





GROWTH WITH EMPATHY

Nurturing Prosperity, Compassion, Inclusiveness

HALF YEARLY REPORT (UN-AUDITED)

JANUARY-JUNE 2022

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Corporate Information

Board of Directors

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

Mr. Iftikhar Amjad Mr. Zafar Masúd

Mr. Kamran Hafeez Secretary to the Board

Director

Director

Director

Director

Director

Director

Director

Director President & CEO

Member

Member

Member

Member

Board Audit Committee

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

Risk Management, Compliance

and NPL Review Committee (RMC&NRC) Syed Ghazanfar Abbas Jilani Chairman Mr. Mohammad Mudassir Amray Member Dr. Muhammad Amjad Saqib Member

Ms. Nadia Rehman Mr. Mohammad Naeem Khan

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

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

Mr. Iftikhar Amjad

Strategy, Islamic and Priority Sectors' Financing Committee (SI&PSFC) Dr. Muhammad Amjad Sagib Chairman Mr. Asif Reza Sana Member Ms. Nadia Rehman Member Member

Mr. Iftikhar Amjad Mr. Mohammad Naeem Khan

Information Technology and Communications Committee (ITCC)

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

Auditors

A.F. Ferguson & Co. Chartered Accountants

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

UAN: 111 200 100

Registrar

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

Website

www.bop.com.pk

Directors' Review

Half Yearly Financial Statements - June 30, 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 six months period ended June 30, 2022.

The first half of 2022 has been a turbulent period for the global economy, the international commodity prices have spiraled as a result of the conflict between Russia and Ukraine. Brent crude prices climbed to \$ 140bbl in March and have remained persistently high above \$ 100bbl during the March to June period. Similarly, the UN FAO food price index has also reached the highest levels since 2011. As a result, inflation across all economies has accelerated sharply. In Pakistan, headline inflation had accelerated to 21% by end of June 2022, the highest level in the last 14 years.

The global commodity shock has also led to a significant widening of the trade deficit. The current account deficit (CAD) for the fiscal year FY22 widened to \$ 17.5bn, compared to a deficit of \$ 1.6bn in the previous year. As a result, SBP FX reserves fell to \$ 9.8bn by June 2022, barely enough for 2 months of import cover. The Pakistan Rupee (PKR) also weakened significantly on rising imports and declining reserves, posting a sharp 30% decline. The interbank closed at 205 at the end of June.

Macroeconomic stability has impacted business confidence and led to sharp monetary policy tightening by the central bank. The policy rate was hiked by 800bps to 15% by the end of June 2022. We are cautiously optimistic for the second half of 2022, as international commodity prices have started to soften and the government has successfully completed the IMF staff review. Policy actions taken by the government will lead to a decline in the large budget and trade deficits, restoring market confidence. The government has also successfully engaged friendly countries to enhance investment and financial assistance inflows, which will help to build up the SBP FX reserves. Hence, positive macroeconomic developments are expected which will support investor confidence and revive business activity in the second half of 2022.

During 1st Half of year 2022, the Bank posted strong financial results in line with its growth strategy as mentioned hereunder:

Financial Highlights:

Rs. in Million

Profit before taxation	8,359.540
Taxation	2,938.719
Profit after taxation	5,420.821
Earnings per share (Rupees)	1.82

During 1st Half of the year, the Bank posted before tax profit of Rs. 8.36 billion as against Rs. 7.37 billion earned during 1st Half 2021 with a growth of 13%. Bank's Net Interest Margin (NIM) improved to Rs. 15.86 billion as against Rs. 13.88 billion during 1st Half 2021 registering a growth of 14%. Similarly, Non-Markup/ Interest Income (excluding gains on securities) increased to Rs. 4.46 billion as against Rs. 2.77 billion during 1st Half 2021 showing an increase of 61%. Profit after tax remained at Rs. 5.42 billion as against Rs. 5.60 billion during 1st half 2021. Earnings per Share (EPS) remained at Rs. 1.82 per share as against Rs. 1.88 per share for 1st Half 2021.

Bank's Total Assets as at June 30, 2022 improved to Rs. 1,254.4 billion as against Rs. 1,197.0 billion as of December 31, 2021. The Deposits of the Bank also improved to Rs. 1,032.0 billion as against Rs. 1,003.0 billion as on December 31, 2021. Investments and Gross Advances were recorded at Rs. 524.2 billion and Rs. 571.2 billion, respectively. Equity improved to Rs. 56.9 billion and Capital Adequacy Ratio (CAR) stood at 12.62% against regulatory requirement of 11.50%. Whereas, Leverage Ratio stood at 3.27% as against requirement of 3.00%.

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 688 online branches (including 121 Taqwa Islamic Banking Branches and 16 sub-branches). Further, the Bank has a network of 669 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 continuous support and also assure them that the Bank shall maintain its growth trajectory in line with its strategic business plan. I also extend my gratitude to the Government of the Punjab and State Bank of Pakistan for their support and guidance. Further, the Board highly appreciates the efforts of Bank's management and staff for achieving desired business objectives

For and on behalf of the Board

President/ CEO Chairman

ڈائز یکٹرز کی رپوٹ

ششاہی مالی بیانات30 جون 2022

بورڈ آف ڈا کیٹرز کی جانب ہے، مجھے30 جون 2022 کوختم ہونے والی چیرماہ کی مدت کے لیے دی بینک آف پنجاب کے غیر آ ڈٹ شدہ کنڈنسڈ عبوری مالیاتی گوشواروں کو پیش کرتے ہوئے خوشی ہورہی ہے۔

2022 کی پہلی ششماہی عالمی معیشت کے لیے ایک ہنگامہ خیز دور رہی ہے ، روس اور پوکرین کے درمیان ننازے کے بیت بین اشیاء کے بین الاقوامی قیمتوں میں اضافہ ہوا ہے۔ برینٹ کروڑ کی قیمت مارچ میں bbl140 ڈالر تک پہنچ گئی اور مارچ سے جون کے عرصے کے دوران مسلسل bbl100 ڈالر سے اوپر رہی۔ ای طرح ، FAO فوڈ پرائس انڈیکس بھی 2011 کے بعد بلند ترین طح پر پہنچ گیا ہے۔ اس کے مسلسل bbl100 ڈالر سے اوپر رہی۔ ای طرح ، FAO نفر کی تنج میں تمام معیشتوں میں افراط زرتیزی میں اضافہ ہوا ہے۔ پاکتان میں ، جون 2022 کے آخر تک ہیڈ لائن افراط زر کی شرح 21 فیصد تک پہنچ گئی ، جوگز شتہ 14 سالوں میں بلند ترین سطح ہے۔

عالمی اجناس کے جھٹے نے تجارتی خسارے میں بھی نمایاں اضافہ کیا ہے۔ مالی سال FY22 کے لیے کرنٹ اکاؤنٹ خسارہ (CAD) بچھلے سال کے \$6.116 کے خسارے کے مقابلے میں بڑھ کر \$6.17.5 ہوگیا۔ نتیجے کے طور پر، SBP FX کے ذخارُ جون2022 تک گرکر \$8.9 hn تک بھٹے گئے ، جو 2 ماہ کے درآ مداور زخار میں مگر کر \$9.8 hn تک بھٹے گئے ، جو 2 ماہ کے درآ مدکور کے لیے بشکل کافی تھے۔ پاکستانیررو پید (PKR) بھی بڑھتی ہوئی درآ مداور زخارُ میں کمی کی وجہ سے نمایاں طور پر کمز ورہوا، جس میں 30 فیصد کی واقعہ ہوئی ۔ جون کے آخر میں انٹر بینکہ 205 پر بند ہوا۔

میکروا کنا مک استخام نے کاروباری اعتاد کو متاثر کیا ہے اور مرکزی بینک کی جانب سے مالیاتی پالیسی کو سخت کرنے کا باعث بنا ہے۔ جون 2022 کے آخرتک پالیسی ریٹ کو bps800 ہے بڑھا کر 15% کر دیا گیا تھا۔ ہم 2022 کے دوسر نصف جھے کے لیے مختاط طور پر پرامید ہیں، کیونکہ بین الاقوامی اجناس کی قیمتیں نرم ہونا شروع ہوگئی ہیں اور حکومت نے IMF کے عملے کا جائزہ کا میابی سے مممل کر لیا ہے۔ حکومت کے طرف سے کیے گئے پالیسی اقد امات بڑے بچت اور تجارتی خسارے میں کمی کا باعث بنیں گے، مارکیٹ کا اعتاد بحال ہوگا۔ حکومت نے سرمایہ کاری اور مالی امداد کے بہاؤ کو بڑھانے کے لیے دوست ممالک کو کامیابی کے ساتھ شامل کیا ہے، جس سے SBP ہوگا۔ حکومت نے سرمایہ کاری اور مالی امداد کے بہاؤ کو بڑھانے کے لیے دوست ممالک کو کامیابی کے ساتھ شامل کیا ہے، جس سے SBP ہوگا۔ کو بڑھانے اور کاروباری سرگرمیوں کو بحال کرنے میں معاون ثابت ہوگی۔

سال 2022 کی دوسری سماہی کے دوران، بینک نے اپنی ترقی کی حکمت عملی کے مطابق مضبوط مالی نتائج شائع کیے جیسا کے یہاں ذکر کیا گیا ہے۔

رو پیملین میں	مالياتی نتائج
8359.540	قبل از ٹیکس منافع
2938.719	فیک س
5420.821	بعداز ٹیکس منافع
1.82	فی حصص آمدن (روپییه)

سال کی پہلی ششما ہی کے دوران بینک کا قبل از قبل منافع 13 فیصدا ضافہ کے ساتھ 36.8 ارب روپے ہو گیا جو کہ گزشتہ سال کی پہلی ششما ہی کے دوران 37.7 ارب روپے تھا۔ بینک کا نیٹ انٹرسٹ مار جن 14 فیصدا ضافے کے ساتھ 15.86 ارب روپے ہوگیا جو کہ گزشتہ سال کی پہلی ششما ہی کے دوران 13.88 ارب روپے تھا ای طرح نان مارک آپ آمدن (سیکیو رٹیز پر گین کے علاوہ) 61 فیصد اضافے کے ساتھ 4.46 ارب روپے ہوگئی جو کہ گزشتہ سال کی پہلی ششما ہی کے دوران 2.77 ارب روپے تھی۔ بعداز ٹیکس منافع 5.42 ارب روپے رہی جو کہ گزشتہ سال کی پہلی ششما ہی کے دوران 5.60 ارب روپے تھا۔ بینک کی فی تصص آمدن 1.82 روپے رہی جو کہ گزشتہ سال کی پہلی ششما ہی کہ دوران 1.88 ارب روپے تھا۔ بینک کی فی تصص آمدن 1.82 روپے رہی جو کہ گزشتہ سال کی پہلی ششما ہی کہ دوران 1.88 ارب روپے تھا۔ بینک کی فی تصص آمدن 1.82 روپے رہی جو کہ گزشتہ سال کی پہلی ششما ہی کہ دوران 1.88 ارب روپے تھا۔ بینک کی فی تصص آمدن 1.82 روپے رہی جو کہ گزشتہ سال کی پہلی ششما ہی کہ دوران 1.88 دور

30 جون 2022 بینک کے اثاثہ جات بڑھ کر 1254 دارب روپے ہوگئے جوکہ 31 دسمبر 2021 کو 1197.00 ارب روپے سے۔ بینک کے ڈیپازش بھی بڑھ کر 1032 دارب روپے ہوگئے جو کہ 31 دسمبر 2021 کو 1003.00 ارب روپے ہے۔ ایس طرح ایکو بیٹ بہتر ہوکر 56.90 ارب روپے ہوگئے جبکہ کمپیول ایڈ یکو بی ریثو 12.62 فیصد ہی مطلوبہ شرح 11.50 فیصد ہے۔ اس طرح بینک کی مطلوبہ شرح 3.00 فیصد ہے۔

بینک و M/s PACRA کی طرف ہے + AA کی طویل مدتی درجہ بندی تفویض کی گئی ہے جبکہ مختصر مدت کی درجہ بندی + A1 کے اعلی ترین در جے پر ہے۔ بینک کے پاس اس وقت 688 آن لائن برانچوں کا نیٹ ورک ہے جس میں 121 تقوی اسلامی بینکنگ برانچیز اور 16 ذیلی برانچیں شامل ہیں۔ مزید بینک کے پاس 1669 نے ٹی ایمز کا نیٹ ورک موجود ہے جو صارفین کو 24/77 بینکنگ خدمات فراہم کرتا ہے۔ اس کے علاوہ بینک اپنے گا کھوں کو برانچ کیس بینکنگ ، موبائل بینکنگ، انٹرنیٹ بینکنگ اورکیش میٹیمٹ کی خدمات بھی چیش کررہا ہے۔

میں اپنے قابل قدر سٹمرز اورشیئر ہولڈرز کا ان کی مسلسل جمایت کے لیےشکر گز ار ہوں اور انہیں یقیں دلاتا ہوں کہ بینک اپنی ترقی کی رفتار کو اپنے اسٹیر پٹیجک کاروباری منصوبے کے مطابق برقر ارر کھے گا۔ میں حکومت پنجاب اور اسٹیٹ بینک آف پاکستان کے تعاون اور رہنمائی پر شکر بیاداکرتا ہوں مزید برآں ، بورڈ مطلوبہ کاروباری مقاصد کے حصول کے لیے بینک کی انظامیہ اور عملے کی کوششوں کوسراہتا ہے۔

بورڈ آ ف ڈائر یکٹرز کی جانب سے

پریذیدنشا/سیایاو دائریکشر





INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of The Bank of Punjab

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of The Bank of Punjab ("the Bank") as at June 30, 2022 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures for the quarters ended June 30, 2022 and June 30, 2021 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Scope of Review

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

Conclusion

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

Other Matters

The unconsolidated condensed interim financial statements of the Bank for the six-month period ended June 30, 2021 and unconsolidated financial statements for the year ended December 31, 2021 were reviewed and audited respectively by another firm of Chartered Accountants, who had expressed an unmodified conclusion and opinion thereon vide their reports dated August 27, 2021 and March 7, 2022 respectively.

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

A.F. Ferguson & Co. Chartered Accountants

Karachi

Dated: August 23, 2022

UDIN: RR202210092EJorKdacX

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network 23-C, Aziz Avenue, Canal Bank, Gulberg-V, P.O.Box 39, Lahore-54660, Pakistan Tel: +92 (42) 3571 5868-71 / 3577 5747-50 Fax: +92 (42) 3577 5754 www.pwc.com/pk



Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2022

Note	·		(Un-audited)	(Audited)
Note Rupees in '000'			the second secon	
ASSETS Cash and balances with treasury banks Balances with other balas Balances and sales and sales Balances Balance		Note		
Cash and balances with other banks 7 80,708,312 71,318,743 Balances with other banks 8 3,953,284 8,717,632 Lendings to financial institutions 9 36,180,331 30,980,388 Investments - net 10 524,191,127 531,683,056 Advances - net 11 524,407,952 484,405,376 Fixed assets 12 25,657,595 19,831,970 Intangible assets - net 14 17,375,577 13,696,051 Other assets - net 14 17,375,577 13,696,051 Other assets - net 15 40,643,145 35,217,763 1,254,403,116 1,196,951,991 LIABILITIES Bills payable 17 6,733,455 10,109,459 Borrowings 18 77,887,745 71,323,488 Deposits and other accounts 19 1,031,950,126 1,002,954,667 Liabilities against assets subject to finance lease 20 14,805,120 7,788,980 Deferred tax liabilities 21 66,090,381 49,942,521 NET ASSETS 56,936,289 54,832,876 RE		Note	Rupees	s in 000
Balances with other banks 8 3,953,284 8,717,632 Lendings to financial institutions 9 36,180,331 30,980,388 Investments - net 10 524,191,127 531,683,056 Advances - net 11 524,407,952 484,405,376 Fixed assets 12 25,667,595 19,831,970 Intangible assets 13 1,285,793 1,101,012 Deferred tax assets - net 14 17,375,577 13,696,051 Other assets - net 15 40,643,145 35,217,763 LIABILITIES 1 6,733,455 71,323,488 Deposits and other accounts 19 1,031,950,126 1,002,954,667 Liabilities against assets subject to finance lease 20 14,805,120 7,788,980 Deferred tax liabilities 20 14,805,120 7,788,980 Deferred tax liabilities 21 66,090,381 49,942,521 NET ASSETS 56,936,289 54,832,876 REPRESENTED BY Share capital - net 22 29,478,381 26,173,766	ASSETS			
Lendings to financial institutions 9 36,180,331 30,980,388 Investments - net 10 524,191,127 531,683,056 Advances - net 11 524,407,952 484,405,376 484,405,376 484,405,376 484,405,376 484,405,376 484,405,376 484,405,376 484,405,376 484,405,376 484,405,376 484,405,376 484,405,376 484,405,376 484,405,376 484,405,376 484,405,376 19,831,970 13,896,051 13,285,793 1,101,012 1,254,403,116 1,196,9651,991 1,254,403,116 1,196,961,991 1,254,403,116 1,196,961,991 1,254,403,116 1,196,961,991 1,254,403,116 1,196,961,991 1,254,403,116 1,196,961,991 1,031,950,126 1,002,954,67 1,323,488 1,323,488 1,323,488 1,323,488 1,323,488 1,323,	Cash and balances with treasury banks	7	80,708,312	71,318,743
Investments - net	Balances with other banks	8	3,953,284	8,717,632
Advances - net Fixed assets Fixed assets Fixed assets I12 Fixed assets I12 Fixed assets I13 Fixed assets I14 Fixed assets I15 Fixed assets I16 Fixed assets I17 Fixed assets I18 Fixed assets I19,831,970 I,101,012 I,17,375,577 I,3696,051 I,254,403,116 I,196,951,991 LIABILITIES Bills payable Borrowings I18 Fixed assets - net I14 Fixed assets - net I15 Fixed assets I1,256,7595 I,101,012 I,101,012 I,101,012 I,101,012 I,101,012 I,101,012 I,101,012 I,101,012 I,101,014 I,1002,951,991 LIABILITIES Bills payable Borrowings I18 Fixed assets assets assets assets assets I,106,951,991 I,101,09,459 I,101,09,459 I,101,09,459 I,101,09,459 I,102,954,667 I,102,954,667 I,1002,954,667 I,100	•	-		
Fixed assets				
Intangible assets				' '
Deferred tax assets - net				
Other assets - net 15 40,643,145 35,217,763 1,254,403,116 1,196,951,991 LIABILITIES Bills payable 17 6,733,455 70,887,745 10,109,459 71,323,488 Deposits and other accounts 19 1,031,950,126 1,002,954,667 1,002,954,667 1,002,954,667 1,002,954,667 1,7788,980 7,788,980 7,788,980 7,788,980 7,788,980 1,197,466,827 1,142,119,115 1,197,466,827 1,142,119,115 1,197,466,827 1,142,119,115 1,197,466,827 1,142,119,115 1,197,466,827 1,142,119,115 1,197,466,827 1,142,119,115 1,142,119				
LIABILITIES Bills payable Borrowings Borrow				
Bills payable	Other assets - Het	15	40,043,143	35,217,703
Bills payable 17 6,733,455 10,109,459 Borrowings 18 77,887,745 71,323,488 Deposits and other accounts 19 1,031,950,126 1,002,954,667 Liabilities against assets subject to finance lease 20 14,805,120 7,788,980 Deferred tax liabilities 21 66,090,381 49,942,521 NET ASSETS 56,936,289 54,832,876 REPRESENTED BY Share capital - net 22 29,478,381 26,173,766 Reserves 11,601,215 10,517,051 Deficit on revaluation of assets - net of tax 23 (4,782,646) (1,368,710) Unappropriated profit 20,639,339 19,510,769			1,254,403,116	1,196,951,991
Borrowings	LIABILITIES			
Borrowings	Bills payable	17	6,733,455	10,109,459
Liabilities against assets subject to finance lease Subordinated debts Deferred tax liabilities Other liabilities 21 66,090,381 49,942,521 1,197,466,827 1,142,119,115 NET ASSETS 56,936,289 54,832,876 REPRESENTED BY Share capital - net Reserves 11,601,215 10,517,051 Deficit on revaluation of assets - net of tax Unappropriated profit 22 (4,782,646) (1,368,710) Unappropriated profit	Borrowings	18	77,887,745	71,323,488
Subordinated debts 20 14,805,120 7,788,980 Deferred tax liabilities 21 66,090,381 49,942,521 NET ASSETS 56,936,289 54,832,876 REPRESENTED BY Share capital - net 22 29,478,381 26,173,766 Reserves 11,601,215 10,517,051 Deficit on revaluation of assets - net of tax 23 (4,782,646) (1,368,710) Unappropriated profit 20,639,339 19,510,769	Deposits and other accounts	19	1,031,950,126	1,002,954,667
Deferred tax liabilities 21 66,090,381 49,942,521 1,197,466,827 1,142,119,115 NET ASSETS 56,936,289 54,832,876 REPRESENTED BY Share capital - net 22 29,478,381 26,173,766 Reserves 11,601,215 10,517,051 Deficit on revaluation of assets - net of tax 23 (4,782,646) (1,368,710) Unappropriated profit 20,639,339 19,510,769			-	-
Other liabilities 21 66,090,381 49,942,521 1,197,466,827 1,142,119,115 NET ASSETS 56,936,289 54,832,876 REPRESENTED BY Share capital - net 22 29,478,381 26,173,766 Reserves 11,601,215 10,517,051 Deficit on revaluation of assets - net of tax 23 (4,782,646) (1,368,710) Unappropriated profit 20,639,339 19,510,769		20	14,805,120	7,788,980
1,197,466,827 1,142,119,115 NET ASSETS 56,936,289 54,832,876 REPRESENTED BY Share capital - net 22 29,478,381 26,173,766 Reserves 11,601,215 10,517,051 Deficit on revaluation of assets - net of tax 23 (4,782,646) (1,368,710) Unappropriated profit 20,639,339 19,510,769		0.4	-	-
NET ASSETS 56,936,289 54,832,876 REPRESENTED BY Share capital - net 22 29,478,381 26,173,766 Reserves 11,601,215 10,517,051 Deficit on revaluation of assets - net of tax 23 (4,782,646) (1,368,710) Unappropriated profit 20,639,339 19,510,769	Other liabilities	21	66,090,381	49,942,521
REPRESENTED BY Share capital - net 22 29,478,381 26,173,766 Reserves 11,601,215 10,517,051 Deficit on revaluation of assets - net of tax 23 (4,782,646) (1,368,710) Unappropriated profit 20,639,339 19,510,769			1,197,466,827	1,142,119,115
Share capital - net 22 29,478,381 26,173,766 Reserves 11,601,215 10,517,051 Deficit on revaluation of assets - net of tax 23 (4,782,646) (1,368,710) Unappropriated profit 20,639,339 19,510,769	NET ASSETS		56,936,289	54,832,876
Reserves 11,601,215 10,517,051 Deficit on revaluation of assets - net of tax 23 (4,782,646) (1,368,710) Unappropriated profit 20,639,339 19,510,769	REPRESENTED BY			
Reserves 11,601,215 10,517,051 Deficit on revaluation of assets - net of tax 23 (4,782,646) (1,368,710) Unappropriated profit 20,639,339 19,510,769	Share capital - net	22	29,478,381	26,173,766
Unappropriated profit 20,639,339 19,510,769	Reserves		11,601,215	10,517,051
		23		
56,936,289 54,832,876	Unappropriated profit		20,639,339	19,510,769
			56,936,289	54,832,876

CONTINGENCIES AND COMMITMENTS

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

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Chief Financial Officer

dent Chairm

Director

Director

Unconsolidated Condensed Interim Profit and Loss Account For the Six Months Ended June 30, 2022 (Un-audited)

	Note	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021 Rupees	Ended June 30, 2022	Six Months Ended June 30, 2021
Mark-up / return / interest earned Mark-up / return / interest expensed	25 26	32,087,622 24,336,531	19,459,695 12,445,930	58,879,970 43,016,051	38,865,407 24,983,698
Net mark-up / interest income		7,751,091	7,013,765	15,863,919	13,881,709
NON MARK-UP / INTEREST INCOME					
Fee and commission income Dividend income Foreign exchange income Income / (loss) from derivatives (Loss) / gain on securities - net	27	1,983,430 57,406 556,954 - (737,331)	1,375,108 49,180 66,047 - 352,825	3,354,691 220,916 685,798 - (861,011)	2,491,903 105,001 140,764 - 1,614,972
Other income - net	29	64,856	10,919	198,120	35,490
Total non-markup / interest income		1,925,315	1,854,079	3,598,514	4,388,130
Total income NON MARK-UP / INTEREST EXPENSES		9,676,406	8,867,844	19,462,433	18,269,839
Operating expenses Workers welfare fund Other charges	30 31	6,562,103 84,966 29,780	4,741,963 101,889 352	13,862,273 147,071 33,794	10,141,868 167,415 502
Total non-markup / interest expenses		6,676,849	4,844,204	14,043,138	10,309,785
Profit before provisions (Reversal) / provisions and write offs - net Extra ordinary / unusual items	32	2,999,557 (1,876,261)	4,023,640 (278,357) -	5,419,295 (2,940,245)	7,960,054 591,168
PROFIT BEFORE TAXATION		4,875,818	4,301,997	8,359,540	7,368,886
Taxation - net	33	1,615,524	537,112	2,938,719	1,771,377
PROFIT AFTER TAXATION		3,260,294	3,764,885	5,420,821	5,597,509
Basic earnings per share - Rupees	34	1.10	(Restated) 1.27	1.82	(Restated) 1.88
Diluted earnings per share - Rupees	35	1.10	1.27	1.82	1.88

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

HALF YEARLY REPORT JANUARY - JUNE 2022

Unconsolidated Condensed Interim Statement of Comprehensive Income For the Six Months Ended June 30, 2022 (Un-audited)

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021 Rupees	Ended June 30, 2022	Six Months Ended June 30, 2021
Profit after taxation for the period	3,260,294	3,764,885	5,420,821	5,597,509
Other comprehensive income / (loss) for the period:				
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	177,464	(90,596)	574,026	(90,596)
	177,464	(90,596)	574,026	(90,596)
Items that may be reclassified to profit and loss account in subsequent periods:	3,437,758	3,674,289	5,994,847	5,506,913
Movement in (deficit) / surplus on revaluation of investments - net of tax	(2,385,306)	253,499	(3,893,219)	(2,660,212)
Total comprehensive (loss) / income for the period	1,052,452	3,927,788	2,101,628	2,846,701

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

Chief Financial Officer

Unconsolidated Condensed Interim Statement of Changes in Equity For the Six Months Ended June 30, 2022 (Un-audited)

							Surplus / (Deficit) - net of tax on revaluation of	() -net of tax ion of		
	Share	Discount on issue of shares	Share capital - net	Share	Reserve for issuance of bonus shares	Statutory	Investments	Fixed / non banking assets	Unappropriated profit	Total
					ec.	Rupees in '0	,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 six months ended June 30, 2021 Other comprehensive loss							(2,660,212)	(96,06)	5,597,509	5,597,509 (2,750,808)
Total comprehensive income / (loss) for the six months ended June 30, 2021							(2,660,212)	(90,596)	5,597,509	2,846,701
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	•	•	•	•		•	٠	(59,699)	29,699	
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 disposa								(4,681) (19,505)	4,681 26,214	6,709
Iransactions 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 June 30, 2021 - un-audited	26,436,924	(263,158)	26,173,766	2,215,040		5,813,984	274,051	2,876,615	15,117,773	52,471,229
Profit after taxation for the six months ended December 31, 2021 Other comprehensive (loss) / income		1 1	1 1	1 1		1 1	(6,720,215)	2,238,070	6,842,626 (747)	6,842,626 (4,482,892)
Total comprehensive (loss) / income for the six months ended December 31, 2021 Transferts stantow research during the parish						- 2 488 027	(6,720,215)	2,238,070	6,841,879	2,359,734
naister to statud) y reserve during the period. Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax						,700,001,2		(29,756)	29,756	
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								(4,483) (2,992)	4,483	1,913
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 six months ended June 30, 2022 Other comprehensive (loss) / income		1 1	1 1			1 1	(3,893,219)	574,026	5,420,821	5,420,821 (3,319,193)
Total comprehensive (loss) / income for the six months ended June 30, 2022			•			' :	(3,893,219)	574,026	5,420,821	2,101,628
Iranster to statutory reserve during the period Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax						1,084,164		(52,590)	(1,084,164)	
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								(2,666)	2,666	1,785
rensearous with owners becögnised oredny in equity. Transactions with owners becognised oredny in equity. Transactions to year end at 12.5% per share issuance of bonus shares during the period	3,304,615		3,304,615		3,304,615 (3,304,615)	1 1			(3,304,615)	
	3,304,615		3,304,615						(3,304,615)	
Balance as on June 30, 2022 - un-audited	29,741,539	(263,158)	29,478,381	2,215,040		9,386,175	(10,339,383)	5,556,737	20,639,339	56,936,289

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

President Chief Financial Officer

Chairman

Director

HALF YEARLY REPORT JANUARY - JUNE 2022

Unconsolidated Condensed Interim Cash Flow Statement

For the Six Months Ended June 30, 2022 (Un-audited)

	Note	Six Months Ended June 30, 2022 Rupees	Six Months Ended June 30, 2021 in '000'
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation Less: Dividend income		8,359,540 (220,916)	7,368,886 (105,001)
		8,138,624	7,263,885
Adjustments: Depreciation on fixed assets Depreciation on non banking assets acquired in	30	717,101	607,495
satisfaction of claims Depreciation on ijarah assets under IFAS - 2	30 30	21,420 61,584	25,365 65,063
Depreciation on right of use assets	30	581,087	473,376
Amortization on intangible assets Amortization of discount on debt securities - net Mark-up on lease liability against right of use assets	30 26	129,179 (1,977,581) 639,956	109,464 (496,313) 513,295
Unrealized loss on revaluation of investments classified as held for trading	28	-	21,619
(Reversal) / provision and write-offs - net Workers' Welfare Fund	32	(2,940,245) 147,071	591,168 167,415
Gain on termination of lease liability against right of use ass (Gain) / loss on sale of property and equipment - net	29	(13,171) (57,936)	(712) 110
Gain on sale of non banking assets - net Realized loss / (gain) on sale of securities - net	29 28	(114,420) 861,011	(28,345) (1,636,591)
Provision for employees compensated absences Provision for gratuity		6,020 170,016	6,991 103,474
		(1,768,908)	522,874
(Increase) / decrease in operating assets:		6,369,716	7,786,759
Lendings to financial institutions		(5,199,943)	4,500,693
Held for trading securities Advances - net		33,537,173 (37,103,088)	6,014,171 (43,787,010)
Others assets - net (excluding advance taxation)		(7,588,829)	(3,446,750)
Increase / (decrease) in operating liabilities:		(16,354,687)	(36,718,896)
Bills payable		(3,376,004)	556,157
Borrowings from financial institutions		6,494,127	(23,289,945)
Deposits Other liabilities (excluding current taxation and gratuity fund	d)	28,995,459 13,234,951	90,593,028 2,455,099
	•	45,348,533	70,314,339
Payment made to gratuity fund		(268,144)	(261,774)
Income tax paid		(2,277,791)	(2,684,569)
		(2,545,935)	(2,946,343)
Net cash flow from operating activities		32,817,627	38,435,859

Cash Flow Statement (Cont:)

	Note	Six Months Ended June 30, 2022 Rupees	Six Months Ended June 30, 2021 in '000'
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities Net investments in held to maturity securities Dividends received Investments in operating fixed assets Investments in intangible assets Proceeds from sale of fixed assets Proceeds from sale of non banking assets acquired in satisfaction of claims		(232,412) (33,327,345) 219,547 (1,575,907) (313,960) 61,028	(25,256,299) 106,860 (1,158,367) (290,738) 881 255,509
Net cash used in investing activities		(34,437,726)	(26,342,154)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts Subscription received - subordinated perpetual term finance certificates Dividend paid Payment of lease liability against right of use assets	20.1	(1,360) 7,017,500 - (840,950)	(1,360) - (2,643,692) (674,821)
Net cash flow from / (used in) financing activities		6,175,190	(3,319,873)
Increase in cash and cash equivalents Cash and cash equivalents at beginning of the period		4,555,091 80,036,375	8,773,832 71,667,375
Cash and cash equivalents at end of the period		84,591,466	80,441,207
Cash and cash equivalents: Cash and balances with treasury banks Balances with other banks Overdrawn nostro accounts		80,708,312 3,953,284 (70,130) 84,591,466	78,135,271 2,305,936 - 80,441,207

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

Chief Financial Officer

esident Chairma

Director

Director

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Six Months Ended June 30, 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 688 branches including 16 sub branches and 121 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 also has 31 Islamic banking windows (December 31, 2021: 25) The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb).

2. BASIS OF PRESENTATION

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

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

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

2.1 Statement of compliance

- 2.1.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
 - Directives issued by the SBP and the Securities Exchange Commission of Pakistan (SECP);
 - Requirements of The Bank of Punjab Act, 1989; and
 - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017.

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

- 2.1.2 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 05 dated March 29, 2019 and IAS 34, "Interim Financial Reporting". Accordingly, these unconsolidated condensed interim financial statements do not include all the information and disclosures required for annual unconsolidated financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the annual 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 preparation of these unconsolidated condensed interim financial statements.
- 2.1.4 The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). The standard will result in certain new disclosures in these unconsolidated condensed interim financial statements of the Bank.
- 2.1.5 The SECP vide its notification SRO 633 (I)/2014 dated 10 July 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.
- 2.1.6 Amendments and interpretations of accounting standards that are effective in the current period:

There are certain amendments and interpretations of existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2022. These are considered either not relevant or not to have any significant impact on the Bank's unconsolidated condensed interim financial statements.

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

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

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

As per SBP's BPRD Circular Letter No. 03 dated July 05, 2022, the applicability of IFRS 9 in Pakistan has been deferred to accounting periods beginning on or after January 1, 2023. Accordingly, these unconsolidated condensed interim financial statements have been prepared in accordance with the existing prudential regime. The impact of the application of IFRS 9 on Bank's financial statements is being assessed.

Standard or Interpretations				Effective date (annual periods beginning on or after)
			 	untery

IAS 8	Amended Definition of Accounting Estimates	January 01, 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
IAS 1	Classification of liabilities as current or non-current -Amendments	January 01, 2024

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2023, but are considered not to be relevant or will not have any significant effect on the Bank's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements

BASIS OF MEASUREMENT 3.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 4.

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.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY 5.

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.

A general provision of Rs. 4,116,231 thousand was created by the Bank during years 2020 & 2021 as a buffer against unforeseen loan losses based on funded credit portfolio, excluding Government quaranteed exposure and exposure secured against cash and equivalents, to mitigate any adverse impact on equity, performance and related regulatory compliance on account of uncertainty emanating from COVID-19 outbreak. Based upon on-going risk mitigation measures and internal portfolio assessment, during the current period the Bank has reversed Rs. 2,500,000 thousand (December 31, 2021: Rs. 1,616,231 thousand) of the remaining general provision.

			2022	2021
		Note	Rupees	in '000'
7.	CASH AND BALANCES WITH TREASURY BANKS			
	la band.			
	In hand:		10,000,500	10,000,450
	Local currency		19,966,529	13,800,458
	Foreign currencies		1,731,794	4,359,944
	With SBP in:		21,698,323	18,160,402
	Local currency current account		38,337,069	40,886,803
	Foreign currency current account		1,405,248	900,219
	Foreign currency deposit account		3,042,580	2,109,501
	r oreign durrency deposit account			
	With National Bank of Pakistan in:		42,784,897	43,896,523
	Local currency current account		16,197,991	9,174,433
			. 0, . 0 . , 0 0 .	5,17.,100
	Prize bonds		27,101	87,385
			80,708,312	71,318,743
8.	BALANCES WITH OTHER BANKS			
	In Pakistan:			
	Current accounts		211,858	261,003
	Deposit accounts		34,901	5,534,036
	·		246,759	5,795,039
	Outside Pakistan:		240,739	3,793,039
	Current accounts		1,289,268	1,339,397
	Deposit accounts		2,417,257	1,583,196
			3,706,525	2,922,593
			3,953,284	8,717,632
9.	LENDINGS TO FINANCIAL INSTITUTIONS			
	Call money lendings		-	100,000
	Repurchase agreement lendings (Reverse Repo)	9.2	13,805,331	26,380,388
	Placements	9.3	22,375,000	4,500,000
	1 Idoomonio	0.0	36,180,331	30,980,388
			33,130,001	
9.1	Particulars of lendings			
	In local currency		36,180,331	30,980,388
	In foreign currencies		-	-
			36,180,331	30,980,388

	June 30, 2022			December 31, 2021		
	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	7,805,331 6,000,000		7,805,331 6,000,000	21,088,298 5,292,090	-	21,088,298 5,292,090
	13,805,331	-	13,805,331	26,380,388	=	26,380,388

Market value of securities held as collateral as at June 30, 2022 amounted to Rs. 13,809,683 thousand (December 31, 2021: Rs. 26,391,416 thousand). These carry mark-up at rates ranging from 12.75% to 13.80% per annum (December 31, 2021: 10.50% to 10.75% per annum).

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9.3 These carry profit rates ranging from 10.50% to 14.55% per annum (December 31, 2021: 7.25% to 10.90% per annum) with maturities up to September 30, 2022.

10. INVESTMENTS - NET

10.1 Investments by type:

10.1 Investments	by type.			June 30, 2022		De	cember 31, 20	21	
		Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	Note			Ru	pees in	'000'			
Held-for-trading securities Federal government securities Ordinary shares	10.1.1		:		:	33,472,511 34,331	-	26,429 (5,390)	33,498,940 28,941
Available-for-sale securities		-	-	-	-	33,506,842	-	21,039	33,527,881
Federal government securities Shares and certificates	10.1.1 & 10.2	423,018,597 11,828,950		(17,419,898) (762,717)	405,598,699 8,745,758	425,181,105 9,106,342	(1,420,029)	(9,766,167) (840,977)	415,414,938 6,845,336
Mutual fund units Non government debt securities Foreign securities		65,000 17,041,224 11,957	(2,525,563)	1,061 42,285	66,061 14,557,946 11,957	17,084,566 11,957	(2,525,563)	39,662	14,598,665 11,957
Held-to-maturity securities		451,965,728	(4,846,038)	(18,139,269)	428,980,421	451,383,970	(3,945,592)	(10,567,482)	436,870,896
Federal government securities WAPDA bonds	10.1.1 & 10.4	95,228,974 400			95,228,974	61,299,171 400	(400)		61,299,171 -
Subsidiaries		95,229,374 164,945	(400) (164,945)	:	95,228,974 -	61,299,571 164,945	(400) (164,945)	-	61,299,171 -
Total investments		547,341,779	(5,011,383)	(18,139,269)	524,191,127	546,340,436	(4,110,937)	(10,546,443)	531,683,056

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) June 30, 2022	(Audited) December 31, 2021
		Note	Rupees	s in '000'
10.2	Investments given as collateral			
	Pakistan investment bonds		489,134	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	32	1,059,296 -	322,188 (10,669)
	Reversal on disposal during the period / year		1,059,296 (158,850)	311,519 (280,353)
	Closing balance		5,011,383	4,110,937

10.3.2 Particulars of provision against debt securities

	June 30, 2022		December 31	,
	NPI	Provision	NPI	Provision
		Rupees i	n '000'	
Category of classification 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

(Un-audited)

10.4 Market value of held to maturity investments amounted to Rs. 90,869,826 thousand (December 31, 2021: Rs. 63,715,206 thousand).

11. ADVANCES - NET

11.	ADVANCES - NET	Performing		Non Perfo	rming	Total	
		(Un-audited) June 30, 2022	(Audited) December 31, 2021	(Un-audited) June 30, 2022	(Audited) December 31, 2021	(Un-audited) June 30, 2022	(Audited) December 31, 2021
				Rupees in '000'			
	Loans, cash credits, running finances, etc. Net book value of assets in ijarah under	449,197,102	418,699,627	48,293,789	48,738,919	497,490,891	467,438,546
	IFAS 2 - In Pakistan	2,052,161	1,860,758	180,985	215,000	2,233,146	2,075,758
	Islamic financing and related assets	47,619,508	45,336,297	2,997,254	3,050,869	50,616,762	48,387,166
	Bills discounted and purchased	20,845,971	16,234,159	17,221	27,521	20,863,192	16,261,680
	Advances - gross	519,714,742	482,130,841	51,489,249	52,032,309	571,203,991	534,163,150
	Provision against advances:						
	- Specific	-	-	(46,207,764)	(46,702,829)	(46,207,764)	(46,702,829)
	- General	(588,275)	(3,054,945)	-	-	(588,275)	(3,054,945)
		(588,275)	(3,054,945)	(46,207,764)	(46,702,829)	(46,796,039)	(49,757,774)
	Advances - net of provision	519,126,467	479,075,896	5,281,485	5,329,480	524,407,952	484,405,376

June 30, December 31, 2022 2021

(Audited)

Rupees in '000'

11.1	Particulars of advances (gross)		
	In local currency In foreign currencies	566,337,152 4,866,839	(Restated) 532,615,907 1,547,243
		571,203,991	534,163,150

11.2 Advances include Rs. 51,489,249 thousand (December 31, 2021: Rs. 52,032,309 thousand) which have been placed under non-performing status as detailed below:

	(Un-audited) June 30, 2022		(Audite December 31	•
Category of classification	Non performing loans	Provision	Non performing loans	Provision
		Rupees ir	ı '000'	
Domestic				
Other assets especially mentioned	184,738	6,230	156,255	3,946
Substandard	1,091,249	132,986	3,173,639	517,367
Doubtful	7,483,639	6,035,100	6,432,920	5,571,388
Loss	42,729,623	40,033,448	42,269,495	40,610,128
Total	51,489,249	46,207,764	52,032,309	46,702,829

11.3 Particulars of provision against advances

		June 30, 2022 (Un-audited)			Decem	nber 31, 2021 (Au	dited)
		Specific	General	Total	Specific	General	Total
				Rupees in '000'			
	Opening balance	46,702,829	3,054,945	49,757,774	47,850,782	3,748,493	51,599,275
	Charge for the period / year Reversals for the period / year	1,278,882 (1,773,947)	(2,466,670)	1,278,882 (4,240,617)	4,004,162 (5,152,004)	- (693,548)	4,004,162 (5,845,552)
	Amounts written off	(495,065)	(2,466,670)	(2,961,735)	(1,147,842) (111)	(693,548)	(1,841,390) (111)
	Closing balance	46,207,764	588,275	46,796,039	46,702,829	3,054,945	49,757,774
11.3.1	Particulars of provision against advances with respect to currenci	es					
	In local currency In foreign currencies	46,207,764	588,275 -	46,796,039	46,702,829	3,054,945	49,757,774

11.3.2 This includes general provision reversed 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.

46,796,039

46,702,829

(Un-audited)

3.054.945

49,757,774

(Audited)

46,207,764

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. 2,980,672 thousand (December 31, 2021: Rs 1,975,509 thousand). The FSV benefit availed is not available for cash or stock dividend.

			June 30, 2022	December 31, 2021
		Note	Rupees	s in '000'
12.	FIXED ASSETS			
	Capital work-in-progress Right of use assets Property and equipment	12.1	736,291 9,017,415 15,903,889	191,433 7,891,934 11,748,603
			25,657,595	19,831,970
12.1	Capital work-in-progress			
	Civil works	12	736,291	191,433
12.2	Additions to fixed assets			
	The following additions have been made to fixed assets during the period:			
	Capital work-in-progress		544,858	677,026
	Property and equipment:			
	Building on freehold land - transfer from non-banking assets acquired in satisfaction of claims at net book value	15.2	3,844,430	_
	Furniture and fixture	10.2	87,013	32,151
	Office equipment		137,016	178,294
	Computer equipment		374,014	133,156
	Lease hold improvements Vehicles		256,279 176,727	107,267 30,473
	volitoloo		4,875,479	481,341
			5,420,337	1,158,367
			0, 120,007	1,100,007

		(Un-audited) June 30, 2022 Rupee	(Un-audited) June 30, 2021 s in '000'
12.3	Addition to right of use assets	1,778,142	964,667
12.4	Termination of right of use assets	71,576	1,953
12.5	Disposal of property and equipment:		
	The net book value of property and equipment disposed off during the period is as follows:		
	Furniture and fixture	1,109	352
	Office equipment	1,979	639
	Computer equipment Vehicles	4	-
		3,092	991

Gross carrying amount of vehicles disposed off during the period was Rs. 44,891 thousand (June 30,2021: Nil).

		(Un-audited) June 30, 2022 Rupees	(Un-audited) June 30, 2021 s in '000'
13.	INTANGIBLE ASSETS		
	Capital work-in-progress Softwares	589,403 696,390	523,686 577,326
		1,285,793	1,101,012
13.1	Additions to intangible assets		
	The following additions have been made to intangible assets during the period: Intangible in progress Intangible assets purchased	65,717 248,243	267,353 23,385
		313,960	290,738

(Un-audited) June 30, 2022

(Audited) December 31, 2021

	•	2022	2021
	Note	Rupees	s in '000'
14.	DEFERRED TAX ASSETS - NET		
	Deductible temporary differences on:		
	Deficit on revaluation of investments Right of use assets - net Workers Welfare Fund	7,799,886 840,519 63,241	4,121,318 619,234
	Provision against advances, off balance sheet etc.	11,198,817	10,699,622
	Taxable temporary differences on:	19,902,463	15,440,174
	Surplus on revaluation of property and equipment Accelerated tax depreciation Surplus on revaluation of non banking assets	(2,058,571) (351,043) (117,272)	(1,346,545) (230,256) (167,322)
		(2,526,886)	(1,744,123)
		17,375,577	13,696,051
15.	OTHER ASSETS - NET		
	Income / mark-up accrued in local currency Income / mark-up accrued in foreign currency Advances, deposits, advance rent and other prepayments Non-banking assets acquired in satisfaction of claims Acceptances 21 Branch adjustment account 21 Mark to market gain on forward foreign exchange	23,155,317 1,678 1,136,482 2,469,747 11,402,211 41,656	18,791,445 1,013 828,612 5,479,598 8,337,508
	contracts - net 21 Stock of stationery Suspense account Zakat recoverable from National Investment Trust Limited (NIT Unrealized gain on revaluation of foreign bills and trade loans Claims receivable against fraud and forgeries Auto Teller Machine and Point of Sale receivable - net Others	111,398 30,559 L) 36,790 256,645 477,004 415,923 720,851	150,612 90,478 11,807 36,790 41,665 445,033 740,953 722,792
	Less: Provision held against other assets 15.1	40,256,261 (873,609)	35,678,306 (1,914,474)
	Other assets (net of provision)	39,382,652	33,763,832
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims 23	1,260,493	1,453,931
	Other assets - total	40,643,145	35,217,763
15.1	Provision held against other assets		
	Advances, deposits, advance rent & other prepayments Non banking assets acquired in satisfaction of claims Zakat recoverable from NITL Fraud and forgeries Others	35,723 30,876 36,790 458,003 312,217	35,723 1,084,936 36,790 446,760 310,265
	15.1.1	873,609	1,914,474

(Un-audited)
June 30,
2022

(Audited) December 31, 2021

	Note	Rupees	s in '000'
15.1.1	Movement in provision held against other assets Opening balance	1,914,474	2,037,220
	Charge for the year Reversals during the year	33,618 (1,072,087)	35,367 (147,839)
	Amount written off	(1,038,469) (2,396)	(112,472) (10,274)
	Closing balance	873,609	1,914,474
15.2	Movement in non-banking assets acquired in satisfaction of one of the 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	5,848,593 1,279,464 (616,903) (3,844,430) (21,420) 1,054,060 3,699,364	5,904,147 275,670 (250,817) (145,360) (48,666) 113,619
16	CONTINGENT ASSETS		
	Contingent assets Nil	Nil	
17	BILLS PAYABLE		
	In Pakistan Outside Pakistan	6,733,455 -	10,109,459 -
		6,733,455	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 Refinancing facility for 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 Shamsi Tawanai Consumer Refinancing facility for modernization of Small and Medium Enterprises (SMEs)	29,276,457 14,008,457 167,385 6,334,647 5,053,134 1,456,792 24,000 16,154,265 3,167 3,399,561 37,720 180,192	28,221,440 13,499,088 185,799 5,347,359 9,132,079 1,089,182 3,000 11,881,311 3,589
	Borrowing from Pakistan Mortgage Refinance Company Limited	76,095,777 1,721,838	69,518,475 1,805,013
	Total secured	77,817,615	71,323,488
	Unsecured Overdrawn nostro accounts	70,130	
		77,887,745	71,323,488

19. DEPOSITS AND OTHER ACCOUNTS

		June	30, 2021 (Un-aud	ited)	December 31, 2020 (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	193,183,649 522,582,257 260,727,403 23,998,083	4,182,068 3,698,999 16,064,257	197,365,717 526,281,256 276,791,660 23,998,083	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
		1,000,491,392	23,945,324	1,024,436,716	967,184,928	14,409,058	981,593,986
	Financial institutions: Current deposits Savings deposits Term deposits Others	1,844,092 2,450,093 1,775,000 558,852	878,876 6,497 -	2,722,968 2,456,590 1,775,000 558,852	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
		6,628,037	885,373	7,513,410	18,035,931	3,324,750	21,360,681
		1,007,119,429	24,830,697	1,031,950,126	985,220,859	17,733,808	1,002,954,667
				Note	June 30 2022 Ru), Dec	cember 31, 2021 00'
20.	SUBORDINATED DEBTS						
	Perpetual term finance certif Privately placed term finance Privately placed term finance	certificates	s - l	20.1 20.2 20.3	8,017, 2,494, 4,293,	500	1,000,000 2,495,000 4,293,980
					14,805,	120	7,788,980

20.1 Subordinated perpetual term finance certificates

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

Issue amount: Rs. 8,017,500 thousand

Issue date: June 20, 2022 Maturity date: Perpetual

Rating: "AA-" by Pakistan Credit Rating Agency Limited (PACRA)

Tenor: Perpetual

Security: Unsecured and subordinated to all other indebtedness of the Bank

including deposits except common shares.

Profit payment & frequency: Profit payable on half yearly basis in arrears on the outstanding

principal amount, on a non-cumulative basis.

Profit rate: Floating rate of return at base rate plus 200 bps p.a. (Base rate will

be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately

following redemption date).

Repayment: Not applicable.

Call / Put option: Callable after a period of 05 years. However no put option is

available to the investors.

Lock in clause: Neither profit nor principal may be paid (even at maturity) if such

payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase

any existing shortfall in MCR or CAR.

Loss absorbency clause: May be converted into ordinary shares or written off immediately

(either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the

date of trigger of PONV on sole discretion of the SBP.

20.2 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: Rs. 2,500,000 thousand Issue date: December 23, 2016 December 22, 2026 Maturity date:

Ratina: "AA" by Pakistan Credit Rating Agency Limited (PACRA)

Tenor:

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).

The TFC has been structured to redeem 0.02% of the issue amount Repayment:

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.

Callable after a period of 05 years. However no put option is Call / Put option:

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.

May be converted into ordinary shares or written off immediately Loss absorbency clause:

(either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the

date of trigger of PONV on sole discretion of the SBP.

20.3 Privately placed term finance certificates - II

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

Issue amount: Rs. 4,300,000 thousand

Issue date: April 23, 2018 Maturity date: April 23, 2028

"AA" by Pakistan Credit Rating Agency Limited (PACRA) Rating:

Tenor: 10 Years

Security: Unsecured and subordinated to all other indebtedness of the Bank

including deposits.

Profit payment & frequency: Profit payable on half yearly basis in arrears on the outstanding

principal amount.

Profit rate: Floating rate of return at base rate plus 125 bps p.a. (Base rate will

> be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately

following redemption date).

Repayment: The TFC has been structured to redeem 0.02% of the issue amount

semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82%

each, in the 10th year.

Call / Put option: Callable after a period of 05 years. However no put option is

available to the investors.

Lock in clause: Neither profit nor principal may be paid (even at maturity) if such

payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase

any existing shortfall in MCR or CAR.

Loss absorbency clause: May be converted into ordinary shares or written off immediately

(either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the

date of trigger of PONV on sole discretion of the SBP.

		Note	(Un-audited) June 30, 2022 Rupees	(Audited) December 31, 2021 s in '000'
21	OTHER LIABILITIES			
	Mark-up / return / interest payable in local currency		21,947,883	14,222,369
	Mark-up / return / interest payable in foreign currency		115,935	52,107
	Lease key money		12,937,541	11,991,877
	Provision for taxation (provisions less payments)		2,121,014	755,465
	Sundry creditors and accrued expenses		1,697,857	1,242,506
	Acceptances	15	11,402,211	8,337,508
	Mark-up payable on subordinated debts		173,708	90,505
	Unclaimed dividends		2,586	2,586
	Branch adjustment account	15	-	290,150
	Payable to gratuity fund		170,016	268,144
	Gratuity payable to key management personnel		5,750	5,750
	Payable to charity fund		48	8
	Provision against off-balance sheet obligations	21.2	62,183	62,183
	Provision for employees compensated absences		137,436	133,629
	Mark to market loss on forward foreign exchange			
	contracts - net	15	1,233,253	-
	Taxes / zakat / import fee payable		1,366,533	684,132
	Lease liability against right of use assets		10,972,110	9,479,713
	Workers Welfare Fund	21.1	1,130,229	983,158
	IBFT payable		-	544,489
	Others		614,088	796,242
			66,090,381	49,942,521

21.1 Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Bank maintained its provision in respect of WWF.

(Un-audited)	(Audited)
June 30,	December 31,
2022	2021
Runees	s in '000'

62.183

21.2 Provision against off-balance sheet obligations 62,183

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

Note

22. SHARE CAPITAL - NET

22.1 Authorized capital

(Un-audited) June 30, 2022	(Audited) December 31, 2021		(Un-audited) June 30, 2022	(Audited) December 31, 2021
Number of shares			Rupees	in '000'
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

The authorized capital of the Bank is fifty thousand million rupees divided into five thousand million ordinary or preference shares of ten rupees each.

22.2 Issued, subscribed and paid up capital

(Un-audited) June 30, 2022	(Audited) December 31, 2021		(Un-audited) June 30, 2022	(Audited) December 31, 2021
Numb	er of shares		Rupe	es in '000'
		Opening Balance		
1,607,912,555 526,315,789 509,464,036	1,607,912,555 526,315,789 509,464,036	Ordinary shares of Rs. 10 each paid in cash Ordinary shares of Rs. 10 each issued at discount Issued as bonus shares	16,079,125 5,263,158 5,094,641	16,079,125 5,263,158 5,094,641
2,643,692,380	2,643,692,380		26,436,924	26,436,924
330,461,547	-	Movement during the period Issued as bonus shares Closing Balance	3,304,615	-
1,607,912,555 526,315,789 839,925,583	1,607,912,555 526,315,789 509,464,036	Ordinary shares of Rs. 10 each paid in cash Ordinary shares of Rs. 10 each issued at discount Issued as bonus shares	16,079,125 5,263,158 8,399,256	16,079,125 5,263,158 5,094,641
2,974,153,927	2,643,692,380	Less: Discount on issue of shares	29,741,539 (263,158)	26,436,924 (263,158)
2,974,153,927	2,643,692,380		29,478,381	26,173,766

GoPb held 57.47% shares in the Bank as at June 30, 2022 (December 31, 2021: 57.47%).

(Un-audited) June 30, 2022

(Un-audited) June 30, 2021

		Note	2022 Rupees	2021 in '000'
		11010	Паросс	
23.	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	(18,139,269) 6,472,087 1,260,493	(10,567,482) 5,137,390 1,453,931
		10	(10,406,689)	(3,976,161)
	Deferred tax on deficit / (surplus) on revaluation of: - Available for sale securities - Property and equipment - Non-banking assets acquired in satisfaction of claims		7,799,886 (2,058,571) (117,272)	4,121,318 (1,346,545) (167,322)
			5,624,043	2,607,451
			(4,782,646)	(1,368,710)
24.	CONTINGENCIES AND COMMITMENTS			
	Guarantees Commitments Other contingent liabilities	24.1 24.2 24.3	90,051,941 398,663,793 661,807	80,791,490 388,223,744 8,975
			489,377,541	469,024,209
24.1	Guarantees:			
	Financial guarantees Performance guarantees Other guarantees		22,859,784 20,961,741 46,230,416	18,341,471 18,710,766 43,739,253
			90,051,941	80,791,490
24.2	Commitments:			
	Documentary credits and short-term trade-related trans-letters of credit Commitments in respect of:	actions	150,583,119	136,560,464
	- forward foreign exchange contracts	24.2.1 24.2.2	198,729,171 49,279,431	205,641,893 45,923,548
	fixed assetsintangible assets		7,543 64,529	13,052 84,787
			398,663,793	388,223,744
24.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase Sale		103,492,338 95,236,833	105,824,202 99,817,691
			198,729,171	205,641,893
24.2.2	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to lend 2	24.2.2.1	49,279,431	45,923,548

24.2.2.1These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn

	acincy is unilaterally withdrawn.		(Un-audited) June 30, 2022	(Un-audited) June 30, 2021
		Note	Rupees	s in '000'
24.3	Other contingent liabilities	24.3.1	661,807	8,975

24.3.1 For assessment year 2007 through tax year 2021, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans.

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

			(Un-audited) June 30, 2022	(Un-audited) June 30, 2021	
		Note	Rupees	in '000'	
24.4	Claims against the Bank not acknowledged as debts	24.4.1	50,328,762	54,809,134	

24.4.1 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 primarily 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) June 30,	(Un-audited) June 30,
			2022	2021
		Note	Rupees	in '000'
25.	MARK-UP / RETURN / INTEREST EARNED			
	On loans and advances		26,982,239	16,526,185
	On investments:			
	Available for sale securities		25,153,252	16,960,976
	Held for trading securities		603,517	1,053,654
	Held to maturity securities		4,859,831	3,705,555
	On lendings to financial institutions:			
	Securities purchased under resale agreements		578,114	456,218
	Call lending		41,169	4,384
	Letters of placement		475,298	156,219
	On balances with banks		186,550	2,216
			58,879,970	38,865,407

(Un-audited) June 30, 2022

(Un-audited) June 30, 2021

Note

	Note	Rupees	s in '000'
26.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits and other accounts Borrowings:	36,745,849	20,726,778
	Securities sold under repurchase agreements Call borrowings Borrowing from Pakistan Mortgage Refinance	4,296,597 5,291	530,043 2,501,155
	Company Limited SBP refinance borrowing Subordinated debts:	66,868 662,127	32,409 390,376
	Mark-up on subordinated perpetual term finance certificates Mark-up on privately placed term finance certificates Mark-up on lease liability against right of use assets	191,963 407,400 639,956	- 289,642 513,295
	ivial K-up of rease liability against right of use assets	43,016,051	24,983,698
27.	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 SMS banking income	184,568 199,310 562,321 922,336 87,354 571,322 189,780 159,929 207,206 42,740 - 227,825 3,354,691	271,183 192,732 375,191 536,138 92,090 394,710 171,413 52,472 189,227 53,449 8,330 154,968 2,491,903
	Realized (loss) / gain on sale of securities - net Unrealized loss - held for trading	(861,011)	1,636,591 (21,619)
		(861,011)	1,614,972
28.1	Realized (loss) / gain on sale of securities - net:		
	Federal government securities Shares and certificates	(743,085) (117,926)	1,177,462 459,129
		(861,011)	1,636,591
29	OTHER INCOME - NET		
	Gain / (loss) on sale of property and equipment - net Gain on sale of non banking assets - net Gain on termination of lease liability against right of use assets Notice pay on resignations	57,936 114,420 s 13,171 12,593	(110) 28,345 712 6,543
		198,120	35,490

(Un-audited) June 30, 2022

(Un-audited) June 30, 2021

			2022	2021
		Note	Rupees i	n '000'
	ODEDATING EVDENIGES			
30.	OPERATING EXPENSES			
	Total compensation expense		7,540,182	5,562,012
	Property expense:			
	Rent and taxes		8,899	10,729
	Insurance		5,217	7,442
	Utilities cost		425,961	313,006
	Security		378	681
	Repair and maintenance including janitorial charges		43,123	23,672
	Depreciation		321,031	264,863
	Depreciation on right of use assets		581,087	473,376
			1,385,696	1,093,769
	Information technology expenses:			
	Software maintenance		339,700	186,932
	Hardware maintenance		36,926	29,237
	Depreciation on computer equipment		199,856	171,475
	Amortization on intangible assets		129,179	109,464
	Network charges		242,019	213,700
	0.1		947,680	710,808
	Other operating expenses: Directors' fees and allowances		28,129	21,375
	Fees and allowances to shariah board			1,540
			4,565	,
	Legal and professional charges		106,507	117,135
	Subscription charges		19,258	15,253
	Outsourced staff services costs		266,814	211,995
	Travelling and conveyance		659,276	334,596
	NIFT clearing charges		39,090	28,488
	Depreciation		196,214	171,157
	Depreciation on non banking assets acquired in			
	satisfaction of claims	15.2	21,420	25,365
	Depreciation on ijarah assets under IFAS - 2		61,584	65,063
	Training and development		97,804	13,382
	Postage and courier charges		94,639	67,509
	Stationery and printing		245,203	227,374
	Marketing, advertisement and publicity		477,359	258,635
	Donations	30.1	15,000	-
	Auditors remuneration		2,843	-
	Insurance		132,598	114,429
	Deposit protection fee		254,641	221,513
	Repair and maintenance		171,352	138,458
	Entertainment expenses		92,202	65,207
	Fuel for generator		90,974	45,532
	Commission and brokerage		181,127	136,000
	Bank charges		19,844	16,978
	SMS banking charges		51,457	14,704
	ATM charges including ATM maintenance charges			
	8 8		180,720	86,434
	Cash remittance charges		199,703	137,459
	Branch license fee		16,446	14,976
	CNIC verification / ECIB charges		104,288	109,509
	COVID-19 related expenses		5,848	24,173
	Miscellaneous expenses		151,810	91,040
			3,988,715	2,775,279
			13,862,273	10,141,868

30.1 This represents donation paid for installation of solar system at Akhuwat University Kasur amounting to Rs. 15,000 thousand (2021: Nil) in accordance with the approval of Board of Directors of the Bank. None of the directors had any interest in the donee, except for Mr. Dr. Amjad Saqib (Non Executive Director) who is Founder / CEO in Akhuwat.

	Executive Director) who is rounder / GEO in Akhawat	Note	(Un-audited) June 30, 2022 Rupees	(Un-audited) June 30, 2021 s in '000'
31.	OTHER CHARGES			
	Penalties imposed by SBP		33,794	502
32.	(REVERSAL) / PROVISIONS AND WRITE OFFS - NE	Γ		
	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	1,059,296 (2,961,735) (1,038,469) 663	89,222 469,785 32,161
			(2,940,245)	591,168
33.	TAXATION - NET			
	Current Deferred	33.1	3,643,340 (704,621)	3,260,780 (1,489,403)
			2,938,719	1,771,377

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

The Government vide Finance Act 2023, has changed the tax rate for banking industry from 35% to 39% and enacted super tax at the rate of 10% for tax year 2023 only and 4% for indefinite period of time. Accordingly, the effect of change in current tax and deferred tax rate has been recognized in these unconsolidated condensed interim financial statements.

	Ne	ote	(Un-audited) June 30, 2022 Rupee	(Un-audited) June 30, 2021 s in '000'
34.	BASIC EARNINGS PER SHARE			
	Profit after taxation for the period (Rs in '000')		5,420,821	5,597,509
	Weighted average number of ordinary shares (No.).		2,974,153,927	(Restated) 2,974,153,927
	Basic earnings per share - Rs.		1.82	1.88

35. DILUTED EARNINGS PER SHARE

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

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

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

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

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

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

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

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

36.2 Fair value of financial assets

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

	June 30, 2022 (Un-audited)							
	Carrying value / National value	Level 1	Level 2	Level 3	Total			
On balance sheet financial instruments	Rupees in '000'							
Financial assets measured at fair value: Government securities Shares and certificates Non-Government debt securities Mutual fund units Foreign securities	405,598,699 8,727,490 10,660,907 66,061 11,957	8,707,963 - 66,061	405,598,699 - 10,660,907 -	19,527 - - 11,957	405,598,699 8,727,490 10,660,907 66,061 11,957			
Financial assets disclosed but not measured at fair value: Subsidiary company Government securities Unlisted term finance certificates / sukuks	95,228,974 3,897,039	- - -	90,869,826 -	3,897,039	90,869,826 3,897,039			
Off balance sheet financial instruments: Forward purchase of foreign exchange contracts Forward sale of foreign exchange contracts	108,890,291 101,868,039	- -	108,890,291 101,868,039	-	108,890,291 101,868,039			
		Decen	nber 31, 2021 (Au	dited)				
	Carrying value / National value	Level 1	Level 2	Level 3	Total			
			Rupees in '000'					
On balance sheet financial instruments Financial assets measured at fair value: Government securities Shares and certificates Non-Government debt securities Foreign securities	448,913,878 6,859,385 10,106,626 11,957	- 6,840,419 - -	448,913,878 - 10,106,626 -	18,966 - 11,957	448,913,878 6,859,385 10,106,626 11,957			
Financial assets disclosed but not measured at fair value: Subsidiary Company Government securities Unlisted term finance certificates and sukuks	- 61,299,171 4,492,039	- - -	- 63,715,206 -	- - 4,492,039	- 63,715,206 4,492,039			
Off balance sheet financial instruments: Forward purchase of foreign exchange contracts Forward sale of foreign exchange contracts	107,277,276 101,120,153	- -	107,277,276 101,120,153		107,277,276 101,120,153			
36.3 Fair value of non financial assets	June 30, 2022 (Un-audited)							
	Carrying value / National 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 satisfaction of claims	12,608,919 3,699,364	- -	12,608,919 3,699,364	-	12,608,919 3,699,364			
	December 31, 2021 (Audited)							
	Carrying value / National value	Level 1	Level 2	Level 3	Total			
N. G. C.	Rupees in '000'							
Non financial assets measured at fair value: Fixed assets (land & building) Non banking assets acquired in satisfaction of claims	8,764,483 5,848,593		8,764,483 5,848,593	-	8,764,483 5,848,593			

37 SEGMENT INFORMATION

Contingencies & commitments

37.1 Segment details with respect to business activities

	June 30, 2022 (Un-audited)						
	Corporate	Consumer	Retail and			Others	
	and investmen	t and digital	priority sector	Treasury	Islamic	including	Total
	banking	banking	lending			Head Office	
Profit & loss			Rup	ees in '000'			
Net mark-up / return / profit	19.183.070		4.987.066	30,113,589	4,298,897	297.348	58,879,970
Inter segment (cost) / revenue - net	(15,628,047)	51,706,812	(3,493,867)	(28,192,652)	(235,846)	(4,156,400)	
Non mark-up / return / interest income	1,420,818	1,310,345	288,300	270,830	104,757	203,464	
Total income	4,975,841	53,017,157	1,781,499	2,191,767	4,167,808	(3,655,588)	62,478,484
Segment total expenses	1,083,715	39,496,788	1,132,750	4,496,462	3,340,802	7,508,672	57,059,189
Profit before provisions and tax	3,892,126	13,520,369	648,749	(2,304,695)	827,006	(11,164,260)	5,419,295
Provisions	(3,118,033)	13,475	(72,418)	1,059,296	228,938	(1,051,503)	(2,940,245)
Profit / (loss) before tax	7,010,159	13,506,894	721,167	(3,363,991)	598,068	(10,112,757)	8,359,540
Balance sheet							
Cash & bank balances	-	31,315,639	-	46,210,458	7,135,499	-	84,661,596
Investments - net	-	-	-	498,624,621	25,566,506	-	524,191,127
Net inter segment lending	-	956,640,005	-	-	-	19,327,823	
Lendings to financial institutions		-		33,805,331	2,375,000		36,180,331
Advances - performing	366,077,068	-	90,449,606	-	49,671,668	12,928,125	
Advances - non-performing - net Others	2,953,325 19,347,648	2,111,961	808,574 673,871	11,571,519	1,519,586 4,639,076	46,618,035	5,281,485 84,962,110
Total assets	388,378,041	990,067,605	91,932,051	590,211,929	90,907,335	78,873,983	2,230,370,944
Borrowings	74,862,129		1,721,838	70,130	1,233,648		77,887,745
Subordinated debts	-	-	-	-	-	14,805,120	14,805,120
Deposits & other accounts		957,933,753	-	-	74,016,373	-	1,031,950,126
Net inter segment borrowing	256,574,235	-	124,267,649	588,460,776	6,665,168	-	975,967,828
Others	11,032,411	32,133,852	11,851,830	1,681,022	4,322,484	11,802,237	72,823,836
Total liabilities	342,468,775	990,067,605	137,841,317	590,211,928	86,237,673	26,607,357	2,173,434,655
Equity						_	56,936,289
Total equity & liabilities							2,230,370,944
						=	

- 16,702,149 198,729,171 22,155,888

251,056,454

		June 30, 2021 (Un-audited)					
	Corporate	Consumer	Retail and			Others	
	and investment	t and digital	priority sector	Treasury	Islamic	including	Total
	banking	banking	lending	-		Head Office	
Profit & loss							
Net mark-up / return / profit	11,958,128	-	3,223,880	21,363,592	2,129,215	190,592	38,865,407
Inter segment revenue - net	(9,521,539)	29,106,167	(1,967,313)	(15,389,498)	(19,190)	(2,208,627)	-
Non mark-up / return / interest incon	ne 881,899	1,094,097	293,989	2,013,706	66,841	37,598	4,388,130
Total income	3,318,488	30,200,264	1,550,556	7,987,800	2,176,866	(1,980,437)	43,253,537
Segment total expenses	657,575	24,757,285	788,699	3,220,304	1,993,027	3,876,593	35,293,483
Profit before provisions and tax	2,660,913	5,442,979	761,857	4,767,496	183,839	(5,857,030)	7,960,054
Provisions	118,361	17,701	62,694	89,222	298,955	4,235	591,168
Profit / (loss) before tax	2,542,552	5,425,278	699,163	4,678,274	(115,116)	(5,861,265)	7,368,886
			Decem	ber 31, 2021 (A	Audited)		
Balance sheet							
Cash & bank balances		24,886,324	-	41,562,509	13,587,542	-	80,036,375
Investments - net	4,244,704	-	-	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	
Advances - 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	-	1,002,954,667
Net inter segment borrowing	279,443,786	-	74,282,001	589,876,159	-	-	943,601,946
Others	8,087,809	29,061,013	11,425,595	172,296	2,944,671	8,360,596	60,051,980
Total liabilities		952,809,584	87,512,609	590,048,455	83,062,176	16,149,576	2,085,721,061
Equity	54,832,876					_	
Total equity & liabilities						_	2,140,553,937
Contingencies & commitments	255,411,391	-	416,094	205,641,893	7,448,017	106,814	469,024,209

733,879 489,377,541

38. RELATED PARTY TRANSACTIONS

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

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

Docombox 21, 2021 (Audited)

luno 20, 2022 (Unaudited)

		J	une 30, 2022 (Un-a	udited)			D	ecember 31, 2021	(Audited)	
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee Funds	Other related parties	Directors	Key management personnel	Subsidiary companies an managed modaraba	Employee d Funds	Other related parties
					Rupees in '000'					
Lendings to financial institutions: Opening balance	-	-	1,600,000	-	-	-	-	1,000,000	-	-
Addition during the period / year Repaid during the period / year	-	-	3,575,000 3,400,000	-	-	-	-	4,600,000 4,000,000	-	-
Closing balance	-	-	1,775,000	-	-	-	-	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 / year Repaid during the period / year	-	269,016 148,354 80,347	132,431 156,395 288,826	- - -	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	-	337,023	-	-	-	-	269,016	132,431	-	1,318,019
Financial guarantees	-	-	-	-	111,822	-	-	2,000	-	112,072
Other assets - advance deposits and prepayments Other assets - markup receivable	-	7,803 15,275	100,000 20,443	- -	-		17,547 13,821	100,000 21,649	-	- 14,151
Right of use assets Lease liability against right of use asse	ets -	-	-	-	60,276 24,472	-	-	-	-	62,202 22,900
Deposits and other accounts: Opening balance Received during the period / year	902 3,884	26,795 428,722	36,387 1,248,236	374,772 2,493,478	1,558,999 43,290,537	598 16,522	24,363 532,244	11,287 4,627,102	3,071,616 4,247,275	33,878 61,507,975
Withdrawn during the period / year	4,370	436,478	1,208,661	2,148,477	42,417,856	16,218	529,812	4,602,002	6,944,119	59,982,854
Closing balance	416	19,039	75,962	719,773	2,431,680	902	26,795	36,387	374,772	1,558,999
Other liabilities - markup payable	5	41	97	8,794	83,909	2	72	20	-	11,087

		Ju	ne 30, 2022 (Un-aud	lited)			Ju	ine 30, 2021 (Un-aud	ited)	
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee Funds	Other related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee Funds	Other related parties
					Rupees in '000'					
Income: Mark-up / return / interest earned Fee and commission income	-	8,475	88,028	-	5,678 5,356	-	3,982	59,391 -	-	19,304 1,061
Expense: Mark-up / return / interest expensed Depreciation on right of use assets Mark-up on lease liability against	20	57 -	413	27,139	96,673 1,926	11	155	- -	76,403	248 1,926
right of use assets	-	-	-	-	1,572	-	-	-	-	1,375
Compensation expense	-	322,118	-	-	-	-	223,719	-	-	-
Commission expense	-	-	1,742	-	-	-	-	3,284	-	-
Directors fee and allowances Provision: (Reversal) / charge of provision - advances	28,129	-	-	-	-	21,375	-	(59,757)	-	-

The Bank of Punjab

- 38.1 Balances pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through movement presented above.
- 38.2 The GoPb holds controlling interest (57.47% shareholding) in the Bank and therefore entities which are owned and / or controlled by the GoPb, or where the GoPb may exercise significant influence, are related parties of the Bank. The Bank in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities. The detail of transactions are as follows:

	(Un-audited) June 30, 2022 Rupee	(Audited) December 31, 2021 s in '000'
Loans & advances Deposits Acceptances Contingencies Mark-up receivable Mark-up payable	65,672,745 540,950,271 71,929 30,643,999 2,276,112 15,393,067	57,299,296 484,197,126 71,929 26,097,691 1,078,401 9,079,554
	(Un-audited) June 30, 2022 Rupee	(Un-audited) June 30, 2021 s in '000'
Mark-up earned Mark-up expensed Income on contingencies	3,391,442 23,031,557 71,911	1,790,818 12,454,727 17,786

- 38.3 The Bank made contribution of Rs. 178,819 thousand (June 30, 2021: Rs. 146,196 thousand) to employees provident fund during the period.
- 38.4 First Punjab Modaraba and Punjab Modaraba Services (Pvt) Limited are using premises owned by The Bank of Punjab free of cost.
- 38.5 Advances to employees as at June 30, 2022, other than key management personnel, amounted to Rs. 14,237,981 thousand (December 31, 2021: Rs. 11,219,294 thousand) with markup receivable of Rs. 568,457 thousand (December 31, 2021: Rs. 678,455 thousand) and markup income of Rs.276,054 thousand (June 30, 2021: Rs. 179,379 thousand).
- 38.6 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.

		2022	2021
		Rupees	s in '000'
39.	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
	Minimum Capital Requirement (MCR):		
	Paid-up capital including share premium (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	42,582,413 8,017,500	43,993,744 -
	Total Eligible Tier 1 Capital	50,599,913	43,993,744
	Eligible Tier 2 Capital	6,870,910	9,338,940
	Total Eligible Capital (Tier 1 + Tier 2)	57,470,823	53,332,684
	Risk Weighted Assets (RWAs):		
	Credit risk	373,959,758	352,126,107
	Market risk	17,094,903	18,193,098
	Operational risk	64,190,824	64,190,824
	Total	455,245,485	434,510,029
	Common equity tier I capital adequacy ratio	9.35%	10.12%
	Tier I CAR (%)	11.11%	10.12%
	Total CAR (%)	12.62%	12.27%
39.1	Leverage Ratio (LR):		
	Eligible Tier-I Capital	50,599,913	43,993,744
	Total exposures	1,547,595,866	1,462,811,386
	LR (%)	3.27%	3.01%

(Un-audited)

June 30,

(Audited)

December 31,

In December 2021, had the advance subscription money against future issuance of non-cumulative perpetual term finance certificates been accounted for as eligible capital, the capital adequacy and leverage ratio would have been 12.50% and 3.08% respectively.

- 39.2 The SBP vide its letter No. SBPHOK-BPRD-RPD-BOP-246142 dated July 25, 2022 (Relaxation) has allowed the Bank to stagger the unrealized mark-to-market loss on certain Available For Sale Pakistan Investment Bonds (Portfolio) having maturity on August 20, 2023 and face value of Rs. 140,443,600 thousand in the following manner:
 - 25 % by September 30, 2022
 - 50 % by December 31, 2022
 - 75 % by March 31, 2023
 - 100 % by June 30, 2023

Further, the outstanding staggered amount of revaluation deficit on said AFS Portfolio shall be adjusted from distributable profits for declaring cash dividend, if any, during the relaxation period.

As on June 30, 2022 the Bank has not taken the benefit of the said Relaxation of SBP. Accordingly, Bank's CAR & LR ratios stood at 12.62% & 3.27% respectively. Had the benefit of said Relaxation of SBP been accounted for the CAR & LR ratios would have been stood at 14.71% & 3.90% respectively.

	N	Vote	(Un-audited) June 30, 2022 Rupees	(Audited) December 31, 2021 s in '000'
39.3	Liquidity Coverage Ratio (LCR):			
	Total high quality liquid assets Total net cash outflow		494,228,332 401,153,722	566,498,287 413,944,607
	LCR (%)		123.20%	136.85%
	Net Stable Funding Ratio (NSFR): Total available stable funding Total required stable funding		718,720,155 636,344,213	668,827,072 539,376,598
	NSFR (%)		112.95%	124.00%

40. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the June 30, 2022, the Bank is operating 121 Islamic banking branches (December 31, 2021: 114 Islamic banking branches) and 31 Islamic banking windows (December 31, 2021: 25)

ISLAMIC BANKING BUSINESS STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

	Note	(Un-audited) June 30, 2022 Rupees	(Audited) December 31, 2021 s 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	40.1 40.2 40.3	6,503,811 631,688 2,375,000 25,566,506 51,191,254 2,319,850 8,666 - 2,310,560	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		90,907,335	87,614,794
LIABILITIES			
Bills payable Due to financial institutions Deposits and other accounts Due to head office Subordinated debt Other liabilities	40.4	1,027,855 1,233,648 74,016,373 6,665,168 - 3,294,629	388,599 911,409 79,206,096 - - 2,556,072
Other habilities			
NET ASSETS		86,237,673 4,669,662	4,552,618
REPRESENTED BY		.,,	.,,,,,,,,,,
Islamic banking fund Reserves Deficit on revaluation of assets Unappropriated profit	40.5	2,000,000 21,501 (500,039) 3,148,200	2,000,000 5,505 (3,019) 2,550,132
		4,669,662	4,552,618

40.6

CONTINGENCIES AND COMMITMENTS

ISLAMIC BANKING BUSINESS Profit and Loss Account

For the Six Months Ended June 30, 2022 (Un-audited)

	Note	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021 Rupees ir	Ended June 30, 2022	Six Months Ended June 30, 2021
Profit / return earned Profit / return expensed	40.7 40.8	2,355,631 1,198,290	1,039,674 479,091	4,298,897 2,281,203	2,129,215 1,014,476
Net profit / return		1,157,341	560,583	2,017,694	1,114,739
Fee and commission income		50,217	34,384	106,249	65,392
Dividend income Foreign exchange (loss) / income Income / (loss) from derivatives		(7,167) -	757 -	(7,978) -	(1,936) -
Gain on securities - net Other income		- 7,891	1,008	6,486	2,194 1,191
		50,941	36,149	104,757	66,841
Total income		1,208,282	596,732	2,122,451	1,181,580
Operating expenses Workers Welfare Fund		638,721	564,574	1,295,445	997,694
Other charges		-	12	-	47
		638,721	564,586	1,295,445	997,741
Profit before provisions Provisions and write offs - net		569,561 182,344	32,146 219,706	827,006 228,938	183,839 298,955
Profit / (loss) before taxation Taxation	40.9	387,217 -	(187,560) -	598,068 -	(115,116) -
Profit / (loss) after taxation		387,217	(187,560)	598,068	(115,116)

DUE FROM FINANCIAL INSTITUTIONS

	June 3	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)			
	In local currency	In foreign currencies	Total	In local In foreign currency currencies				Total
			Rupees in '000'					
Placements	2,375,000	-	2,375,000	4,500,000	-	4,500,000		

40.2 **INVESTMENTS - NET**

Investments by segment:

investments by segmi			audited) 0, 2022			(Audite December		
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Federal government securities:		Rupe	ees in	'000'				
-ljarah sukuks -Naya Pakistan Certificates (Roshan Digital)	14,142,202 545,274		(529,209)	13,612,993 545,274	4,502,908 88,600	-	(1,154)	4,501,754 88,600
Non government debt securities :	14,687,476	-	(529,209)	14,158,267	4,591,508	-	(1,154)	4,590,354
-Listed -Unlisted	8,426,136 3,047,239		(65,136)	8,361,000 3,047,239	8,457,812 3,617,239	-	(75,312)	8,382,500 3,617,239
	11,473,375	-	(65,136)	11,408,239	12,075,051	-	(75,312)	11,999,739
Total investments	26,160,851	-	(594,345)	25,566,506	16,666,559	-	(76,466)	16,590,093

(Un-audited) June 30, 2022

(Audited) December 31, 2021

Rupees in '000'

40.3	ISLAMIC FINANCING AND RELATED ASSETS		
	ljarah	2,233,146	2,075,758
	Murabaha	2,331,318	2,115,237
	Musharaka	14,324,403	21,482,411
	Diminishing musharaka	25,466,825	20,579,778
	Payment against documents	55,304	55,304
	Waqala	3,857,807	-
	Istisna	4,581,105	4,154,436
	Gross islamic financing and related assets	52,849,908	50,462,924
	Less: provision against islamic financings		
	- Specific	1,658,654	1,429,880
	- General	-	-
		1,658,654	1,429,880
	Islamic financing and related assets - net of provision	51,191,254	49,033,044

DEPOSITS AND OTHER ACCOUNTS June 30, 2022 (Un-audited) 40.4

December 31, 2021 (Audited)

	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
			Rupees in '000'			
Customers:						
Current deposits	14,515,860	457,056	14,972,916	14,637,500	413,124	15,050,624
Savings deposits	46,167,310	265,006	46,432,316	44,910,744	223,869	45,134,613
Term deposits	10,496,443	-	10,496,443	7,693,035	-	7,693,035
Others	1,964,233	-	1,964,233	1,545,903	-	1,545,903
	73,143,846	722,062	73,865,908	68,787,182	636,993	69,424,175
Financial institutions:						
Current deposits	12,889	13,351	26,240	221,033	41,503	262,536
Savings deposits	124,024	201	124,225	69,119	185	69,304
Term deposits	-	-	-	9,450,000	-	9,450,000
Others	-	-	-	81	-	81
	136,913	13,552	150,465	9,740,233	41,688	9,781,921
	73,280,759	735,614	74,016,373	78,527,415	678,681	79,206,096

The Bank of Punjab

(Un-audited)

June 30.

(Audited)

December 31,

40.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 210,221 thousand (June 30, 2021: tax credit Rs. 27,674 thousand).

40.10 During the period, following pools have been created:

Special Pool XXXII (SP-XXXII) Special Pool XXXIII (SP-XXXIII) Special Pool XXXIV (SP-XXXIV)

The main characteristics of the pools are as under:

- Profit sharing ratio between Mudarib and Rab-ul-mal is 50:50 for SP-XXXII and 05:95 for SP-XXXIII and SP-XXXIV.
- ii) Profit equalization reserve upto 2% of net income will be created, if needed.
- iii) nvestment risk reserve upto 1% of distributable profit of depositors will be created, if needed.

2,281,203

1,014,476

41 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 17, 2022 by the Board of Directors of the Bank.

42 GENERAL

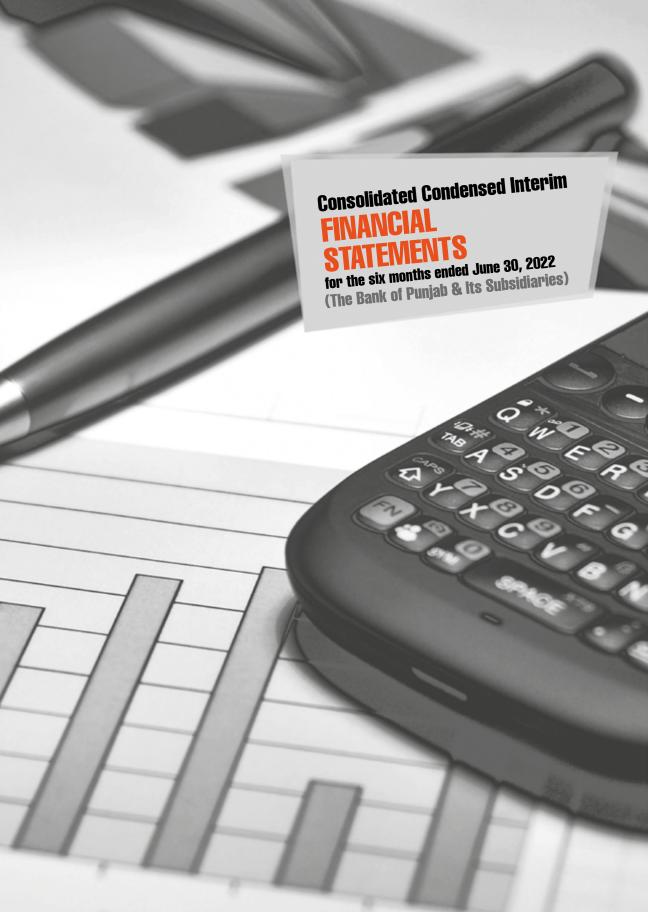
- 42.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.
- 42.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the period except for advances amounting to Rs. 1,457,659 thousand previously classified as 'In local currency' are now classified as 'In foreign currency' in note 11.1.

Chief Financial Officer

President

Chairman

Directo



Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2022

As at June 30, 2022	Note	(Un-audited) June 30, 2022 Rupees	(Audited) December 31, 2021 s 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	80,708,494 3,991,013 34,605,331 524,209,395 525,788,321 25,662,009 1,294,446 17,439,377 40,941,412	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		1,254,039,798	1,197,272,209
Bills payable Borrowings Deposits and other accounts Liabilities against assets subject to finance lease	17 18 19	6,733,455 77,889,075 1,031,874,164	10,109,459 71,323,488 1,002,918,281
Subordinated debts Deferred tax liabilities Other liabilities	20 21	14,805,120 - 66,325,397	7,788,980 - 50,221,597
		1,197,627,211	1,142,361,805
NET ASSETS		57,012,587	54,910,404
REPRESENTED BY			
Share capital - net Reserves Non Controlling Interest	22	29,478,381 11,686,747 645,129	26,173,766 10,602,583 587,579
Deficit on revaluation of assets - net of tax Unappropriated profit	23	(4,782,646) 19,984,976	(1,368,710) 18,915,186
		57,012,587	54,910,404

CONTINGENCIES AND COMMITMENTS

24

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

Chief Financial Officer

President

Chairman

Director

ctor Dir

The Bank of Punjab & Its Subsidiaries

Consolidated Condensed Interim Profit and Loss Account

For the Six Months Ended June 30, 2022 (Un-audited)

	Note	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021 Rupees	Ended June 30, 2022	Six Months Ended June 30, 2021
Mark-up / return / interest earned Mark-up / return / interest expensed	25 26	32,117,601 24,338,318	19,499,331 12,446,675	58,937,443 43,015,246	38,927,588 24,984,717
Net mark-up / interest income		7,779,283	7,052,656	15,922,197	13,942,871
NON MARK-UP / INTEREST INCOME					
Fee and commission income Dividend income Foreign exchange income Income / (loss) from derivatives	27	2,009,594 57,406 556,954	1,387,958 49,180 66,047	3,403,914 221,549 685,798	2,512,352 105,001 140,764
(Loss) / gain on securities - net Other income - net	28 29	(737,331) 65,176	352,825 9,315	(861,011) 198,440	1,614,972 34,202
Total non-markup / interest income		1,951,799	1,865,325	3,648,690	4,407,291
Total income		9,731,082	8,917,981	19,570,887	18,350,162
NON MARK-UP / INTEREST EXPENSES					
Operating expenses Workers welfare fund Other charges	30 31	6,620,851 84,966 29,780	4,788,329 101,889 352	13,970,580 147,071 33,794	10,233,070 167,415 502
Total non-markup / interest expenses		6,735,597	4,890,570	14,151,445	10,400,987
Profit before provisions (Reversal) / provisions and write offs - net Extra ordinary / unusual items	32	2,995,485 (1,876,538)	4,027,411 (218,241)	5,419,442 (2,940,463)	7,949,175 632,328
PROFIT BEFORE TAXATION		4,872,023	4,245,652	8,359,905	7,316,847
Taxation - net	33	1,616,087	537,778	2,940,314	1,772,948
PROFIT AFTER TAXATION		3,255,936	3,707,874	5,419,591	5,543,899
			(Restated)		(Restated)
Basic earnings per share - Rupees	34	1.08	1.24	1.80	1.85
Diluted earnings per share - Rupees	35	1.08	1.24	1.80	1.85
PROFIT ATTRIBUTEABLE TO:					
Equity holders of the parent Non-controlling interest		3,226,805 29,131	3,687,608 20,266	5,362,041 57,550	5,503,348 40,551
		3,255,936	3,707,874	5,419,591	5,543,899

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

Chief Financial Officer

esident Chairman

Director

Director

HALF YEARLY REPORT JANUARY JUNE 2022

Consolidated Condensed Interim Statement of Comprehensive Income For the Six Months Ended June 30, 2022 (Un-audited)

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021 Rupees	Ended June 30, 2022	Six Months Ended June 30, 2021
Profit after taxation for the period	3,255,936	3,707,874	5,419,591	5,543,899
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	177,464	-	574,026	(90,596)
	177,464	-	574,026	(90,596)
Items that may be reclassified to profit and loss account in subsequent periods:	3,433,400	3,707,874	5,993,617	5,453,303
Movement in surplus / (deficit) on revaluation of investments - net of tax	(2,385,306)	253,499	(3,893,219)	(2,660,212)
Total comprehensive (loss) / income for the period	1,048,094	3,961,373	2,100,398	2,793,091
Equity holders of the parent Non-controlling interest	1,018,963 29,131	3,850,511 20,266	2,042,848 57,550	2,752,540 40,551
	1,048,094	3,961,373	2,100,398	2,793,091

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

Consolidated Condensed Interim Statement of Changes in Equity For the Six Months Ended June 30, 2022 (Un-audited)

	Share capital	Discount on issue of shares	Share capital - net	Reserve for issuance of bonus shares	Share	Statutory reserve	Investments	Fixed / non banking assets	Unappropriated profit	Non- controlling interest	Total
					R	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 six months ended June 30, 2021 Other comprehensive loss		1 1				1 1	(2,660,212)	- (962'06)	5,503,348	40,551	5,543,899 (2,750,808)
T							10 000 0	1001	0000	40	200 004
Topological comprehensive (noss) / Income for the six months ended June 30, 2021							(z1z'000'z)	(066'06)	5,503,348	40,551	2,793,091
I ansier i i on 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.								(4,681)	4681		
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal		٠	٠	•	,			(19,505)	26,214	٠	6,709
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 June 30, 2021 - un-audited	26,436,924	(263,158)	26,173,766	2,215,040		5,898,936	274,051	2,876,615	14,552,931	547,544	52,538,883
Profit after taxation for the six months ended December 31, 2021 Other comprehensive (loss) / income							(6,720,215)	2,238,070	6,812,465 (747)	40,035	6,852,500 (4,482,892)
Total comprehensive (loss) / income for the six months ended December 31, 2021			٠				(6,720,215)	2,238,070	6,811,718	40,035	2,369,608
Transfer to statutory reserve during the period						2,488,607			(2,488,607)		•
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	•	,			,	•	•	(29,756)	29,756	•	•
ransier from surplus of revaluation of non banking assets to unappropriated profit on disposal Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal								(2,992)	4,483		1,913
Balance as on December 31, 2021 - audited	26,436,924	(263,158)	26,173,766	2,215,040		8,387,543	(6,446,164)	5,077,454	18,915,186	587,579	54,910,404
Profit after taxation for the six months ended June 30, 2022 Other comprehensive (loss) / income							(3,893,219)	574,026	5,362,041	57,550	5,419,591
Total comprehensive (loss) / income for the six months ended June 30, 2022	'	'	'	'		'	(3,893,219)	574,026	5,362,041	57,550	2,100,398
Transfer to statutory reserve during the period			•			1,084,164		1 00 00	(1,084,164)	•	•
Iransier from surplus on revaluation of fixed assets to unappropriated profit - net of tax T Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax								(2,666)	2.666		
			•				•	(39,487)	41,272		1,785
I ransactions with owners recognized directly in edulity. Final stock dividend - December 31, 2021 declared subsequent to year end at 12.5% per share Issuuance of bonus shares during the period	3,304,615	1 1	3,304,615	1 1	3,304,615	1 1			(3,304,615)		
RIY	3,304,615		3,304,615						(3,304,615)		
Balance as on June 30, 2022 - un-audited	29,741,539	(263,158)	29,478,381	2,215,040		9,471,707	(10,339,383)	5,556,737	19,984,976	645,129	57,012,587

JAMON, Cuypuf Ila.

Director

President

Chief Financial Officer

Chairman

Consolidated Condensed Interim Cash Flow Statement

For the Six Months Ended June 30, 2022 (Un-audited)

	Note	Six Months Ended June 30, 2022 Rupees	Six Months Ended June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		734	
Profit before taxation		8,359,905	7,316,847
Less: Dividend income		(221,549)	(105,001)
		8,138,356	7,211,846
Adjustments:		2,:22,222	.,,
Depreciation on fixed assets	30	717,856	608,294
Depreciation on non banking assets acquired in			
satisfaction of claims	30	21,420	25,365
Depreciation on ijarah assets under IFAS - 2	30	124,282	119,234
Depreciation on right of use assets	30 30	581,087	473,376
Amortization on intangible assets Amortization of discount on debt securities - net	30	129,179 (1,977,581)	110,262 (496,313)
Mark-up on lease liability against right of use assets	26	639,956	513,295
Unrealized loss on revaluation of investments	20	039,930	313,293
classified as held for trading	28	-	21,619
(Reversal) / provision and write-offs - net	32	(2,940,463)	632,328
Workers' Welfare Fund		147,071	167,415
Gain on termination of lease liability against right of use assets	29	(13,171)	(712)
(Gain) / loss on sale of property and equipment - net	29	(58,256)	110
Gain on sale of non banking assets - net	29	(114,420)	(28,345)
Realized loss / (gain) on sale of securities - net	28	861,011	(1,636,591)
Provision for employees compensated absences		6,020	6,991
Provision for gratuity		170,016	103,474
		(1,705,993)	619,802
(Increase) / decrease in operating assets:		6,432,363	7,831,648
Lendings to financial institutions		(5,024,943)	4,500,693
Held for trading securities		33,537,173	6,014,171
Advances - net		(37,374,810)	(43,894,656)
Others assets - net		(7,569,516)	(3,347,572)
		(16,432,096)	(36,727,364)
Increase / (decrease) in operating liabilities: Bills payable		(3,376,004)	556,157
Borrowings from financial institutions		6,495,457	(23,277,079)
Deposits		28,955,883	90,557,109
Other liabilities (excluding current taxation and gratuity fund)		13,190,891	2,472,718
		45,266,227	70,308,905
		(202 :	(05: == 0
Payment made to gratuity fund		(268,144)	(261,774)
Income tax paid		(2,279,386)	(2,695,540)
		(2,547,530)	(2,957,314)
Net cash flow from / (used in) operating activities		32,718,964	38,455,875

Cash Flow Statement (Cont:)

Six Months
Ended
June 30,
2022

Six Months
Ended
June 30,
2022

Six Months
Ended
June 30,
2022

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 Net cash (used in) / flow from investing activities	(235,788) (33,327,345) 220,180 (1,576,616) (315,473) 61,348 731,323	(25,256,299) 106,860 (1,158,789) (291,938) 881 255,509 (26,343,776)
CASH FLOW FROM FINANCING ACTIVITIES Repayment of subordinated debts	(1,360)	(1,360)
Subscription received - subordinated perpetual term finance certificates 20.1 Dividend paid Payment - lease liability against right of use assets	7,017,500 - (840,950)	(2,643,692) (674,821)
Net cash flow from / (used in) financing activities	6,175,190	(3,319,873)
Increase / (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of the period	4,451,783 80,177,594	8,792,226 71,777,051
Cash and cash equivalents at end of the period	84,629,377	80,569,277
Cash and cash equivalents: Cash and balances with treasury banks Balances with other banks Overdrawn nostro accounts	80,708,494 3,991,013 (70,130)	78,135,273 2,434,004 -
	84,629,377	80,569,277

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

Chief Financial Officer

President

Chairman

Director

Director

HALF YEARLY REPORT JANUARY - JUNE 2022

Notes to the Consolidated Condensed Interim Financial Statements

For the Six Months Ended June 30, 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 688 branches including 16 sub branches and 121 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 also has 31 Islamic banking windows (December 31, 2021: 25) The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb).

Punjab Modaraba Services (Private) Limited

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

First Punjab Modaraba

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

Punjab Capital Securities (Private) Limited

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

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 40 of these consolidated condensed interim financial statements.

2.1 Statement of compliance

- 2.1.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
 - Directives issued by the SBP and the Securities Exchange Commission of Pakistan (SECP);
 - Requirements of The Bank of Punjab Act, 1989; and
 - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017.

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

2.1.2 The disclosures made in these consolidated condensed interim financial statements have been limited based on SBP BPRD Circular Letter No. 05 dated March 29, 2019 and IAS 34 "Interim Financial Reporting". Accordingly, these consolidated condensed interim financial statements do not include all the information and disclosures required for annual consolidated financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the annual 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 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 The SECP vide its notification SRO 633 (I)/2014 dated 10 July 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.
- 2.1.6 Amendments and interpretations of accounting standards that are effective in the current period:

There are certain amendments and interpretations of existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2022. These are considered either not relevant or not to have any significant impact on the Bank's consolidated condensed interim financial statements.

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

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

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

As per SBP's BPRD Circular Letter No. 03 dated July 05, 2022, the applicability of IFRS 9 in Pakistan has been deferred to accounting periods beginning on or after January 1, 2023. Accordingly, these consolidated condensed interim financial statements have been prepared in accordance with the existing prudential regime. The impact of the application of IFRS 9 on Bank's financial statements is being assessed.

Standard or Interpretations		Effective date (annual periods beginning on or after)
IAS 8	Amended Definition of Accounting Estimates	January 01, 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
IAS 1	Classification of liabilities as current or non-current -Amendments	January 01, 2024

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2023, but are considered not to be relevant or will not have any significant effect on the Bank's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

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 against right of use assets 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.

A general provision of Rs. 4,116,231 thousand was created by the Bank during years 2020 & 2021 as a buffer against unforeseen loan losses based on funded credit portfolio, excluding Government guaranteed exposure and exposure secured against cash and equivalents, to mitigate any adverse impact on equity, performance and related regulatory compliance on account of uncertainty emanating from COVID-19 outbreak. Based upon on-going risk mitigation measures and internal portfolio assessment, during the current period the Bank has reversed Rs. 2,500,000 thousand (December 31, 2021: Rs. 1,616,231 thousand) of the remaining general provision.

Note

Rupees in '000'

		Note	nupees	111 000
7.	CASH AND BALANCES WITH TREASURY BANKS			
	In hand:			
	Local currency Foreign currencies		19,966,711 1,731,794	13,800,719 4,359,944
	With SBP in:		21,698,505	18,160,663
	Local currency current account		38,337,069	40,887,037
	Foreign currency current account		1,405,248	900,219
	Foreign currency deposit account		3,042,580	2,109,501
	With National Bank of Pakistan in:		42,784,897	43,896,757
	Local currency current account		16,197,991	9,174,433
	Prize bonds		27,101	87,385
			80,708,494	71,319,238
8.	BALANCES WITH OTHER BANKS			
	In Pakistan:			
	Current accounts		249,587	296,993
	Deposit accounts		34,901	5,638,770
	Outside Pakistan:		284,488	5,935,763
	Current accounts		1,289,268	1,339,397
	Deposit accounts		2,417,257	1,583,196
			3,706,525	2,922,593
			3,991,013	8,858,356
9.	LENDINGS TO FINANCIAL INSTITUTIONS			
	Call money lendings		-	100,000
	Repurchase agreement lendings (Reverse Repo)	9.2	13,805,331	26,380,388
	Placements	9.3	20,800,000	3,100,000
			34,605,331	29,580,388
9.1	Particulars of lendings			
	In local currency In foreign currencies		34,605,331	29,580,388
	in toroigh ourrendes		34,605,331	29,580,388
			3 1,000,001	20,000,000

9.2 Securities held as collateral against repurchase agreement

		(Un-audited) June 30, 2022		Dec	(Audited) ember 31, 2	021
	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	7,805,331 6,000,000	= =	7,805,331 6,000,000	21,088,298 5,292,090	= =	21,088,298 5,292,090
	13,805,331	-	13,805,331	26,380,388	-	26,380,388

Market value of securities held as collateral as at June 30, 2022 amounted to Rs. 13,809,683 thousand (December 31, 2021: Rs. 26,391,416 thousand). These carry mark-up at rates ranging from 12.75% to 13.80% per annum (December 31, 2021: 10.50% to 10.75% per annum).

9.3 These carry profit rates ranging from 10.50% to 14.55% per annum (December 31, 2021: 7.25% to 10.90% per annum) with maturities up to September 30, 2022.

10. INVESTMENTS - NET

10.1 Investments by type:

10.1 Investments	υ , τ, μυ.			(Un-audited) June 30, 2022		De	(Audited) ecember 31, 20	21	
		Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Held-for-trading securities	Note			Ru	pees in	,000,			
Federal government securities Ordinary shares	10.1.1			-	-	33,472,511 34,331		26,429 (5,390)	33,498,940 28,941
Available-for-sale securities				-	-	33,506,842	-	21,039	33,527,881
Federal government securities Shares and certificates Mutual fund units	10.1.1 & 10.2	423,018,597 11,828,950 65,000	(2,320,475)	(17,419,898) (762,717) 1,061	405,598,699 8,745,758 66.061	425,181,105 9,106,342	(1,420,029)	(9,766,167) (840,977)	415,414,938 6,845,336
Non government debt securities Foreign securities		17,041,224 11,957	(2,525,563)		14,557,946 11,957	17,084,566 11,957	(2,525,563)	39,662	14,598,665 11,957
Held-to-maturity securities		451,965,728	(4,846,038)	(18,139,269)	428,980,421	451,383,970	(3,945,592)	(10,567,482)	436,870,896
Federal government securities WAPDA bonds	10.1.1 & 10.4	95,228,974 400			95,228,974	61,299,171 400	(400)	-	61,299,171
		95,229,374	(400)	-	95,228,974	61,299,571	(400)	-	61,299,171
Total investments		547,195,102	(4,846,438)	(18,139,269)	524,209,395	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.

		Note	(Un-audited) June 30, 2022 Rupees	(Audited) December 31, 2021 s in '000'
10.2	Investments given as collateral			
	Pakistan investment bonds		489,134	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	32	1,059,296 -	322,188 (10,669)
	Reversal on disposal during the period / year		1,059,296 (158,850)	311,519 (280,353)
	Closing balance		4,846,438	3,945,992

10.3.2 Particulars of provision against debt securities

	(Un-audited) June 30, 2022		(Audit December 31	,
	NPI	Provision	NPI	Provision
		Rupees i	n '000'	
Category of classification				
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. 90,869,826 thousand (December 31, 2021: Rs. 63,715,206 thousand).

11 ADVANCES - NET

	Perfori	ming	Non Perfor	rming	Total	
	(Un-audited) June 30, 2022	(Audited) December 31, 2021	(Un-audited) June 30, 2022	(Audited) December 31, 2021	(Un-audited) June 30, 2022	(Audited) December 31, 2021
			Rupees in '000'			
Loans, cash credits, running finances, etc. Net book value of assets in ijarah	450,577,471	419,870,754	48,543,236	48,995,887	499,120,707	468,866,641
under IFAS 2 - In Pakistan	2,052,161	1,860,758	180,985	215,000	2,233,146	2,075,758
Islamic financing and related assets	47,619,508	45,336,297	2,997,254	3,050,869	50,616,762	48,387,166
Bills discounted and purchased	20,845,971	16,234,159	17,221	27,521	20,863,192	16,261,680
Advances - gross	521,095,111	483,301,968	51,738,696	52,289,277	572,833,807	535,591,245
Provision against advances:						
- Specific	_	-	(46,457,211)	(46,959,797)	(46,457,211)	(46,959,797)
- General	(588,275)	(3,054,945)	-	-	(588,275)	(3,054,945)
	(588,275)	(3,054,945)	(46,457,211)	(46,959,797)	(47,045,486)	(50,014,742)
Advances - net of provision	520,506,836	480,247,023	5,281,485	5,329,480	525,788,321	485,576,503

		June 30, 2022 Rupee	December 31, 2021 es in '000'
11.1	Particulars of advances (gross) (Restated) In local currency In foreign currencies	567,966,968 4,866,839	
		572,833,807	535,591,245

11.2 Advances include Rs. 51,738,696 thousand (December 31, 2021: Rs. 52,289,277 thousand) which have been placed under non-performing status as detailed below:

	(Un-aud June 30	•	(Audite December 31	,
Category of classification	Non performing loans	Provision	Non performing loans	Provision
		Rupees ir	ı '000'	
Domestic				
Other assets especially mentioned	184,738	6,230	156,255	3,946
Substandard	1,091,249	132,986	3,173,639	517,367
Doubtful	7,483,639	6,035,100	6,432,920	5,571,388
Loss	42,979,070	40,282,895	42,526,463	40,867,096
Total	51,738,696	46,457,211	52,289,277	46,959,797

HALF YEARLY REPORT JANUARY - JUNE 2022

(Audited)

(Un-audited)

	June 30, 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	51,825,218
Charge for the period / year Reversals for the period / year	1,278,882 (1,774,165)	(2,466,670)	1,278,882 (4,240,835)	4,004,162 (5,120,979)	- (693,548)	4,004,162 (5,814,527)
Amounts written off	(495,283)	(2,466,670)	(2,961,953)	(1,116,817) (111)	(693,548)	(1,810,365) (111)
Closing balance	46,464,514	588,275	47,052,789	46,959,797	3,054,945	50,014,742
Particulars of provision against advances with respect to currenci	es					
In local currency In foreign currencies	46,464,514	588,275 -	47,052,789 -	46,959,797 -	3,054,945	50,014,742
	46,464,514	588,275	47,052,789	46,959,797	3,054,945	50,014,742
	Charge for the period / year Reversals for the period / year Amounts written off Closing balance Particulars of provision against advances with respect to currenci In local currency	Opening balance 46,959,797 Charge for the period / year 1,278,882 (1,774,165) Amounts written off (495,283) Closing balance 46,464,514 Particulars of provision against advances with respect to currencies In local currency 1,278,882 (1,274,165) In foreign currencies 46,464,514	Opening balance	Rupees in '000' Opening balance	Rupees in '000'	Rupees in '000'

- 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. 2,980,672 thousand (December 31, 2021: Rs 1,975,509 thousand). The FSV benefit availed is not available for cash or stock dividend.

			June 30, 2022	December 31, 2021
		Note		s in '000'
12.	FIXED ASSETS			
	Capital work-in-progress Right of use assets Property and equipment	12.1 12.2	736,291 9,017,415 15,908,303	191,433 7,891,934 11,753,063
			25,662,009	19,836,430
12.1	Capital work-in-progress			
	Civil works	12	736,291	191,433
12.2	Additions to fixed assets The following additions have been made to fixed assets during the period: Capital work-in-progress Property and equipment: Building on freehold land - transfer from non-banking		544,858	677,026
	assets acquired in satisfaction of claims at net book value Furniture and fixture Office equipment Computer equipment Lease hold improvements Vehicles	15.2	3,844,430 87,126 137,605 374,021 256,279 176,727 4,876,188	32,180 178,689 133,156 107,267 30,473 481,765
			5,421,046	1,158,791

	Napoc	s in '000'
ts	1,778,142	964,667
ssets	71,576	1,953
uipment:		
	1,109 1,979 4 -	352 639 - - - 991
יו	essets quipment: erty and equipment disposed s follows:	assets 71,576 quipment: erty and equipment disposed follows: 1,109 1,979

Gross carrying amount of vehicles disposed off during the period was Rs. 44,891 thousand (June 30, 2021: Nil).

		(Un-audited) June 30, 2022 Rupee	(Un-audited) June 30, 2021 s in '000'
13.	INTANGIBLE ASSETS		
	Capital work-in-progress Softwares	589,403 705,043	523,686 584,466
		1,294,446	1,108,152
13.1	Additions to intangible assets		
	The following additions have been made to intangible assets during the period: Intangible in progress Intangible assets purchased	65,717 249,756	267,353 24,585
		315,473	291,938

Right of use assets			June 30, 2022	(Audited) December 31, 2021
Deductible temporary differences on:		Note	Rupees	s in '000'
Deficit on revaluation of investments Right of use assets Workers Welfare Fund 63,241 63,241 63,241 63,399 64,399 64,399 64,399 11,198,817 10,699,622 15,504,573 13,966,862 15,504,573 13,966,862 15,504,573 13,46,545 14,656 17,441,360 17,4439,377 13,760,437 17,439,377 13,760,437 15. OTHER ASSETS - NET	14.	DEFERRED TAX ASSETS - NET		
Right of use assets Workers Welfare Fund Business loss - Subsidiaries 64,399 63,241 63,241 63,241 64,399 11,198,817 19,966,862 15,504,573 19,966,862 15,504,573 19,966,862 15,504,573 19,966,862 15,504,573 19,966,862 15,504,573 19,966,862 15,504,573 19,966,862 15,504,573 (230,269) 34,080,825 (117,272) (167,322)		Deductible temporary differences on:		
Taxable temporary differences on: Surplus on revaluation of property and equipment Accelerated tax depreciation Surplus on revaluation of non banking assets (117,272) (230,269) (167,322) (2,527,485) (17,44,136) (230,269) (167,322) (2,527,485) (1,744,136) (17,439,377) 13,760,437 (17,439,377)		Right of use assets Workers Welfare Fund Business loss - Subsidiaries	840,519 63,241 64,399	4,121,318 619,234 - 64,399 10,699,622
Accelerated tax depreciation Surplus on revaluation of non banking assets (351,642) (117,272) (167,322) (2,527,485) (1,744,136) 17,439,377 13,760,437 15. OTHER ASSETS - NET Income / mark-up accrued in local currency Income / mark-up accrued in foreign in satisfaction of claims Income / mark-up accrued in satisfaction of claims Income / ma		Taxable temporary differences on:	19,966,862	15,504,573
17,439,377 13,760,437 15. OTHER ASSETS - NET		Accelerated tax depreciation	(351,642)	(1,346,545) (230,269) (167,322)
Income / mark-up accrued in local currency			(2,527,485)	(1,744,136)
Income / mark-up accrued in local currency			17,439,377	13,760,437
Income / mark-up accrued in foreign currency	15.	OTHER ASSETS - NET		
Other assets (net of provision) Surplus on revaluation of non-banking assets acquired in satisfaction of claims Other assets - total 23		Income / mark-up accrued in foreign currency Advances, deposits, advance rent and other prepayments Non-banking assets acquired in satisfaction of claims Acceptances 21 Branch adjustment account 21 Mark to market gain on forward foreign exchange contracts 21 Stock of stationery Suspense account Zakat recoverable from (NITL) Unrealized gain on revaluation of foreign bills and trade loans Claims receivable against Fraud and forgeries Auto Teller Machine and Point of Sale receivable - net Others	1,678 1,345,220 2,469,747 11,402,211 41,656	1,013 1,016,018 5,479,598 8,337,508 150,612 90,478 11,807 36,790 41,665 445,033 740,953 674,624 35,995,300
Surplus on revaluation of non-banking assets acquired in satisfaction of claims 23 1,260,493 1,453,931 Other assets - total 40,941,412 35,534,757 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 458,003 446,760 Others 312,217 310,265				(1,914,474)
Advances, deposits, advance rent & other prepayments Non banking assets acquired in satisfaction of claims Zakat recoverable from NITL Fraud and forgeries Others Satisfaction of claims Fraud and forgeries		Surplus on revaluation of non-banking 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 458,003 446,760 Others 312,217 310,265		Other assets - total	40,941,412	35,534,757
Non banking assets acquired in satisfaction of claims 30,876 1,084,936 Zakat recoverable from NITL 36,790 36,790 Fraud and forgeries 458,003 446,760 Others 312,217 310,265	15.1	Provision held against other assets		
15.1.1 873,609 1,914,474		Non banking assets acquired in satisfaction of claims Zakat recoverable from NITL Fraud and forgeries	30,876 36,790 458,003	35,723 1,084,936 36,790 446,760 310,265
		15.1.1	873,609	1,914,474

(Un-audited)

(Audited)

June 30, 2022

December 31, 2021

		2022	2021
	Note	Rupees	in '000'
15.1.1	Movement in provision held against other assets Opening balance	1,914,474	2,037,220
	Charge for the year Reversals during the year	33,618 (1,072,087)	35,367 (147,839)
	Amount written off	(1,038,469) (2,396)	(112,472) (10,274)
	Closing balance	873,609	1,914,474
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 1,279,464 (616,903) (3,844,430) (21,420) 1,054,060	5,904,147 275,670 (250,817) (145,360) (48,666) 113,619
	Closing balance	3,699,364	5,848,593
16	CONTINGENT ASSETS		
	Contingent assets	Nil	Nil
17	BILLS PAYABLE		
	In Pakistan Outside Pakistan	6,733,455	10,109,459
		6,733,455	10,109,459
18	BORROWINGS		
	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) Repurchase agreement borrowings Borrowing from Pakistan Mortgage Refinance Company Limited	29,276,457 14,008,457 167,385 6,334,647 5,053,134 1,456,792 24,000 16,154,265 3,167 3,399,561 37,720 180,192 76,095,777 1,330 1,721,838	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 69,518,475 - 1,805,013
	Total secured	77,818,945	71,323,488
	Unsecured Overdrawn nostro accounts	70,130	-

HALF YEARLY REPORT JANUARY - JUNE 2022

	June	June 30, 2021 (Un-audited)		December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
			Rupees in	'000'		
Customers:						
Current deposits	193,183,649	4,182,068	197,365,717	169,522,753	3,649,150	173,171,9
Savings deposits	522,582,257	3,698,999	526,281,256	459,784,249	3,340,461	463,124,7
Term deposits	260,727,403	16,064,257	276,791,660	320,956,024	7,419,447	328,375,4
Others	23,998,083	-	23,998,083	16,885,516	-	16,885,5
	1,000,491,392	23,945,324	1,024,436,716	967,148,542	14,409,058	981,557,6
Financial institutions:						
Current deposits	1,768,130	878,876	2,647,006	1,797,032	874,512	2,671,5
Savings deposits	2,450,093	6,497	2,456,590	4,870,165	3,585	4,873,
Term deposits	1,775,000	-	1,775,000	10,841,125	2,446,653	13,287,7
Others	558,852	-	558,852	527,609	-	527,€
	6,552,075	885,373	7,437,448	18,035,931	3,324,750	21,360,6
	1,007,043,467	24,830,697	1,031,874,164	985,184,473	17,733,808	1,002,918,2

			June 30, 2022	December 31, 2021
		Note	Rupees	s in '000'
20.	SUBORDINATED DEBTS			
	Perpetual term finance certificates - ADT - I Privately placed term finance certificates - I Privately placed term finance certificates - II	20.1 20.2 20.3	8,017,500 2,494,500 4,293,120	1,000,000 2,495,000 4,293,980
			14,805,120	7,788,980

20.1 Subordinated perpetual term finance certificates

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

Issue amount: Rs. 8,017,500 thousand

Issue date: June 20, 2022 Maturity date: Perpetual

Rating: "AA-" by Pakistan Credit Rating Agency Limited (PACRA)

Tenor: Perpetual

Unsecured and subordinated to all other indebtedness of the Bank Security:

including deposits except common shares.

Profit payable on half yearly basis in arrears on the outstanding Profit payment & frequency:

principal amount, on a non-cumulative basis.

Profit rate: Floating rate of return at base rate plus 200 bps p.a. (Base rate will

> be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately

following redemption date).

Repayment: Not applicable.

Call / Put option: Callable after a period of 05 years. However no put option is

available to the investors.

Neither profit nor principal may be paid (even at maturity) if such Lock in clause:

payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase

any existing shortfall in MCR or CAR.

Loss absorbency clause: May be converted into ordinary shares or written off immediately

(either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the

date of trigger of PONV on sole discretion of the SBP.

20.2 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:

Rs. 2,500,000 thousand
Issue date:

December 23, 2016
Maturity date:

December 22, 2026

Rating: "AA" by Pakistan Credit Rating Agency Limited (PACRA)

Tenor: 10 Years.

Security: Unsecured and subordinated to all other indebtedness of the Bank

including deposits.

Profit payment & frequency: Profit payable on half yearly basis in arrears on the outstanding

principal amount.

Profit rate: Floating rate of return at base rate plus 100 bps p.a. (Base rate will

be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately

following redemption date).

Repayment: The TFC has been structured to redeem 0.02% of the issue amount

semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82%

each, in the 10th year.

Call / Put option: Callable after a period of 05 years. However no put option is

available to the investors.

Lock in clause: Neither profit nor principal may be paid (even at maturity) if such

payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase

any existing shortfall in MCR or CAR.

Loss absorbency clause: May be converted into ordinary shares or written off immediately

(either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the

date of trigger of PONV on sole discretion of the SBP.

20.3 Privately placed term finance certificates - II

The Bank has issued rated, unsecured and subordinated term finance certificates under section 66 of the Companies Act, 2017, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100.000 or multiples thereof.

Issue amount: Rs. 4,300,000 thousand

Issue date: April 23, 2018 Maturity date: April 23, 2028

Rating: "AA" by Pakistan Credit Rating Agency Limited (PACRA)

Tenor: 10 Years

Security: Unsecured and subordinated to all other indebtedness of the Bank

including deposits.

Profit payment & frequency: Profit payable on half yearly basis in arrears on the outstanding

principal amount.

Profit rate: Floating rate of return at base rate plus 125 bps p.a. (Base rate will

be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately

following redemption date).

Repayment: The TFC has been structured to redeem 0.02% of the issue amount

semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82%

each, in the 10th year.

Call / Put option: Callable after a period of 05 years. However no put option is

available to the investors.

Lock in clause: Neither profit nor principal may be paid (even at maturity) if such

payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase

any existing shortfall in MCR or CAR.

Loss absorbency clause: May be converted into ordinary shares or written off immediately

(either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the

date of trigger of PONV on sole discretion of the SBP.

		Note	(Un-audited) June 30, 2022 Rupees	(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	15 15 21.2	21,960,538 115,935 12,937,541 2,121,014 1,920,218 11,402,211 173,708 2,586 - 170,016 5,750 48 62,183 137,436	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
	Mark to market loss on forward foreign exchange contracts Taxes / zakat / import fee payable Lease liability against right of use assets Workers Welfare Fund IBFT payable Others	15 21.1	1,233,253 1,366,533 10,972,110 1,130,229 - 614,088	689,636 9,479,713 983,158 544,489 817,293
			66,325,397	50,221,597

21.1 Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Bank maintained its provision in respect of WWF.

			(Un-audited) June 30, 2022	(Audited) December 31, 2021
		Note	Rupees	s in '000'
21.2	Provision against off-balance sheet obligations		62,183	62,183

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

22. SHARE CAPITAL - NET

22.1 Authorized capital

(Un-audited) June 30, 2022	(Audited) December 31, 2021		(Un-audited) June 30, 2022	(Audited) December 31, 2021
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

The authorized capital of the Bank is fifty thousand million rupees divided into five thousand million ordinary or preference shares of ten rupees each.

22.2 Issued, subscribed and paid up capital

(Un-audited) June 30, 2022	(Audited) December 31, 2021		(Un-audited) June 30, 2022	(Audited) December 31, 2021
Numb	er of shares		Rupe	es in '000'
		Opening Balance		
1,607,912,555 526,315,789 509,464,036	1,607,912,555 526,315,789 509,464,036	Ordinary shares of Rs. 10 each paid in cash Ordinary shares of Rs. 10 each issued at discount Issued as bonus shares	16,079,125 5,263,158 5,094,641	16,079,125 5,263,158 5,094,641
2,643,692,380	2,643,692,380		26,436,924	26,436,924
330,461,547	-	Movement during the period Issued as bonus shares Closing Balance	3,304,615	-
1,607,912,555 526,315,789 839,925,583	1,607,912,555 526,315,789 509,464,036	Ordinary shares of Rs. 10 each paid in cash Ordinary shares of Rs. 10 each issued at discount Issued as bonus shares	16,079,125 5,263,158 8,399,256	16,079,125 5,263,158 5,094,641
2,974,153,927	2,643,692,380	Less: Discount on issue of shares	29,741,539 (263,158)	26,436,924 (263,158)
2,974,153,927	2,643,692,380		29,478,381	26,173,766

GoPb held 57.47% shares in the Bank as at June 30, 2022 (December 31, 2021: 57.47%).

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

(Un-audited) June 30, 2021

Note

		14010	Пароос	
23.	DEFICIT ON REVALUATION OF ASSETS - NET OF	TAX		
	(Deficit) / surplus on revaluation of: - Available for sale securities	10.1	(18,139,269)	(10,567,482)
	- Property and equipment	10.1	6,472,087	5,137,390
	- Non-banking assets acquired in satisfaction of cla	aims 15	1,260,493	1,453,931
	Deferred toy as deficit / (auralus) as revaluation of		(10,406,689)	(3,976,161)
	Deferred tax on deficit / (surplus) on revaluation of - Available for sale securities	•	7,799,886	4,121,318
	- Property and equipment		(2,058,571)	(1,346,545)
	- Non-banking assets acquired in satisfaction of cla	aims	(117,272)	(167,322)
			5,624,043	2,607,451
			(4,782,646)	(1,368,710)
24.	CONTINGENCIES AND COMMITMENTS			
	Guarantees	24.1	90,051,941	80,791,490
	Commitments	24.2	398,663,793	388,223,744
	Other contingent liabilities	24.3	661,807	8,975
			489,377,541	469,024,209
24.1	Guarantees:			
	Financial guarantees		22,859,784	18,341,471
	Performance guarantees		20,961,741	18,710,766
	Other guarantees		46,230,416	43,739,253
			90,051,941	80,791,490
24.2	Commitments:			
	Documentary credits and short-term			
	trade-related transactions - letters of credit		150,583,119	136,560,464
	Commitments in respect of:		100,000,110	130,300,404
	- forward foreign exchange contracts	24.2.1	198,729,171	205,641,893
	- forward lending	24.2.2	49,279,431	45,923,548
	Commitments for acquisition of: - fixed assets		7,543	13,052
	- intangible assets		64,529	84,787
			398,663,793	388,223,744
24.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		103,492,338	105,824,202
	Sale		95,236,833	99,817,691
			198,729,171	205,641,893
24.2.2	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines			
	and other commitments to lend	24.2.2.1	49,279,431	45,923,548

24.2.2.1These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

		Note	(Un-audited) June 30, 2022	(Un-audited) June 30, 2021 s in '000'
24.3	Other contingent liabilities	24.3.1	661,807	8,975

24.3.1 For assessment year 2007 through tax year 2021, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans.

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

			(Un-audited) June 30, 2022	(Un-audited) June 30, 2021
		Note	Rupees	s in '000'
24.4	Claims against the Bank not acknowledged as debts	24.4.1	50,328,762	54,809,134

24.4.1 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 primarily 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) June 30, 2022	(Un-audited) June 30, 2021
		Note		s in '000'
25.	MARK-UP / RETURN / INTEREST EARNED			
	On loans and advances On investments:		27,039,683	16,588,328
	Available for sale securities		25,153,252	16,960,976
	Held for trading securities		603,517	1,053,654
	Held to maturity securities		4,859,831	3,705,555
	On lendings to financial institutions:			
	Securities purchased under resale agreements		578,114	456,218
	Call lending		41,169	4,384
	Letters of placement		475,298	156,219
	On balances with banks		186,579	2,254
			58,937,443	38,927,588

(Un-audited) June 30, 2022

(Un-audited) June 30, 2021

Note Rupees in '000'

	Note	Rupees	s in '000'
26.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits and other accounts Borrowings:	36,745,044	20,726,778
	Securities sold under repurchase agreements Call borrowings	4,296,597 5,291	531,062 2,501,155
	Borrowing from Pakistan Mortgage Refinance Company Limited	66,868	32,409
	SBP refinance borrowing Subordinated debts:	662,127	390,376
	Mark-up on subordinated perpetual term finance certificates	191,963	
	Mark-up on privately placed term finance certificates Mark-up on lease liability against right of use assets	407,400 639,956	289,642 513,295
		43,015,246	24,984,717
27	FEE AND COMMISSION INCOME		
	Branch banking customer fees Consumer finance related fees	184,568 210,173	271,183 199,525
	Card related fees Credit related fees	562,321 922,336	375,191 536,138
	Branchless banking fees Commission on trade	87,354 609,682	92,090 408,366
	Commission on guarantees	189,780	171,413
	Commission on cash management	159,929	52,472
	Commission on remittances including home remittances Commission on bancassurance	207,206 42,740	189,227 53,449
	Commission on wheat financing	-	8,330
	SMS banking income	227,825	154,968
		3,403,914	2,512,352
28	(LOSS) / GAIN ON SECURITIES - NET		
	Realized (loss) / gain on sale of securities - net 28.1 Unrealized loss - held for trading	(861,011) -	1,636,591 (21,619)
		(861,011)	1,614,972
28.1	Realized (loss) / gain on sale of securities - net:		
	Federal government securities Shares and certificates	(743,085) (117,926)	1,177,462 459,129
		(861,011)	1,636,591
29	OTHER INCOME - NET		
	Gain / (loss) on sale of property and equipment - net	58,256	(110)
	Gain on sale of non banking assets - net	114,420	28,345
	Loss on termination of lease liability against right of use assets	13,171	712
	Notice pay on resignations Others	12,593	6,543 (1,288)
		198,440	34,202

(Un-audited) June 30, 2022 (Un-audited) June 30, 2021

Note	Rupees	in	'000'

	Not		Rupees i	s in '000'	
30.	OPERATING EXPENSES				
	Total compensation expense		7,569,622	5,590,722	
	Property expense:				
	Rent and taxes		9,283	10,864	
	Insurance		5,217	7,442	
	Utilities cost		427,007	313,597	
	Security		378	681	
	Repair and maintenance including janitorial charges		44,309	24,821	
	Depreciation		321,031	264,863	
	Depreciation on right of use assets		581,087	473,376	
			1,388,312	1,095,644	
	Information technology expenses: Software maintenance		339,700	186,932	
	Hardware maintenance		36,926	29,237	
	Depreciation on computer equipment		199,856	171,475	
	Amortization on intangible assets		129,179	110,262	
	Network charges		242,019	213,700	
			947,680	711,606	
	Other operating expenses: Directors' fees and allowances		28,404	21,375	
	Fees and allowances to shariah board		4,865	1,540	
	Legal and professional charges		107,855	118,852	
	Subscription charges		21,935	15,800	
	Outsourced staff services costs			·	
	Travelling and conveyance		266,814 659,776	211,995 334,816	
	NIFT clearing charges			28,488	
	Depreciation		39,090		
	Depreciation Depreciation on non banking assets acquired in		196,969	171,956	
	,	15.0	01 400	05.005	
	satisfaction of claims	15.2	21,420	25,365	
	Depreciation on ijarah assets under IFAS - 2		124,282	119,234	
	Training and development		97,804	13,382	
	Postage and courier charges		95,050	67,864	
	Stationery and printing		246,001	227,891	
	Marketing, advertisement and publicity	00.4	481,031	259,005	
	Donations	30.1	15,000	-	
	Insurance		134,259	114,533	
	Deposit protection fee		254,641	221,513	
	Repair and maintenance		171,352	138,458	
	Entertainment expenses		92,608	65,454	
	Fuel for generator		90,974	45,532	
	Commission and brokerage		181,127	132,716	
	Bank charges		19,844	16,978	
	SMS banking charges		51,457	14,704	
	ATM charges including ATM maintenance charges		180,720	86,434	
	Cash remittance charges		199,703	137,459	
	Branch license fee		16,446	14,976	
	CNIC verification / ECIB charges		104,288	109,509	
	COVID-19 related expenses		5,848	24,173	
	Miscellaneous expenses		155,403	95,096	
			4,064,966	2,835,098	
			13,970,580	10,233,070	

30.1 This represents donation paid for installation of solar system at Akhuwat University Kasur amounting to Rs. 15,000 thousand (2021: Nil) in accordance with the approval of Board of Directors of the Bank. None of the directors had any interest in the donee, except for Mr. Dr. Amjad Saqib (Non Executive Director) who is Founder / CEO in Akhuwat.

	Executive Director) who is rounder / CLO III Acidwat.	Note	(Un-audited) June 30, 2022 Rupees	(Un-audited) June 30, 2021 s in '000'
31.	OTHER CHARGES			
	Penalties imposed by SBP		33,794	502
32.	(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	1,059,296 (2,961,953) (1,038,469) 663	89,222 510,945 32,161
			(2,940,463)	632,328
33.	TAXATION			
	Current Deferred	33.1	3,644,935 (704,621)	3,262,351 (1,489,403)
			2,940,314	1,772,948

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

The Government vide Finance Act 2023, has changed the tax rate for banking industry from 35% to 39% and enacted super tax at the rate of 10% for tax year 2023 only and 4% for indefinite period of time. Accordingly, the effect of change in tax rate has been recognized in these consolidated condensed interim financial statements.

	1	Note	(Un-audited) June 30, 2022 Rupees	(Un-audited) June 30, 2021 s in '000'
34.	BASIC EARNINGS PER SHARE			
	Profit after taxation for the period (Rs in '000')		5,362,041	5,503,348
	Weighted average number of ordinary shares (No.)		2,974,153,927	(Restated) 2,974,153,927
	Basic earnings per share - Rs.		1.80	1.85

35. DILUTED EARNINGS PER SHARE

There is no dilution effect on basic earnings per share.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently reprised.

36.1 The Bank measures fair 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).

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

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP).
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates available on MUFAP
Forward foreign exchange contracts	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Derivatives	The fair valuation techniques include forward pricing and swap models using present value calculations
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings on freehold land and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

36.2 Fair value of financial assets

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

	June 30, 2022 (Un-audited)				
	Carrying value / National value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments			Rupees in '000'		
Financial assets measured at fair value: Government securities Shares and certificates Mutual funds Non-Government debt securities Foreign securities	405,598,699 8,745,758 66,061 10,660,907 11,957	8,726,231 66,061 -	405,598,699 - - 10,660,907 -	19,527 - - 11,957	405,598,699 8,745,758 66,061 10,660,907 11,957
Financial assets disclosed but not measured at fair value: Government securities Unlisted term finance certificates / sukuks / commercial paper	95,228,974 3,897,039	-	90,869,826	3,897,039	90,869,826
Off balance sheet financial instruments:	5,551,655			-,,	5,221,222
Forward purchase of foreign exchange contracts Forward sale of foreign exchange contracts	108,890,291 101,868,039	-	108,890,291 101,868,039	-	108,890,291 101,868,039
		Decem	ber 31, 2021 (Au	dited)	
	Carrying value / National value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments			Rupees in '000'		
On balance sneet mancial instruments Financial assets measured at fair value: Government securities Shares and certificates Non-Government debt securities Foreign securities	448,913,878 6,874,277 10,106,626 11,957	- 6,834,777 - -	448,913,878 - 10,106,626 -	39,500 - 11,957	448,913,878 6,874,277 10,106,626 11,957
Financial assets disclosed but not measured at fair value: Government securities Unlisted term finance certificates and sukuks	61,299,171 4,492,039	- -	63,715,206	4,492,039	63,715,206 4,492,039
Off balance sheet financial instruments: Forward purchase of foreign exchange contracts Forward sale of foreign exchange contracts	107,277,276 101,120,153		107,277,276 101,120,153	-	107,277,276 101,120,153
36.3 Fair value of non financial assets		June 3	30, 2022 (Un-aud	ited)	
	Carrying value / National value	Level 1	Level 2	Level 3	Total
No. 6 and in land of the land			Rupees in '000'		
Non financial assets measured at fair value: Fixed assets (land & building) Non banking assets acquired in satisfaction of claims	12,608,919 3,699,364	- -	12,608,919 3,699,364	-	12,608,919 3,699,364
		Decem	ber 31, 2021 (Au	dited)	
	Carrying value / National value	Level 1	Level 2	Level 3	Total
Non financial assets measured at fair value:			Rupees in '000'		
Fixed assets (land & building) Non banking assets acquired in satisfaction of claims	8,764,483 5,848,593	-	8,764,483 5,848,593	-	8,764,483 5,848,593

37 SEGMENT INFORMATION

37.1 Segment details with respect to business activities

	(Un-audited)

	Corporate	Consumer	Retail and		Islamic	Others	
	and investment	and digital	priority sector	Treasury		including	Total
	banking	banking	lending			Head Office	
			Rup	ees in '000'			
Profit & loss Net mark-up / return / profit Inter segment (cost) / revenue - net Non mark-up / return / interest income	19,240,866 (15,628,047) 1.470.550	51,706,812 1,310,345	4,987,066 (3,493,867) 288,300	30,113,589 (28,192,652) 270.830	4,298,897 (235,846) 104,757	297,348 (4,156,400) 203,464	-
Total income	5,083,369	53,017,157	1,781,499	2.191.767	4,167,808	(3,655,588)	-,, -
Segment total expenses	1,191,054	39,496,788	1,132,750	4,496,462	3,340,802	7,508,684	
Profit before provisions and tax Provisions	3,892,315 (3,118,251)	13,520,369 13,475	648,749 (72,418)	(2,304,695) 1,059,296	827,006 228,938	(11,164,272) (1,051,503)	
Profit / (loss) before tax	7,010,566	13,506,894	721,167	(3,363,991)	598,068	(10,112,769)	8,359,935
Balance sheet Cash & bank balances Investments - net Net inter segment lending Lendings to financial institutions Advances - performing Advances - non-performing - net Others	367,462,809 2,953,325 19,756,375	31,353,550 - 956,640,005 - - - 2,111,961	90,449,606 808,574 673,871	46,210,458 498,642,889 - 32,230,331 - - 11,571,519	7,135,499 25,566,506 2,375,000 49,671,668 1,519,586 4,639,076	19,327,825 - 12,928,125 - 46,618,035	84,699,507 524,209,395 975,967,830 34,605,331 520,512,208 5,281,485 85,370,837
Total assets	390,172,509	990,105,516	91,932,051	588,655,197	90,907,335	78,873,985	2,230,646,593
Borrowings Subordinated debts Deposits & other accounts Net inter segment borrowing Others	74,863,459 - 256,574,235 11,306,443	957,857,791 - 32,133,852	1,721,838 - - 124,267,649 11,851,830	70,130 - - 588,460,778 1,681,022	1,233,648 - 74,016,373 6,665,168 4,322,484	14,805,120 - - 11,802,248	77,889,075 14,805,120 1,031,874,164 975,967,830 73,097,879
Total liabilities	342,744,137	989,991,643	137,841,317	590,211,930	86,237,673	26,607,368	2,173,634,068
Equity Total equity & liabilities						-	57,012,587 2,230,646,655
Contingencies & commitments	251,056,454		16.702.149	198,729,171	22.155.888	733.879	489,377,541

June 30, 2021 (Un-audited)

Corporate	Consumer	Retail and		Islamic	Others	
and investment	and digital	priority sector	Treasury		including	Total
banking	banking	lending			Head Office	
12,020,309	-	3,223,880	21,363,592	2,129,215	190,592	38,927,588
(9,521,539)	29,106,167	(1,967,313)	(15,389,498)	(19,190)	(2,208,627)	-
901,060	1,094,097	293,989	2,013,706	66,841	37,598	4,407,291
3,399,830	30,200,264	1,550,556	7,987,800	2,176,866	(1,980,437)	43,334,879
749,796	24,757,285	788,699	3,220,304	1,993,027	3,876,593	35,385,704
2,650,034	5,442,979	761,857	4,767,496	183,839	(5,857,030)	7,949,175
159,521	17,701	62,694	89,222	298,955	4,235	632,328
2,490,513	5,425,278	699,163	4,678,274	(115,116)	(5,861,265)	7,316,847
		Decem	ber 31, 2021 (A	udited)		
-	25,027,543	-	41,562,509	13,587,542	-	80,177,594
4,259,596	-	-	510,848,259	16,590,093	-	531,697,948
- 1	922,830,034	-	-	442,430	20,229,405	943,501,869
-	-	-	25,080,388		-	29,580,388
	-		-			480,247,023
	-		-			5,329,480
13,996,342	4,915,621	640,698	11,157,299	3,461,685	36,068,131	70,239,776
357,717,660	952,773,198	87,512,609	588,648,455	87,614,794	66,507,362	2,140,774,078
68,607,066	-	1,805,013		911,409	-	71,323,488
-	-	-	-	-		7,788,980
	923,712,185			79,206,096		1,002,918,281
	-			-		943,501,869
8,366,885	29,061,013	11,425,595	1 / 2,296	2,944,671		60,331,056
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
					- 2	2,140,774,078
					=	
255,411,391	-	416,094	205,641,893	7,448,017	106,814	469,024,209
	and investment banking 12,020,309 (9,521,539) 901,060 3,399,830 749,796 2,650,034 159,521 2,490,513 4,259,596 336,786,580 2,875,142 13,996,342 357,717,660 68,607,066 68,607,066 280,743,709 8,366,885 357,717,660	and investment and digital banking banking 12,020,309 (9,521,539) 29,106,167 901,060 1,094,097 3,399,830 30,200,264 749,796 24,757,285 2,650,034 5,442,979 159,521 17,701 2,490,513 5,425,278	and investment and digital priority sector banking banking lending 12,020,309 - 3,223,880 (9,521,539) 29,106,167 (1,967,313) 901,060 1,094,097 293,989 3,399,830 30,200,264 1,550,556 749,796 24,757,285 788,699 2,650,034 5,442,979 761,857 159,521 17,701 62,694 2,490,513 5,425,278 699,163 Decem - 25,027,543 - 922,830,034 - 922,830,034 - 922,830,034 - 932,930,034 - 932,930,034 -	and investment and digital priority sector Treasury banking banking lending 12,020,309 - 3,223,880 21,363,592 (9,521,539) 29,106,167 (1,967,313) (15,389,498) 901,060 1,094,097 293,989 2,013,706 3,399,830 30,200,264 1,550,556 7,987,800 749,796 24,757,285 788,699 3,220,304 2,650,034 5,442,979 761,857 4,767,496 159,521 17,701 62,694 89,222 2,490,513 5,425,278 699,163 4,678,274 December 31, 2021 (A 4,259,596 92,2830,034 - 41,562,509 4,259,596 92,2830,034 - 25,080,388 336,786,580 86,053,619 - 25,080,388 336,786,580 86,053,619 - 25,080,388 336,717,660 952,773,198 87,512,609 588,648,456 68,607,066 1,805,013 - -	banking banking lending 12,020,309 - 3,223,880 21,363,592 2,129,215 (9,521,539) 29,106,167 (1,967,313) (15,389,498) (19,190) 3,399,830 30,200,264 1,550,556 7,987,800 2,176,866 749,796 24,757,285 788,699 3,220,304 1,993,027 2,650,034 5,442,979 761,857 4,767,496 183,839 159,521 17,701 62,694 89,222 298,955 2,490,513 5,425,278 699,163 4,678,274 (115,116) - 25,027,543 - 41,562,509 13,587,542 4,259,596 - 922,830,034 - 510,848,259 16,590,093 4,259,596 - 922,830,034 - 25,080,388 4,600,000 336,786,580 - 86,053,619 - 1,855,989 13,996,342 4,915,621 640,698 11,157,299 3,461,895 357,717,660 952,773,198 87,512,609 588,648,455 87,614,794 68,607,066 - 1,805,013 -	Including

38. RELATED PARTY TRANSACTIONS

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

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

	June 30, 2022 (Un-audited)			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 'C	000'	
Advances (gross): Opening balance Addition during the period / year Repaid during the period / year	-	276,599 148,354 81,232	-	1,318,019 804,387 2,122,406	-	171,147 156,784 51,332	- - -	595,721 2,963,637 2,241,339
Closing balance	-	343,721	-	-	-	276,599	-	1,318,019
Financial guarantees	-	-	-	111,822	-	-	-	112,072
Other assets - advance deposits and prepayments Other assets - markup receivable	-	7,803 15,313	-	-	-	17,547 14,709		- 14,151
Right of use assets	-	-	-	60,276	-	-	-	62,202
Lease liability against right of use assets	-	-	-	24,472	-	-	-	22,900
Deposits and other accounts: Opening balance Received during the period / year Withdrawn during the period / year	902 3,884 4,370	28,390 433,946 443,178	374,772 2,493,478 2,148,477	1,558,999 43,290,537 42,417,856	16,522	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	416	19,158	719,773	2,431,680	902	28,390	374,772	1,558,999
Other liabilities - markup payable	5	41	8,794	83,909	-	-	-	11,087
	June	30, 2022 (Un-a	udited)		June :	30, 2021 (Un-au	udited)	
	Directors	Key management personnel	Employee funds	Others I related parties	Directors	Key management personnel	Employee funds	Others related parties
Income:		Rupees in	'000'			Rupees in	'000'	
Mark-up / return / interest earned Fee and commission income	-	8,780	-	5,678 5,356	-	4,212	-	19,304 1,061
Expense:								
Mark-up / return / interest expensed Depreciation on right of use assets Mark-up on lease liability against right	20	81	27,139	96,673 1,926	11	165	76,403 -	248 1,926
of use assets Compensation expense	-	329,464	-	1,572	-	223,719	-	1,375
Compensation expense Commission expense Directors fee and allowances	28,404	-	-	-	21,375	-	-	-

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

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

	(Un-audited) June 30, 2022 Rupee:	(Un-audited) June 30, 2021 s in '000'
Loans & advances Deposits Acceptances Contingencies Mark-up receivable Mark-up payable	65,672,745 540,963,324 71,929 30,643,999 2,276,112 15,393,067 (Un-audited)	57,299,296 484,197,126 71,929 26,097,691 1,078,401 9,079,554 (Un-audited)
	June 30, 2022 Rupee	June 30, 2021 s in '000'
Mark-up earned Mark-up expensed Income on contingencies	3,391,442 23,031,557 71,911	1,790,818 12,454,727 17,786

- 38.3 The Bank made contribution of Rs. 178,819 thousand (June 30, 2021: Rs. 146,196 thousand) to employees provident fund during the period.
- 38.4 First Punjab Modaraba and Punjab Modaraba Services (Pvt) Limited are using premises owned by The Bank of Punjab free of cost.
- 38.5 Advances to employees as at June 30, 2022, other than key management personnel, amounted to Rs. 14,237,981 thousand (December 31, 2021: Rs. 11,219,294 thousand) with markup receivable of Rs. 568,457 thousand (December 31, 2021: Rs. 678,455 thousand) and markup income of Rs.276,054 thousand (June 30, 2021: Rs. 179,379 thousand).
- 38.6 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021 s in '000'
	Note	Nupcc	311 000
39.	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
	Minimum Capital Requirement (MCR):		
	Paid-up capital including share premium (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	42,486,286 8,017,500	43,965,111 -
	Total Eligible Tier 1 Capital Eligible Tier 2 Capital	50,503,786 6,870,910	43,965,111 9,338,940
	Total Eligible Capital (Tier 1 + Tier 2)	57,374,696	53,304,051
	Risk Weighted Assets (RWAs):		
	Credit risk	375,337,971	353,676,099
	Market risk	17,094,903	18,222,882
	Operational risk	64,463,283	64,463,283
	Total	456,896,157	436,362,264
	Common equity tier I capital adequacy ratio	9.30%	10.08%
	Tier I CAR (%)	11.05%	10.08%
	Total CAR (%)	12.56%	12.22%
39.1	Leverage Ratio (LR):		
	Eligible Tier-I Capital	50,503,786	43,965,111
	Total exposures	1,547,757,155	1,463,063,318
	LR (%)	3.26%	3.08%

In December 2021, had the advance subscription money against future issuance of non-cumulative perpetual term finance certificates been accounted for as eligible capital, the capital adequacy and leverage ratio would have been 12.44% and 3.08% respectively.

- 39.2 The SBP vide its letter No. SBPHOK-BPRD-RPD-BOP-246142 dated July 25, 2022 (Relaxation) has allowed the Bank to stagger the unrealized mark-to-market loss on certain Available For Sale Pakistan Investment Bonds (Portfolio) having maturity on August 20, 2023 and face value of Rs. 140,443,600 thousand in the following manner:
 - 25 % by September 30, 2022
 - 50 % by December 31, 2022
 - 75 % by March 31, 2023
 - 100 % by June 30, 2023

Further, the outstanding staggered amount of revaluation deficit on said AFS Portfolio shall be adjusted from distributable profits for declaring cash dividend, if any, during the relaxation period.

As on June 30, 2022 the Bank has not taken the benefit of the said Relaxation of SBP. Accordingly, Bank's CAR & LR ratios stood at 12.56% & 3.26% respectively. Had the benefit of said Relaxation of SBP been accounted for the CAR & LR ratios would have been stood at 14.64% & 3.89% respectively.

	Note	Э	(Un-audited) June 30, 2022 Rupees	(Audited) December 31, 2021 s in '000'
39.3	Liquidity Coverage Ratio (LCR):			
	Total high quality liquid assets Total net cash outflow		494,228,332 401,153,722	566,498,287 413,944,607
	LCR (%)		123.20%	136.85%
	Net Stable Funding Ratio (NSFR):			
	Total available stable funding Total required stable funding		718,720,155 636,344,213	668,827,072 539,376,598
	NSFR (%)		112.95%	124.00%

40 ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the June 30, 2022, the Bank is operating 121 Islamic banking branches (December 31, 2021: 114 Islamic banking branches) and 31 Islamic banking windows (December 31, 2021: 25

ISLAMIC BANKING BUSINESS STATEMENT OF FINANCIAL POSITION

As at June 30, 2022

	Note	(Un-audited) June 30, 2022 Rupees	(Audited) December 31, 2021 s 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	40.1 40.2 40.3	6,503,811 631,688 2,375,000 25,566,506 51,191,254 2,319,850 8,666 - 2,310,560	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		90,907,335	87,614,794
LIABILITIES Bills payable Due to financial institutions Deposits and other accounts Due to head office Subordinated debt Other liabilities	40.4	1,027,855 1,233,648 74,016,373 6,665,168 - 3,294,629	388,599 911,409 79,206,096 - - 2,556,072
NET ASSETS		86,237,673 4,669,662	4,552,618
REPRESENTED BY		.,555,562	.,552,510
Islamic banking fund Reserves Deficit on revaluation of assets Unappropriated profit	40.5	2,000,000 21,501 (500,039) 3,148,200	2,000,000 5,505 (3,019) 2,550,132
		4,669,662	4,552,618

40.6

CONTINGENCIES AND COMMITMENTS

ISLAMIC BANKING BUSINESS Profit and Loss Account

For the Six Months Ended June 30, 2022

	Note	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021 Rupees in	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Profit / return earned Profit / return expensed	40.7 40.8	2,355,631 1,198,290	1,039,674 479,091	4,298,897 2,281,203	2,129,215 1,014,476
Net profit / return		1,157,341	560,583	2,017,694	1,114,739
Fee and commission income		50,217	34,384	106,249	65,392
Dividend income Foreign exchange (loss) / income Income / (loss) from derivatives		(7,167)	- 757 -	(7,978) -	(1,936) -
Gain on securities - net Other (loss) / income		- 7,891	- 1,008	6,486	2,194 1,191
		50,941	36,149	104,757	66,841
Total income		1,208,282	596,732	2,122,451	1,181,580
Operating expenses		638,721	564,574	1,295,445	997,694
Workers welfare fund Other charges		-	- 12	-	- 47
		638,721	564,586	1,295,445	997,741
Profit before provisions Provisions and write offs - net		569,561 182,344	32,146 219,706	827,006 228,938	183,839 298,955
Profit before taxation Taxation	40.9	387,217 -	(187,560) -	598,068 -	(115,116) -
Profit after taxation		387,217	(187,560)	598,068	(115,116)

40.1 DUE FROM FINANCIAL INSTITUTIONS

	June 30, 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	2,375,000	-	2,375,000	4,500,000	-	4,500,000

40.2 INVESTMENTS - NET

Investments by segment:

investmente by degin		(Un-audited) June 30, 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
Federal government securities:		Rupe	ees in	'000'				
-ljarah sukuks -Naya Pakistan Certificates (Roshan Digital)	14,142,202 545,274		(529,209)	13,612,993 545,274	4,502,908 88,600	-	(1,154)	4,501,754 88,600
Non government debt securities :	14,687,476	-	(529,209)	14,158,267	4,591,508	-	(1,154)	4,590,354
-Listed -Unlisted	8,426,136 3,047,239		(65,136)	8,361,000 3,047,239	8,457,812 3,617,239	-	(75,312)	8,382,500 3,617,239
	11,473,375	-	(65,136)	11,408,239	12,075,051	-	(75,312)	11,999,739
Total investments	26,160,851	-	(594,345)	25,566,506	16,666,559	-	(76,466)	16,590,093

(Un-audited) (Aud June 30, Decen 2022 20 Rupees in '000'

(Audited) December 31, 2021

40.3	ISLAMIC FINANCING AND RELATED ASSETS
70.0	IOD WITO I IIV WOING / WD IVED WED / WOOL IO

40.3	ISLAMIC FINANCING AND RELATED ASSETS		
	Ijarah	2,233,146	2,075,758
	Murabaha	2,331,318	2,115,237
	Musharaka	14,324,403	21,482,411
	Diminishing musharaka	25,466,825	20,579,778
	Payment against documents	55,304	55,304
	Waqala	3,857,807	-
	Istisna	4,581,105	4,154,436
	Gross islamic financing and related assets	52,849,908	50,462,924
	Less: provision against islamic financings		
	- Specific	1,658,654	1,429,880
	- General	-	-
		1,658,654	1,429,880
	Islamic financing and related assets - net of provision	51,191,254	49,033,044

40.4 DEPOSITS AND OTHER ACCOUNTS

June 30, 2022 (Un-audited)

December 31, 2021 (Audited)

In local					
currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
		Rupees in '000'			
14,515,860	457,056	14,972,916	14,637,500		15,050,624
46,167,310	265,006	46,432,316	44,910,744	223,869	45,134,613
10,496,443	-	10,496,443	7,693,035	-	7,693,035
1,964,233	-	1,964,233	1,545,903	-	1,545,903
73,143,846	722,062	73,865,908	68,787,182	636,993	69,424,175
12.889	13.351	26,240	221.033	41.503	262,536
124,024	201	124,225	69,119	185	69,304
-	-		9.450.000	-	9,450,000
-	-	-	81	-	81
136,913	13,552	150,465	9,740,233	41,688	9,781,921
73,280,759	735,614	74,016,373	78,527,415	678,681	79,206,096
	14,515,860 46,167,310 10,496,443 1,964,233 73,143,846 12,889 124,024	14,515,860 457,056 46,167,310 265,006 10,496,443 1,964,233 - 73,143,846 722,062 12,889 13,351 124,024 201 136,913 13,552	Rupees in '000' 14,515,860	Rupees in '000' 14,515,860 457,056 14,972,916 14,637,500 46,167,310 265,006 46,432,316 44,910,744 10,496,443 - 10,496,443 7,693,035 1,964,233 - 1,964,233 1,545,903 73,143,846 722,062 73,865,908 68,787,182 12,889 13,351 26,240 221,033 124,024 201 124,225 69,119 - - - 9,450,000 - - - 81 136,913 13,552 150,465 9,740,233	Rupees in '000' 14,515,860 457,056 14,972,916 14,637,500 413,124 46,167,310 265,006 46,432,316 44,910,744 223,869 10,496,443 7,693,035 - 1,964,233 1,964,233 1,545,903 73,143,846 722,062 73,865,908 68,787,182 636,993 12,889 13,351 26,240 221,033 41,503 124,024 201 124,225 69,119 185 - - - 9,450,000 - - - - 81 - 136,913 13,552 150,465 9,740,233 41,688

(Un-audited)

June 30.

4,298,897

1,920,609

119,807

235,846

2,281,203

4,941

(Audited)

December 31,

2,129,215

897,660

1.014.476

97,216

410 19,190

40.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 210,221 thousand (June 30, 2021: tax credit Rs. 27,674 thousand).

40.10 During the period, following pools have been created:

PROFIT ON DEPOSITS AND OTHER DUES EXPENSED

Markup on lease liability against right of use assets

Profit on deposits from conventional head office

Special Pool XXXII (SP-XXXII) Special Pool XXXIII (SP-XXXIII) Special Pool XXXIV (SP-XXXIV)

Deposits and other accounts

Markup on borrowings from SBP

40.8

The main characteristics of the pools are as under:

- Profit sharing ratio between Mudarib and Rab-ul-mal is 50:50 for SP-XXXII and 05:95 for SP-XXXIII and SP-XXXIV.
- ii) Profit equalization reserve upto 2% of net income will be created, if needed.
- iii) Investment risk reserve upto 1% of distributable profit of depositors will be created, if needed.

41. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 17, 2022 by the Board of Directors of the Bank.

42 GENERAL

- 42.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.
- 42.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the period except for advances amounting to Rs. 1,457,659 thousand previously classified as 'In local currency' are now classified as 'In foreign currency' in note 11.1.

Chief Financial Officer

President

Chairmar

Directo

