





## **GROWTH WITH EMPATHY**

Nurturing Prosperity, Compassion, Inclusiveness

QUARTERLY REPORT (UN-AUDITED)

JANUARY-MARCH 2022



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# **Corporate Information**

### **Board of Directors**

Mr. Mohammad Jehanzeb Khan Dr. Muhammad Amjad Saqib Syed Ghazanfar Abbas Jilani Mr. Mohammad Mudassir Amray Mr. Asif Reza Sana Ms. Nadia Rehman

Mr. Muhammad Naeem Khan Mr. Iftikhar Amjad Mr. Zafar Masud

Mr. Kamran Hafeez

### **Audit Committee**

Mr. Mohammad Mudassir Amray Mr. Mohammad Jehanzeb Khan Syed Ghazanfar Abbas Jilani Mr. Iftikhar Amjad Mr. Mohammad Naeem Khan

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

Syed Ghazanfar Abbas Jilani Mr. Mohammad Mudassir Amray Dr. Muhammad Amjad Saqib Ms. Nadia Rehman Mr. Mohammad Naeem Khan

Human Resource, Compensation and Nomination Committee (HRC&NC)

Mr. Asif Reza Sana Mr. Mohammad Jehanzeb Khan Dr. Muhammad Amjad Saqib Syed Ghazanfar Abbas Jilani Mr. Iftikhar Amjad

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

Mr. Asif Reza Sana Ms. Nadia Rehman Mr. Iftikhar Amjad Mr. Mohammad Naeem Khan

Dr. Muhammad Amjad Saqib

Information Technology and Communications Committee (ITCC)

Mr. Mohammad Jehanzeb Khan Mr. Zafar Masud Mr. Asif Reza Sana Ms. Nadia Rehman Mr. Mohammad Mudassir Amray

**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

Director Director

Director Director Director Director Director

President & CEO

Secretary to the Board

Chairman Member Member

Member

Member

Chairman Member Member Member

Member

Chairman Member Member Member Member

Chairman Member Member Member Member

Chairman Member Member Member Member



# **Directors' Report**

### Quarterly Financial Statements - March 31, 2022

On behalf of the Board of Directors, I am pleased to present Un-audited Condensed Interim Financial Statements of The Bank of Punjab for the three months period ended March 31, 2022.

Record high global commodity prices caused by the Russia-Ukraine conflict and global supply disruptions have led to higher risks to the growth outlook. Brent crude prices rose sharply to \$ 130 bbl in March 2022, whereas prices of wheat, palm oil and metals are at the highest levels since 2011. Inflation has accelerated, rising to 12.7% in Mar 2022, led by rising prices of energy and food commodities. Similarly, the rising import bill has led to widening of the trade deficits and put pressure on the Rupee (PKR). PKR has weakened by 16% in the last one year, adding to inflationary pressures.

To deal with the rising trade deficits and accelerating inflation, SBP has aggressively hiked interest rates by 525bps to 12.25%. Further policy actions have been taken to increase cash margins on imports and curb bank lending for retail financing. These measures are likely to discourage demand and slow down growth. GDP growth is now projected to slow to 4% in 2022, from 5.6% in 2021.

The biggest challenge facing the economy is the sharp reduction in the official SBP reserves, which have declined to \$10.8bn by end of March 2022, from over \$17bn in Dec 2021. Government is keen to revive the \$8bn IMF EFF program and unlock concessionary financing from other development institutions. This will be critical to stabilize the economy and restore market confidence.

During 1st Quarter of year 2022, the Bank has maintained its growth trend as mentioned hereunder:

Financial Highlights:	Rs. in Million
Profit before taxation	3,483.722
Taxation	1,323.195
Profit after taxation	2,160.527
Earnings per share (Rupees)	0.82

During 1st quarter of year 2022, Bank's Net Interest Margin (NIM) improved to Rs. 8.11 billion as against Rs. 6.87 billion during 1st quarter 2021 registering a growth of 18%. Similarly, Non-Markup/ Interest Income (excluding gains on securities) increased to Rs. 1.80 billion as against Rs. 1.27 billion during 1st quarter 2021 showing an increase of 41%. During 1st quarter of the year, the Bank posted after tax profit of Rs. 2.16 billion as against Rs. 1.83 billion earned during 1st quarter of year 2021 with a growth of 18%. Earnings per Share (EPS) for the 1st quarter of year 2022 also improved to Rs. 0.82 per share as against Rs. 0.69 per share for 1st quarter 2021.

Bank's Total Assets as at March 31, 2022 improved to Rs. 1,264.3 billion as against Rs. 1,197.0 billion as of December 31, 2021. The Deposits of the Bank also improved to Rs. 1,018.6 billion, while Investments and Gross Advances were recorded at Rs. 596.9 billion and Rs. 553.4 billion, respectively. Equity improved to Rs. 55.9 billion and Capital Adequacy Ratio (CAR), including advance subscription of ADT-1, stood at 12.28% against regulatory requirement of 11.50%.



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 664 online branches, including 115 Taqwa Islamic Banking Branches and 16 sub-branches. Further, the Bank has a network of 651 ATMs providing 24/7 banking services to the customers. Besides that, Bank is also offering Branchless Banking, Mobile Banking, Internet Banking and Cash Management services to its clients.

I am thankful to our valued customers and shareholders for their support and also assure them that the Bank would continue to maintain its growth trend. I also take this opportunity to extend my gratitude to the Government of the Punjab and State Bank of Pakistan for their continuous support and guidance. Further, the Board also appreciate the efforts of management and staff for achieving desired business objectives.

For and on behalf of the Board

President/ CEO Chairman

# ڈائر بکڑز کا جائزہ

# دى بينك آف پنجاب كے سمائى مالياتى نتائج 31 مارچ 2022ء

یہ بات میرے لیے باعث مسرت ہے کہ میں دی بینک آف پنجاب کے بورڈ آف ڈائر یکٹرز کی جانب سے 31 مارچ 2022 وکو اختتام پذیر یہونے والی سماہی کے غیر آڈٹ شدہ حسابات پیش کر رہا ہوں۔

روس یوکرین تنازعہ اور عالمی سپلائی میں خلل کی وجہ ہے کموڈٹی کی عالمی قیمتوں میں ریکارڈ بلندہونے ہے ترقی کے امکانات کوزیادہ خطرات لاحق ہوئے ہیں۔ مارچ 2022ء میں برینٹ کروڈکی قیمتیں تیزی ہے بڑھ کر 130 بلین ڈالر تک پینچ کئیں جبکہ گندم، پام آئل اور دھاتوں کی قیمتیں۔ مارچ 2021ء میں 12.7 فیصد تک بڑھ گئی، جس کی قیمتیں 1012ء کے بعد کی بلند ترین سطح پر ہیں۔ مہنگائی میں تیزی آئی ہے، جو کہ مارچ 2022ء میں 12.7 فیصد تک بڑھ گئی، جس کی توانائی اور خوراک کی قیمتوں میں اضافہ ہے۔ اس طرح بڑھتے ہوئے در آمدی بل نے تجارتی خسارے کو بڑھایا ہے اور رو ہے پر دباؤ ڈالا ہے۔ گزشتہ ایک سال میں روپیہ 16 فیصد کمزور ہوا ہے، جس سے افراط زرک دباؤمیں اضافہ ہوا ہے۔

بڑھتے ہوئے تجارتی خسارے اور مہنگائی میں تیزی سے نمٹنے کے لیے، اسٹیٹ بینک آف پاکستان نے جارحانہ طور پر شرح سود 525 بی پی الیس اضافہ کے ساتھ 12.25 فیصد تک کردیا ہے۔ در آمدات پر کیش مار جن بڑھانے اور بیٹیل فٹانسنگ کے لیے بینکوں کے قرضے کورو کئے کے لیے مزید پالیسی اقد امات کیے گئے ہیں۔ان اقد امات سے طلب کی حوصلہ شکنی اور ترتی کی رفتار کم ہونے کا امکان ہے۔ جی ڈی پی کی شرح نمواب 2022ء میں 4.5 فیصد تھا۔

معیشت کودر پیش سب سے بڑا چینج اسٹیٹ بینک کے سرکاری ذخائر میں تیزی سے کی ہے، جود تمبر 2021ء میں 17 بلین ڈالر سے کم ہوکر مارچ 2022ء کے آخرتک 8 ارب ڈالر کا آئی ایم ایف پروگرام کو بحال کرنے اور دیگر ترقیاتی اداروں سے رعایتی فنانسگ کوغیر مقفل کرنے کی خواہشمند ہے۔ بہ معیشت کو شخکم کرنے اور مارکیٹ کا اعتماد بحال کرنے کے لیے اہم ہوگا۔

2022ء کی پہلی سہ ماہی میں بینک نے اپنی ترقی کاسفر جاری رکھا ہے۔جو کہ مالیاتی نتائے سے ظاہر ہوتا ہے۔

رو پییلین میں	مالياتى متائج
3483.722	قبل ازئیکس منافع
1323.195	<i>ش</i> یس
2160.527	بعداز فيكس منافع
0.82	فی حصص منافع (روپیهه)



سال 2022ء کی پہلی سماہی کے دوران بینک کا نیٹ انٹرسٹ مارجن 18 فیصدا ضافہ کے ساتھ 8.11 ارب روپے تک پڑنی گیا جو کہ سال 2021ء کی پہلی سماہی کے دوران 6.87 ارب روپے تفا۔ اس طرح نان مارک اپ آمدن (سکیورٹیز پر گین کے علاوہ) 41 فیصد اضافہ کے ساتھ 1.80 ارب روپے تھا۔ بینک کا بعداز ٹیس منافع 18 فیصد اضافہ کے ساتھ 2.16 ارب روپے تھا۔ بینک کا بعداز ٹیس منافع 18 فیصد اضافہ کے ساتھ 2.16 ارب روپے ہو گیا جو کہ سال 2021ء کی پہلی سماہی کے دوران 1.83 ارب روپے تھا۔ بینک گا شیئر رہی جو کہ سال 2021ء کی پہلی سماہی کے دوران 0.69 روپے فی شیئر رہی جو کہ سال 2021ء کی پہلی سماہی کے دوران 0.69 روپے فی شیئر تھی۔

31 مارچ 2022ء کو بینک کے اٹا شہبات 1264.3 ارب روپے ہوگئے جو کہ 31 دسمبر 2021ء کو 1197.0 ارب روپ سے بینک کے ڈیپازٹس بھی 1018.6 ارب روپے ہوگئے جبکہ بینک کی سرمایہ کاری اور گروس قرضہ جات بالتر تیب 596.9 ارب روپے اور 553.4 ارب روپے ہوگئی جبکہ کیپیٹل ایڈ یکو لی ریشو (بالشمول ایڈوانس سبسکریش) 12.28 فیصدر ہی جبکہ المیٹ بینک کی مطلوبہ شرح 11.50 فیصد ہے۔

PACRA نے بینک کی طویل مدتی ریٹنگ "+AA" متعین کی ہے جبکہ قبیل مدتی ریٹنگ "+A1" کی اعلی ترین سطح پر ہے۔اس وقت بینک کے پاس 664 آن لائن برائج نیٹ ورک موجود ہے جس میں 115 تقوی اسلامک بینکنگ برائج واور 16 سب برائج و شامل میں بینک کے پاس 664 آن لائن برائج نیٹ ورک موجود ہے جس میں 24/7 بینکنگ سہولیات فراہم کر رہا ہے۔اس کے علاوہ بینک برائج کیس بیکنگ، موبائل بینکنگ، انٹرنیٹ بینکنگ اورکیش مینجنٹ کی خدمات بھی فراہم کر رہا ہے۔

میں اپنے معزز صارفین اور حصص داران کے تعاون پر مشکور ہوں اوراس بات کا یقین دلاتا ہوں کہ ترتی کی موجودہ رفتار کوان حالات میں بھی برقر اررکھا جائے گا۔ میں حکومت پنجاب اوراسٹیٹ بینک آف پاکستان کے مسلسل تعاون اور معاونت کا تہددل سے شکر گزار ہوں۔ میں بینک کی انتظامیا ورتمام ملاز مین کی انتظامیت کامعتر ف ہوں جس کی وجہ سے بینک نے قابل ذکر کارکر دگی کامظاہرہ کیا ہے۔

بورڈ آف ڈائر یکٹرز کی جانب سے

پریذیدُنٹ/کاایاو چیئر مین





# **Unconsolidated Condensed Interim Statement of Financial Position**

As at majorior, 2022	Note	(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 in '000'
ASSETS			
Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Investments - net Advances - net Fixed assets Intangible assets Deferred tax assets - net Other assets - net	7 8 9 10 11 12 13 14 15	73,171,898 9,002,475 5,662,947 596,872,235 503,626,671 22,978,369 1,174,935 14,313,605 37,508,513	71,318,743 8,717,632 30,980,388 531,683,056 484,405,376 19,831,970 11,101,012 13,696,051 35,217,763
LIABILITIES			
Bills payable Borrowings Deposits and other accounts Liabilities against assets subject to finance lease	17 18 19	6,178,252 117,933,695 1,018,643,430	10,109,459 71,323,488 1,002,954,667
Subordinated debts Deferred tax liabilities	20	9,956,480	7,788,980
Other liabilities	21	55,716,126	49,942,521
		1,208,427,983	1,142,119,115
NET ASSETS		55,883,665	54,832,876
REPRESENTED BY			
Share capital - net Reserves Deficit on revaluation of assets - net of tax Unappropriated profit	22	26,173,766 13,821,666 (2,550,953) 18,439,186 55,883,665	26,173,766 10,517,051 (1,368,710) 19,510,769 54,832,876
CONTINUENCIES AND COMMITMENTS	22	33,303,003	3 1,002,070
CONTINGENCIES AND COMMITMENTS	23		

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

Chief Financial Officer	President	 Director



# **Unconsolidated Condensed Interim** Profit and Loss Account For the Three Months Ended March 31, 2022 (Un-audited)

		Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	Note	Rupees	in '000'
Mark-up / return / interest earned Mark-up / return / interest expensed	24 25	26,792,348 18.679,520	19,405,712 12,537,768
Net mark-up / interest income		8,112,828	6,867,944
NON MARK-UP / INTEREST INCOME			
Fee and commission income Dividend income Foreign exchange income Income / (loss) from derivatives	26	1,371,261 163,510 128,844	1,116,795 55,821 74,717
(Loss) / gain on securities - net Other income - net	27 28	(123,680) 133,264	1,262,147 24,571
Total non-markup / interest income		1,673,199	2,534,051
Total income		9,786,027	9,401,995
NON MARK-UP / INTEREST EXPENSES			
Operating expenses Workers welfare fund Other charges	29 30	7,300,170 62,105 4,014	5,399,905 65,526 150
Total non-markup / interest expenses		7,366,289	5,465,581
Profit before provisions (Reversal) / provisions and write offs - net Extra ordinary / unusual items	31	2,419,738 (1,063,984) -	3,936,414 869,525 -
PROFIT BEFORE TAXATION		3,483,722	3,066,889
Taxation - net	32	1,323,195	1,234,265
PROFIT AFTER TAXATION		2,160,527	1,832,624
Basic earnings per share - Rupees	33	0.82	0.69
Diluted earnings per share - Rupees	34	0.82	0.69

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

Chief Financial Officer	President	Director



# **Unconsolidated Condensed Interim** Statement of Comprehensive Income For the Three Months Ended March 31, 2022 (Un-audited)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	Rupees	s in '000'
Profit after taxation for the period	2,160,527	1,832,624
Other comprehensive income:		
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement loss on defined benefit obligations Movement in surplus on revaluation of fixed / non-banking assets - net of tax	396,562	-
	396,562	-
Items that may be reclassified to profit and loss account in subsequent periods:	2,557,089	1,832,624
Movement in deficit on revaluation of investments - net of tax	(1,507,913)	(2,913,711)
Total comprehensive income / (loss) for the period	1,049,176	(1,081,087)
The annexed notes 1 to 41 form an integral part of these unconsolidated con	densed interim fir	nancial statements.

President

Director

Chief Financial Officer

# Unconsolidated Condensed Interim Statement of Changes in Equity

							on revaluation of	ation 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	Fixed / non Unappropriated banking profit assets	Total
					Rupees	s in '000'				
Balance as on January 01, 2021 - audited	26,436,924	(263,158)	26,173,766	2,215,040		5,813,984	2,934,263	3,021,096	12,103,362	52,261,511
Profit after taxation for the three months ended March 31, 2021 Other comprehensive loss							(11,513,711)		1,832,624	1,832,624 (2,913,711)
Total comprehensive (loss) / income for the three months ended March 31 2021							(12.913.711)		1832.624	(1.081.087)
fransfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax								(15,807)	15,807	
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal								(2,559)	2,559	4,589
Transactions with owners recognized directly in equity: Final cash dividend - December 31, 2020 declared subsequent to year end at 10% per share									(2,643,692)	(2,643,692)
									(2,643,692)	(2,643,692)
Balance as on March 31, 2021 - un-audited	26,436,924	(263,158)	26,173,766	2,215,040		5,813,984	20,552	2,994,207	11,323,772	48,541,321
Profit after taxation for the nine months ended December 31, 2021 Other comprehensive (loss) / income			1 1				. (6,466,716)	2,147,474	10,607,511 (747)	10,607,511 (4,319,989)
Total comprehensive (loss) / income for the nine months ended December 31, 2021	•	•	•	,	•	•	(6,466,716)	2,147,474	10,606,764	6,287,522
Transfer to statutory reserve	•	•	•	•	•	2,488,027	•	•		•
fransfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax								(43,648)	43,648	
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	•				•	•	•	(13,974)	18,007	4,033
Balance as on December 31, 2021 - audited	26,436,924	(263,158)	26,173,766	2,215,040		8,302,011	(6,446,164)	5,077,454	19,510,769	54,832,876
Profit after taxation for the three months ended March 31, 2022 Other comprehensive (toss) / income							(1,507,913)	396,562	2,160,527	2,160,527 (1,111,351)
Total comprehensive (loss) / income for the three months ended March 31, 2022							(1,507,913)	396,562	2,160,527	1,049,176
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax								(27979)	27979	
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal								(32,663)	3,260 41,266	. 1613
Transactions with owners recognized directly in equity: Final stock dividend - December 31, 2021 declared subsequent to year end at 125% per share	•				3,304,615		٠		(3,304,615)	
					3,304,615				(3,304,615)	
Balance as on March 31, 2022 - un-audited	26,436,924	(263,158)	26,173,766	2,215,040	3,304,615	8,302,011	(7,954,077)	5,403,124	18,439,186	55,883,665

Chief Financial Officer

Director

President



# **Unconsolidated Condensed Interim Cash Flow Statement**

For the Three Months Ended March 31, 2022 (Un-audited)

	Note	Three Months Ended March 31, 2022 Rupees	Three Months Ended March 31, 2021 s in '000'
CASH FLOWS FROM OPERATING ACTIVITIES		·	
Profit before taxation Less: Dividend income		3,483,722 (163,510) 3,320,212	3,066,889 (55,821) 3,011,068
Adjustments: Depreciation on fixed assets Depreciation on non banking assets acquired in satisfaction of claims Depreciation on ijarah assets under IFAS - 2 Depreciation on right of use assets Amortization on intangible assets Amortization of discount on debt securities - net Mark-up on lease liability against right of use assets Unrealized loss on revaluation of investments classified as held for trading (Reversal) / provision and write-offs - net Loss on termination of lease liability against right of use assets Gain / (loss) on sale of property and equipment - net Gain on sale of non banking assets - net Realized loss / (gain) on sale of securities - net Provision for employees compensated absences Provision for gratuity	29 29 29 29 29 25 27 31 28 28 28 27	371,635 11,770 28,868 271,554 49,936 (865,572) 296,605 13,428 (1,063,984) 2,454 (15,693) (114,420) 110,252 3,010 85,008	304,827 13,278 34,747 238,995 57,151 (364,010) 257,391 39,565 869,525
(Increase) / decrease in operating assets:		2,505,063	3,194,527
Lendings to financial institutions Held for trading securities Advances - net Others assets - net		25,317,441 29,573,568 (19,257,470) (3,655,441) 31,978,098	(15,156,120) (13,614,777) (24,710,321) 5,464,892 (48,016,326)
Increase / (decrease) in operating liabilities:			
Bills payable Borrowings from financial institutions Deposits Other liabilities		(3,931,207) 46,135,031 15,688,763 5,308,675	1,310,447 (24,089,136) (8,121,996) (3,937,380)
		63,201,262	(34,838,065)
Payment made to gratuity fund Income tax paid		(268,144) (844,818)	(261,774) (1,488,511)
Net cash flow from / (used in) operating activities		(1,112,962) 96,571,461	(1,750,285) (81,410,149)



# **Cash Flow Statement (Cont:)**

Three Months
Ended
March 31,
2022

Three Months
Ended
March 31,
2021

N	ote	Rupees	in '000'
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available for sale securities Net investments in held to maturity securities Dividends received Investments in fixed assets Investments in intangible assets Proceeds from sale of fixed assets Proceeds from sale of non banking assets		(63,953,796) (32,539,047) 123,177 (711,642) (123,859) 16,023 470,848	74,413,946 - 55,824 (991,702) (18,207) 347 115,617
Net cash (used in) / flow from investing activities		(96,718,296)	73,575,825
CASH FLOW FROM FINANCING ACTIVITIES			
Advance subscription money - subordinated perpetual term finance certificates  Payment - lease liability against right of use assets	0.3	2,167,500 (357,843)	(322,073)
Net cash flow from / (used in) financing activities		1,809,657	(322,073)
Increase / (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of the period		1,662,822 80,036,375	(8,156,397) 71,667,375
Cash and cash equivalents at end of the period		81,699,197	63,510,978
Cash and cash equivalents:			
Cash and balances with treasury banks Balances with other banks Overdrawn nostro accounts		73,171,898 9,002,475 (475,176) 81,699,197	62,180,030 1,382,362 (51,414) 63,510,978

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

Chief Financial Officer	President	Director



# **Notes to the Unconsolidated Condensed Interim Financial Statements**

For the Three Months Ended March 31, 2022 (Un-audited)

### 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 664 branches including 16 sub branches and 115 Islamic banking branches (December 31, 2021: 662 branches including 16 sub branches and 114 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank is listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb).

### 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 marked-up 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 mark-up 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 39 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. The accounting and reporting standards comprise of:
  - Directives issued by the SBP and the Securities Exchange Commission of Pakistan (SECP).
  - Requirements of The Bank of Punjab Act, 1989;
  - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017;
  - International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Act, 2017; and
  - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under 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 SBP BPRD Circular Letter No. 05 of 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 unconsolidated financial statements of the Bank for the year ended December 31, 2021.

- 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 the preparation of these unconsolidated condensed interim financial statements.
- 2.1.4 The State Bank of Pakistan 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 New accounting standards/ amendments and IFRS interpretations that are effective for the current period:

During the period, certain amendments to standards, interpretations and improvements to accounting standards became effective, however the amendments, interpretations and improvements are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these unconsolidated condensed interim financial statements.

### 2.1.6 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.

The SBP vide BPRD Circular letter No. 24 dated July 05, 2021 notified the effective date of IFRS 9 as January 01, 2022. However, final application instructions for IFRS 9 has not been issued by SBP. Accordingly, these unconsolidated condensed interim financial statements have been prepared in accordance with the existing prudential regime.

Standard or Interpretations		Effective date (accounting periods beginning on or after)
IAS 8	Amended Definition of Accounting Estimates	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IAS 1	Classification of liabilities as current or non-current -Amendments	1 January 2024
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture - Amendments	1 January 2023



### 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 right of use assets, lease liability and certain staff retirement benefits at present value.
- 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 unconsolidated financial statements of the Bank for the year ended December 31, 2021.

### 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 unconsolidated financial statements of the Bank for the year ended December 31, 2021.

### 6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual unconsolidated financial statements of the Bank for the year ended December 31, 2021.

		(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 in '000'
7.	CASH AND BALANCES WITH TREASURY BANKS		
	In hand: Local currency Foreign currencies	15,542,660 2,214,398	13,800,458 4,359,944
	With SBP in: Local currency current account	17,757,058 43,294,761	18,160,402 40,886,803
	Foreign currency current account Foreign currency deposit account	1,339,391 2,833,577	900,219 2,109,501
	With National Bank of Pakistan in: Local currency current account	47,467,729 7,911,017	43,896,523 9,174,433
	Prize bonds	36,094	87,385
		73,171,898	71,318,743



(Un-audited) (Audited) March 31, December 31, 2022 2021 Note Rupees in '000' **BALANCES WITH OTHER BANKS** In Pakistan: Current accounts 397.215 261.003 5,534,036 Deposit accounts 5,534,400 5,931,615 5,795,039 Outside Pakistan: 768.421 1.339.397 Current accounts Deposit accounts 2,302,439 1,583,196 3.070.860 2.922.593 9.002.475 8.717.632 9. LENDINGS TO FINANCIAL INSTITUTIONS Call money lendings 100,000 Repurchase agreement lendings (Reverse Repo) 92 3962947 26.380.388 Placements 93 4,500,000 1,700,000 5.662.947 30.980.388 9.1 Particulars of lendings In local currency 30,980,388 5,662,947 In foreign currencies

### 9.2 Securities held as collateral against lendings to financial institutions

	(Un-audited) March 31, 2022			Dec	D21	
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
		Rup	ees in	'000'		
Market treasury bills Pakistan investment bonds	1,416,691 2,546,256	-	1,416,691 2,546,256	21,088,298 5,292,090	-	21,088,298 5,292,090
	3,962,947	-	3,962,947	26,380,388	-	26,380,388

Market value of securities held as collateral as at March 31, 2022 amounted to Rs. 3,959,919 thousand (December 31, 2021: Rs. 26,391,416 thousand). These carry mark-up at rate of 10.75% per annum (December 31, 2021: 10.50% to 10.75% per annum).

9.3 These carry profit rates ranging from 10.25% to 10.70% per annum (December 31, 2021: 7.25% to 10.90% per annum) with maturities June 30, 2022.

5,662,947

30,980,388



### 10. **INVESTMENTS - NET**

### 10.1 Investments by type:

investments	oy type.			(Un-audited) March 31, 2022		D	(Audited) ecember 31, 202	1	
		Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Held for the discount in	Note			Ru	peesin	,000,			
Held-for-trading securities Federal government securities Ordinary shares	10.1.1	3,929,667 30,583		(10,881) (2,547)	3,918,786 28,036	33,472,511 34,331	:	26,429 (5,390)	33,498,940 28,941
A citate de calacia de		3,960,250	-	(13,428)	3,946,822	33,506,842		21,039	33,527,881
Available-for-sale securities Federal government securities Shares and certificates Non government debt securities Foreign securities	10.1.1 & 10.2	487,649,391 11,116,847 17,022,983 11,957	(1,388,874) (2,525,563)	(11,998,251) (1,062,121) 20,902	475,651,140 8,665,852 14,518,322 11,957	425,181,105 9,091,450 17,084,566 11,957	(1,420,029) (2,525,563)	(9,766,167) (840,977) 39,662	415,414,938 6,830,444 14,598,665 11,957
Held to make the contribution		515,801,178	(3,914,437)	(13,039,470)	498,847,271	451,369,078	(3,945,592)	(10,567,482)	436,856,004
Held-to-maturity securities Federal government securities WAPDA bonds	10.1.1 & 10.4	94,078,142 400	(400)	:	94,078,142	61,299,171 400	(400)	:	61,299,171
		94,078,542	(400)	-	94,078,142	61,299,571	(400)	-	61,299,171
Subsidiaries		164,945	(164,945)			164,945	(164,945)	-	-
Total investments		614,004,915	(4,079,782)	(13,052,898)	596,872,235	546,340,436	(4,110,937)	(10,546,443)	531,683,056

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

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.

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		Rupees	s in '000'
10.2	Investments given as collateral		
	Pakistan investment bonds	43,848,434	1,768,381
10.3	Provision for diminution in value of investments		
10.3.1	Opening balance Charge / reversals:	4,110,937	4,079,771
	Charge for the period / year Reversals for the period / year	-	322,188 (10,669)
		-	311,519
	Reversal on disposal during the period / year	(31,155)	(280,353)
	Closing balance	4,079,782	4,110,937

### 10.3.2 Particulars of provision against debt securities

### Category of classification

	(Un-audited) March 31, 2022		(Audit December 31	
	NPI Provision		NPI	Provision
		Rupees i	n '000'	
Domestic				
Other assets especially mentioned	-	-	-	=
Substandard	-	-	-	=
Doubtful	-	-	-	-
Loss	2,525,963	2,525,963	2,525,963	2,525,963
Total	2,525,963	2,525,963	2,525,963	2,525,963



10.4 Market value of held to maturity investments amounted to Rs. 94,497,242 thousand (December 31, 2021: Rs. 63,715,206 thousand).

### 11. ADVANCES - NET

	Perforn	ning	Non Performing		Total	
	(Un-audited) March 31, 2022	(Audited) December 31, 2021	(Un-audited) March 31, 2022	(Audited) December 31, 2021	(Un-audited) March 31, 2022	(Audited) December 31, 2021
			Rupees in '000'			
Loans, cash credits, running finances, etc. Net book value of assets in ijarah	435,186,557	418,699,627	49,007,868	48,738,919	484,194,425	467,438,546
under IFAS 2 - In Pakistan	1,906,181	1,860,758	215,000	215,000	2,121,181	2,075,758
Islamic financing and related assets	46,346,425	45,336,297	3,050,869	3,050,869	49,397,294	48,387,166
Bills discounted and purchased	17,651,297	16,234,159	27,521	27,521	17,678,818	16,261,680
Advances - gross	501,090,460	482,130,841	52,301,258	52,032,309	553,391,718	534,163,150
Provision against advances:						
- Specific		-	(46.697.933)	(46.702.829)	(46.697.933)	(46.702.829)
- General	(3,067,114)	(3,054,945)	-	-	(3,067,114)	(3,054,945)
	(3,067,114)	(3,054,945)	(46,697,933)	(46,702,829)	(49,765,047)	(49,757,774)
Advances - net of provision	498,023,346	479,075,896	5,603,325	5,329,480	503,626,671	484,405,376

(Un-audited) (Audited)
March 31, December 31,
2022 2021
Rupees in '000'

		Rupee	s in '000'
11.1	Particulars of advances (gross)		
	In local currency In foreign currencies	553,256,766 134,952	534,073,566 89,584
		553,391,718	534,163,150

11.2 Advances include Rs. 52,301,258 thousand (December 31, 2021: Rs. 52,032,309 thousand) which have been placed under non-performing status as detailed below:

	(Un-audited) March 31, 2022		(Audite December 31	
	Non performing Provision loans		Non performing loans	Provision
Domestic				
Other assets especially mentioned	202,261	6,605	156,255	3,946
Substandard	2,658,066	447,912	3,173,639	517,367
Doubtful	6,233,056	5,525,248	6,432,920	5,571,388
Loss	43,207,875	40,718,168	42,269,495	40,610,128
Total	52,301,258	46,697,933	52,032,309	46,702,829

### 11.3 Particulars of provision against advances

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
		ı	Rupees in '000'			
Opening balance	46,702,829	3,054,945	49,757,774	47,850,782	3,748,493	51,599,27
Charge for the period / year Reversals for the period / year	673,314 (678,210)	12,169	685,483 (678,210)	4,004,162 (5,152,004)	- (693,548)	4,004,16 (5,845,55
Amounts written off	(4,896)	12,169	7,273 -	(1,147,842) (111)	(693,548)	(1,841,39 (1
Closing balance	46,697,933	3,067,114	49,765,047	46,702,829	3,054,945	49,757,7



		March 31, 2022 (Un-audited)			Dece	ited)	
		Specific	General	Total	Specific	General	Total
11.3.1 Particulars of provision against advances with respect to currencies							
	In local currency In foreign currencies	46,697,933	3,067,114	49,765,047 -	46,702,829	3,054,945	49,757,774 -
		46,697,933	3,067,114	49,765,047	46,702,829	3,054,945	49,757,774

- 11.3.2 This includes general provision recognized during the period as explained in note 6 of these unconsolidated condensed interim financial statements and provision against advances and provision against consumer and SME financing portfolio 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. 2,746,378 thousand (December 31, 2021: Rs 1,975,509 thousand). The FSV benefit availed is not available for cash or stock dividend.

		Note	(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 in '000'
12.	FIXED ASSETS			
	Capital work-in-progress Right of use assets	12.1	461,921 7,940,436	191,433 7,891,934
	Property and equipment	12.2	14,576,012 22,978,369	11,748,603
12.1	Capital work-in-progress		22,370,303	19,031,970
	Civil works		461,921	191,433
		Nata	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
		Note	Rupees	in '000'
12.2	Additions / (transfers) to fixed assets			
	The following additions have been made to fixed assets during the period:			
	Capital work-in-progress		270,488	697,230
	Addition to right of use assets		345,426	533,765
	Property and equipment:			
	Building on freehold land Furniture and fixture Office equipment Computer equipment Lease hold improvements Vehicles	15.2	2,758,220 30,486 74,204 271,313 65,151	18133 124,386 104,875 46,998 80
			3,199,374	294,472
			3,815,288	1,525,467
12.3	Termination of right of use assets		25,372	-



		(Un-audited) March 31, 2022 Rupee	(Un-audited) March 31, 2021 s in '000'
12.4	Disposal of property and equipment:		
	The net book value of property and equipment disposed off during the period is as follows: Furniture and fixture Office equipment Computer equipment Vehicles	65 265 - -	165 367 -
		330	532

Gross carrying amount of computer equipment and vehicles disposed off during the period was Rs. 333 thousand and Rs. 12,002 thousand respectively (March 31, 2021: Nil and Nil respectively).

		(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 s in '000'
13.	INTANGIBLE ASSETS		
	Intangible in progress Softwares	440,908 734,027	523,686 577,326
		1,174,935	1,101,012
		(Un-audited) March 31, 2022 Rupees	(Un-audited) March 31, 2021 s in '000'
13.1	Additions / (transfer) to intangible assets		
	The following additions / (transfers) have been made to intangible assets during the period:		
	Intangible in progress Intangible assets purchased	(82,778) 206,637	13,747 4,460
		123,859	18,207



March 31, December 31, 2022 2021 Note Rupees in '000' 14. **DEFERRED TAX ASSETS - NET** Deductible temporary differences on: 5.085.393 4.121.318 Deficit on revaluation of investments 702.213 619,234 Right of use assets 24.221 Workers welfare fund Provision against advances, off balance sheet etc. 10.483.650 10,699,622 16.295.477 15.440.174 Taxable temporary differences on: (1.346.545) Surplus on revaluation of fixed assets (1,582,196) Accelerated tax depreciation (236.051) (230.256)Surplus on revaluation of non banking assets (163,625) (167,322)(1,981,872) (1,744,123) 14.313.605 13.696.051 15. **OTHER ASSETS - NET** Income / mark-up accrued in local currency 16.832.253 18.791.445 Income / mark-up accrued in foreign currency 168 1.013 Advances, deposits, advance rent and other prepayments 910.815 828612 Non-banking assets acquired in satisfaction of claims 3,049,891 5,479,598 14,211,339 Acceptances 8,337,508 Branch adjustment account 183.289 Mark to market gain on forward foreign exchange contracts 183.150 150.612 Mark to market gain on deliverable future contracts 485 Stock of stationery 163,731 90,478 Suspense account 19,163 11,807 Zakat recoverable from National Investment 36.790 36.790 Trust Limited (NITL) Unrealized gain on revaluation of foreign bills 148,770 41,665 and trade loans Fraud and forgeries 440,945 445,033 Auto Teller Machine and point of sale receivable 236,048 740,953 Others 525.142 722.792 36.941.979 35.678.306 Less: Provision held against other assets 15.1 (840.787) (1.914.474) Other assets (net of provision) 36.101.192 33.763.832 Surplus on revaluation of non-banking assets acquired in satisfaction of claims 1,407,321 1,453,931 Other assets - total 37.508.513 35.217.763 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 1.084.936 Zakat recoverable from NITL 36.790 36.790 Fraud and forgeries 426,336 446,760 Others 311,062 310,265 840,787 1,914,474

(Un-audited)

(Audited)



(Un-audited)

(Audited) December 31, 2021 March 31,

Note Rupees in '000'  15.2 Non-banking assets acquired in satisfaction of claims  Opening balance Surplus on revaluation during the period / year Disposals during the period / year - net book value Transfer to fixed assets - net book value Depreciation charged during the period / year Impairment reversed during the period / year Closing balance  Contingent assets  Nil  Touch assets  Nil  Rupees in '000'  1,848,593 1,904,899 1,250,842,90 1,2758,220 1,1770 1,486 1,770 1,7
Opening balance Surplus on revaluation during the period / year Surplus on revaluation during the period / year Disposals during the period / year - net book value Transfer to fixed assets - net book value Depreciation charged during the period / year Impairment reversed during the period / year Closing balance  Contingent assets  Contingent assets  Nil  The Pakistan Outside Pakistan Outside Pakistan  Secured  Depreciation charged during the period / year Incomparity (11,770) Incomparity (14,86) Incomparity (14,60) Incom
Surplus on revaluation during the period / year Disposals during the period / year - net book value Transfer to fixed assets - net book value 12.2 (2,758,220) (145,36) Depreciation charged during the period / year (11,770) (48,66) Impairment reversed during the period / year (11,770) (48,66) Impairment reversed during the period / year (10,54,060) Closing balance 4,426,336 5,848,5  Contingent assets Nil  17. BILLS PAYABLE In Pakistan Outside Pakistan Outside Pakistan 6,178,252 10,109,4  BORROWINGS Secured
16. CONTINGENT ASSETS  Contingent assets  Nil  17. BILLS PAYABLE  In Pakistan Outside Pakistan 6,178,252 10,109,4  6,178,252 10,109,4  18. BORROWINGS Secured
Contingent assets  Nil  17. BILLS PAYABLE  In Pakistan Outside Pakistan Outside Pakistan 6,178,252 6,178,252 10,109,4  18. BORROWINGS Secured
17. BILLS PAYABLE  In Pakistan Outside Pakistan 6,178,252 6,178,252 10,109,4  18. BORROWINGS Secured
In Pakistan Outside Pakistan 6,178,252 6,178,252 10,109,4 6,178,252 10,109,4 18. BORROWINGS Secured
Outside Pakistan  6,178,252 10,109,4  18. BORROWINGS Secured
18. BORROWINGS Secured
Secured
Export refinance scheme (ERF) Long term financing facility (LTFF) Finance facility for storage of agricultural produce (FFSAP) Finance facility for renewable energy performance platform (REPP) Refinancing facility for payment of salaries and wages Combating COVID-19 Finance Islamic facility for working capital financing of SE & ME Finance Facility for temporary relief refinance scheme (TERF) Finance Facility for women entrepreneurs Finance Facility for Saaf Rozgar Reimbursement Credit Finance Facility for modernization of small and medium enterprises (SMES)  28,221,4 13,499,0 175,926 185,7 174,790 5,913,457 7,174,790 1,354,474 1,089, 3,000 14,068,779 11,881 698,684 Finance Facility for saaf Rozgar Reimbursement Credit Rayor Refinancing facility for Shamsi Tawanai Consumer Refinancing facility for modernization of small and medium enterprises (SMES)  72,347,344 43,347,392 805,184
Total secured 117,458,519 71,323,4
Unsecured Overdrawn nostro accounts 475,176



### 19. DEPOSITS AND OTHER ACCOUNTS

	March	31, 2022 (Un-aud	ited)	Dece	dited)	
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
			Rupees in	000'		
Customers:						
Current deposits Savings deposits Term deposits Others	173,693,008 491,083,095 296,775,910 23,237,433	3,754,772 3,472,074 16,085,659	177,447,780 494,555,169 312,861,569 23,237,433	169,522,753 459,784,249 320,956,024 16,921,902	3,649,150 3,340,461 7,419,447	173,171,903 463,124,710 328,375,471 16,921,902
-	984,789,446	23,312,505	1,008,101,951	967,184,928	14,409,058	981,593,986
Financial institutions: Current deposits Savings deposits Term deposits Others	1,561,249 3,539,812 1,571,000 577,223	745,450 3,554 2,543,191	2,306,699 3,543,366 4,114,191 577,223	1,797,032 4,870,165 10,841,125 527,609	874,512 3,585 2,446,653	2,671,544 4,873,750 13,287,778 527,609
	7,249,284	3,292,195	10,541,479	18,035,931	3,324,750	21,360,681
	992,038,730	26,604,700	1,018,643,430	985,220,859	17,733,808	1,002,954,667

			(Un-audited) March 31, 2022	(Audited) December 31, 2021
		Note	Rupees	s in '000'
20.	SUBORDINATED DEBTS			
	Privately placed term finance certificates - I Privately placed term finance certificates - II Advance subscription money - subordinated	20.1 20.2	2,495,000 4,293,980	2,495,000 4,293,980
	perpetual term finance certificates	20.3	3,167,500	1,000,000
			9,956,480	7,788,980

### 20.1 Privately placed term finance certificates - I

The Bank has issued rated, unsecured and subordinated term finance certificates under section 120 of the Companies Ordinance, 1984, 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:	Rupees 2500000 thousand

Issue date: December 23, 2016
Maturity date: December 22, 2026

Rating: AA-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 as declared by the SBP.

### 20.2 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: Rupees 4,300,000 thousand

Issue date: April 23, 2018
Maturity date: April 23, 2028
Rating: AATenor: 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 quidelines, at the market value of the shares on the date

of trigger of PONV as declared by the SBP.

### 20.3 Advance subscription money - subordinated perpetual term finance certificates

Upto March 31, 2022, the Bank received Rs. 3,167,500 thousand under formal investor agreement from potential investors as advance subscription money against unsecured, subordinated, perpetual and non cumulative term finance certificates in the nature of Additional Tier-I capital. Subordinated to all other debts of the Bank including deposits but superior to equity. The Bank has applied to SBP for grant of formal approval for issue of Additional Tier-I capital for Capital Adequacy requirement as per guidelines set by SBP. The advance subscription money carries mark-up at rate of 6 month KIBOR plus spread of 200 bps per annum.



	Note	(Un-audited) March 31, 2022 Rupee	(Audited) December 31, 2021 s in '000'
21.	OTHER LIABILITIES		
	Mark-up / return / interest payable in local currency Mark-up / return / interest payable in foreign currency Lease key money Provision for taxation (provisions less payments) Sundry creditors and accrued expenses Acceptances Mark-up payable on subordinated debts Unclaimed dividends Branch adjustment account Payable to gratuity fund Gratuity payable to key management personnel Payable to charity fund Provision against off-balance sheet obligations Provision for employees compensated absences Taxes / zakat / import fee payable Lease liability against right of use assets Workers welfare fund IBFT payable Others	13,052,780 100,264 12,483,097 1,139,251 1,442,307 14,211,339 306,734 2,586 85,008 5,750 13 62,183 135,686 901,635 9,740,983 1,045,263 22,974 978,273	14,222,369 52,107 11,991,877 755,465 1,242,506 8,337,508 90,505 2,586 290,150 268,144 5,750 8 62,183 133,629 684,132 9,479,713 983,158 544,489 796,242
21.1	Provision against off-balance sheet obligations	62,183	62,183
	The above provision has been made against letters of guarantee	e issued by the Ba	nk.
		(Un-audited) March 31.	(Audited) December 31

		Note	(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 s in '000'
22.	DEFICIT ON REVALUATION OF ASSETS - NET OF TAX			
	(Deficit) / surplus on revaluation of: - Available for sale securities - Property and equipment - Non-banking assets acquired in satisfaction of claims	10.1 15	(13,039,470) 5,741,624 1,407,321	(10,567,482) 5,137,390 1,453,931
	Deferred tax on deficit / (surplus) on revaluation of:		(5,890,525)	(3,976,161)
	<ul><li>Available for sale securities</li><li>Property and equipment</li><li>Non-banking assets acquired in satisfaction of claims</li></ul>		5,085,393 (1,582,196) (163,625)	4,121,318 (1,346,545) (167,322)
			3,339,572	2,607,451
			(2,550,953)	(1,368,710)



		Note	(Un-audited) March 31, 2022 Rupee	(Audited) December 31, 2021 s in '000'
23.	CONTINGENCIES AND COMMITMENTS			
	Guarantees Commitments Other contingent liabilities	23.1 23.2 23.3	86,946,925 411,220,142 8,975	80,791,490 388,223,744 8,975
			498,176,042	469,024,209
23.1	Guarantees:			
	Financial guarantees Performance guarantees Other guarantees		19,225,714 21,542,014 46,179,197	18,341,471 18,710,766 43,739,253
			86,946,925	80,791,490
23.2	Commitments:			
	Documentary credits and short-term trade-related transactions			
	- letters of credit Commitments in respect of:		133,636,661	136,560,464
	forward foreign exchange contracts     forward lending     Commitments for acquisition of:	23.2.1 23.2.2	234,406,842 43,083,152	205,641,893 45,923,548
	- fixed assets - intangible assets		7,142 86,345	13,052 84,787
			411,220,142	388,223,744
23.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase Sale		124,049,295 110,357,547	105,824,202 99,817,691
			234,406,842	205,641,893
23.2.2	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	43,083,152	45,923,548
23.2.2.1	These represent commitments that are irrevocable become the Bank without the risk of incurring significant per revocable commitments that do not attract any signification withdrawn.	enalty or ex	pense. In additio	n, the Bank makes
	WICH GROWTE		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		Note	Rupee	s in '000'
23.3	Other contingent liabilities	23.3.1	8,975	8,975



23.3.1 For the tax year 2007, the Income Tax Department concluded proceedings under section 161/205 and created a default of Rs. 8,975 thousand. The Bank filed appeal before CIR (A), however the same was not allowed. The Bank filled an appeal against the said order of CIR (A) with ATIR. The expected tax liability for the said year amounts to Rs. 8,975 thousand. However, the management of the Bank, as per opinion of its tax consultant, is confident that the decision for the aforementioned tax year will be decided in Bank's favor.

			(Un-audited)	(Audited)
			March 31, 2022	December 31, 2021
		Note		in '000'
23.4	Claims against the Bank not acknowledged as debts	23.4.1	54,809,134	54,809,134

23.4.1 The amounts 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 our 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) March 31, 2022 Rupee	(Un-audited) March 31, 2021 s in '000'
24.	MARK-UP / RETURN / INTEREST EARNED		
	On loans and advances On investments:	11,959,438	8,178,375
	Available for sale securities Held for trading securities Held to maturity securities On lendings to financial institutions:	11,458,170 475,670 2,024,322	8,697,116 421,199 1,847,302
	Securities purchased under resale agreements  Call lending  Letters of placement	293,199 36,007 391,189	158,011 - 101,628
	On balances with banks	154,353	2,081
		26,792,348	19,405,712
25.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits and other accounts Borrowings:	16,963,687	10,487,987
	Securities sold under repurchase agreements Call borrowings Borrowing from Pakistan Mortgage Refinance	875,393 -	301,845 1,144,576
	Company Limited  SBP refinance borrowing  Subordinated debts:	43,601 284,006	17,011 186,475
	Mark-up on advance subsription money - subordinated perpetual term finance certificate  Mark-up on privately placed term finance certificates  Mark-up on lease liability against right of use assets	35,462 180,766 296,605	- 142,483 257,391
		18,679,520	12,537,768



(Un-audited) (Un-audited) March 31,

March 31,

2022 Buno 2021

	Note	Rupees	s in '000'
26.	FEE AND COMMISSION INCOME		
	Branch banking customer fees Consumer finance related fees Card related fees Credit related fees Branchless banking fees Commission on trade Commission on guarantees Commission on cash management Commission on remittances including home remittances Commission on bancassurance Commission on wheat financing	139,832 86,682 277,127 230,802 32,442 264,745 82,920 31,039 99,559 17,616	135,998 94,270 189,816 140,212 14,082 233,796 58,924 29,035 101,724 27,077 6,609
	SMS banking income	108,497	85,252 1.116,795
<del></del> 27.	(LOSS) / GAIN ON SECURITIES - NET	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,, <u></u>
	Realized (loss) / gain on sale of securities - net 27:1 Unrealized loss - held for trading	(110,252) (13,428)	1,301,712 (39,565)
		(123,680)	1,262,147
27.1	Realized (loss) / gain on sale of securities - net:		
	Federal government securities Shares and certificates	(125,238) 14,986	1,003,285 298,427
		(110,252)	1,301,712
28.	OTHER INCOME - NET		
	Gain on sale of fixed assets - net Gain on sale of non banking assets - net Loss on termination of lease liability against right of use assets Notice pay on resignations	15,693 114,420 (2,454) 5,605	(185) 21,716 - 3,040
		133,264	24,571



March 31, 2022 2021 Rupees in '000' 29. **OPERATING EXPENSES** 4,402,748 Total compensation expense 3,176,625 Property expense: Rent and taxes 3.333 5.598 Insurance 2,802 3,701 Utilities cost 159,560 126,051 Security 341 596 Repair and maintenance including janitorial charges 21,958 8,169 Depreciation 182.917 136.768 Depreciation on right of use assets 271,554 238,995 642,465 519,878 Information technology expenses: 121.346 91038 Software maintenance Hardware maintenance 16.958 19.143 Depreciation on computer equipment 96,071 85.553 Amortization on intangible assets 49,936 57,151 Network charges 128,354 119,175 412,665 372,060 Other operating expenses: Directors' fees and allowances 12.041 11.625 Fees and allowances to shariah board 2.210 640 Legal and professional charges 53,182 59,629 Subscription charges 10,100 7,392 Outsourced staff services costs 129.593 104.950 Travelling and conveyance 297.473 162.253 NIFT clearing charges 19.565 16,620 92,647 82,506 Depreciation Depreciation on non banking assets acquired in satisfaction of claims 11.770 13.278 34747 Depreciation on ijarah assets under IFAS - 2 28.868 Training and development 28.256 6.855 49,826 34,526 Postage and courier charges Stationery and printing 86,629 50,362 Marketing, advertisement and publicity 265.336 70.121 69.727 49936 Insurance 110.757 Deposit protection fee 127,320 Repair and maintenance 71,754 67,079 Entertainment expenses 43,760 32,694 29.740 22.984 Fuel for generator Commission and brokerage 99.438 67,778 7,776 7,072 Bank charges SMS banking charges 21,957 8,944 ATM charges including ATM maintenance charges 65,437 102,411 Cash remittance charges 90.419 59.065 15.173 14.887 Branch license fee 49.976 62.939 CNIC verification / ECIB charges COVID-19 related expenses 3,347 11,096 Miscellaneous expenses 58,972 58,196 1,842,292 1,331,342 7,300,170 5,399,905

(Un-audited)

(Un-audited)

March 31.



(Un-audited) March 31, 2022

(Un-audited)

(Un-audited) March 31, 2021

(Un-audited)

RII	pees	ш (	,,,,,	.,

30.	OTHER CHARGES			
	Penalties imposed by SBP		4,014	150
31.	(REVERSAL) / PROVISIONS AND WRITE OFFS - NET			
	Provisions for diminution in value of investments Provisions against advances (Reversal) / provision against other assets - net Bad debts written off directly	10.3.1 11.3	- 7,273 (1,071,291) 34	85,891 766,377 17,257
			(1,063,984)	869,525
32.	TAXATION			
	Current Deferred	32.1	1,228,604 94,591	1,280,557 (46,292)
			1,323,195	1,234,265

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

		March 31, 2022 Rupees	March 31, 2021 s in '000'
33.	BASIC EARNINGS PER SHARE		
	Profit after taxation for the period (Rs in '000')	2,160,527	1,832,624
	Weighted average number of ordinary shares (No.)	2,643,692,380	2,643,692,380
	Basic earnings per share (Rs).	0.82	0.69

### 34. DILUTED EARNINGS PER SHARE

There is no dilution effect on basic earnings per share.

### 35. 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.

**35.1** The Bank measures fair vale 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).

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

	March 31, 2022 (Un-audited)						
			Fair value				
	Carrying value	Level 1	Level 2	Level 3	Total		
			Rupees in '000'				
On balance sheet financial instruments							
Financial assets measured at fair value:							
Government securities	479,569,926	-	479,569,926	-	479,569,926		
Shares and certificates	8,693,888	8,674,922	10.051.202	18,966	8,693,888		
Non-Government debt securities Foreign securities	10,051,283 11,957	-	10,051,283	11.957	10,051,283 11,957		
Subsidiary company	-	-	-	-	-		
Financial assets disclosed but not							
measured at fair value:							
Government securities	94,078,142	-	94,497,242	-	94,497,242		
Financial liabilities measured at fair value:							
Payable to gratuity fund	85,008	-	85,008	-	85,008		
Provision for employees	135.686		135.686		135.686		
compensated absences  Off balance sheet financial instruments:	133,000	-	133,000	-	133,000		
Forward purchase of foreign	127014125		127014125		127014125		
exchange contracts Forward sale of foreign exchange contracts	127,014,125 113.139.227	-	127,014,125 113,139,227	-	127,014,125 113.139.227		
		_	21 2021 (				
		Dece	ember 31, 2021 (A Fair value	Audited)			
	Carrying value	Level 1	Level 2	Level 3	Total		
	carrying value	LOVOIT	Rupees in '000'	204010	10001		
On balance sheet financial instruments							
Financial assets measured at fair value:							
Government securities	448,913,878	-	448,913,878	-	448,913,878		
Shares and certificates Non-Government debt securities	6,859,385 10,106,626	6,840,419	10,106,626	18,966	6,859,385 10,106,626		
Foreign securities	11.957	-	10,100,020	11,957	11,957		
Subsidiary Company	-	-	=	-	-		
Financial assets disclosed but not							
measured at fair value:							
Government securities	61,299,171	-	63,715,206	-	63,715,206		
Financial liabilities measured at fair value:							
Payable to gratuity fund	268,144	-	268,144	-	268,144		
Provision for employees compensated absence	ces 133,629	-	133,629	-	133,629		
Off balance sheet financial instruments:							
Forward purchase of foreign exchange contracts		-	107,277,276	-	107,277,276		
Forward sale of foreign exchange contracts	101,120,153	-	101,120,153	-	101,120,153		



### 35.2 Fair value of non financial assets

	March 31, 2022 (Un-audited) Fair value							
	Carrying value	Level 1	Level 2	Level 3	Total			
			Rupees in '000'					
Non Financial assets measured at fair value:								
Fixed assets (land & building)  Non banking assets acquired in	11,434,398	-	11,434,398	:	- 11,434,398			
satisfaction of claims	4,426,336	-	4,426,336		4,426,336			
		Dece	ember 31, 2021 ( <i>A</i>	Audited)				
			Fair value					
	Carrying value	Level 1	Level 2	Level 3	Total			
			Rupees in '000'					
Non Financial assets measured at fair value:								
Fixed assets (land & building)  Non banking assets acquired in	8,764,483	-	8,764,483	:	8,764,483			
satisfaction of claims	5,848,593	-	5,848,593		5,848,593			

### 36. SEGMENT INFORMATION

### 36.1 Segment details with respect to business activities

### March 31, 2022 (Un-audited)

	March 31, 2022 (On-audited)							
	Corporate and investment banking	Consumer and digital banking		Treasury	Islamic	Others including Head Office	Total	
			Rupe	es in '000'				
Profit & loss Profit & loss Net mark-up / return / profit Inter segment (cost) / revenue - net Non mark-up / return / interest income	8,436,366 (6,850,736) 392,101	23,645,622 663,165	2,299,005 (1,512,277) 130,678	13,974,778 (13,271,499) 288,844	1,943,266 (57,483) 53,816	138,933 (1,953,627) 144,595	26,792,348 - 1,673,199	
Total income	1,977,731	24,308,787	917,406	992,123	1,939,599	(1,670,099)	28,465,547	
Segment total expenses	535,887	18,293,086	626,281	982,134	1,682,154	3,926,267	26,045,809	
Profit before provisions and tax Provisions	1,441,844 (29,716)	6,015,701 (17,924)	291,125 (9,650)	9,989	257,445 46,594	(5,596,366) (1,053,288)	2,419,738 (1,063,984)	
Profit / (loss) before tax	1,471,560	6,033,625	300,775	9,989	210,851	(4,543,078)	3,483,722	
Balance sheet Cash & bank balances Investments - net Net inter segment lending Lendings to financial institutions Advances - performing - non-performing - net Others	341,810,180 2,894,743 21,028,310	23,373,782 - 945,881,243 - - 2,174,006	96,563,425 919,291 689,454	46.210.458 570.843.006 - 3.962.947 - 6,518.150	12,590,133 26,029,229 - 1,700,000 48,252,607 1,789,291 4,426,519	19,881,981 11,397,134 - 41,138,983	82,174,373 596,872,235 965,763,224 5,662,947 498,023,346 5,603,325 75,975,422	
Total assets	365,733,233	971,429,031	98,172,170	627,534,561	94,787,779	72,418,098	2,230,074,872	
Borrowings Subordinated debts Deposits & other accounts Net inter segment borrowing Others	72,347,344 - 279,591,101 13,794,788	- - 949,976,280 - 21,452,751	1,763,783 - - 84,713,068 11,695,319	42,568,976 - - 584,603,619 361,966	1,253,592 - 68,667,150 16,855,436 3,335,769	9,956,480 - 11,253,785	117,933,695 9,956,480 1,018,643,430 965,763,224 61,894,378	
Total liabilities Equity Total equity & liabilities	365,733,233	971,429,031	98,172,170	627,534,561	90,111,947	21,210,265	2,174,191,207 55,883,665 2,230,074,872	
Contingencies & commitments	250,293,615		360,533	234,406,842	13,012,590	102,462	498,176,042	



			March	n 31, 2021 (Un-au	dited)		
	Corporate and investment banking	Consumer and digital banking	Retail and priority sector lending	Treasury	Islamic	Others including Head Office	Total
			Rupee	es in '000'			
Profit & loss							
Net mark-up / return / profit	5,890,307	-	1,607,154	10,721,820	1,089,541	96,890	19,405,712
Inter segment revenue - net	(4,367,602)	13,955,043	(962,243)	(7,635,128)	(12,269)	(977,801)	
Non mark-up / return / interest income	148,174	456,209	145,763	1,728,825	30,692	24,388	2,534,051
Total income	1,670,879	14,411,252	790,674	4,815,517	1,107,964	(856,523)	21,939,763
Segment total expenses	291,118	12,594,012	335,157	1,526,776	956,271	2,300,015	18,003,349
Profit before provisions and tax	1.379.761	1.817.240	455,517	3.288.741	151.693	(3.156.538)	3.936.414
Provisions	673,842	-	12,251	85,891	79,249	18,292	869,525
Profit / (loss) before tax	705,919	1,817,240	443,266	3,202,850	72,444	(3,174,830)	3,066,889
			Decer	nber 31, 2021 (Au	ıdited)		
Balance sheet							
Cash & bank balances		24.886.324		41.562.509	13.587.542		80.036.375
Investments - net	4244.704	-		510.848.259	16.590.093	-	531.683.056
Net inter segment lending		923,007,639		-	442,430	20,151,877	943,601,946
Lendings to financial institutions				26,480,388	4,500,000	-	30,980,388
Advances - performing	335,615,453	-	86,053,619	-	47,197,055	10,209,769	479,075,896
- non-performing	2,675,142	-	818,292	-	1,835,989	57	5,329,480
Others	13,603,362	4,915,621	640,698	11,157,299	3,461,685	36,068,131	69,846,796
Total assets	356,138,661	952,809,584	87,512,609	590,048,455	87,614,794	66,429,834	2,140,553,937
Borrowings	68,607,066		1,805,013		911,409		71,323,488
Subordinated debts	-	-	-	-	-	7,788,980	7,788,980
Deposits & other accounts	-	923,748,571	-	-	79,206,096	-	1,002,954,66
Net inter segment borrowing	279,443,786	-	74,282,001	589,876,159	-	-	943,601,94
Others	8,087,809	29,061,013	11,425,595	172,296	2,944,671	8,360,596	60,051,980
Total liabilities Equity	356,138,661	952,809,584	87,512,609	590,048,455	83,062,176	16,149,576	2,085,721,061 54,832,876
Total equity & liabilities							2,140,553,937
Continue de Consultant	OFF 444 204		46001	205641022	7440647	1000:	400004000
Contingencies & commitments	255,411,391	-	416,094	205,641,893	7,448,017	106,814	469,024,209

### 37. RELATED PARTY TRANSACTIONS

Related parties comprise subsidiary, key management personnel and entities in which key management personnel are office holders / members. The Bank in the normal course of business carries out transactions with various related parties on arm's length basis. Amounts due from and due to related parties are shown under receivables and payables. In addition key management personnel are paid terminal and short-term terminal benefits.

		March 31, 2022 (Un-audited)			December 31, 2021 (Audited)					
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties
			Rupees in '00	0,				Rupees in '00	0'	
Lendings to financial institutions : Opening balance Addition during the period Repaid during the period	:	- - -	1,600,000 1,600,000 1,500,000	: :	- - -	- - -	- - -	1,000,000 4,600,000 4,000,000	- - -	- - -
Closing balance	-	-	1,700,000	-	-	-	-	1,600,000	-	-
Investments (gross)	-	-	164,945	-	-	-	-	164,945	-	-
Provision for diminution in value of investments	-	-	164,945	-	-	-	-	164,945	-	-
Advances (gross): Opening balance Addition during the period Repaid during the period	-	269,016 105,904 58,449	132,431 156,199 288,630	- - -	1,318,019 804,387 2,122,406	- - -	161,708 153,404 46,096	686,633 4,211,653 4,765,855	- - -	595,721 2,963,637 2,241,339
Closing balance	-	316,471	-	-	-	-	269,016	132,431	-	1,318,019
Financial guarantees	-	-	2,000	-	111,822		-	2,000	-	112,072
Other assets - advance deposits and prepayments Other assets - markup receivable	-	18,668 13,136	100,000 24,825	÷ -	-	-	17,547 13,821	100,000 21,649	-	14,151
Right of use assets Lease liability against right of use assets	-	=	-	-	61,239 23,669	į	= =	-	=	62,202 22,900
Deposits and other accounts: Opening balance Received during the period Withdrawn during the period	902 1,056 1,111	26,795 226,458 216,936	36,387 436,168 454,320	374,772 1,411,653 981,232	1,558,999 20,180,105 19,243,359	598 16,522 16,218	24,363 532,244 529,812	11,287 4,627,102 4,602,002		33,878 61,507,975 59,982,854
Closing balance	847	36,317	18,235	805,193	2,495,745	902	26,795	36,387	374,772	1,558,999
Other liabilities - markup payable	-	-	-	-	34,490	-	-	20	-	11,087



	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)					
Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties
		Rupees in '000	),			1	Rupees in '00	0'	
	4,278	42,691	-	5,678 3,424	:	2,098	30,007	-	9,411 1,048
5	32 - 195,323	194 - - 1,020	10,821	40,439 963 769	6	149 - - 129,768	1,732	50,456 - - -	226 963 672
	- - 5 - -	Key management personnel  - 4.278 - 5 32	Key   Subsidiary   companies   and managed   modaraba	New   New	Name	Name	Name	Number   N	Number   N

- 37.1 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.
- 37.2 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) March 31, 2022 Rupees	(Audited) December 31, 2021 s in '000'
Loans & advances Deposits Acceptances Contingencies Mark-up receivable Mark-up payable	47,685,369 542,441,174 71,929 26,412,300 1,555,198 9,051,291	57,299,296 484,197,126 71,929 26,097,691 1,078,401 9,079,554
	(Un-audited) March 31, 2022 Rupees	(Un-audited) March 31, 2021 s in '000'
Mark-up earned Mark-up expensed Income on contingencies	1,443,861 10,221,074 16,929	754,645 6,386,615 4,822

- 37.3 The Bank made contribution of Rs. 87,414 thousand (March 31, 2021: Rs. 72,186 thousand) to employees provident fund during the period.
- 37.4 First Punjab Modaraba and Punjab Modaraba Services (Pvt) Limited are using premises owned by The Bank of Punjab free of cost.
- 37.5 Advances to employees as at March 31, 2022, other than key management personnel, amounted to Rs. 12,540,135 thousand (December 31, 2021: Rs. 11,219,294 thousand) with markup receivable of Rs. 545,414 thousand (December 31, 2021: Rs.678,455 thousand) and markup income of Rs.127,788 thousand (March 31, 2021: Rs. 93,546 thousand).
- 37.6 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 and mobile phone as per Bank's policy.



March 31, December 31, 2022 2021 Rupees in '000' 38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS Minimum Capital Requirement (MCR): Paid-up capital (net of losses) 31.693.421 28.388.806 Capital Adequacy Ratio (CAR): Eligible Common Equity Tier 1 (CET 1) Capital 44.323.028 43.993.744 Eligible Additional Tier 1 (ADT 1) Capital Total Eligible Tier 1 Capital 44,323,028 43.993.744 Eligible Tier 2 Capital 9,351,109 9,338,940 Total Eligible Capital (Tier 1 + Tier 2) 53.674.137 53.332.684 Risk Weighted Assets (RWAs): Credit risk 379,588,591 352,126,107 Market risk 18,193,098 18,952,270 Operational risk 64,190,824 64,190,824 Total 462,731,685 434,510,029 Common equity tier I capital adequacy ratio 9.58% 10.12% Tier I CAR (%) 9.58% 10.12% Total CAR (%) 11.60% 12.27% Total CAR (%) including advance subscription ADT-I 20.3 12.28% 12.44% 38.1 Leverage Ratio (LR): Eligible Tier-I Capital 44,323,028 43,993,744 Total exposures 1,529,839,404 1,462,811,386 IR (%) 2.90% 3.01% LR (%) including advance subscription ADT-I 3.08% 3.10% 38.2 Liquidity Coverage Ratio (LCR): Total high quality liquid assets 530,712,274 566,498,287 Total net cash outflow 403,663,378 413,944,607 LCR (%) 136.85% 131.47% Net Stable Funding Ratio (NSFR): 676.685.299 667827072 Total available stable funding Total required stable funding 636,204,691 539,376,598 NSFR (%) 123.81% 106.36% 106.86% 124.00% NSFR (%) including advance subscription ADT-I

(Un-audited)

(Audited)

### 39. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the March 31, 2022, the Bank is operating 115 Islamic banking branches (December 31, 2021: 114 Islamic banking branches) and 25 Islamic banking windows (December 31, 2021: 25)



# ISLAMIC BANKING BUSINESS STATEMENT OF FINANCIAL POSITION

**CONTINGENCIES AND COMMITMENTS** 

As at March 31, 2022

	Note	(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 in '000'
ASSETS			
Cash and balances with treasury banks Balances with other banks Due from financial institutions Investments - net Islamic financing and related assets - net Fixed assets Intangible assets Due from head office Other assets	39.1 39.2 39.3	6,514,879 6,075,254 1,700,000 26,029,229 50,041,898 2,131,801 9,081 - 2,285,637	7,527,608 6,059,934 4,500,000 16,590,093 49,033,044 2,052,740 9,439 442,430 1,399,506
Total assets		94,787,779	87,614,794
LIABILITIES			
Bills payable Due to financial institutions Deposits and other accounts Due to head office Subordinated debt Other liabilities	39.4	541,622 1,253,592 68,667,150 16,855,436 - 2,794,147	388,599 911,409 79,206,096 - - 2,556,072
Other liabilities		90.111.947	83,062,176
NET ASSETS		4,675,832	4,552,618
REPRESENTED BY			
Islamic banking fund Reserves Deficit on revaluation of assets Unappropriated profit	39.5	2,000,000 11,192 (96,343) 2,760,983	2,000,000 5,505 (3,019) 2,550,132
		4,675,832	4,552,618

39.6



### **ISLAMIC BANKING BUSINESS** PROFIT AND LOSS ACCOUNT

For the Three Months Ended March 31, 2022 (Un-audited)

	Note	Three Months Ended March 31, 2022 Rupees	Three Months Ended March 31, 2021 in '000'
Profit / return earned Profit / return expensed	39.7 39.8	1,943,266 1,082,913	1,089,541 535,385
Net profit / return		860,353	554,156
Fee and commission income Dividend income Foreign exchange (loss) / income		56,032 - (811)	31,008 - (2,693)
Income / (loss) from derivatives Gain on securities - net Other (loss) / income		- - (1,405)	- 2,194 183
		53,816	30,692
Total income		914,169	584,848
Operating expenses Workers welfare fund Other charges		656,724	433,120
5		656,724	433,155
Profit before provisions Provisions and write offs - net		257,445 46,594	151,693 79,249
Profit before taxation Taxation	39.9	210,851 -	72,444 -
Profit after taxation		210,851	72,444



### 39.1 DUE FROM FINANCIAL INSTITUTIONS

	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)			
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
			Rupees in '000'			
Placements	1,700,000	-	1,700,000	4,500,000	-	4,500,000

### 39.2 INVESTMENTS - NET

### Investments by segment:

		(Un-au March	dited) 31, 2022			(Audite December		
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
5.1.1		Rup	ees in	,000,				
Federal government securities: -ljarah sukuks -Sale of sukuk- bai muaiial	14,150,039		(100,987)	14,049,052	4,502,908		(1,154)	4,501,754
-Naya Pakistan Certificates (Roshan Digital)	10,538	-		10,538	88,600			88,600
Non government debt securities :	14,160,577		(100,987)	14,059,590	4,591,508		(1,154)	4,590,354
-Listed -Unlisted	8,442,062 3,617,239		(89,662)	8,352,400 3,617,239	8,457,812 3,617,239		(75,312)	8,382,500 3,617,239
	12,059,301	-	(89,662)	11,969,639	12,075,051		(75,312)	11,999,739
Total investments	26,219,878	-	(190,649)	26,029,229	16,666,559		(76,466)	16,590,093

(Un-audited) (Audited)
March 31, December 31,
2022 2021

Rupees in '000'

		Mupees	7111 000
39.3	ISLAMIC FINANCING AND RELATED ASSETS		
	ljarah Murabaha Musharaka Diminishing musharaka Payment against documents Istisna	2,121,181 2,052,981 17,494,446 24,549,656 55,304 5,244,907	2,075,758 2,115,237 21,482,411 20,579,778 55,304 4,154,436
	Gross islamic financing and related assets  Less: provision against islamic financings	51,518,475	50,462,924
	- Specific - General	1,476,577 -	1,429,880
		1,476,577	1,429,880
	Islamic financing and related assets - net of provision	50,041,898	49,033,044

### 39.4 DEPOSITS AND OTHER ACCOUNTS

	March	March 31, 2022 (Un-audited)		Dece	December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total	
Customers :			Rupees in '000'				
Current deposits Savings deposits Term deposits Others	13,474,974 41,983,086 10,393,120 1,773,918	391,100 255,697 -	13,866,074 42,238,783 10,393,120 1,773,918	14,637,500 44,910,744 7,693,035 1,545,903	413,124 223,869 -	15,050,624 45,134,613 7,693,035 1,545,903	
	67,625,098	646,797	68,271,895	68,787,182	636,993	69,424,175	
Financial institutions: Current deposits Savings deposits Term deposits Others	297,108 85,584	12,374 189 -	309,482 85,773	221,033 69,119 9,450,000 81	41,503 185 -	262,536 69,304 9,450,000 81	
	382,692	12,563	395,255	9,740,233	41,688	9,781,921	
	68,007,790	659,360	68,667,150	78,527,415	678,681	79,206,096	



		(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 s in '000'
39.5	UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS		
	Opening balance Add: Islamic banking profit / (loss) for the period	2,550,132 210,851	2,710,878 (160,746)
	Closing balance	2,760,983	2,550,132
39.6	CONTINGENCIES AND COMMITMENTS		
	- Guarantees - Commitments	1,856,498 11,156,092	1,662,941 5,785,076
		13,012,590	7,448,017
		(Un-audited) March 31, 2022 Rupees	(Un-audited) March 31, 2021 s in '000'
39.7	PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
	Profit earned on: Financing Investments Placements Deposits with financial institutions	1,128,202 567,729 93,154 154,181	628,782 359,131 101,628
		1,943,266	1,089,541
39.8	PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
	Deposits and other accounts  Markup on lease liability against right of use assets  Markup on borrowings from SBP  Profit on deposits from conventional head office	968,295 54,628 2,507 57,483	475,374 47,791 - 12,220
	. Total St., deposite from conventional need office	1,082,913	535,385

<sup>39.9</sup> 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. 80,081 thousand (March 31, 2021: Rs. 29,151 thousand).

39.10 There has been no material change in the existing islamic pools. Further, No new pool has been established in islamic banking operations of the Bank during the three months ended March 31, 2022.

40.	DATEO	- AUTHORIZ	ATION FOR	

These unconsolidated condensed interim financial statements were authorized for issue on 21 April 2022 by the Board of Directors of the Bank.

- 41. GENERAL
- 41.1 Figures have been rounded off to the nearest thousand rupees.
- **41.2** Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison. However, no significant reclassification has been made.

Chief Financial Officer	President	Director







# **Consolidated Condensed Interim Statement of Financial Position**

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Note	Rupees	in '000'
ASSETS			
Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Investments - net Advances - net Fixed assets Intangible assets Deferred tax assets - net Other assets - net	7 8 9 10 11 12 13 14 15	73,171,913 9,111,968 4,162,947 596,887,127 504,970,242 22,983,058 1,182,075 14,377,405 37,785,325	71,319,238 8,858,356 29,580,388 531,697,948 485,576,503 19,836,430 1,108,152 13,760,437 35,534,757
LIABILITIES			
Bills payable Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Subordinated debts Deferred tax liabilities Other liabilities	17 18 19 20 21	6,178,252 117,985,025 1,018,625,195 - 9,956,480 - 55,922,787	10,109,459 71,323,488 1,002,918,281 - 7,788,980 - 50,221,597
		1.208.667.739	1,142,361,805
NET ASSETS		55,964,321	54,910,404
REPRESENTED BY			
Share capital - net Reserves Non Controlling Interest Deficit on revaluation of assets - net of tax Unappropriated profit	22	26,173,766 13,907,198 615,998 (2,550,953) 17,818,312	26,173,766 10,602,583 587,579 (1,368,710) 18,915,186
CONTINCENCIES AND CONTINUENTS	22	33,30-1,321	5-1,510,-10-1
CONTINGENCIES AND COMMITMENTS	23		

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

Chief Financial Officer	 President	Director
Ciliei Filialiciai Officei	riesident	Director



# **Consolidated Condensed Interim** Profit and Loss Account For the Three Months Ended March 31, 2022 (Un-audited)

	Note	Three Months Ended March 31, 2022 Rupees	Three Months Ended March 31, 2021 in '000'
Mark-up / return / interest earned Mark-up / return / interest expensed	24 25	26,819,842 18,676,928	19,428,257 12,538,042
Net mark-up / interest income		8,142,914	6,890,215
NON MARK-UP / INTEREST INCOME			
Fee and commission income Dividend income Foreign exchange income Income / (loss) from derivatives	26	1,394,320 164,143 128,844	1,124,394 55,821 74,717
(Loss) / gain on securities - net Other income - net	27 28	(123,680) 133,264	1,262,147 24,887
Total non-markup / interest income		1,696,891	2,541,966
Total income		9,839,805	9,432,181
NON MARK-UP / INTEREST EXPENSES			
Operating expenses Workers welfare fund Other charges	29 30	7,349,729 62,105 4,014	5,444,741 65,526 150
Total non-markup / interest expenses		7,415,848	5,510,417
Profit before provisions (Reversal) / provisions and write offs - net Extra ordinary / unusual items	31	2,423,957 (1,063,925)	3,921,764 850,569
PROFIT BEFORE TAXATION		3,487,882	3,071,195
Taxation - net	32	1,324,227	1,235,170
PROFIT AFTER TAXATION		2,163,655	1,836,025
Basic earnings per share - Rupees	33	O.81	0.69
Diluted earnings per share - Rupees	34	O.81	0.69
PROFIT ATTRIBUTEABLE TO:			
Equity holders of the parent Non-controlling interest		2,135,236 28,419	1,815,740 20,285
		2,163,655	1,836,025
The annexed notes 1 to 41 form an integral part of these	e consolidated cond	densed interim fina	ancial statements.
Chief Financial Officer Presi	dent		Director



# **Consolidated Condensed Interim** Statement of Comprehensive Income For the Three Months Ended March 31, 2022 (Un-audited)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	Rupees	in '000'
Profit after taxation for the period	2,163,655	1,836,025
Other comprehensive income:		
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement loss on defined benefit obligations	-	-
Movement in surplus on revaluation of fixed / non-banking assets - net of tax	396,562	-
	396,562	-
	2,560,217	1,836,025
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in deficit on revaluation of investments - net of tax	(1,507,913)	(2,913,711)
Total comprehensive income / (loss) for the period	1,052,304	(1,077,686)
Equity holders of the parent Non-controlling interest	1,023,885 28,419	(1,097,971) 20,285
	1,052,304	(1,077,686)
The annexed notes 1 to 41 form an integral part of these consolidated cond	densed interim fin	ancial statements.
Chief Financial Officer President		 Director

55,964,321

615,998

17,818,312

5,403,124

(7,954,077)

8,387,543

3,304,615

2,215,040

26,173,766

(263, 158)

26,436,924



# Consolidated Condensed Interim Statement of Changes in Equity

						,	Surplus / (Deficit) - net of tax on revaluation of	t) - net of uation of				
	Share capital	Discount on issue of shares	Share capital - net	Share	Reserve for issuance of bonus shares	Statutory reserve	Investments	Fixed / non Ubanking assets	Fixed / non Unappropriated banking profit assets	Non- controlling interest	Total	
			Ru	Rupees in	,000,							
Balance as on January 01, 2021 - audited	26,436,924	(263,158)	26,173,766	2,215,040	•	5,898,936	2,934,263	3,021,096	11,632,681	506,993	52,382,775	
Profit after taxation for the three months ended March 31 , 2021 Other comprehensive loss			1 1	1 1			(2,913,711)		1,815,740	20,285	1,836,025 (2,913,711)	
Total comprehensive (loss) / income for the three months ended March 31, 2021 Transfer from simplies on revaluation of fixed asserts to unannounded mofit - and offax							(2,913,711)	- (15.807)	1,815,740	20,285	(1,077,686)	
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal								(2,559) (8,523)	2,559		4,589	
ransactions with owners recognized directly in equity: Final cash dividend - December 31, 2020 declared subsequent to year end at 10% per share	•		•	•	•	•	•	•	(2,643,692)		(2,643,692)	
			]						(2,643,692)		(2,643,692)	
Balance as on March 31, 2021 - un-audited	26,436,924	(263,158)	26,173,766	2,215,040		5,898,936	20,552	2,994,207	10,836,207	527,278	48,665,986	
Profit after taxation for the nine months ended December 31 , 2021 Other comprehensive (loss) / income	1 1						- (6,466,716)	2,147,474	10,500,073 (747)	60,301	10,560,374 (4,319,989)	
Total comprehensive (loss) / income for the nine months ended December 31, 2021 Transfer to electrical receives			] ' '			- - 0 488 607	(6,466,716)	2,147,474	10,499,326	60,301	6,240,385	
mease, to seasonly reader. Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax. Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax.						100,001		(43,648) (6,605)	43,648			
Iransler from surplus on revaluation of non banking assets to unappropriated profit on disposal Balance as on December 31, 2021 - audited	26,436,924	(263,158)	26,173,766	2,215,040		8,387,543	(6,446,164)	(13,974)	18,007	- 587,579	4,033	
Profit after taxation for the three months ended March 31, 2022 Other comprehensive (loss) / income	1 - 1						- (507,913)	396,562	2,135,236	28,419	2,163,655 (1,111,351)	
Total comprehensive (loss) / income for the three months ended March 31, 2022 Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax				' '	' '		(1,507,913)	396,562 (27,979)	2,135,236 27,979	28,419	1,052,304	
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal								(39,653)	3,260 41,266		1,613	lar
fraisactions with owners recognized directly in equity: Final stock dividend - December 31, 2021 declared subsequent to year end at 12,5% per share	•	•	•		3,304,615			•	(3,304,615)	•	•	Fa
					3,304,615				(3,304,615)		•	rc

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

Balance as on March 31, 2022 - un-audited

Chief Financial Officer

President

Director



# **Consolidated Condensed Interim** Cash Flow Statement For the Three Months Ended March 31, 2022 (Un-audited)

		Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	Note		in '000'
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation Less: Dividend income		3,487,882 (164,143)	3,071,195 (55,821)
Ecos. Dividend income		3,323,739	3,015,374
Adjustments:	29	272.072	20E 200
Depreciation on fixed assets Depreciation on non banking assets acquired in	29	372,072	305,308
satisfaction of claims Depreciation on ijarah assets under IFAS - 2 Depreciation on right of use assets Amortization on intangible assets Amortization of discount on debt securities - net	29 29 29 29	11,770 60,063 271,554 49,936 (865,572)	13,278 63,591 238,995 58,052 (364,010)
Mark-up on lease liability against right of use assets	25	296,605	257,391
Unrealized loss on revaluation of investments classified as held for trading (Reversal) / provision and write-offs - net Loss on termination of lease liability against right of use assets	27 31 28	13,428 (1,063,925) 2,454	39,565 850,569
Gain / (loss) on sale of property and equipment - net Gain on sale of non banking assets - net Realized loss / (gain) on sale of securities - net Provision for employees compensated absences Provision for gratuity	28 28 27	(15,693) (114,420) 110,252 3,010 85,008	(131) (21,716) (1,301,712) 3,496 51,737
		(783,458)	194,413
		2,540,281	3,209,787
(Increase) / decrease in operating assets: Lendings to financial institutions Held for trading securities Advances - net Others assets - net		25,417,441 29,573,568 (19,461,168) (3,614,673)	(15,156,120) (13,614,777) (24,767,209) 5,483,347
Increase / (decrease) in operating liabilities:		31,915,168	(48,054,759)
Bills payable Borrowings from financial institutions Deposits Other liabilities		(3,931,207) 46,186,361 15,706,914 5,236,260	1,310,447 (24,122,369) (8,124,766) (4,172,830)
		63,198,328	(35,109,518)
Payment made to gratuity fund Income tax paid		(268,144) (845,850)	- (1,498,223)
		(1,113,994)	(1,498,223)
Net cash flow from / (used in) operating activities		96,539,783	(81,452,713)



# **Cash Flow Statement (Cont:)**

Three Months
Ended
March 31,
2022

Three Months
Ended
March 31,
2021

	Note	Rupees	in '000'
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available for sale securities Net investments in held to maturity securities Dividends received Investments in fixed assets Investments in intangible assets Proceeds from sale of fixed assets Proceeds from sale of non banking assets		(63,953,796) (32,539,047) 123,810 (712,308) (123,859) 16,023 470,848	74,432,903 - 55,824 (991,851) (19,108) 663 115,617
Net cash (used in) / flow from investing activities		(96,718,329)	73,594,048
CASH FLOW FROM FINANCING ACTIVITIES			
Advance subscription money - subordinated perpetual term finance certificates Payment - lease liability against right of use assets	20.3	2,167,500 (357,843)	(322,073)
Net cash flow from / (used in) financing activities		1,809,657	(322,073)
Increase / (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of the period		1,631,111 80,177,594	(8,180,738) 71,777,051
Cash and cash equivalents at end of the period		81,808,705	63,596,313
Cash and cash equivalents:			
Cash and balances with treasury banks Balances with other banks Overdrawn nostro accounts		73,171,913 9,111,968 (475,176) 81,808,705	62,180,403 1,467,324 (51,414) 63,596,313

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

Chief Financial Officer	President	Director



# **Notes to the Consolidated Condensed Interim Financial Statements**

For the Three Months Ended March 31, 2022 (Un-audited)

### 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") (100% owned by First Punjab Modaraba). 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-2022	% age of holding-2021
Punjab Modaraba services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
Punjab Capital Securities (Private) Limited	39.16%	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. Further, Punjab Capital Securities (Private) Limited is a 100% subsidiary of FPM. The Group has consolidated the financial statements of the modaraba and PCSL 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 664 branches including 16 sub branches and 115 Islamic banking branches (December 31, 2021: 662 branches including 16 sub branches and 114 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank is listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb).

### 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 23 December 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 First Punjab Modaraba.

### 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 marked-up 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 mark-up 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 39 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. The accounting and reporting standards comprise of:
  - Directives issued by the SBP and the Securities Exchange Commission of Pakistan (SECP).
  - Requirements of The Bank of Punjab Act, 1989;
  - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017;
  - International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Act, 2017; and
  - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under 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 SBP BPRD Circular Letter No. 05 of 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 consolidated financial statements of the Bank for the year ended December 31, 2021.
- 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 the preparation of these consolidated condensed interim financial statements.

2.1.4 The State Bank of Pakistan 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 New accounting standards/ amendments and IFRS interpretations that are effective for the current period:

During the period, certain amendments to standards, interpretations and improvements to accounting standards became effective, however the amendments, interpretations and improvements are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these consolidated condensed interim financial statements.

### 2.1.6 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.

The SBP vide BPRD Circular letter No. 24 dated July 05, 2021 notified the effective date of IFRS 9 as January 01, 2022. However, final application instructions for IFRS 9 has not been issued by SBP. Accordingly, these consolidated condensed interim financial statements have been prepared in accordance with the existing prudential regime.

Standard or Interpretations		Effective date (accounting periods beginning on or after)
IAS 8	Amended Definition of Accounting Estimates	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IAS 1	Classification of liabilities as current or non-current -Amendments	1 January 2024
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture - Amendments	1 January 2023



### 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 right of use assets, lease liability and certain staff retirement benefits at present value.
- 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 consolidated financial statements of the Bank for the year ended December 31, 2021.

### 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 consolidated financial statements of the Bank for the year ended December 31, 2021.

### 6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual consolidated financial statements of the Bank for the year ended December 31, 2021.

		(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 in '000'
7.	CASH AND BALANCES WITH TREASURY BANKS		
	In hand: Local currency Foreign currencies	15,542,675 2,214,398	13,800,719 4,359,944
	With SBP in: Local currency current account	17,757,073 43,294,761	18,160,663 40,887,037
	Foreign currency current account Foreign currency deposit account	1,339,391 2,833,577	900,219 2,109,501
	With National Bank of Pakistan in: Local currency current account	47,467,729 7,911,017	43,896,757 9,174,433
	Prize bonds	36,094	87,385
		73,171,913	71,319,238



(Un-audited) (Audited) March 31, December 31, 2022 2021 Note Rupees in '000' **BALANCES WITH OTHER BANKS** In Pakistan: 296.993 Current accounts 506.708 Deposit accounts 5,534,400 5,638,770 6,041,108 5,935,763 Outside Pakistan: 1.339.397 Current accounts 768.421 Deposit accounts 2,302,439 1,583,196 3.070.860 2.922.593 9.111.968 8.858.356 9. LENDINGS TO FINANCIAL INSTITUTIONS Call money lendings 100,000 Repurchase agreement lendings (Reverse Repo) 92 3962947 26.380.388 Placements 93 200,000 3,100,000 4.162.947 29.580.388 9.1 Particulars of lendings 29,580,388 In local currency 4,162,947 In foreign currencies

### 9.2 Securities held as collateral against lendings to financial institutions

		(Un-audited) March 31, 2022		Dec	(Audited) cember 31, 20	D21
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
		Rup	ees in	'000'		
Market treasury bills Pakistan investment bonds	1,416,691 2,546,256	-	1,416,691 2,546,256	21,088,298 5,292,090	-	21,088,298 5,292,090
	3,962,947	-	3,962,947	26,380,388	-	26,380,388

Market value of securities held as collateral as at March 31, 2022 amounted to Rs. 3,959,919 thousand (December 31, 2021: Rs. 26,391,416 thousand). These carry mark-up at rate of 10.75% per annum (December 31, 2021: 10.50% to 10.75% per annum).

9.3 This carry profit rate of 11.25% per annum (December 31, 2021: 7.25% to 10.90% per annum) with maturity upto June 30, 2022.

4,162,947

29,580,388



### 10. INVESTMENTS - NET

### 10.1 Investments by type:

investments i	oy type.			(Un-audited) March 31, 2022	2	D	(Audited) ecember 31, 202	11	
		Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Held for two discourses with a	Note			Ru	peesin	,000,			
Held-for-trading securities Federal government securities Ordinary shares	10.1.1	3,929,667 30,583		(10,881) (2,547)	3,918,786 28,036	33,472,511 34,331	:	26,429 (5,390)	33,498,940 28,941
Available-for-sale securities Federal government securities Shares and certificates Non government debt securities Foreign securities	101.1 & 10.2	3,960,250 487,649,391 11,131,739 17,022,983 11,957	(1,388,874) (2,525,563)		3,946,822 475,651,140 8,680,744 14,518,322 11,957	33,506,842 425,181,105 9,106,342 17,084,566 11,957	(1,420,029) (2,525,563)	21,039 (9,766,167) (840,977) 39,662	33,527,881 415,414,938 6,845,336 14,598,665 11,957
Held-to-maturity securities Federal government securities WAPDA bonds	10.1.1 & 10.4	515,816,070 94,078,142 400		(13,039,470) - -	498,862,163 94,078,142	451,383,970 61,299,171 400	(3,945,592) - (400)	(10,567,482) - -	436,870,896 61,299,171
		94,078,542	(400)	-	94,078,142	61,299,571	(400)	-	61,299,171
Total investments		613,854,862	(3,914,837)	(13,052,898)	596,887,127	546,190,383	(3,945,992)	(10,546,443)	531,697,948

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.

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		Rupees	s in '000'
10.2	Investments given as collateral		
	Pakistan investment bonds	43,848,434	1,768,381
10.3	Provision for diminution in value of investments		
10.3.1	Opening balance Charge / reversals:	3,945,992	3,914,826
	Charge for the period / year Reversals for the period / year	-	322,188 (10,669)
		-	311,519
	Reversal on disposal during the period / year	(31,155)	(280,353)
	Closing balance	3,914,837	3,945,992

### 10.3.2 Particulars of provision against debt securities

### Category of classification

	(Un-au March 3		(Audit December 3	
	NPI	Provision	NPI	Provision
		Rupees i	n '000'	
Domestic				
Other assets especially mentioned	-	-	=	=
Substandard	-	-	=	=
Doubtful	-	-	-	=
Loss	2,525,963	2,525,963	2,525,963	2,525,963
Total	2,525,963	2,525,963	2,525,963	2,525,963



10.4 Market value of held to maturity investments amounted to Rs. 94,497,242 thousand (December 31, 2021: Rs. 63,715,206 thousand).

### 11. **ADVANCES - NET**

	Performing		Non Performing		Total	
	(Un-audited) March 31, 2022	(Audited) December 31, 2021	(Un-audited) March 31, 2022	(Audited) December 31, 2021	(Un-audited) March 31, 2022	(Audited) December 31, 2021
			Rupees in '000'			
Loans, cash credits, running finances, etc. Net book value of assets in ijarah under	436,530,128	419,870,754	49,264,895	48,995,887	485,795,023	468,866,641
IFAS 2 - In Pakistan	1,906,181	1,860,758	215,000	215,000	2,121,181	2,075,758
Islamic financing and related assets	46,346,425	45,336,297	3,050,869	3,050,869	49,397,294	48,387,166
Bills discounted and purchased	17,651,297	16,234,159	27,521	27,521	17,678,818	16,261,680
Advances - gross	502,434,031	483,301,968	52,558,285	52,289,277	554,992,316	535,591,245
Provision against advances:						
- Specific	-	-	(46,954,960)	(46,959,797)	(46,954,960)	(46,959,797)
- General	(3,067,114)	(3,054,945)	-	-	(3,067,114)	(3,054,945)
	(3,067,114)	(3,054,945)	(46,954,960)	(46,959,797)	(50,022,074)	(50,014,742)
Advances - net of provision	499,366,917	480,247,023	5,603,325	5,329,480	504,970,242	485,576,503

(Un-audited) March 31, 2022

(Audited) December 31, 2021

Rupees in '000'

11.1	Particulars of advances (gross)		
	In local currency In foreign currencies	554,857,364 134,952	535,501,661 89,584
		554,992,316	535,591,245

Advances include Rs. 52,558,285 thousand (December 31, 2021: Rs. 52,289,277 thousand) which have 11.2 been placed under non-performing status as detailed below:

	(Un-audited) March 31, 2022		(Audited) December 31, 2021	
	Non performing loans	Provision	Non performing loans	Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	202,261	6,605	156,255	3,946
Substandard	2,658,066	447,912	3,173,639	517,367
Doubtful	6,233,056	5,525,248	6,432,920	5,571,388
Loss	43,464,902	40,975,195	42,526,463	40,867,096
Total	52,558,285	46,954,960	52,289,277	46,959,797

### 11.3 Particulars of provision against advances

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
			Rupees in '000'			
Opening balance	46,959,797	3,054,945	50,014,742	48,076,725	3,748,493	51,825,2
Charge for the period / year Reversals for the period / year	673,314 (678,151)	12,169	685,483 (678,151)	4,004,162 (5,120,979)	- (693,548)	4,004,1 (5,814,52
Amounts written off	(4,837)	12,169	7,332	(1,116,817) (111)	(693,548)	(1,810,36 (1
Closing balance	46,954,960	3,067,114	50,022,074	46,959,797	3,054,945	50,014,7



		March 31, 2022 (Un-audited)		December 31, 2021 (Audited)		ted)	
		Specific	General	Total	Specific	General	Total
11.3.1	Rupees in '000'  Particulars of provision against advances with respect to currencies						
	In local currency In foreign currencies	46,954,960	3,067,114	50,022,074	46,959,797	3,054,945	50,014,742
		46,954,960	3,067,114	50,022,074	46,959,797	3,054,945	50,014,742

- 11.3.2 This includes general provision recognized during the period as explained in note 6 of these consolidated condensed interim financial statements and provision against advances and provision against consumer and SME financing portfolio as required by Prudential Regulations issued by the SBP.
- 11.3.3 The Group 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. 2,746,378 thousand (December 31, 2021: Rs 1,975,509 thousand). The FSV benefit availed is not available for cash or stock dividend.

		Note	(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 s in '000'
12.	FIXED ASSETS			
	Capital work-in-progress Right of use assets Property and equipment	12.1 12.2	461,921 7,940,436 14,580,701	191,433 7,891,934 11,753,063
	rioperty and equipment	12.2	22,983,058	19,836,430
12.1	Capital work-in-progress			
	Civil works		461,921	191,433
		Note:	(Un-audited) March 31, 2022 Rupees	(Un-audited) March 31, 2021
12.2	Additions / (transfers) to fixed assets			
	The following additions have been made to fixed assets during the period:			
	Capital work-in-progress		270,488	697,230
	Addition to right of use assets		345,426	533,765
	Property and equipment:			
	Building on freehold land Furniture and fixture Office equipment Computer equipment Lease hold improvements Vehicles	15.2	2,758,220 30,591 74,758 271,320 65,151	18,133 124,386 105,024 46,998 80
			3,200,040	294,621
			3,815,954	1,525,616
12.3	Termination of right of use assets		25,372	



		(Un-audited) March 31, 2022 Rupee:	(Un-audited) March 31, 2021 s in '000'
12.4	Disposal of property and equipment:		
	The net book value of property and equipment disposed off during the period is as follows: Furniture and fixture Office equipment Computer equipment Vehicles	65 265 - -	165 367 -
		330	532

Gross carrying amount of computer equipment and vehicles disposed off during the period was Rs. 333 thousand and Rs. 12,002 thousand respectively (March 31, 2021: Nil and Nil respectively).

		(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 s in '000'
13.	INTANGIBLE ASSETS		
	Intangible in progress Softwares	440,908 741,167	523,686 584,466
		1,182,075	1,108,152
		(Un-audited) March 31, 2022 Rupees	(Un-audited) March 31, 2021 s in '000'
13.1	Additions / (transfer) to intangible assets		
	The following additions / (transfers) have been made to intangible assets during the period:		
	Intangible in progress Intangible assets purchased	(82,778) 206,637	13,747 5,361
		123,859	19,108



March 31, December 31, 2022 2021 Note Rupees in '000' 14. **DEFERRED TAX ASSETS - NET** Deductible temporary differences on: 5.085.393 4.121.318 Deficit on revaluation of investments 702,213 Right of use assets 619,234 24.221 Workers welfare fund Business loss - Subsidiaries 64.399 64.399 Provision against advances, off balance sheet etc. 10,483,650 10,699,622 16,359,876 15,504,573 Taxable temporary differences on: Surplus on revaluation of fixed assets (1.582.196) (1.346.545)Accelerated tax depreciation (236,650) (230, 269)Surplus on revaluation of non banking assets (167,322)(163,625) (1.982.471) (1,744,136)14.377.405 13.760.437 15. **OTHER ASSETS - NET** Income / mark-up accrued in local currency 16.905.860 18.969.201 Income / mark-up accrued in foreign currency 1013 168 1,071,403 1,016,018 Advances, deposits, advance rent and other prepayments 5,479,598 Non-banking assets acquired in satisfaction of claims 3,049,891 Acceptances 14,211,339 8,337,508 Branch adjustment account 183.289 183150 150.612 Mark to market gain on forward foreign exchange contracts Mark to market gain on deliverable future contracts 485 Stock of stationery 163,731 90,478 Suspense account 19,163 11,807 Zakat recoverable from National Investment Trust Limited (NITL) 36.790 36.790 148.770 Unrealized gain on revaluation of foreign bills and trade loans 41,665 Fraud and forgeries 440,945 445,033 Auto Teller Machine and point of sale receivable 236,048 740,953 Others 567,759 674,624 35,995,300 37,218,791 Less: Provision held against other assets 15.1 (840.787) (1.914.474) Other assets (net of provision) 36,378,004 34.080.826 Surplus on revaluation of non-banking assets acquired in satisfaction of claims 1,407,321 1,453,931 Other assets - total 37,785,325 35,534,757 15.1 Provision held against other assets 35,723 Advances, deposits, advance rent & other prepayments 35,723 Non banking assets acquired in satisfaction of claims 30,876 1,084,936 Zakat recoverable from NITL 36,790 36,790 Fraud and forgeries 426.336 446,760 Others 311,062 310,265 840787 1914474

(Un-audited)

(Audited)



**Har Fard KaKhayal** 

(Un-audited) March 31, 2022 (Audited) December 31, 2021

		2022	2021
	Note	Rupees	s in '000'
15.2	Non-banking assets acquired in satisfaction of claims		
	Opening balance Surplus on revaluation during the period / year Disposals during the period / year - net book value Transfer to fixed assets - net book value Depreciation charged during the period / year Impairment reversed during the period / year	5,848,593 650,101 (356,428) (2,758,220) (11,770) 1,054,060	5,904,147 275,670 (250,817) (145,360) (48,666) 113,619
	Closing balance	4,426,336	5,848,593
16.	CONTINGENT ASSETS		
	Contingent assets	Nil	Nil
17.	BILLS PAYABLE		
	In Pakistan Outside Pakistan	6,178,252 -	10,109,459
		6,178,252	10,109,459
18.	BORROWINGS		
	Secured Borrowings from SBP under:    Export refinance scheme (ERF)    Long term financing facility (LTFF)    Finance facility for storage of agricultural produce (FFSAP)    Finance facility for renewable energy performance    platform (REPP)    Refinancing facility for payment of salaries and wages    Combating COVID-19    Finance Islamic facility for working capital financing of SE & ME    Finance Facility for temporary relief refinance scheme (TERF)    Finance Facility for women entrepreneurs    Finance Islamic facility for Saaf Rozgar Reimbursement Credit    Finance Facility for Shamsi Tawanai Consumer    Refinancing facility for modernization of small    and medium enterprises (SMES)	28,572,652 14,279,474 175,926 5,913,457 7,174,790 1,354,474 3,000 14,068,779 3,378 698,684 8,307 94,423	28,221,440 13,499,088 185,799 5,347,359 9,132,079 1,089,182 3,000 11,881,311 3,589 - - 155,628
	Repurchase agreement borrowings Borrowing from Pakistan Mortgage Refinance Company Limited	43,398,722 1,763,783	1,805,013
	Total secured	117,509,849	71,323,488
	Unsecured Overdrawn nostro accounts	475,176	-
		117,985,025	71,323,488



### 19. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
			Rupees in '	000'		
Customers:						
Current deposits Savings deposits Term deposits Others	173,693,008 491,083,095 296,775,910 23,237,433	3,754,772 3,472,074 16,085,659	177,447,780 494,555,169 312,861,569 23,237,433	169,522,753 459,784,249 320,956,024 16,885,516	3,649,150 3,340,461 7,419,447	173,171,903 463,124,710 328,375,471 16,885,516
Financial institutions:	984,789,446	23,312,505	1,008,101,951	967,148,542	14,409,058	981,557,600
Final claim studions: Current deposits Savings deposits Term deposits Others	1,543,014 3,539,812 1,571,000 577,223	745,450 3,554 2,543,191	2,288,464 3,543,366 4,114,191 577,223	1,797,032 4,870,165 10,841,125 527,609	874,512 3,585 2,446,653	2,671,544 4,873,750 13,287,778 527,609
	7,231,049	3,292,195	10,523,244	18,035,931	3,324,750	21,360,681
	992,020,495	26,604,700	1,018,625,195	985,184,473	17,733,808	1,002,918,281

		Note	(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 s in '000'
20.	SUBORDINATED DEBTS			
	Privately placed term finance certificates - I Privately placed term finance certificates - II Advance subscription money - subordinated	20.1 20.2	2,495,000 4,293,980	2,495,000 4,293,980
	perpetual term finance certificates	20.3	3,167,500	1,000,000
			9,956,480	7,788,980

### 20.1 Privately placed term finance certificates - I

The Bank has issued rated, unsecured and subordinated term finance certificates under section 120 of the Companies Ordinance, 1984, 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:	Rupees 2500000 thousand

Issue date: December 23, 2016
Maturity date: December 22, 2026

Rating: AA-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 matu

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 as declared by the SBP.

### 20.2 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: Rupees 4,300,000 thousand

Issue date: April 23, 2018 Maturity date: April 23, 2028 Rating: AA-

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 as declared by the SBP.

### 20.3 Advance subscription money - subordinated perpetual term finance certificates

Upto March 31, 2022, the Bank received Rs. 3,167,500 thousand under formal investor agreement from potential investors as advance subscription money against unsecured, subordinated, perpetual and non cumulative term finance certificates in the nature of Additional Tier -I capital. Subordinated to all other debts of the Bank including deposits but superior to equity. The Bank has applied to SBP for grant of formal approval for issue of Additional Tier -I capital for Capital Adequacy requirement as per guidelines set by SBP. The advance subscription money carries mark-up at rate of 6 month KIBOR plus spread of 200 bps per annum.



		Note	(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 in '000'
21.	OTHER LIABILITIES			
	Mark-up / return / interest payable in local currency Mark-up / return / interest payable in foreign currency Lease key money Provision for taxation (provisions less payments) Sundry creditors and accrued expenses Acceptances Mark-up payable on subordinated debts Unclaimed dividends Branch adjustment account Payable to gratuity fund Gratuity payable to key management personnel Payable to charity fund Provision against off-balance sheet obligations Provision for employees compensated absences Taxes / zakat / import fee payable Lease liability against right of use assets Workers welfare fund IBFT payable Others	21.1	13,056,140 100,264 12,483,097 1,139,251 1,645,608 14,211,339 306,734 2,586 5,750 13 62,183 135,686 901,635 9,740,983 1,045,263 22,974 978,273	14,306,594 52,107 11,991,877 755,465 1,410,802 8,337,508 90,505 2,586 290,150 268,144 5,750 8 62,183 133,629 689,636 9,479,713 983,158 544,489 817,293
			JJ,3ZZ,7O7	JU,ZZI,J97
21.1	Provision against off-balance sheet obligations		62,183	62,183

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

		Note	(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 s in '000'
22.	DEFICIT ON REVALUATION OF ASSETS - NET OF TAX			
	(Deficit) / surplus on revaluation of: - Available for sale securities - Property and equipment - Non-banking assets acquired in satisfaction of claims	10.1 15	(13,039,470) 5,741,624 1,407,321	(10,567,482) 5,137,390 1,453,931
	Deferred tax on deficit / (surplus) on revaluation of:	.5	(5,890,525)	(3,976,161)
	<ul><li>Available for sale securities</li><li>Property and equipment</li><li>Non-banking assets acquired in satisfaction of claims</li></ul>		5,085,393 (1,582,196) (163,625)	4,121,318 (1,346,545) (167,322)
			3,339,572	2,607,451
			(2,550,953)	(1,368,710)



		Note	(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 S in '000'
23.	CONTINGENCIES AND COMMITMENTS			
	Guarantees Commitments Other contingent liabilities	23.1 23.2 23.3	86,946,925 411,220,142 8,975 498,176,042	80,791,490 388,223,744 8,975 469,024,209
23.1	Guarantees:		130,17 0,0 12	103,02 1,203
	Financial guarantees Performance guarantees Other guarantees		19,225,714 21,542,014 46,179,197	18,341,471 18,710,766 43,739,253
22.2	Commitments		86,946,925	80,791,490
23.2	Commitments:  Documentary credits and short-term trade-related transactions		122.626.661	120,500,404
	<ul> <li>letters of credit</li> <li>Commitments in respect of:</li> <li>forward foreign exchange contracts</li> <li>forward lending</li> </ul>	23.2.1 23.2.2	133,636,661 234,406,842 43,083,152	136,560,464 205,641,893 45,923,548
	Commitments for acquisition of: - fixed assets - intangible assets		7,142 86,345	13,052 84,787
			411,220,142	388,223,744
23.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase Sale		124,049,295 110,357,547	105,824,202 99,817,691
			234,406,842	205,641,893
23.2.2	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	43,083,152	45,923,548
23.2.2.1	These represent commitments that are irrevocable bee of the Bank without the risk of incurring significant p revocable commitments that do not attract any signific withdrawn.	enalty or ex	pense. In additior	n, the Bank makes
	We start to	Note	(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 Sin '000'
23.3	Other contingent liabilities	23.3.1	8,975	8,975



23.3.1 For the tax year 2007, the Income Tax Department concluded proceedings under section 161/205 and created a default of Rs. 8,975 thousand. The Bank filed appeal before CIR (A), however the same was not allowed. The Bank filed an appeal against the said order of CIR (A) with ATIR. The expected tax liability for the said year amounts to Rs. 8,975 thousand. However, the management of the Bank, as per opinion of its tax consultant, is confident that the decision for the aforementioned tax year will be decided in Bank's favor.

			(Un-audited) March 31,	(Audited) December 31,
			2022	2021
		Note	Rupees	s in '000'
23.4	Claims against the Bank not acknowledged as debts	23.4.1	54,809,134	54,809,134

23.4.1 The amounts 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 our 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) March 31, 2022 Rupee	(Un-audited) March 31, 2021 s in '000'
24.	MARK-UP / RETURN / INTEREST EARNED		
	On loans and advances On investments:	11,986,911	8,200,884
	Available for sale securities Held for trading securities Held to maturity securities On lendings to financial institutions:	11,458,170 475,670 2,024,322	8,697,116 421,199 1,847,302
	Securities purchased under resale agreements Call lending Letters of placement	293,199 36,007 391,189	158,011 - 101,628
	On balances with banks	154,374	2,117
		26,819,842	19,428,257
25.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits and other accounts	16,961,095	10,487,987
	Borrowings: Securities sold under repurchase agreements Call borrowings Borrowing from Pakistan Mortgage Refinance	875,393 -	302,119 1,144,576
	Company Limited SBP refinance borrowing Subordinated debts:	43,601 284,006	17,011 186,475
	Mark-up on advance subsription money - subordinated perpetual term finance certificate Mark-up on privately placed term finance certificates Mark-up on lease liability against right of use assets	35,462 180,766 296,605	- 142,483 257,391
		18,676,928	12,538,042



(Un-audited) March 31, 2022

(Un-audited) March 31, 2021

	Note	Rupees	pees in '000'	
26.	FEE AND COMMISSION INCOME			
	Branch banking customer fees Consumer finance related fees Card related fees Credit related fees Branchless banking fees Commission on trade Commission on guarantees Commission on cash management Commission on remittances including home remittances Commission on bancassurance Commission on wheat financing	139,832 92,243 277,127 230,802 32,442 282,243 82,920 31,039 99,559 17,616	141,252 94,270 189,816 142,557 14,082 233,796 58,924 29,035 101,724 27,077 6,609	
	SMS banking income	108,497	85,252	
		1,394,320	1,124,394	
27.	(LOSS) / GAIN ON SECURITIES - NET			
	Realized (loss) / gain on sale of securities - net 27:1 Unrealized loss - held for trading	(110,252) (13,428)	1,301,712 (39,565)	
		(123,680)	1,262,147	
27.1	Realized (loss) / gain on sale of securities - net:			
	Federal government securities Shares and certificates	(125,238) 14,986	1,003,285 298,427	
		(110,252)	1,301,712	
28.	OTHER INCOME - NET			
	Gain on sale of fixed assets - net Gain on sale of non banking assets - net Loss on termination of lease liability against right of use assets	15,693 114,420 (2,454)	131 21,716	
	Notice pay on resignations	5,605	3,040	
		133,264	24.887	



2022 2021 Rupees in '000' 29. **OPERATING EXPENSES** 4,413,841 Total compensation expense 3,188,312 Property expense: Rent and taxes 3.428 5.603 Insurance 2,802 3,701 Utilities cost 159,965 126,174 Security 915 596 Repair and maintenance including janitorial charges 22,074 8,456 Depreciation 182.917 136.768 Depreciation on right of use assets 271,554 238,995 643,655 520,293 Information technology expenses: 91038 Software maintenance 121 346 Hardware maintenance 16,958 19.143 Depreciation on computer equipment 96,071 85.553 49,936 58,052 Amortization on intangible assets Network charges 119,175 128,354 412,665 372,961 Other operating expenses: Directors' fees and allowances 12.041 11.800 Fees and allowances to shariah board 2.210 640 Legal and professional charges 54,026 60,336 Subscription charges 11,060 7,570 Outsourced staff services costs 129.593 104.950 Travelling and conveyance 297.686 162.367 19565 16.620 NIFT clearing charges 93,084 82,987 Depreciation Depreciation on non banking assets acquired in 11.770 13.278 satisfaction of claims 63 591 60.063 Depreciation on ijarah assets under IFAS - 2 Training and development 28.256 6.855 50,048 34,762 Postage and courier charges Stationery and printing 86,884 50,791 269.309 70.170 Marketing, advertisement and publicity 69.777 49.988 Insurance 110,757 Deposit protection fee 127,320 Repair and maintenance 71,754 67,079 Entertainment expenses 44,026 32,794 22.984 Fuel for generator 29.740 Commission and brokerage 98.418 67,778 7,072 Bank charges 7,776 SMS banking charges 21,957 8,944 ATM charges including ATM maintenance charges 65,437 102,411 Cash remittance charges 90.419 59.065 15.173 14.887 Branch license fee 49.976 62.939 CNIC verification / ECIB charges COVID-19 related expenses 3,347 11,096 Miscellaneous expenses 58,853 58,664 1,879,568 1,363,175 7,349,729 5,444,741

(Un-audited)

March 31,

(Un-audited)

March 31.



		Note	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021 s in '000'
		TVOIC	Кирсс	111 000
30.	OTHER CHARGES			
	Penalties imposed by SBP		4,014	150
31.	(REVERSAL) / PROVISIONS AND WRITE OFFS - NET			
	Provisions for diminution in value of investments Provisions against advances (Reversal) / provision against other assets - net Bad debts written off directly	10.3.1 11.3	7,332 (1,071,291) 34	66,935 766,377 17,257
			(1,063,925)	850,569
32.	TAXATION			
	Current Deferred	32.1	1,229,636 94,591	1,281,462 (46,292)
			1,324,227	1,235,170
32.1	This includes provision for super tax for the period in ac	cordance	with Income Tax	Ordinance 2001

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

(Un-audited)

(Un-audited)

		March 31, 2022	March 31, 2021
		Rupees	s in '000'
33.	BASIC EARNINGS PER SHARE		
	Profit after taxation for the period (Rs in '000')	2,135,236	1,832,624
	Weighted average number of ordinary shares (No.)	2,643,692,380	2,643,692,380
	Basic earnings per share (Rs).	0.81	0.69

### 34. DILUTED EARNINGS PER SHARE

There is no dilution effect on basic earnings per share.

### 35. 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.



**35.1** The Bank measures fair vale 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).

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

	March 31, 2022 (Un-audited)						
			Fair value				
	Carrying value	Level 1	Level 2	Level 3	Total		
			Rupees in '000'				
On balance sheet financial instruments							
Financial assets measured at fair value:							
Government securities	479,569,926	-	479,569,926	-	479,569,926		
Shares and certificates	8,708,780	8,689,814	-	18,966	8,708,780		
Non-Government debt securities	10,051,283	-	10,051,283	-	10,051,283		
Foreign securities	11,957	=	-	11,957	11,957		
Financial assets disclosed but not							
measured at fair value:					-		
Government securities	94,078,142	=	94,497,242	=	94,497,242		
Financial liabilities measured at fair value:							
Payable to gratuity fund	85,008	-	85,008	-	85,008		
Provision for employees							
compensated absences	135,686	-	135,686	-	135,686		
Off balance sheet financial instruments:							
Forward purchase of foreign							
exchange contracts	127,014,125	-	127,014,125	-	127,014,125		
Forward sale of foreign exchange contracts	113,139,227	-	113,139,227	-	113,139,227		
		Dece	ember 31, 2021 ( <i>A</i>	Audited)			
		2000	Fair value	(dairea)			
	Carrying value	Level 1	Level 2	Level 3	Total		
			Rupees in '000'				
On balance sheet financial instruments							
Financial assets measured at fair value:							
Government securities	448,913,878	-	448,913,878	-	448,913,878		
Shares and certificates	6,874,277	6,834,777	-	39,500	6,874,277		
Non-Government debt securities	10,106,626	-	10,106,626	-	10,106,626		
Foreign securities	11,957	-	-	11,957	11,957		
Financial assets disclosed but not							
measured at fair value:							
Government securities	61,299,171	-	63,715,206	-	63,715,206		
Financial liabilities measured at fair value:							
Payable to gratuity fund	268,144	-	268,144	-	268,144		
Provision for employees							
compensated absences	133,629	-	133,629	-	133,629		
Off balance sheet financial instruments:							
Forward purchase of foreign							
exchange contracts	107,277,276	=	107,277,276	-	107,277,276		
Forward sale of foreign exchange contracts	101,120,153	=	101,120,153	=	101,120,153		



### 35.2 Fair value of non financial assets

	March 31, 2022 (Un-audited) Fair value						
	Carrying value	Level 1	Level 2	Level 3	Total		
			Rupees in '000'				
Non Financial assets measured at fair value:							
Fixed assets (land & building)  Non banking assets acquired in	11,434,398	-	11,434,398	-	11,434,398		
satisfaction of claims	4,426,336	-	4,426,336	-	4,426,336		
		Dece	mber 31, 2021 ( <i>i</i>	Audited)			
			Fair value				
	Carrying value	Level 1	Level 2	Level 3	Total		
			Rupees in '000'				
Non Financial assets measured at fair value:							
Fixed assets (land & building) Non banking assets acquired in	8,764,483	-	8,764,483	-	8,764,483		
satisfaction of claims	5,848,593	-	5,848,593	-	5,848,593		

### 36. SEGMENT INFORMATION

### 36.1 Segment details with respect to business activities

### March 31, 2022 (Un-audited)

			warch.	31, 2022 (Un-au	iaitea)		
	Corporate and investment banking	Consumer and digital banking	Retail and priority sector lending	Treasury	Islamic	Others including Head Office	Total
5 000			Rupe	es in '000'			
Profit & loss  Net mark-up / return / profit Inter segment (cost) / revenue - net Non mark-up / return / interest income	8,463,860 (6,850,736) 415,793	23,645,622 663,165	2,299,005 (1,512,277) 130,678	13,974,778 (13,271,499) 288,844	1,943,266 (57,483) 53,816	138,933 (1,953,627) 144,595	26,819,84 1,696,89
Total income	2,028,917	24,308,787	917,406	992,123	1,939,599	(1,670,099)	28,516,73
Segment total expenses	582,857	18,293,086	626,281	982,134	1,682,154	3,926,264	26,092,77
Profit before provisions and tax Provisions	1,446,060 (29,657)	6,015,701 (17,924)	291,125 (9,650)	9,989 -	257,445 46,594	(5,596,363) (1,053,288)	2,423,95 (1,063,92)
Profit / (loss) before tax	1,475,717	6,033,625	300,775	9,989	210,851	(4,543,075)	3,487,88
Balance sheet Cash & bank balances Investments - net Net inter segment lending Lendings to financial institutions Advances - performing - non-performing - net Others	343,153,751 2,894,743 21,380,751	23,483,290 945,753,500 - - 2,174,006	96,563,425 919,291 689,454	46,210,458 570,857,898 - 2,462,947 - - 6,518,150	12,590,133 26,029,229 1,700,000 48,252,607 1,789,291 4,426,519	19,962,637 11,397,134 41,138,983	82,283,8 596,887,12 965,716,13 4,162,94 499,366,9 5,603,32 76,327,86
Total assets  Borrowings Subordinated debts Deposits & other accounts Net inter segment borrowing Others	367,429,245 72,398,674 - - 281,029,122 14,001,449	971,410,796 - - 949,958,045 - 21,452,751	98,172,170 1,763,783 - - 84,713,068 11,695,319	626,049,453 42,568,976 - 583,118,511 361,966	94,787,779 1,253,592 68,667,150 16,855,436 3,335,769	72,498,754 - 9,956,480 - - 11,253,785	2,230,348,19 117,985,03 9,956,48 1,018,625,19 965,716,1 62,101,03
Total liabilities Equity Total equity & liabilities	367,429,245	971,410,796	98,172,170	626,049,453	90,111,947	21,210,265	2,174,383,8 55,964,3 2,230,348,1
Contingencies & commitments	250,293,615	-	360,533	234,406,842	13,012,590	102,462	498,176,0



			March	n 31, 2021 (Un-au	dited)		
	Corporate and investment banking	Consumer and digital banking	Retail and priority sector lending	Treasury	Islamic	Others including Head Office	Total
			Rupee	es in '000'			
Profit & loss			·				
Net mark-up / return / profit	5,912,852	-	1,607,154	10,721,820	1,089,541	96,890	19,428,257
Inter segment revenue - net	(4,367,602)	13,955,043	(962,243)	(7,635,128)	(12,269)	(977,801)	
Non mark-up / return / interest income	156,089	456,209	145,763	1,728,825	30,692	24,388	2,541,966
Total income	1,701,339	14,411,252	790,674	4,815,517	1,107,964	(856,523)	21,970,223
Segment total expenses	336,228	12,594,012	335,157	1,526,776	956,271	2,300,015	18,048,459
Profit before provisions and tax	1,365,111	1,817,240	455,517	3,288,741	151,693	(3,156,538)	3,921,764
Provisions	654,886		12,251	85,891	79,249	18,292	850,569
Profit / (loss) before tax	710,225	1,817,240	443,266	3,202,850	72,444	(3,174,830)	3,071,195
			Decer	nber 31, 2021 (Au	ıdited)		
Balance sheet							
Cash & bank balances		25,027,543	-	41,562,509	13,587,542	-	80,177,594
Investments - net	4,259,596		-	510,848,259	16,590,093		531,697,948
Net inter segment lending	-	922,830,034	-	25.000.200	442,430	20,229,405	943,501,869
Lendings to financial institutions Advances - performing	336.786.580	-	86.053.619	25,080,388	4,500,000 47.197.055	10.209.769	29,580,388 480,247,023
Advances - performing  Advances - non-performing	2.675.142	-	818.292		1.835.989	10,209,769	5.329.480
Others	13.996.342	4.915.621		11.157.299	3.461.685	36.068.131	70.239.776
Total assets	357.717.660	952.773.198		588.648.455	87.614.794		2,140,774,078
		,,				,,	
Borrowings	68,607,066	-	1,805,013	-	911,409		71,323,488
Subordinated debts	-		-	-		7,788,980	7,788,980
Deposits & other accounts		923,712,185		-	79,206,096	-	1,002,918,28
Net inter segment borrowing Others	280,743,709 8.366.885	29.061.013	74,282,001 11.425.595	588,476,159 172,296	2.944.671	8.360.596	943,501,869
Total liabilities Equity	357,717,660	952,773,198	87,512,609	588,648,455	83,062,176	16,149,576	2,085,863,674 54,910,404
Total equity & liabilities							2,140,774,078
Contingencies & commitments	255.411.391		416.094	205.641.893	7.448.017	106.814	469.024.209
Contingencies & communents	233,411,331		410,054	200,041,033	7,440,017	100,014	

### 37. RELATED PARTY TRANSACTIONS

Related parties comprise subsidiary, key management personnel and entities in which key management personnel are office holders / members. The Bank in the normal course of business carries out transactions with various related parties on arm's length basis. Amounts due from and due to related parties are shown under receivables and payables. In addition key management personnel are paid terminal and short-term terminal benefits.

	Marc	h 31, 2022 (Un-a	udited)		December 31, 2021 (Audited)			
	Directors	Key management personnel	Employee funds	Others related parties	Directors	Key management personnel	Employee funds	Others related parties
		Rupees in '	000'			Rupees in	.000.	
Advances (gross): Opening balance Addition during the period Repaid during the period	- - -	276,599 105,904 58,957	- - -	1,318,019 804,387 2,122,406	- - -	171,147 156,784 51,332	- - -	595,721 2,963,637 2,241,339
Closing balance	-	323,546	-	-	-	276,599	-	1,318,019
Financial guarantees	-	-	-	111,822	-	-	-	112,072
Other assets - advance deposits and prepayments Other assets - markup receivable		18,668 13,918		-		17,547 14,709	- -	- 14,151
Right of use assets Lease liability against ROU	-	- -	-	61,239 23,669	-	-	-	62,202 22,900
Deposits and other accounts: Opening balance Received during the period Withdrawn during the period	902 1,056 1,111	28,390 228,348 220,165	1,411,653	1,558,999 20,180,105 19,243,359	598 16,522 16,218	26,253 545,013 542,876	3,071,616 4,247,275 6,944,119	33,878 61,507,975 59,982,854
Closing balance	847	36,573	805,193	2,495,745	902	28,390	374,772	1,558,999
Other liabilities - markup payable	-	-	-	34,490	-	=	-	11,087



### March 31, 2022 (Un-audited)

March 31, 2022 (Un-audited)

	Directors	Key management personnel	Employee funds	Others related parties	Directors	Key management personnel	Employee funds	Others related parties
Income:		Rupees i	n '000'			Rupees in	.000.	
Mark-up / return / interest earned Non markup interest income	-	4,357	-	5,678 3,424	-	2,251	-	9,411 1,048
Expense:	_							
Mark-up / return / interest expensed Depreciation on right of use assets	5	56	10,821	40,439 963	6	160	50,456	226 963
Mark-up on lease liability against ROU	-	-	-	769	-	-	-	672
Compensation expense Directors fee and allowances	12,041	198,452	-	-	-	129,768	-	-

- 37.1 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.
- 37.2 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) March 31, 2022	(Audited) December 31, 2021 in '000'
Loans & advances Deposits Acceptances Contingencies Mark-up receivable Mark-up payable	47,685,369 542,441,174 71,929 26,412,300 1,555,198 9,051,291	57,299,296 484,197,126 71,929 26,097,691 1,078,401 9,079,554
	(Un-audited) March 31, 2022 Rupees	(Un-audited) March 31, 2021 in '000'
Mark-up earned Mark-up expensed Income on contingencies	1,443,861 10,221,074 16,929	754,645 6,386,615 4,822

- 37.3 The Bank made contribution of Rs. 87,414 thousand (March 31, 2021: Rs. 72,186 thousand) to employees provident fund during the period.
- 37.4 Advances to employees as at March 31, 2022, other than key management personnel, amounted to Rs. 12,540,135 thousand (December 31, 2021: Rs. 11,219,294 thousand) with markup receivable of Rs. 545,414 thousand (December 31, 2021: Rs.678,455 thousand) and markup income of Rs.127,788 thousand (March 31, 2021: Rs. 93,546 thousand).
- 37.5 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 and mobile phone as per Bank's policy.



	Note	(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 s in '000'
38.	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
	Minimum Capital Requirement (MCR):		
	Paid-up capital (net of losses)	31,693,421	28,388,806
	Capital Adequacy Ratio (CAR): Eligible Common Equity Tier 1 (CET 1) Capital Eligible Additional Tier 1 (ADT 1) Capital	44,265,394	43,965,111
	Total Eligible Tier 1 Capital Eligible Tier 2 Capital	44,265,394 9,351,109	43,965,111 9,338,940
	Total Eligible Capital (Tier 1 + Tier 2)	53,616,503	53,304,051
	Risk Weighted Assets (RWAs): Credit risk Market risk Operational risk Total	381,251,082 18,982,056 64,463,283 464,696,421	353,676,099 18,222,882 64,463,283 436,362,264
	1000	10 1,050,121	100,002,201
	Common equity tier I capital adequacy ratio	9.53%	10.08%
	Tier I CAR (%)	9.53%	10.08%
	Total CAR (%)	11.54%	12.22%
	Total CAR (%) including advance subscription ADT-I 20.3	12.22%	12.44%
38.1	Leverage Ratio (LR):		
	Eligible Tier-I Capital Total exposures	44,265,394 1,530,103,315	43,965,111 1,463,063,318
	LR (%)	2.89%	3.01%
	LR (%) including advance subscription ADT-I	3.10%	3.08%
38.2	Liquidity Coverage Ratio (LCR):		
	Total high quality liquid assets Total net cash outflow	530,712,274 403,663,378	566,498,287 413,944,607
	LCR (%)	131.47%	136.85%
	Net Stable Funding Ratio (NSFR): Total available stable funding Total required stable funding	676,686,000 636,205,000	667,827,072 539,376,598
	NSFR (%)	106.36%	123.81%
	NSFR (%) including advance subscription ADT-I	106.86%	124.00%

### 39. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the March 31, 2022, the Bank is operating 115 Islamic banking branches (December 31, 2021: 114 Islamic banking branches) and 25 Islamic banking windows (December 31, 2021: 25).



# ISLAMIC BANKING BUSINESS STATEMENT OF FINANCIAL POSITION

**CONTINGENCIES AND COMMITMENTS** 

As at March 31, 2022

	Note	(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 in '000'
ASSETS			
Cash and balances with treasury banks Balances with other banks Due from financial institutions Investments - net Islamic financing and related assets - net Fixed assets Intangible assets Due from head office Other assets	39.1 39.2 39.3	6,514,879 6,075,254 1,700,000 26,029,229 50,041,898 2,131,801 9,081 - 2,285,637	7,527,608 6,059,934 4,500,000 16,590,093 49,033,044 2,052,740 9,439 442,430 1,399,506
Total assets		94,787,779	87,614,794
LIABILITIES			
Bills payable Due to financial institutions Deposits and other accounts Due to head office Subordinated debt	39.4	541,622 1,253,592 68,667,150 16,855,436	388,599 911,409 79,206,096
Other liabilities		2,794,147	2,556,072
		90,111,947	83,062,176
NET ASSETS		4,675,832	4,552,618
REPRESENTED BY			
Islamic banking fund Reserves Deficit on revaluation of assets Unappropriated profit	39.5	2,000,000 11,192 (96,343) 2,760,983	2,000,000 5,505 (3,019) 2,550,132
		4,675,832	4,552,618



# ISLAMIC BANKING BUSINESS PROFIT AND LOSS ACCOUNT

For the Three Months Ended March 31, 2022 (Un-audited)

	Note	Three Months Ended March 31, 2022 Rupees	Three Months Ended March 31, 2021 in '000'
Profit / return earned	39.7	1,943,266	1,089,541
Profit / return expensed Net profit / return	39.8	1,082,913 860,353	535,385 554,156
Fee and commission income Dividend income Foreign exchange (loss) / income Income / (loss) from derivatives Gain on securities - net Other (loss) / income		56,032 (811) - (1,405) 53,816	31,008 - (2,693) - 2,194 183 30,692
Total income		914,169	584,848
Operating expenses Workers welfare fund Other charges		656,724 - - 656,724	433,120 - 35 433,155
Profit before provisions Provisions and write offs - net		257,445 46,594	151,693 79,249
Profit before taxation Taxation	39.9	210,851 -	72,444 -
Profit after taxation		210,851	72,444



### 39.1 DUE FROM FINANCIAL INSTITUTIONS

	March	1 31, 2022 (Un-au	dited)	December 31, 2021 (Audited)		
	In local currency			In local currency	In foreign currencies	Total
	Rupees in '000'					
Placements	1,700,000	-	1,700,000	4,500,000	-	4,500,000

### 39.2 INVESTMENTS - NET

### Investments by segment:

	(Un-audited) March 31, 2022			(Audited) December 31, 2021				
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
		Rup	ees in	,000,				
Federal government securities: -ljarah sukuks -Sale of sukuk- bai muaiial	14,150,039		(100,987)	14,049,052	4,502,908	-	(1,154)	4,501,754
-Naya Pakistan Certificates (Roshan Digital)	10,538	-		10,538	88,600			88,600
Non government debt securities :	14,160,577		(100,987)	14,059,590	4,591,508		(1,154)	4,590,354
-Listed -Unlisted	8,442,062 3,617,239		(89,662)	8,352,400 3,617,239	8,457,812 3,617,239	-	(75,312)	8,382,500 3,617,239
	12,059,301		(89,662)	11,969,639	12,075,051		(75,312)	11,999,739
Total investments	26,219,878	-	(190,649)	26,029,229	16,666,559	-	(76,466)	16,590,093

(Un-audited) (Audited)
March 31, December 31,
2022 2021

Rupees in '000' 39.3 ISLAMIC FINANCING AND RELATED ASSETS 2,121,181 2,075,758 ljarah Murabaha 2,052,981 2,115,237 17,494,446 21,482,411 Musharaka Diminishing musharaka 24,549,656 20,579,778 Payment against documents 55,304 55,304 Istisna 5,244,907 4,154,436 Gross islamic financing and related assets 51,518,475 50,462,924 Less: provision against islamic financings - Specific 1,476,577 1,429,880 - General 1,476,577 1,429,880 50.041.898 49.033.044 Islamic financing and related assets - net of provision

### 39.4 DEPOSITS AND OTHER ACCOUNTS

	March	1 31, 2022 (Un-audit	ted)	December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Customers :			Rupees in '000'			
Current deposits Savings deposits Term deposits Others	13,474,974 41,983,086 10,393,120 1,773,918	391,100 255,697 -	13,866,074 42,238,783 10,393,120 1,773,918	14,637,500 44,910,744 7,693,035 1,545,903	413,124 223,869	15,050,624 45,134,613 7,693,035 1,545,903
	67,625,098	646,797	68,271,895	68,787,182	636,993	69,424,175
Financial institutions: Current deposits Savings deposits Term deposits Others	297,108 85,584	12,374 189 -	309,482 85,773	221,033 69,119 9,450,000 81	41,503 185 -	262,536 69,304 9,450,000 81
	382,692	12,563	395,255	9,740,233	41,688	9,781,921
	68,007,790	659,360	68,667,150	78,527,415	678,681	79,206,096



		(Un-audited) March 31, 2022 Rupees	(Audited) December 31, 2021 s in '000'
39.5	UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS		
	Opening balance Add: Islamic banking profit / (loss) for the period	2,550,132 210,851	2,710,878 (160,746)
	Closing balance	2,760,983	2,550,132
39.6	CONTINGENCIES AND COMMITMENTS		
	- Guarantees - Commitments	1,856,498 11,156,092	1,662,941 5,785,076
		13,012,590	7,448,017
		(Un-audited) March 31, 2022 Rupees	(Un-audited) March 31, 2021 s in '000'
39.7	PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
	Profit earned on: Financing Investments Placements Deposits with financial institutions	1,128,202 567,729 93,154 154,181	628,782 359,131 101,628
		1,943,266	1,089,541
39.8	PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
	Deposits and other accounts Markup on lease liability against right of use assets Markup on borrowings from SBP Profit on deposits from conventional head office	968,295 54,628 2,507 57,483	475,374 47,791 - 12,220
		1,082,913	535,385

<sup>39.9</sup> 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. 80,081 thousand (March 31, 2021: Rs. 29,151 thousand).

39.10 There has been no material change in the existing islamic pools. Further, No new pool has been established in islamic banking operations of the Bank during the three months ended March 31, 2022.

40 DAT	E OE MITH	I FOR ISSUF

These consolidated condensed interim financial statements were authorized for issue on 21 April 2022 by the Board of Directors of the Bank.

41. GENERAL

Chief Financial Officer

- 41.1 Figures have been rounded off to the nearest thousand rupees.
- **41.2** Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison. However, no significant reclassification has been made.

President

Director



