELATED ASSETS		
Ijarah	2,293,101	2,461,557
Murabaha	2,212,047	4,870,837
Musharaka	41,200,000	14,045,205
Diminishing musharaka	29,737,447	27,325,666
Payment against documents	55,304	55,304
Waqala	4,443,154	3,203,972
Istisna	5,862,945	5,209,531
Musawamah Financing	582,644	574,056
Tijarah	96,113	-
Gross islamic financing and related assets	86,482,755	57,746,128
Less: provision against islamic financings		
- Specific	1,751,487	1,598,946
- General	-	-
	1,751,487	1,598,946
Islamic financing and related assets - net of provision	84,731,268	56,147,182

40.4 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	18,439,609	618,649	19,058,258	16,598,382	513,205	17,111,587
Savings deposits	62,784,127	289,331	63,073,458	55,880,913	289,392	56,170,305
Term deposits	10,015,289	188,325	10,203,614	15,066,050	-	15,066,050
Others	2,896,453	-	2,896,453	1,499,138	-	1,499,138
	94,135,478	1,096,305	95,231,783	89,044,483	802,597	89,847,080
Financial institutions:						
Current deposits	30,404	24,381	54,785	100,316	71,130	171,446
Savings deposits	10,446,297	290	10,446,587	2,753,014	223	2,753,237
Term deposits	-	-	-	18,875,000	-	18,875,000
Others	364	-	364	-	-	-
	10,477,065	24,671	10,501,736	21,728,330	71,353	21,799,683
	104,612,543	1,120,976	105,733,519	110,772,813	873,950	111,646,763

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	

40.5 UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS

Opening balance	4,640,774	2,550,132
Add: Islamic banking profit for the period / year	1,650,377	2,090,642
Closing balance	6,291,151	4,640,774

40.6 CONTINGENCIES AND COMMITMENTS

-Guarantees	2,274,112	2,049,966
-Commitments	13,382,725	16,235,997
	15,656,837	18,285,963

	(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
	Rupees in '000'	

40.7 PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT

Profit earned on:		
Financing	5,819,431	2,663,003
Investments	2,531,381	1,298,786
Placements	628,233	156,432
Deposits with financial institutions	48	180,676
	8,979,093	4,298,897

40.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED

Deposits and other accounts	4,997,626	1,920,609
Markup on lease liability against right of use assets	174,399	119,807
Markup on borrowings from SBP	12,783	4,941
Profit on deposits from conventional head office	411,484	235,846
	5,596,292	2,281,203

40.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 198,045 thousand (June 30, 2022: Rs. 210,221 thousand).

40.10 During the period, following pools have been created:

- Special Pool XXXIX (SP-XXXIX)
- Special Pool XXXX (SP-XXXX)
- USD Special Pool-2
- EURO Special Pool-1

The main characteristics of the pools are as under:

- i) Profit sharing ratio between Mudarib and Rab-ul-mal is 10:90 for SP-XXXIX and SP-XXXX, 40:60 for USD Special Pool-2 and 30:70 for EURO Special Pool-1.
- ii) Profit equalization reserve upto 2% of net income will be created, if needed.
- iii) Investment risk reserve upto 1% of distributable profit of depositors will be created, if needed.

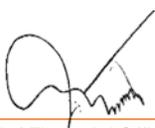
41 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 24, 2023 by the Board of Directors of the Bank.

42 GENERAL

42.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

42.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the period.



Chief Financial Officer



President



Chairman



Director



Director

Consolidated Condensed Interim
FINANCIAL
STATEMENTS
for the six months ended June 30, 2023

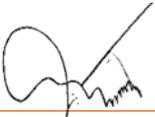


Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2023

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks	7	117,220,407	73,203,963
Balances with other banks	8	7,026,347	4,842,758
Lendings to financial institutions	9	783,400	68,194,342
Investments - net	10	920,605,825	638,276,903
Advances - net	11	864,125,140	590,934,509
Fixed assets	12	31,508,907	30,344,086
Intangible assets	13	1,863,052	1,776,940
Deferred tax assets - net	14	17,110,264	14,584,059
Other assets - net	15	93,865,604	59,840,459
		2,054,108,946	1,481,998,019
LIABILITIES			
Bills payable	17	7,632,737	6,323,641
Borrowings	18	476,506,700	80,820,212
Deposits and other accounts	19	1,369,775,217	1,227,299,424
Liabilities against assets subject to finance lease		-	-
Subordinated debts	20	27,493,900	17,203,760
Deferred tax liabilities		-	-
Other liabilities - net	21	105,635,231	85,387,012
		1,987,043,785	1,417,034,049
NET ASSETS		67,065,161	64,963,970
REPRESENTED BY			
Share capital - net	22	32,452,535	29,478,381
Reserves		13,456,961	12,769,424
Non Controlling Interest		704,254	627,811
Deficit on revaluation of assets - net of tax	23	(3,756,288)	(2,323,430)
Unappropriated profit		24,207,699	24,411,784
		67,065,161	64,963,970
CONTINGENCIES AND COMMITMENTS		24	

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

				
Chief Financial Officer	President	Chairman	Director	Director

Consolidated Condensed Interim Profit and Loss Account

For the Six Months Ended June 30, 2023 (Un-audited)

	Note	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Rupees in '000'					
Mark-up / return / interest earned	25	76,143,348	32,117,601	126,832,901	58,937,443
Mark-up / return / interest expensed	26	66,493,482	24,338,318	109,400,712	43,015,246
Net mark-up / interest income		9,649,866	7,779,283	17,432,189	15,922,197
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	2,838,949	2,009,594	4,565,377	3,403,914
Dividend income		108,680	57,406	245,869	221,549
Foreign exchange (loss) / income		(3,886)	556,954	776,495	685,798
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities - net	28	(19,838)	(737,331)	39,741	(861,011)
Other income - net	29	93,512	65,176	133,769	198,440
Total non-markup / interest income		3,017,417	1,951,799	5,761,251	3,648,690
Total income		12,667,283	9,731,082	23,193,440	19,570,887
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	10,359,446	6,620,851	18,754,808	13,970,580
Workers' welfare fund		37,953	84,966	68,966	147,071
Other charges	31	8,033	29,780	8,630	33,794
Total non-markup / interest expenses		10,405,432	6,735,597	18,832,404	14,151,445
Profit before provisions		2,261,851	2,995,485	4,361,036	5,419,442
Provisions / (reversal of provisions) and write offs - net	32	472,820	(1,876,538)	482,943	(2,940,463)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		1,789,031	4,872,023	3,878,093	8,359,905
Taxation - net	33	(484,168)	1,616,087	422,776	2,940,314
PROFIT AFTER TAXATION		2,273,199	3,255,936	3,455,317	5,419,591
Basic earnings per share - Rupees	34	0.67	(Restated) 0.99	1.02	(Restated) 1.64
Diluted earnings per share - Rupees	35	0.67	0.99	1.02	1.64
PROFIT ATTRIBUTABLE TO:					
Equity holders of the parent		2,192,760	3,226,805	3,340,135	5,362,041
Non-controlling interest		80,439	29,131	115,182	57,550
		2,273,199	3,255,936	3,455,317	5,419,591

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

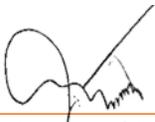
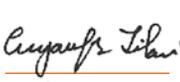
 Chief Financial Officer	 President	 Chairman	 Director	 Director
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Consolidated Condensed Interim Statement of Comprehensive Income

For the Six Months Ended June 30, 2023 (Un-audited)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
	Rupees in '000'			
Profit after taxation for the period	2,273,199	3,255,936	3,455,317	5,419,591
Other comprehensive (loss) / income for the period:				
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of investments - net of tax	2,973,632	(2,385,306)	(1,063,446)	(3,893,219)
Items that may be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / loss on defined benefit obligations	-	-	-	-
Movement in surplus on revaluation of fixed / non-banking assets - net of tax	(297,195)	177,464	(297,195)	574,026
	(297,195)	177,464	(297,195)	574,026
Total comprehensive income for the period	4,949,636	1,048,094	2,094,676	2,100,398
Equity holders of the parent	4,869,197	1,018,963	1,979,494	2,042,848
Non-controlling interest	80,439	29,131	115,182	57,550
	4,949,636	1,048,094	2,094,676	2,100,398

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

				
Chief Financial Officer	President	Chairman	Director	Director

Consolidated Condensed Interim Statement of Changes in Equity

For the Six Months Ended June 30, 2023 (Un-audited)

	Surplus / (Deficit) - net of tax on revaluation of										
	Share capital	Discount on issue of shares	Share capital - net	Share premium	Reserve for issuance of bonus shares	Statutory reserve	Investments	Fixed / non banking assets	Unappropriated profit	Non-controlling Interest	Total
Balance as on January 01, 2022 - audited	26,436,924	(263,158)	26,173,766	2,215,040	-	8,387,543	(6,446,164)	5,077,454	18,915,186	587,579	54,910,404
Profit after taxation for the six months ended June 30, 2022	-	-	-	-	-	-	(3,893,219)	574,026	5,362,041	57,550	5,419,591
Other comprehensive (loss) / income	-	-	-	-	-	-	-	-	-	-	(3,319,193)
Total comprehensive (loss) / income for the six months ended June 30, 2022	-	-	-	-	-	-	(3,893,219)	574,026	5,362,041	57,550	2,100,398
Transfer to statutory reserve during the period	-	-	-	-	-	1,084,164	-	(69,590)	(1,068,144)	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,666)	52,590	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(39,487)	2,866	-	-
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	41,272	-	1,785
Final stock dividend - December 31, 2021 declared subsequent to year end at 12.5% per share	3,304,615	-	3,304,615	-	3,304,615	-	-	-	(3,304,615)	-	-
Issuance of bonus shares during the period	3,304,615	-	3,304,615	-	(3,304,615)	-	-	-	(3,304,615)	-	-
Balance as on June 30, 2022 - un-audited	29,741,539	(263,158)	29,478,381	2,215,040	-	9,471,707	(10,339,383)	5,556,737	19,994,976	645,129	57,012,587
Profit after taxation for the six months ended December 31, 2022	-	-	-	-	-	-	2,620,118	12,800	5,266,363	(17,318)	5,249,045
Other comprehensive income	-	-	-	-	-	-	-	-	189,420	-	2,702,338
Total comprehensive income for the six months ended December 31, 2022	-	-	-	-	-	-	2,620,118	12,800	5,455,783	(17,318)	7,951,383
Transfer to statutory reserve during the period	-	-	-	-	-	1,082,677	-	(71,070)	(1,062,677)	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,632)	71,070	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	2,632	-	-
Balance as on December 31, 2022 - audited	29,741,539	(263,158)	29,478,381	2,215,040	-	10,554,384	(7,819,265)	5,495,635	24,411,784	627,811	64,963,970
Profit after taxation for the six months ended June 30, 2023	-	-	-	-	-	-	(1,063,446)	(297,195)	3,340,135	115,182	3,455,317
Other comprehensive (loss) / income	-	-	-	-	-	-	-	-	-	-	(1,360,641)
Total comprehensive (loss) / income for the six months ended June 30, 2023	-	-	-	-	-	-	(1,063,446)	(297,195)	3,340,135	115,182	2,094,676
Transfer to statutory reserve during the period	-	-	-	-	-	687,537	-	-	(687,537)	-	-
Acquisition of Punjab Capital Securities (Pvt.) Limited	-	-	-	-	-	-	-	-	38,739	(38,739)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(60,663)	60,663	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,488)	2,488	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(8,076)	15,591	-	6,515
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	-	-	-
Final stock dividend - December 31, 2022 declared subsequent to year end at 10% per share	2,974,154	-	2,974,154	-	2,974,154	-	-	-	(2,974,154)	-	-
Issuance of bonus shares during the period	2,974,154	-	2,974,154	-	(2,974,154)	-	-	-	(2,974,154)	-	-
Balance as on June 30, 2023 - un-audited	32,715,693	(263,158)	32,452,535	2,215,040	-	11,241,921	(8,882,711)	5,126,423	24,207,699	704,254	67,065,161

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






Chief Financial Officer **President** **Chairman** **Director**

Consolidated Condensed Interim Cash Flow Statement

For the Six Months Ended June 30, 2023 (Un-audited)

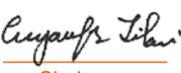
	Note	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		3,878,093	8,359,905
Less: Dividend income		(245,869)	(221,549)
		3,632,224	8,138,356
Adjustments:			
Depreciation on fixed assets	30	869,744	717,856
Depreciation on non banking assets acquired in satisfaction of claims	30	11,275	21,420
Depreciation on ijarah assets under IFAS - 2	30	142,315	124,282
Depreciation on right of use assets	30	803,090	581,087
Amortization on intangible assets	30	109,153	129,179
Amortization of discount on debt securities - net		(3,961,997)	(1,977,581)
Mark-up on lease liability against right of use assets	26	918,368	639,956
Unrealized loss on revaluation of investments classified as held for trading	28	90,657	-
Provisions / (reversal of provisions) and write-offs - net	32	482,943	(2,940,463)
Workers' welfare fund		68,966	147,071
Gain on termination of lease liability against right of use assets	29	(55,416)	(13,171)
Gain on sale of property and equipment - net	29	(5,866)	(58,256)
Gain on sale of non banking assets - net	29	(59,101)	(114,420)
Realized (gain) / loss on sale of securities - net	28	(130,398)	861,011
Provision for employees compensated absences		11,672	6,020
Provision for gratuity		222,779	170,016
		(481,816)	(1,705,993)
		3,150,408	6,432,363
(Increase) / decrease in operating assets:			
Lendings to financial institutions		67,510,942	(5,024,943)
Held for trading securities		(60,417,551)	33,537,173
Advances - net		(272,919,747)	(37,374,810)
Others assets - net		(34,142,946)	(7,569,516)
		(299,969,302)	(16,432,096)
Increase / (decrease) in operating liabilities:			
Bills payable		1,309,096	(3,376,004)
Borrowings from financial institutions		395,686,488	6,495,457
Deposits		142,475,793	28,955,883
Other liabilities (excluding taxation - net and gratuity fund)		22,701,121	13,190,891
		562,172,498	45,266,227
Payment made to gratuity fund		(171,152)	(268,144)
Income tax paid		(3,768,215)	(2,279,386)
		(3,939,367)	(2,547,530)
Net cash flow from operating activities		261,414,237	32,718,964

Consolidated Condensed Interim Cash Flow Statement (Continued...)

For the Six Months Ended June 30, 2023 (Un-audited)

	Note	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
		Rupees in '000'	
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		(222,463,618)	(235,788)
Net investments in held to maturity securities		-	(33,327,345)
Dividends received		245,869	220,180
Investments in operating fixed assets		(1,992,613)	(1,576,616)
Investments in intangible assets		(195,265)	(315,473)
Proceeds from sale of fixed assets		10,828	61,348
Proceeds from sale of non banking assets acquired in satisfaction of claims		95,700	731,323
Net cash used in investing activities		(224,299,099)	(34,442,371)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(2,494,860)	(1,360)
Subscription received - subordinated perpetual term finance certificates		-	7,017,500
Advance subscription received - subordinated perpetual term finance certificates ADT-I 2nd issue	20.2	3,900,000	-
Subscription received - privately placed term finance certificates - III		4,600,000	-
Advance subscription received - privately placed term finance certificates - IV	20.6	4,285,000	-
Payment of lease liability against right of use assets		(1,105,245)	(840,950)
Net cash flow from financing activities		9,184,895	6,175,190
Increase in cash and cash equivalents		46,300,033	4,451,783
Cash and cash equivalents at beginning of the period		78,046,721	80,177,594
Cash and cash equivalents at end of the period		124,346,754	84,629,377
Cash and cash equivalents:			
Cash and balances with treasury banks	7	117,220,407	80,708,494
Balances with other banks	8	7,026,347	3,991,013
Call money lendings	9	100,000	-
Overdrawn nostro accounts		-	(70,130)
		124,346,754	84,629,377

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

				
Chief Financial Officer	President	Chairman	Director	Director

Notes to the Consolidated Condensed Interim Financial Statements

For the Six Months Ended June 30, 2023 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

The Bank of Punjab Group ("the Group") comprises of The Bank of Punjab ("the Bank") ("BOP") ("the Parent"), Punjab Modaraba services (Private) Limited ("PMSL") (the Management Company), First Punjab Modaraba ("FPM") ("the Modaraba"), Punjab Capital Securities (Private) Limited ("PCSL"). For the purpose of these financial statements, The Bank of Punjab and consolidated subsidiaries are referred to as the Group.

1.1 Parent

The Bank of Punjab

Subsidiary Companies	% age of holding 2023	% age of holding 2022
Punjab Modaraba services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
Punjab Capital Securities (Private) Limited	100.00%	39.16%

The subsidiary company of the Group, Punjab Modaraba services (Private) Limited exercises control over First Punjab Modaraba, as its management company and also has a direct economic interest in it. The Group has consolidated the financial statements of the modaraba as the ultimate parent. The Group is principally engaged in commercial banking, modaraba management, leasing, brokerage, etc. Brief profile of the Bank and subsidiaries is as follows:

The Bank of Punjab (the Bank) was constituted in Pakistan pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 780 branches including 16 sub branches and 140 Islamic banking branches (December 31, 2022: 780 branches including 16 sub branches and 140 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank also has 40 Islamic banking windows (December 31, 2022: 40). The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ with stable outlook and short term rating of A1+ to the Bank.

Punjab Modaraba Services (Private) Limited

Punjab Modaraba services (Private) Limited was incorporated in Pakistan on October 19, 1991 under the Companies Ordinance, 1984 as a private limited company. It is wholly owned by The Bank of Punjab and is primarily engaged in the business of floating and managing Modarabas.

First Punjab Modaraba

First Punjab Modaraba was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by Punjab Modaraba Services (Private) Limited (wholly owned subsidiary of The Bank of Punjab). The Modaraba commenced its operations on December 23, 1992. The Modaraba is listed on Pakistan Stock Exchange.

Punjab Capital Securities (Private) Limited

Punjab Capital Securities (Private) Limited is registered under the Companies Ordinance, 1984 as company limited by shares from the 29th day of November 2016. PCSL is mainly engaged in business of brokerage services, portfolio management and consultancy services. The registered office of the company is situated at Room No 319, 3rd Floor, LSE Building, Lahore. The Company is wholly-owned subsidiary of The Bank of Punjab.

1.2 Basis of consolidation

Subsidiaries are all entities over which the bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Parent controls another entity. The Bank also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Bank's voting rights relative to the size and dispersion of holdings of other shareholders give the Bank the power to govern the financial and operating policies, etc.

The Group financial statements include the financial statements of the Bank and its subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. They are deconsolidated from the date that control ceases. The financial statements of subsidiaries have been consolidated on line by line basis. All significant inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated.

The Bank applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Bank recognizes any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. The Financial Statements of the Bank and its subsidiaries are prepared upto the same reporting date using consistent accounting policies.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through income statement.

Any contingent consideration to be transferred by the Bank is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill, if any, is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in income statement. After initial recognition, is measured at carrying value i.e. cost at the date of acquisition less any accumulated impairment.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Bank ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Bank had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2. BASIS OF PRESENTATION

In accordance with the directives of the Government of Pakistan regarding conversion of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the Banks from their customers and immediate resale to them at appropriate price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

These consolidated condensed interim financial statements are separate financial statements of the Bank in which the investment in subsidiaries is stated at cost less impairment losses (if any) and has not been accounted for on the basis of reported results and net assets of the investee. Consolidated condensed interim financial statements of the Group are being issued separately.

The financial results of Islamic Banking business have been consolidated in these consolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in note 40 of these consolidated condensed interim financial statements.

2.1 Statement of compliance

2.1.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Directives issued by the SBP and the Securities Exchange Commission of Pakistan (SECP);
- Requirements of The Bank of Punjab Act, 1989; and
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017.

Wherever the requirements of the directives issued by the SBP and Securities and Exchange Commission of Pakistan (SECP), The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 differ with the requirements of these IFRS or IFAS, the requirements of the said directives, The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 take precedence.

2.1.2 The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 05 dated March 29, 2019 and IAS 34, "Interim Financial Reporting". Accordingly, these consolidated condensed interim financial statements do not include all the information and disclosures required for annual consolidated financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the annual audited consolidated financial statements of the Bank for the year ended December 31, 2022.

2.1.3 SBP as per BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and International Accounting Standard (IAS) 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS – 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in preparation of these consolidated condensed interim financial statements.

2.1.4 The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of "Islamic Financial Accounting Standard - 3" for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). The standard will result in certain new disclosures in these consolidated condensed interim financial statements of the Bank.

2.1.5 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

2.1.6 Amendments and interpretations of accounting standards that are effective in the current period:

There are certain amendments and interpretations of existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2023. These are considered either not relevant or not to have any significant impact on the Bank's consolidated condensed interim financial statements.

2.1.7 New accounting standards and IFRS interpretations that are not yet effective:

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. The Bank considers that the following standards and interpretations are either not relevant or will not have any material impact on its financial statements in the period of initial application other than IFRS 9.

IFRS 9, "Financial Instruments" has replaced IAS 39, "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'Expected Credit Losses' (ECL) approach rather than 'incurred credit losses' approach. The ECL has impact on all the assets of the Bank which are exposed to credit risk.

As per SBP's BPRD Circular Letter No. 07 dated April 13, 2023, the applicability of IFRS 9 (standard) in Pakistan has been deferred to accounting periods beginning on or after January 01, 2024. Accordingly, these consolidated condensed interim financial statements have been prepared in accordance with the existing prudential regime. The Bank calculates the impact of IFRS 9 on the financial statements on parallel run basis based on guidelines issued by State Bank of Pakistan.

Standard or Interpretations		Effective date (annual periods beginning on or after)
IFRS 9	Financial Instruments	January 01, 2024
IAS 1	Classification of Liabilities as Current or Non-current	January 01, 2024
IFRS 16	Amendments to IFRS-16 Leases on sale and leaseback	January 01, 2024

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024, but are considered not to be relevant or will not have any significant effect on the Bank's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

3. BASIS OF MEASUREMENT

3.1 These consolidated condensed interim financial statements have been prepared under the historical cost convention except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments and commitments in respect of forward exchange contracts at fair value and lease liability against right of use asset and certain staff retirement benefits at present value. Right of use assets which are initially measured at an amount equal to the corresponding lease liability against right of use assets and depreciated over the respective lease terms.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Bank for the year ended December 31, 2022.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting judgments and key estimates adopted in preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Bank for the year ended December 31, 2022.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual audited consolidated financial statements of the Bank for the year ended December 31, 2022.

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
7. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		33,082,343	26,710,456
Foreign currencies		1,599,999	1,491,640
		34,682,342	28,202,096
With SBP in:			
Local currency current account		62,129,428	38,889,109
Foreign currency current account		2,509,567	1,797,861
Foreign currency deposit accounts		5,285,042	3,734,458
		69,924,037	44,421,428
With National Bank of Pakistan in:			
Local currency current account		12,529,624	519,449
Prize bonds		84,404	60,990
		117,220,407	73,203,963

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
8. BALANCES WITH OTHER BANKS			
In Pakistan:			
Current accounts		51,374	94,452
Deposit accounts		47,163	4,750
		98,537	99,202
Outside Pakistan:			
Current accounts		3,073,829	2,233,769
Deposit accounts		3,853,981	2,509,787
		6,927,810	4,743,556
		7,026,347	4,842,758
9. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		100,000	-
Repurchase agreement lendings (Reverse Repo)	9.2	483,400	52,244,342
Placements	9.3	200,000	15,950,000
		783,400	68,194,342
9.1 Particulars of lendings			
In local currency		783,400	68,194,342
In foreign currencies		-	-
		783,400	68,194,342

9.2 Securities held as collateral against repurchase agreement lendings (reverse repo)

	(Un-audited) June 30, 2023			(Audited) December 31, 2022		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
Rupees in '000'						
Market treasury bills	-	-	-	52,244,342	-	52,244,342
Pakistan investment bonds	483,400	-	483,400	-	-	-
	483,400	-	483,400	52,244,342	-	52,244,342

9.3 These carry profit rates ranging from 16.50% to 22.00% per annum (December 31, 2022: 16.05% to 16.20% per annum) with maturities up to August 15, 2023.

10. INVESTMENTS - NET

10.1 Investments by type:

	Note	June 30, 2023 (Un-Audited)				December 31, 2022 (Audited)			
		Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Rupees in '000'									
Held-for-trading securities									
Federal government securities	10.1.1	66,385,235	-	(62,402)	66,322,833	6,048,429	-	(1,471)	6,046,958
Ordinary shares		453,085	-	(28,255)	424,830	383,064	-	(62,038)	321,026
		66,838,320	-	(90,657)	66,747,663	6,431,493	-	(63,509)	6,367,984
Available-for-sale securities									
Federal government securities	10.1.1 & 10.2	749,824,217	-	(16,328,161)	733,496,056	524,597,694	-	(12,526,946)	512,070,748
Shares		10,665,867	(2,242,331)	(1,069,441)	7,354,095	11,166,496	(2,156,597)	(1,144,246)	7,865,653
Mutual fund & investment trust units		2,628,680	-	1,895	2,630,575	2,628,680	-	6,458	2,635,138
Non government debt securities		15,338,761	(2,639,580)	(21,374)	12,677,807	14,936,247	(2,441,149)	(53,276)	12,441,822
Foreign securities		11,957	-	-	11,957	11,957	-	-	11,957
		778,469,482	(4,881,911)	(17,417,081)	756,170,490	553,341,074	(4,597,746)	(13,718,010)	535,025,318
Held-to-maturity securities									
Federal government securities	10.1.1 & 10.4	97,687,672	-	-	97,687,672	96,883,601	-	-	96,883,601
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		97,688,072	(400)	-	97,687,672	96,884,001	(400)	-	96,883,601
Total investments		942,995,874	(4,882,311)	(17,507,738)	920,605,825	656,656,568	(4,598,146)	(13,781,519)	638,276,903

10.1.1 Market treasury bills and Pakistan investment bonds are eligible for re-discounting with SBP.

10.1.2 Certain approved / Government securities are kept with the SBP to meet statutory liquidity requirements calculated on the basis of domestic demand and time liabilities.

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
10.2 Investments given as collateral - at cost / amortised cost			
Market treasury bills		46,104,103	1,380,412
Pakistan investment bonds		365,325,776	506,634
		411,429,879	1,887,046
10.3 Provision for diminution in value of investments			
10.3.1 Movement in provision for diminution in value of investments			
Opening balance		4,598,146	3,945,992
Charge / (reversals):			
Charge for the period / year		943,086	1,462,220
Reversals for the period / year		(88,173)	(84,414)
	32	854,913	1,377,806
Reversal on disposal during the period / year		(570,748)	(725,652)
Closing balance		4,882,311	4,598,146

10.3.2 Particulars of provision against debt securities

	(Un-audited) June 30, 2023		(Audited) December 31, 2022	
	NPI	Provision	NPI	Provision
Rupees in '000'				
Category of classification				
Domestic				
Loss	2,639,980	2,639,980	2,441,549	2,441,549
Total	2,639,980	2,639,980	2,441,549	2,441,549

10.4 Market value of held to maturity investments amounted to Rs. 82,969,330 thousand (December 31, 2022: Rs. 87,756,050 thousand).

11. ADVANCES - NET

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2023	(Audited) December 31, 2022	(Un-audited) June 30, 2023	(Audited) December 31, 2022	(Un-audited) June 30, 2023	(Audited) December 31, 2022
			Rupees in '000'			
Loans, cash credits, running finances, etc. Net book value of assets in ijarah under IFAS 2 - In Pakistan	737,253,324	497,749,289	47,834,627	48,826,533	785,087,951	546,575,822
Islamic financing and related assets	2,081,138	2,272,312	211,963	189,245	2,293,101	2,461,557
Bills discounted and purchased	81,348,751	52,397,637	2,840,903	2,886,934	84,189,654	55,284,571
	37,174,009	31,645,333	17,221	17,221	37,191,230	31,662,554
Advances - gross	857,857,222	584,064,571	50,904,714	51,919,933	908,761,936	635,984,504
Provision against advances:						
- Specific	-	-	(44,010,373)	(44,435,016)	(44,010,373)	(44,435,016)
- General	(626,423)	(614,979)	-	-	(626,423)	(614,979)
	(626,423)	(614,979)	(44,010,373)	(44,435,016)	(44,636,796)	(45,049,995)
Advances - net of provision	857,230,799	583,449,592	6,894,341	7,484,917	864,125,140	590,934,509

11.1 Particulars of advances (gross)

In local currency	902,115,122	630,578,773
In foreign currencies	6,646,814	5,405,731
	908,761,936	635,984,504

11.2 Advances include Rs. 50,904,714 thousand (December 31, 2022: Rs. 51,919,933 thousand) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited) June 30, 2023		(Audited) December 31, 2022	
	Non performing loans	Provision	Non performing loans	Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	447,461	9,428	342,812	5,390
Substandard	903,176	110,343	2,394,414	109,910
Doubtful	4,021,720	1,270,249	2,891,075	992,245
Loss	45,532,357	42,620,353	46,291,632	43,327,471
Total	50,904,714	44,010,373	51,919,933	44,435,016

11.3 Particulars of provision against advances

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000'					
Opening balance	44,435,016	614,979	45,049,995	46,959,797	3,054,945	50,014,742
Charge for the period / year	1,127,039	11,444	1,138,483	1,427,397	60,034	1,487,431
Reversals for the period / year	(1,551,682)	-	(1,551,682)	(3,952,178)	(2,500,000)	(6,452,178)
	(424,643)	11,444	(413,199)	(2,524,781)	(2,439,966)	(4,964,747)
Amounts written off	-	-	-	-	-	-
Closing balance	44,010,373	626,423	44,636,796	44,435,016	614,979	45,049,995

11.3.1 Particulars of provision against advances with respect to currencies

In local currency	44,010,373	626,423	44,636,796	44,435,016	614,979	45,049,995
In foreign currencies	-	-	-	-	-	-
	44,010,373	626,423	44,636,796	44,435,016	614,979	45,049,995

11.3.2 This includes general provision against consumer, SME financing portfolio and credit cards as required by Prudential Regulations issued by the SBP.

11.3.3 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 3,223,660 thousand (December 31, 2022: Rs 3,115,010 thousand). The FSV benefit availed is not available for cash or stock dividend.

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
12. FIXED ASSETS			
Capital work-in-progress	12.1	654,411	980,802
Right of use assets		12,149,074	12,102,160
Property and equipment		18,705,422	17,261,124
		31,508,907	30,344,086
12.1 Capital work-in-progress			
Civil works		514,683	980,802
Equipment		139,728	-
		654,411	980,802
12.2 Additions to fixed assets		(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
The following additions have been made to fixed assets during the period:			
Capital work-in-progress		(326,391)	544,858
Property and equipment:			
Building on freehold land		64,002	3,844,430
Furniture and fixtures		166,733	87,126
Electrical and office equipments		282,449	137,605
Computer equipments		760,234	374,021
Lease hold improvements		940,692	256,279
Vehicles		104,894	176,727
		2,319,004	4,876,188
		1,992,613	5,421,046
12.3 Addition to right of use assets		895,703	1,778,142
12.4 Termination of right of use assets		45,699	71,576
12.5 Disposal of property and equipment:			
The net book value of property and equipment disposed off during the period is as follows:			
Furniture and fixtures		2,545	1,109
Electrical and office equipments		2,341	1,979
Computer equipments		76	4
Vehicles		-	-
		4,962	3,092

Gross carrying amount / cost of vehicles disposed off during the period was Rs. 31,731 thousand. (June 30, 2022: Rs. 44,891 thousand).

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
13. INTANGIBLE ASSETS		
Capital work-in-progress	489,061	370,152
Softwares	1,373,991	1,406,788
	1,863,052	1,776,940
	(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
	Rupees in '000'	
13.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Intangible in progress	118,909	65,717
Intangible assets purchased	76,356	249,756
	195,265	315,473
	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
14. DEFERRED TAX ASSETS - NET		
Deductible temporary differences on:		
Deficit on revaluation of investments	8,534,370	5,898,745
Right of use assets -net	1,377,615	967,786
Workers Welfare Fund	517,294	424,296
Provision against advances	9,649,487	9,894,016
- Business losses in subsidiary	106,003	29,555
	20,184,769	17,214,398
Taxable temporary differences on:		
Surplus on revaluation of property and equipment	(2,272,712)	(2,045,558)
Accelerated tax depreciation	(714,595)	(500,446)
Surplus on revaluation of non banking assets	(87,198)	(84,335)
	(3,074,505)	(2,630,339)
	17,110,264	14,584,059

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	Rupees in '000'	
15. OTHER ASSETS - NET			
Income / mark-up accrued in local currency		64,367,781	35,908,260
Income / mark-up accrued in foreign currency		3,481	2,639
Advances, deposits, advance rent and other prepayments		1,920,979	1,359,139
Non-banking assets acquired in satisfaction of claims		2,506,150	2,533,555
Acceptances	21	17,656,297	17,268,248
Branch adjustment account		62,024	27,811
Stock of stationery		323,857	279,117
Suspense account		76,871	51,416
Zakat recoverable from National Investment Trust Limited (NITL)		36,790	36,790
Unrealized gain on revaluation of foreign bills and trade loans		280,727	105,884
Claims receivable against fraud and forgeries		252,409	246,077
Auto Teller Machine and Point of Sale receivable - net		1,147,134	200,131
IBFT receivable		2,988,183	389,268
Others		1,904,451	1,044,624
		93,527,134	59,452,959
Less: Provision held against other assets	15.1	(815,727)	(787,166)
Other assets (net of provision)		92,711,407	58,665,793
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	1,154,197	1,174,666
Other assets - total		93,865,604	59,840,459
15.1 Provision held against other assets			
Advances, deposits, advance rent & other prepayments		35,723	35,723
Non banking assets acquired in satisfaction of claims		30,876	30,876
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries	15.1.2	257,306	219,411
Others		455,032	464,366
	15.1.1	815,727	787,166
15.1.1 Movement in provision held against other assets			
Opening balance		787,166	1,914,474
Charge for the period / (year)		43,789	33,619
Reversals during the period / (year)		(2,560)	(1,307,908)
		41,229	(1,274,289)
Amount written off		(12,668)	(5,168)
Other adjustments		-	152,149
Closing balance		815,727	787,166
15.1.2	This includes provision amounted to Rs. 4,795 thousand (December 31, 2022: Rs. 4,795 thousand) maintained against certain closed cases as per approval of the management.		
		(Un-audited) June 30, 2023	(Audited) December 31, 2022
16 CONTINGENT ASSETS	Note	Rupees in '000'	
Contingent assets		Nil	Nil
17 BILLS PAYABLE			
In Pakistan		7,632,737	6,323,641
Outside Pakistan		-	-
		7,632,737	6,323,641

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	Rupees in '000'	
18	BORROWINGS		
	Secured		
	Borrowings from SBP under:		
	Export Refinance Scheme (ERF)	30,406,074	31,180,373
	Long Term Financing Facility (LTFF)	12,455,696	13,668,052
	Finance Facility for Storage of Agricultural Produce (FFSAP)	205,624	224,873
	Finance facility for Renewable Energy Performance Platform (REPP)	6,499,021	6,693,669
	Refinancing facility for payment of salaries and wages	-	969,351
	Refinancing facility for combating COVID-19	965,495	1,042,632
	Refinancing facility for working capital of small and medium enterprises	128,205	69,000
	Finance Facility for Temporary Relief Refinance scheme (TERF)	19,982,423	19,889,392
	Finance Facility for women entrepreneurs	1,100	1,300
	Finance Islamic facility for Saaf Rozgar Reimbursement Credit	3,477,063	3,840,524
	Finance Facility for Shamsi Tawanai Consumer	48,107	50,981
	Refinancing facility for modernization of Small and Medium Enterprises (SMEs)	163,646	175,343
		74,332,454	77,805,490
	Repurchase agreement borrowings	400,605,200	1,379,807
	Borrowing from Pakistan Mortgage Refinance Company Limited	1,569,046	1,634,915
	Total secured	476,506,700	80,820,212
	Unsecured		
	Overdrawn nostro accounts	-	-
		476,506,700	80,820,212

19. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	226,361,655	7,062,411	233,424,066	207,308,574	4,661,424	211,969,998
Savings deposits	596,879,646	5,092,507	601,972,153	553,914,328	3,861,179	557,775,507
Term deposits	414,057,912	35,998,917	450,056,829	361,810,847	25,430,470	387,241,317
Others	29,644,828	-	29,644,828	24,170,731	-	24,170,731
	1,266,944,041	48,153,835	1,315,097,876	1,147,204,480	33,953,073	1,181,157,553
Financial institutions:						
Current deposits	2,009,788	1,188,145	3,197,933	2,479,212	1,375,936	3,855,148
Savings deposits	49,927,155	4,255	49,931,410	20,595,447	3,785	20,599,232
Term deposits	1,527,000	-	1,527,000	21,639,000	-	21,639,000
Others	20,998	-	20,998	48,491	-	48,491
	53,484,941	1,192,400	54,677,341	44,762,150	1,379,721	46,141,871
	1,320,428,982	49,346,235	1,369,775,217	1,191,966,630	35,332,794	1,227,299,424

	Note	(Un-audited) June 30, 2023 Rupees in '000'	(Audited) December 31, 2022
20. SUBORDINATED DEBTS			
Subordinated perpetual term finance certificates - ADT I	20.1	8,017,500	8,017,500
Advance subscription money - subordinated perpetual term finance certificates - ADT I 2nd Issue	20.2	3,900,000	-
Privately placed term finance certificates - I	20.3	-	2,494,000
Privately placed term finance certificates - II	20.4	4,291,400	4,292,260
Privately placed term finance certificates - III	20.5	7,000,000	2,400,000
Advance subscription money - privately placed term finance certificates - IV	20.6	4,285,000	-
		27,493,900	17,203,760

20.1 Subordinated perpetual term finance certificates - ADT I

During the period, the Bank has issued unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier -I capital under section 66 (1) of the Companies Act, 2017, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 8,017,500 thousand
Issue date:	June 20, 2022
Maturity date:	Perpetual
Rating:	"AA-" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	Perpetual
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.
Profit rate:	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	Not applicable.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

20.2 Advance subscription money - subordinated perpetual term finance certificates - ADT I - 2nd Issue

Prior to close of period ended June 30, 2023, the Bank received Rs. 3,900,000 thousand under formal investor agreement from potential investors as advance subscription money against rated, privately placed, unsecured, subordinated, perpetual and non cumulative debt instrument in the nature of additional Tier I capital term finance certificates. Subordinated to all other debts of the

Bank including deposits but superior to equity. The advance subscription money carries mark-up at rate of 6 month KIBOR plus spread of 200 bps per annum.

20.3 Privately placed term finance certificates - I

During the period, the Bank exercised call option for premature redemption of privately placed term finance certificates - I after obtaining approval from the State Bank of Pakistan, and repaid outstanding principal amount of Rs. 2,494,000 thousand to the respective investors. Accordingly, the total liability of the Bank against privately placed term finance certificates - I stands fully settled. The salient features of the TFC's issue were as follows:

Issue amount:	Rs. 2,500,000 thousand
Issue date:	December 23, 2016
Maturity date:	December 22, 2026
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 100 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

20.4 Privately placed term finance certificates - II

The Bank has issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 4,300,000 thousand
Issue date:	April 23, 2018
Maturity date:	April 23, 2028
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank

	Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

20.5 Privately placed term finance certificates - III

During the period, the Bank issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 7,000,000 thousand
Issue date:	April 17, 2023
Maturity date:	April 17, 2033
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 100 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

20.6 Advance subscription money - privately placed term finance certificates - IV

Prior to close of period ended June 30, 2023, the Bank received Rs. 4,285,000 thousand under formal investor agreement from potential investors as advance subscription money against rated, privately placed / listed, unsecured and subordinated debt instrument in the nature of Tier II capital

term finance certificates. The instrument will be unsecured and subordinated as to payment of principal and profit to other indebtedness of the Bank, including deposits, but will rank pari passu with other Tier II instruments and superior to Additional Tier I instruments. The instrument will be structured to redeem 0.36% of the issue amount during the first 9 years after the issue date and the remaining issue amount of 99.64% in two (2) equal semi - annual installments of 49.82% each in the last year. The advance subscription money carries mark-up at rate of 6 month KIBOR plus spread of 125 bps per annum.

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
21	OTHER LIABILITIES		
		49,533,269	29,650,291
		1,111,735	644,270
		14,017,041	13,384,899
		27,522	3,220,400
		1,806,449	1,642,463
	15	17,656,297	17,268,248
		848,942	206,610
		2,586	2,586
		222,779	171,152
		12,190	12,190
		12	195
	21.2	43,983	43,983
		164,473	153,884
	15	109,624	112,585
		1,438,430	1,770,460
		14,960,536	14,352,825
	21.1	1,340,659	1,271,693
		2,338,704	1,478,278
		105,635,231	85,387,012

21.1 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 (WWF) were not lawful. The Federal Board of Revenue has 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 currently be treated as conclusive. Accordingly, the Bank maintained provision in respect of WWF.

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
21.2	Provision against off-balance sheet obligations	43,983	43,983

The above provision has been made against letters of guarantee issued by the Bank.

22. SHARE CAPITAL - NET

22.1 Authorized capital

(Un-audited) June 30, 2023	(Audited) December 31, 2022		(Un-audited) June 30, 2023	(Audited) December 31, 2022
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

The authorized capital of the Bank is fifty thousand million rupees divided into five thousand million ordinary or preference shares of ten rupees each. The Board of directors approved increase authorized share capital of the Bank to 10,000,000 thousand shares amounting to Rs. 100,000,000 thousand. The Bank has initiated the process for necessary amendments in the Bank of Punjab Act, 1989 through the Provincial Assembly of Punjab.

22.2 Issued, subscribed and paid up capital

(Un-audited) June 30, 2023	(Audited) December 31, 2022		(Un-audited) June 30, 2023	(Audited) December 31, 2022
Number of shares			Rupees in '000'	
Opening Balance				
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
839,925,583	509,464,036	Issued as bonus shares	8,399,256	5,094,641
2,974,153,927	2,643,692,380		29,741,539	26,436,924
Movement during the period				
297,415,392	330,461,547	Issued as bonus shares	2,974,154	3,304,615
Closing Balance				
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	839,925,583	Issued as bonus shares	8,399,256	5,094,641
3,271,569,319	2,974,153,927		32,715,693	29,741,539
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
3,271,569,319	2,974,153,927		32,452,535	29,478,381

GoPb held 57.47% shares in the Bank as at June 30, 2023 (December 31, 2022: 57.47%).

	Note	(Un-audited) June 30, 2023	(Audited) Dec 31, 2022
23. DEFICIT ON REVALUATION OF ASSETS - NET OF TAX			
(Deficit) / surplus on revaluation of:			
- Available for sale securities	10.1	(17,417,081)	(13,718,010)
- Property and equipment		6,332,136	6,451,062
- Non-banking assets acquired in satisfaction of claims	15	1,154,197	1,174,666
		(9,930,748)	(6,092,282)
Deferred tax on deficit / (surplus) on revaluation of:			
- Available for sale securities		8,534,370	5,898,745
- Property and equipment		(2,272,712)	(2,045,558)
- Non-banking assets acquired in satisfaction of claims		(87,198)	(84,335)
		6,174,460	3,768,852
		(3,756,288)	(2,323,430)

	Note	(Un-audited) June 30, 2023	(Audited) Dec 31, 2022	
		Rupees in '000'		
24. CONTINGENCIES AND COMMITMENTS				
Guarantees	24.1	122,370,146	99,484,058	
Commitments	24.2	418,883,208	401,862,159	
Other contingent liabilities	24.3	291,951	291,951	
		541,545,305	501,638,168	
24.1 Guarantees:				
Financial guarantees		30,576,573	22,805,891	
Performance guarantees		23,022,207	22,031,727	
Other guarantees		68,771,366	54,646,440	
		122,370,146	99,484,058	
24.2 Commitments:				
Documentary credits and short-term trade-related transactions				
- letters of credit		178,288,644	170,302,819	
Commitments in respect of:				
- forward foreign exchange contracts	24.2.1	222,146,164	198,951,177	
- forward lending	24.2.2	18,264,512	32,465,327	
Commitments for acquisition of:				
- fixed assets		33,489	23,097	
- intangible assets		150,399	119,739	
		418,883,208	401,862,159	
24.2.1 Commitments in respect of forward foreign exchange contracts				
Purchase		121,107,771	105,509,624	
Sale		101,038,393	93,441,553	
		222,146,164	198,951,177	
24.2.2 Commitments in respect of forward lending				
Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.2.1	18,264,512	32,465,327	
24.2.2.1				
These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.				
	Note	(Un-audited) June 30, 2023	(Audited) Dec 31, 2022	
		Rupees in '000'		
24.3	Other contingent liabilities	24.3.1	291,951	291,951
24.3.1	For tax years 2014 - 2022, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans.			

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these condensed interim consolidated financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the tax department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate Authorities.

24.4 Claims against the Bank not acknowledged as debts

An amount of Rs. 50,464,625 thousand (December 31, 2022: Rs. 51,158,973 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	Note	(Un-audited) June 30, 2023 Rupees in '000'	(Un-audited) June 30, 2022
25. MARK-UP / RETURN / INTEREST EARNED			
On loans and advances		61,450,603	27,039,683
On investments:			
Available for sale securities		54,859,757	25,153,252
Held for trading securities		2,357,619	603,517
Held to maturity securities		5,792,417	4,859,831
On lendings to financial institutions:			
Repurchase agreement lendings (Reverse Repo)		1,639,913	578,114
Call money lendings		7,022	41,169
Placements		516,252	475,298
On balances with banks		209,318	186,579
		126,832,901	58,937,443
26. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits and other accounts		78,063,099	36,745,044
Borrowings:			
Securities sold under repurchase agreements		26,050,259	4,296,597
Call borrowings		53,972	5,291
Borrowing from Pakistan Mortgage Refinance Company Limited		60,480	66,868
SBP refinance borrowing		2,117,101	662,127
Subordinated debts:			
Mark-up on subordinated perpetual term finance certificates		918,555	191,963
Mark-up on privately placed term finance certificates		1,218,878	407,400
Mark-up on lease liability against right of use assets		918,368	639,956
		109,402,855	43,016,051

		(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
	Note	Rupees in '000'	
27. FEE AND COMMISSION INCOME			
Branch banking customer fees		181,319	184,568
Consumer finance related fees		265,176	210,173
Card related fees		513,266	562,321
Credit related fees		314,088	723,254
Investment banking fees		222,772	199,082
Branchless banking fees		65,441	87,354
Commission on trade		708,239	609,682
Commission on guarantees		212,387	189,780
Commission on cash management		175,560	159,929
Commission on remittances including home remittances		220,107	207,206
Commission on bancassurance		98,023	42,740
Commission on wheat financing		1,259,096	-
SMS banking income		329,903	227,825
		4,565,377	3,403,914
28 GAIN / LOSS ON SECURITIES - NET			
Realized gain / (loss) on sale of securities - net	28.1	130,398	(861,011)
Unrealized loss - held for trading		(90,657)	-
		39,741	(861,011)
28.1 Realized gain / (loss) on sale of securities - net:			
Federal government securities		(3,320)	(743,085)
Shares		133,718	(117,926)
		130,398	(861,011)
29 OTHER INCOME - NET			
Gain on sale of property and equipment - net		5,866	58,256
Gain on sale of non banking assets - net		59,101	114,420
Gain on termination of lease liability against right of use assets		55,416	13,171
Notice pay on resignations		13,386	12,593
		133,769	198,440

	Note	(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
		Rupees in '000'	
30. OPERATING EXPENSES			
Total compensation expense		9,652,026	7,540,182
Property expense:			
Rent and taxes		12,345	9,283
Insurance		7,721	5,217
Utilities cost		518,022	427,007
Security		4,286	378
Repair and maintenance including janitorial charges		55,709	44,309
Depreciation		363,683	321,031
Depreciation on right of use assets		803,090	581,087
		1,764,856	1,388,312
Information technology expenses:			
Software maintenance		588,018	339,700
Hardware maintenance		31,555	36,926
Depreciation on computer equipment		232,108	199,856
Amortization on intangible assets		109,153	129,179
Network charges		254,486	242,019
		1,215,320	947,680
Other operating expenses:			
Directors' fees and allowances		18,464	28,404
Fees and allowances to shariah board		5,042	4,865
Legal and professional charges		137,188	107,855
Subscription charges		10,359	21,935
Outsourced staff services costs		357,075	266,814
Travelling and conveyance		960,302	659,776
NIFT clearing charges		50,641	39,090
Depreciation		273,953	196,969
Depreciation on non banking assets acquired in satisfaction of claims		11,275	21,420
Depreciation on ijarah assets under IFAS - 2		142,315	124,282
Training and development		58,030	97,804
Postage and courier charges		140,469	95,050
Credit card charges		7,329	-
Stationery and printing		292,861	246,001
Marketing, advertisement and publicity		499,246	481,031
Donations	30.1	-	15,000
Auditors remuneration		3,265	2,843
Insurance		149,903	134,259
Deposit protection fee		290,514	254,641
Repair and maintenance		286,867	171,352
Entertainment expenses		139,311	92,608
Fuel for generator		154,331	90,974
Commission and brokerage		148,559	181,127
Bank charges		22,856	19,844
SMS banking charges		193,640	51,457
ATM charges including mastercard charges		871,412	180,720
Cash remittance charges		380,873	199,703
Branch license fee		19,442	16,446
CNIC verification / ECIB charges		120,115	104,288
Participation and arrangement fee against TFCs		77,864	21,619
Miscellaneous expenses		299,105	136,789
		6,122,606	4,064,966
		18,754,808	13,970,580

- 30.1 This represents donation paid for installation of solar system at Akhuwat University Kasur amounting to Rs. 15,000 thousand in accordance with the approval of Board of Directors of the Bank. None of the directors had any interest in the donee, except for Mr. Dr. Amjad Saqib (Non Executive Director) who is Founder / CEO in Akhuwat.

	Note	(Un-audited) June 30, 2023 Rupees in '000'	(Un-audited) June 30, 2022
31. OTHER CHARGES			
Penalties imposed by SBP		8,630	33,794
32. Provisions / (reversal of provisions) and write offs - net			
Provision for diminution in value of investments	10.3.1	854,913	1,059,296
Reversal of provision against advances	11.3	(413,199)	(2,961,953)
Other provisions / write offs (to be specified)			
Provision / (reversal) of provision against other assets - net	15.1.1	41,229	(1,038,469)
Bad debts written off directly		-	663
		482,943	(2,940,463)
33. TAXATION - NET			
Current	33.1	575,337	3,644,935
Deferred		(152,561)	(704,621)
		422,776	2,940,314

- 33.1 This includes provision for super tax for the period in accordance with Income Tax Ordinance, 2001.

The Government vide Finance Act 2023, has changed the tax rate for banking industry from 35% to 39% and enacted super tax at the rate of 10% for tax year 2023 onwards. Accordingly, the effect of change in current tax and deferred tax rate has been recognized in these consolidated condensed interim financial statements.

- 33.2 Provision for Income tax for the period has been recognized based on management's best estimate of the tax payable for the current tax year.

	Note	(Un-audited) June 30, 2023 Rupees in '000'	(Un-audited) June 30, 2022
34. BASIC EARNINGS PER SHARE			
Profit after taxation for the period (Rs in '000')		3,340,135	5,362,041
Weighted average number of ordinary shares (No.).		3,271,569,319	(Restated) 3,271,569,319
Basic earnings per share - Rs.		1.02	1.64

35. DILUTED EARNINGS PER SHARE

There were no convertible dilutive potential ordinary shares outstanding as at reporting dates.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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

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 are either short-term in nature or, in the case of customer loans and deposits, are frequently reprised.

36.1 The Bank measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurement using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly. (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

36.1.1 Valuation techniques used in determination of fair values within level 2 and level 3

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP).
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates available on MUFAP
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published at the close of reporting date.
Forward foreign exchange contracts	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Unlisted shares	Break-up value determined on the basis of net assets value of the company using the latest available audited financial statements.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings on freehold land and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

36.2 Fair value of financial assets

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

	June 30, 2023 (Un-audited)				
	Carrying value / National value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	799,818,889	-	799,818,889	-	799,818,889
Shares	7,778,925	7,740,497	38,428	-	7,778,925
Non-Government debt securities	9,019,204	-	9,019,204	-	9,019,204
Mutual fund & investment trust units	2,630,575	-	2,630,575	-	2,630,575
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	-	-	-	-	-
Financial assets disclosed but not measured at fair value:	-				
Government securities	97,687,672	-	82,969,330	-	82,969,330
Unlisted term finance certificates / sukus	3,658,603	-	3,658,603	-	3,658,603
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	120,668,218	-	120,668,218	-	120,668,218
Forward sale of foreign exchange contracts	100,708,464	-	100,708,464	-	100,708,464
December 31, 2022 (Audited)					
	Carrying value / National value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	518,117,706	-	518,117,706	-	518,117,706
Shares	8,186,679	8,144,182	42,497	-	8,186,679
Non-Government debt securities	8,856,478	-	8,856,478	-	8,856,478
Mutual funds & investment trust units	2,635,138	-	2,635,138	-	2,635,138
Foreign securities	11,957	-	-	11,957	11,957
Financial assets disclosed but not measured at fair value:					
Government securities	96,883,601	-	87,756,050	-	87,756,050
Unlisted term finance certificates / sukus / commercial paper	3,585,344	-	3,585,344	-	3,585,344
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	105,808,826	-	105,808,826	-	105,808,826
Forward sale of foreign exchange contracts	93,853,340	-	93,853,340	-	93,853,340

36.3 Fair value of non financial assets

	June 30, 2023 (Un-audited)				
	Carrying value / National value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	12,219,177	-	12,219,177	-	12,219,177
Non banking assets acquired in satisfaction of claims	3,629,471	-	3,629,471	-	3,629,471
December 31, 2022 (Audited)					
	Carrying value / National value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	12,400,348	-	12,400,348	-	12,400,348
Non banking assets acquired in satisfaction of claims	3,677,345	-	3,677,345	-	3,677,345

37 SEGMENT INFORMATION

37.1 Segment details with respect to business activities

June 30, 2023 (Un-audited)							
	Corporate & investment banking	Cards and Public Sector Deposits	Consumer Banking Group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
Profit & loss							
Net mark-up / return / profit	46,658,340	1,648	8,687,099	62,114,238	8,979,093	392,483	126,832,901
Inter segment (cost) / revenue - net	(26,217,745)	52,941,463	31,597,714	(47,532,397)	(411,484)	(10,377,551)	-
Non mark-up / return / interest income	2,156,474	1,104,371	380,802	1,389,581	185,402	544,621	5,761,251
Total income	22,597,069	54,047,482	40,665,615	15,971,422	8,753,011	(9,440,447)	132,594,152
Segment total expenses	2,797,239	51,720,983	29,472,855	26,327,406	6,950,093	10,964,540	128,233,116
Profit before provisions and tax	19,799,830	2,326,499	11,192,760	(10,355,984)	1,802,918	(20,404,987)	4,361,036
Provisions	(625,819)	-	21,182	889,311	152,541	45,728	482,943
Profit / (loss) before tax	20,425,649	2,326,499	11,171,578	(11,245,295)	1,650,377	(20,450,715)	3,878,093
Balance sheet							
Cash and bank balances	-	248,445	43,479,625	69,844,654	10,674,030	-	124,246,754
Investments - net	2,933,716	-	-	885,600,701	32,071,408	-	920,605,825
Net inter segment lending	-	621,356,271	345,892,153	-	-	41,008,462	1,008,256,886
Lendings to financial institutions	-	-	-	583,400	200,000	-	783,400
Advances - performing	639,573,979	375,538	115,237,205	-	83,429,889	18,614,188	857,230,799
- non-performing - net	3,777,111	-	1,794,080	-	1,301,379	21,771	6,894,341
Others	46,936,669	17,485	11,411,099	24,825,847	10,029,099	51,127,628	144,347,827
Total assets	693,221,475	621,997,739	517,814,162	980,854,602	137,705,805	110,772,049	3,062,365,832
Borrowings	72,830,278	-	1,569,046	400,605,200	1,502,176	-	476,506,700
Subordinated debts	-	-	-	-	-	27,493,900	27,493,900
Deposits and other accounts	194,001,490	599,349,838	470,690,370	-	105,733,519	-	1,369,775,217
Net inter segment borrowing	410,183,686	-	-	580,249,402	17,823,798	-	1,008,256,886
Others	16,206,021	22,647,901	45,554,746	-	6,944,605	21,914,695	113,267,968
Total liabilities	693,221,475	621,997,739	517,814,162	980,854,602	132,004,098	49,408,595	2,995,300,671
Equity							67,065,161
Total equity & liabilities							3,062,365,832
Contingencies & commitments	303,133,630	-	132,835	222,146,164	15,656,837	475,839	541,545,305

June 30, 2022 (Un-audited)							
	Corporate & investment banking	Cards and Public Sector Deposits	Consumer Banking Group	Treasury	Islamic	Others including Head Office	Total
Profit & loss							
Net mark-up / return / profit	19,302,846	5,049	4,962,212	30,113,592	4,298,897	254,847	58,937,443
Inter segment revenue - net	(4,666,758)	26,406,412	13,159,238	(28,228,969)	(235,846)	(6,434,077)	-
Non mark-up / return / interest income	1,363,752	741,187	555,841	306,634	104,757	576,519	3,648,690
Total income	15,999,840	27,152,648	18,677,291	2,191,257	4,167,808	(5,602,711)	62,586,133
Segment total expenses	1,185,822	26,464,038	13,932,081	4,496,460	3,340,802	7,747,488	57,166,691
Profit before provisions and tax	14,814,018	688,610	4,745,210	(2,305,203)	827,006	(13,350,199)	5,419,442
Provisions	(3,118,250)	-	(58,944)	1,059,296	228,938	(1,051,503)	(2,940,463)
Profit / (loss) before tax	17,932,268	688,610	4,804,154	(3,364,499)	598,068	(12,298,696)	8,359,905
December 31, 2022 (Audited)							
Balance sheet							
Cash and bank balances	-	147,504	26,261,656	42,779,915	8,857,646	-	78,046,721
Investments - net	2,895,292	-	-	602,990,890	32,390,721	-	638,276,903
Net inter segment lending	-	540,008,370	323,461,057	-	2,723,384	27,864,900	894,057,711
Lendings to financial institutions	-	-	-	50,619,342	17,575,000	-	68,194,342
Advances - performing	397,720,759	123,805	115,139,152	-	54,669,949	15,795,927	583,449,592
- non-performing	4,688,698	-	1,296,104	-	1,477,233	22,882	7,484,917
Others	32,766,850	6,016	6,943,631	12,742,007	8,088,570	45,998,470	106,545,544
Total assets	438,071,599	540,285,695	473,101,600	709,132,154	125,782,503	89,682,179	2,376,055,730
Borrowings	76,278,779	-	1,634,915	1,379,807	1,526,711	-	80,820,212
Subordinated debts	-	-	-	-	-	17,203,760	17,203,760
Deposits and other accounts	149,447,000	512,781,868	453,423,793	-	111,646,763	-	1,227,299,424
Net inter segment borrowing	186,908,247	-	-	707,149,464	-	-	894,057,711
Others	25,437,573	27,503,827	18,042,892	602,883	6,570,925	13,552,553	91,710,653
Total liabilities	438,071,599	540,285,695	473,101,600	709,132,154	119,744,399	30,756,313	2,311,091,760
Equity							64,963,970
Total equity & liabilities							2,376,055,730
Contingencies & commitments	282,863,157	-	1,103,084	198,951,177	18,285,963	434,787	501,638,168

Due to change in reportable business segments, the figures of comparative periods are realigned for the purposes of comparison.

38. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, employee benefit plans, directors and Key Management Personnel. The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

	June 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Directors	Key management personnel	Employee Funds	Other related parties	Directors	Key management personnel	Employee Funds	Other related parties
Rupees in '000'								
Advances (gross):								
Opening balance	-	368,701	-	-	-	276,599	-	1,318,019
Addition during the period / year	-	167,675	-	-	-	250,149	-	804,387
Repaid during the period / year	-	54,006	-	-	-	158,047	-	2,122,406
Closing balance	-	482,370	-	-	-	368,701	-	-
Contingencies (non fund exposure)	-	-	-	49,822	-	-	-	49,822
Other assets - advance deposits and prepayments	-	5,621	-	-	-	8,992	-	-
Other assets - markup receivable	-	19,744	-	-	-	16,761	-	-
Right of use assets	-	-	-	64,823	-	-	-	67,036
Lease liability against right of use assets	-	-	-	14,215	-	-	-	13,302
Deposits and other accounts:								
Opening balance	239	32,751	1,036,847	26,391	902	28,390	374,772	1,558,999
Received during the period / year	28,861	480,413	2,156,217	170,005	7,764	850,675	3,805,306	70,813,694
Withdrawn during the period / year	21,833	490,579	831,093	167,576	8,427	846,514	3,143,231	72,346,302
Closing balance	7,267	22,585	2,361,971	28,820	239	32,751	1,036,847	26,391
Other liabilities - markup payable	393	166	-	321	8	124	-	-

	June 30, 2023 (Un-audited)				June 30, 2022 (Un-audited)			
	Directors	Key management personnel	Employee Funds	Other related parties	Directors	Key management personnel	Employee Funds	Other related parties
Rupees in '000'								
Income :								
Mark-up / return / interest earned	-	10,769	-	-	-	8,780	-	5,678
Fee and commission income	-	881	-	-	-	-	-	5,356
Expense :								
Mark-up / return / interest expensed	128	242	123,652	2,047	20	81	27,139	96,673
Depreciation on right of use assets	-	-	-	2,213	-	-	-	1,926
Mark-up on lease liability against right of use assets	-	-	-	913	-	-	-	1,572
Compensation expense	-	353,777	-	-	-	329,464	-	-
Directors fee and allowances	18,464	-	-	-	28,404	-	-	-

38.1 Balances pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through movement presented above.

38.2 The GoPb holds controlling interest (57.47% shareholding) in the Bank and therefore entities which are owned and / or controlled by the GoPb, or where the GoPb may exercise significant influence, are related parties of the Bank. The Bank in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities. The detail of transactions are as follows:

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
Advances	314,085,379	52,906,885
Deposits	607,093,271	549,974,639
Acceptances	71,929	71,929
Contingencies	26,756,554	31,495,126
Mark-up receivable	14,447,120	5,188,460
Mark-up payable	23,215,838	19,952,701
	(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
	Rupees in '000'	
Mark-up earned	17,225,219	3,391,442
Mark-up expensed	46,544,849	23,031,557
Income on contingencies	83,576	71,911

38.3 The Bank made contribution of Rs. 243,336 thousand (June 30, 2022: Rs. 178,819 thousand) to employees provident fund during the period.

38.4 First Punjab Modaraba and Punjab Modaraba Services (Private) Limited are using premises owned by The Bank of Punjab free of cost.

38.5 Advances to employees as at June 30, 2023, other than key management personnel, amounted to Rs. 20,858,648 thousand (December 31, 2022: Rs. 17,649,987 thousand) with markup receivable of Rs. 723,119 thousand (December 31, 2022: Rs. 634,330 thousand), markup income of Rs. 445,845 thousand (June 30, 2022: Rs. 276,054 thousand) and fee and commission income of Rs. 5,540 thousand (June 30, 2022: Nil). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on June 30, 2023 stood at Rs. 49,555

38.6 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
39. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital including share premium (net of losses)	34,667,575	31,693,421
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	53,438,339	53,722,311
Eligible Additional Tier 1 (ADT 1) Capital	11,321,152	8,017,500
Total Eligible Tier 1 Capital	64,759,491	61,739,811
Eligible Tier 2 Capital	16,794,186	6,396,254
Total Eligible Capital (Tier 1 + Tier 2)	81,553,677	68,136,065
Risk Weighted Assets (RWAs):		
Credit risk	455,839,324	432,338,314
Market risk	16,820,413	19,160,942
Operational risk	70,922,553	70,922,353
Total	543,582,290	522,421,609
Common equity tier I capital adequacy ratio	9.83%	10.28%
Tier I CAR (%)	11.91%	11.82%
Total CAR (%)	15.00%	13.04%
39.1 Leverage Ratio (LR):		
Eligible Tier-I Capital	64,759,491	61,739,811
Total exposures	2,376,560,219	1,787,557,305
LR (%)	39.1.1 2.72%	3.45%
39.1.1 The SBP vide letter No. BPRD/BA&CP/620/447350/23, dated April 03, 2023, allowed the Bank relaxation from the applicability of leverage ratio requirement of 3% till December 31, 2023, subject to the condition that Bank's leverage ratio shall not fall below 2.5%.		
39.2 The SBP vide letter No. SBHOK-BPRD-BACPD-BOP-503677, dated July 14, 2023, allowed the Bank to include advance subscription money of Rs. 3,900,000 thousand and Rs. 4,285,000 thousand for CAR and LR purposes, as explained in note 20 of these consolidated condensed interim financial statements.		
	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
39.3 Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	519,347,346	646,611,725
Total net cash outflow	457,230,628	469,412,209
LCR (%)	113.59%	137.75%

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	Rupees in '000'	
39.4	Net Stable Funding Ratio (NSFR):		
	Total available stable funding	957,147,000	838,164,000
	Total required stable funding	879,189,700	683,105,000
	NSFR (%)	108.87%	122.70%

40. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the June 30, 2023, the Bank is operating 140 Islamic banking branches (December 31, 2022: 140 Islamic banking branches) and 40 Islamic banking windows (December 31, 2022: 40).

ISLAMIC BANKING BUSINESS STATEMENT OF FINANCIAL POSITION As at June 30, 2023

	Note	(Un-audited) June 30, 2023 Rupees in '000'	(Audited) December 31, 2022
ASSETS			
Cash and balances with treasury banks		9,996,960	8,122,079
Balances with other banks		677,070	735,567
Due from financial institutions	40.1	1,825,000	17,575,000
Investments - net	40.2	32,071,408	32,390,721
Islamic financing and related assets - net	40.3	84,731,268	56,147,182
Fixed assets		3,196,233	3,209,170
Intangible assets		10,166	6,298
Due from head office		-	2,723,384
Other assets		6,822,700	4,873,102
Total assets		139,330,805	125,782,503
LIABILITIES			
Bills payable		642,738	647,861
Due to financial institutions		1,502,176	1,526,711
Deposits and other accounts	40.4	105,733,519	111,646,763
Due to head office		17,823,798	-
Subordinated debt		-	-
Other liabilities		6,301,867	5,923,064
		132,004,098	119,744,399
NET ASSETS		7,326,707	6,038,104
REPRESENTED BY			
Islamic banking fund		2,000,000	2,000,000
Reserves		54,367	26,464
Deficit on revaluation of assets		(1,018,811)	(629,134)
Unappropriated profit	40.5	6,291,151	4,640,774
		7,326,707	6,038,104
CONTINGENCIES AND COMMITMENTS	40.6		

ISLAMIC BANKING BUSINESS

Profit and Loss Account

For the Six Months Ended June 30, 2023 (Un-audited)

	Note	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
		Rupees in '000'			
Profit / return earned	40.7	5,215,169	2,355,631	8,979,093	4,298,897
Profit / return expensed	40.8	2,991,582	1,198,290	5,596,292	2,281,203
Net profit / return		2,223,587	1,157,341	3,382,801	2,017,694
Fee and commission income		109,645	50,217	179,093	106,249
Dividend income		-	-	-	-
Foreign exchange (loss) / income		(2,625)	(7,167)	3,307	(7,978)
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net		1	-	11	-
Other income		1,730	7,891	2,991	6,486
		108,751	50,941	185,402	104,757
Total income		2,332,338	1,208,282	3,568,203	2,122,451
Operating expenses		1,012,230	638,721	1,765,285	1,295,445
Workers' Welfare Fund		-	-	-	-
Other charges		-	-	-	-
		1,012,230	638,721	1,765,285	1,295,445
Profit before provisions		1,320,108	569,561	1,802,918	827,006
Provisions and write offs - net		51,129	182,344	152,541	228,938
Profit before taxation		1,268,979	387,217	1,650,377	598,068
Taxation	40.9	-	-	-	-
Profit after taxation		1,268,979	387,217	1,650,377	598,068

40.1 DUE FROM FINANCIAL INSTITUTIONS

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Secured	1,825,000	-	1,825,000	17,575,000	-	17,575,000

40.2 INVESTMENTS - NET

Investments by segment:

	(Un-audited) June 30, 2023			(Audited) December 31, 2022		
	Cost / Amortized cost	Provision for diminution	Carrying value	Cost / Amortized cost	Provision for diminution	Carrying value
	R u p e e s i n ' 0 0 0 '					
Federal government securities:						
-Ijarah sukuk	21,228,174	- (1,091,458)	20,136,716	21,243,759	- (669,504)	20,574,255
-Naya Pakistan Certificates (Roshan Digital)	807,742	-	807,742	682,588	-	682,588
	22,035,916	- (1,091,458)	20,944,458	21,926,347	- (669,504)	21,256,843
Non government debt securities :						
-Listed	8,362,260	- (21,659)	8,340,601	8,393,936	- (53,935)	8,340,001
-Unlisted	2,786,349	-	2,786,349	2,793,877	-	2,793,877
	11,148,609	- (21,659)	11,126,950	11,187,813	- (53,935)	11,133,878
Total investments	33,184,525	- (1,113,117)	32,071,408	33,114,160	- (723,439)	32,390,721

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
40.3 ISLAMIC FINANCING AND RELATED ASSETS		
Ijarah	2,293,101	2,461,557
Murabaha	2,212,047	4,870,837
Musharaka	41,200,000	14,045,205
Diminishing musharaka	29,737,447	27,325,666
Payment against documents	55,304	55,304
Waqala	4,443,154	3,203,972
Istisna	5,862,945	5,209,531
Musawamah Financing	582,644	574,056
Tijarah	96,113	-
Gross islamic financing and related assets	86,482,755	57,746,128
Less: provision against islamic financings		
- Specific	1,751,487	1,598,946
- General	-	-
	1,751,487	1,598,946
Islamic financing and related assets - net of provision	84,731,268	56,147,182

40.4 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	18,439,609	618,649	19,058,258	16,598,382	513,205	17,111,587
Savings deposits	62,784,127	289,331	63,073,458	55,880,913	289,392	56,170,305
Term deposits	10,015,289	188,325	10,203,614	15,066,050	-	15,066,050
Others	2,896,453	-	2,896,453	1,499,138	-	1,499,138
	94,135,478	1,096,305	95,231,783	89,044,483	802,597	89,847,080
Financial institutions:						
Current deposits	30,404	24,381	54,785	100,316	71,130	171,446
Savings deposits	10,446,297	290	10,446,587	2,753,014	223	2,753,237
Term deposits	-	-	-	18,875,000	-	18,875,000
Others	364	-	364	-	-	-
	10,477,065	24,671	10,501,736	21,728,330	71,353	21,799,683
	104,612,543	1,120,976	105,733,519	110,772,813	873,950	111,646,763

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	

40.5 UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS

Opening balance	4,640,774	2,550,132
Add: Islamic banking profit for the period / year	1,650,377	2,090,642
Closing balance	6,291,151	4,640,774

40.6 CONTINGENCIES AND COMMITMENTS

-Guarantees	2,274,112	2,049,966
-Commitments	13,382,725	16,235,997
	15,656,837	18,285,963

	(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
	Rupees in '000'	

40.7 PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT

Profit earned on:		
Financing	5,819,431	2,663,003
Investments	2,531,381	1,298,786
Placements	628,233	156,432
Deposits with financial institutions	48	180,676
	8,979,093	4,298,897

40.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED

Deposits and other accounts	4,997,626	1,920,609
Markup on lease liability against right of use assets	174,399	119,807
Markup on borrowings from SBP	12,783	4,941
Profit on deposits from conventional head office	411,484	235,846
	5,596,292	2,281,203

40.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 198,045 thousand (June 30, 2022: Rs. 210,221 thousand).

40.10 During the period, following pool have been created:

- Special Pool XXXIX (SP-XXXIX)
- Special Pool XXXX (SP-XXXX)
- USD Special Pool-2
- EURO Special Pool-1

The main characteristics of the pool are as under:

- i) Profit sharing ratio between Mudarib and Rab-ul-mal is 10:90 for SP-XXXIX and SP-XXXX, 40:60 for USD Special Pool-2 and 30:70 for EURO Special Pool-1.
- ii) Profit equalization reserve upto 2% of net income will be created, if needed.
- iii) Investment risk reserve upto 1% of distributable profit of depositors will be created, if needed.

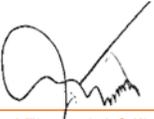
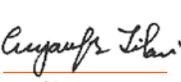
41 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 24, 2023 by the Board of Directors of the Bank.

42 GENERAL

42.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

42.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the period.

				
Chief Financial Officer	President	Chairman	Director	Director

BOP

THE BANK OF PUNJAB



"Lahore Calenders won I SL 2022" NCP Bank Official Partner of LO



"Best Digital Channel/Platform Implementation and River Drives Implementation" Awarded to NCP Bank by BOP in the Global Fintech Innovation Awards 2022



"Top Performing Bank for PKMIC" by PM of Pakistan 2021



"Corporate Finance House of the Year" by USA Society Business 2022



"Best Corporate Report Award" For the Year 2021 in the sector "Banks" by Institute of Chartered Accountants of Pakistan



"Best Bank for CSR" by Ashfaq 2022



"Best Bank for Small and Medium Business" by PMA 2022



"Certificate of Merit for the year 2021 in the category of Public Sector Banks" by South Asian Federation of Accountants on the Annual Report of the Bank



"Top Mid-Sized Bank Award for Agriculture Financing" by SBP 2022



"Number one Bank Awarded by JPMorgan against Highest Straight Through Processing" 100 of 100% achieved against euro payments business in the year 2021



"Fastest Credit Card Launch Across MENA" Awarded to BOP by EY 2022



"Lower deal of the year" by The Asset Trade Award 2021



"Best Corporate Report Award" of the year 2021