

QUARTERLY REPORT
(UN-AUDITED)
JANUARY-SEPTEMBER 2024

BOUND BY
COLLABORATIVE
SPIRIT

Corporate Information

Board of Directors

Dr. Muhammad Amjad Saqib
Syed Ghazanfar Abbas Jilani
Mr. Mujahid Sherdil
Mr. Mohammad Mudassir Amray
Mr. Asif Reza Sana
Mr. Muhammad Naeem Khan
Mr. Zafar Masud
Mr. Kamran Hafeez

Director
Director
Director
Director
Director
President & CEO
Secretary to the Board

Board Audit Committee (BAC)

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

Chairman
Member
Member
Member

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

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

Chairman
Member
Member
Member

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

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

Chairman
Member
Member
Member

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

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

Chairman
Member
Member
Member

Information Technology and Communications Committee (IT&CC)

Mr. Asif Reza Sana
Mr. Mohammad Mudassir Amray
Syed Ghazanfar Abbas Jilani
Mr. Muhammad Naeem Khan

Member
Member
Member
Member

Environmental, Social & Governance Committee (ES&GC)

Mr. Muhammad Naeem Khan
Mr. Mohammad Mudassir Amray
Dr. Muhammad Amjad Saqib
Syed Ghazanfar Abbas Jilani
Mr. Asif Reza Sana

Chairman
Member
Member
Member
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

Share 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



The Bank of Punjab

Directors' Report

Quarterly Financial Statements - September 30, 2024

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 first nine months of Year 2024.

Building on the economic stability achieved under the IMF SBA program, Pakistan and the IMF reached a Staff-level agreement in July 2024 for a 37-month \$ 7 billion program. The program has been approved by the IMF Executive Board in September 2024, requiring sound policies and reforms to strengthen macroeconomic stability, address deep structural challenges, and create conditions for stronger, inclusive, and resilient growth.

Macroeconomic conditions have shown improvement in the first quarter of FY2025. Headline CPI inflation fell to single digits, reaching 6.9% year-on-year in September 2024, the lowest level since January 2021, and a significant drop from 31.4% in September 2023. Remittance inflows during July-August 2024 rose by 44% year-on-year, helping reduce the current account deficit by 80% to \$171 million. With the receipt of the first \$1 billion tranche under the IMF Extended Fund Facility (EFF), the SBP's foreign exchange reserves are expected to surpass \$10 billion, further reinforcing external sector stability.

The decline in inflation levels in global economies has led to the easing of financial conditions, with the US Fed reducing the Federal funds target range by 50 basis points in September. Since June 2024, the State Bank of Pakistan has reduced the policy rate by 450 basis points, reflecting disinflation and stable domestic and external conditions. With declining inflationary pressures, financial conditions are expected to further ease in FY2025, as witnessed by a sharp decline of upto 500 basis points in short-term secondary market yields since June 2024.

The Bank has successfully implemented IFSR-9 with effect from January 01, 2024 and the impacts of adoption has been duly disclosed in note 4.1 & 4.2 of these unconsolidated condensed interim financial statements. During first nine months of year 2024, the Bank has maintained its growth trends as mentioned hereunder:

Financial Highlights:	Rs. In Million
Profit before taxation	14,097
Taxation	6,188
Profit after taxation	7,909
Earnings per share (Rupees)	2.42

During first nine months of 2024, Bank earned before tax profit of Rs. 14.10 billion as against 8.94 billion during first nine months of 2023 showing an impressive growth of 58%. Non-Markup/ Interest Income increased to Rs. 15.74 Billion as against Rs. 8.77 Billion for first nine

months of 2023 registering a significant growth of 80%. Bank's Net Interest Margin (NIM) improved to Rs. 29.24 billion while Non-Markup Expenses remained at 34.36 Billion. Earnings per Share (EPS) for the first nine months of 2024 improved to Rs. 2.42 per share as against Rs. 1.83 per share during first nine months of 2023.

As at September 30, 2024, Bank's Total Assets stood at Rs. 2,136 billion as against Rs. 2,259 billion as of September 30, 2023. The Deposits of the Bank improved to Rs. 1,574 billion as against Rs. 1,393 billion as of September 30, 2023. Investments & Lending to FIs improved to Rs. 1,224 billion. Gross Advances were recorded at Rs. 682 billion. Bank's Equity improved to Rs. 84 billion as against Rs. 74 billion as on September 30, 2023 with a growth of 13%. Capital Adequacy Ratio significantly improved to 20.23% as against 17.08% as of September 30, 2023, while Leverage Ratio also improved to 3.62% as against 2.98% as on September 30, 2023.

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 861 online branches, including 180 Taqwa Islamic Banking Branches and 16 sub-branches. Further, the Bank has a network of 851 ATMs providing 24/7 banking services to the customers. Besides, Bank is also offering a wide range of products/services to its valued clients including Branchless Banking, Mobile Banking, Internet Banking, Credit Card and Cash Management services.

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

For and on behalf of the Board

President/CEO

Director

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے سال 2024 کے پہلے نو مہینوں کے لیے دی بینک آف پنجاب کے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی بیانات پیش کرنے پر خوشی ہو رہی ہے۔

آئی ایم ایف کے ایس بی اے پروگرام کے تحت حاصل ہونے والے معاشی استحکام کی بنیاد پر، پاکستان اور آئی ایم ایف نے جولائی 2024 میں 37 ماہ کے 7 بلین ڈالر کے پروگرام کے لیے اسٹاف کی سطح پر معاہدہ کیا۔ اس پروگرام کی منظوری آئی ایم ایف کے ایگزیکٹو بورڈ نے ستمبر 2024 میں دی تھی، جس میں میکرو اکنامک استحکام کو مضبوط بنانے، گہرے ساختی چیلنجوں سے نمٹنے اور مضبوط، جامع اور لچکدار ترقی کے لیے حالات پیدا کرنے کے لیے ٹھوس پالیسیوں اور اصلاحات کی ضرورت ہے۔

مالی سال 2025 کی پہلی سہ ماہی میں میکرو اکنامک حالات میں بہتری آئی ہے۔ ہیڈ لائن CPI افراط زر سنگل ہندسوں پر گر گیا، ستمبر 2024 میں سال بہ سال 6.9% تک پہنچ گیا، جو جنوری 2021 کے بعد سب سے کم سطح ہے، اور ستمبر 2023 میں 31.4% سے نمایاں کمی دیکھی گئی۔ جولائی-اگست 2024 کے دوران ترسیلات زر کی آمد میں 44% اضافہ ہوا۔ جو سال بہ سال، کرنٹ اکاؤنٹ خسارے کو 80% سے \$171 ملین تک کم کرنے میں مدد کرتا ہے۔ IMF توسیعی فنڈ سہولت (EFF) کے تحت 1 بلین ڈالر کی پہلی قسط کی وصولی کے ساتھ، SBP کے زرمبادلہ کے ذخائر 10 بلین ڈالر سے تجاوز کرنے کی توقع ہے، جس سے بیرونی شعبے کے استحکام کو مزید تقویت ملے گی۔

عالمی معیشتوں میں افراط زر کی سطح میں کمی مالی حالات میں نرمی کا باعث بنی ہے، امریکی فیڈ نے ستمبر میں فیڈرل فنڈز کے ہدف کی حد میں 50 بیسس پوائنٹس کی کمی کی۔ جون 2024 سے، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں 450 بیسس پوائنٹس کی کمی کی ہے، جس سے افراط زر اور مستحکم ملکی اور بیرونی حالات کی عکاسی ہوتی ہے۔ گرتے ہوئے افراط زر کے دباؤ کے ساتھ، مالیاتی حالات مالی سال 2025 میں مزید آسان ہونے کی توقع ہے، جیسا کہ جون 2024 کے بعد سے قلیل مدتی ثانوی مارکیٹ کی پیداوار میں 500 بیسس پوائنٹس تک کی شدید کمی دیکھی گئی ہے۔

بینک نے 01 جنوری 2024 سے IFSR-9 کو کامیابی کے ساتھ لاگو کیا ہے اور اپنانے کے اثرات کو ان غیر مربوط کنڈینسڈ عبوری مالیاتی بیانات کے نوٹ 4.1 & 4.2 میں واضح طور پر ظاہر کیا گیا ہے۔ سال 2024 کے پہلے نو مہینوں کے دوران، بینک نے اپنی ترقی کے رجحانات کو برقرار رکھا ہے جیسا کہ یہاں ذکر کیا گیا ہے:

مالیاتی نتائج:	روپے ملین میں
ٹیکس سے پہلے منافع	14,097
ٹیکس	6,188
ٹیکس کے بعد منافع	7,909
فی شیئر آمدنی (روپے)	2.42

2024 کے پہلے نو مہینوں کے دوران، بینک نے ٹیکس سے پہلے 14.10 بلین روپے کا منافع کمایا جو 2023 کے پہلے نو مہینوں کے دوران 8.94 بلین کے مقابلے میں 58 فیصد کی متاثر کن نمو دکھا رہا ہے۔ نان مارک اپ/ سودی آمدنی بڑھ کر 15.74 ارب روپے ہو گئی جو 2023 کے پہلے نو مہینوں میں 8.77 بلین روپے کے مقابلے میں 80 فیصد کی نمایاں نمو دکھا رہا ہے۔ بینک کا نیٹ انٹرسٹ مارجن (NIM) بہتر ہو کر 29.24 بلین روپے ہو گیا۔ جبکہ نان مارک اپ اخراجات 34.36 بلین روپے رہے۔ 2024 کے پہلے نو مہینوں کے لیے فی شیئر آمدنی (EPS) بہتر ہو کر 2.42 فی حصص روپے ہو گئی جو 2023 کے پہلے نو مہینوں کے دوران 1.83 فی شیئر روپے تھی۔

30 ستمبر 2024 تک، بینک کے کل اثاثے 2,136 ارب روپے ہو گئے جو 30 ستمبر 2023 تک 2,259 بلین روپے تھے۔ بینک کے ڈپازٹ بہتر ہو کر 1,574 ارب روپے ہو گئے جو 30 ستمبر 2023 تک 1,393 بلین روپے تھے۔ سرمایہ کاری اور FIs کو قرض دینے میں بہتری آئی جو 1,224 بلین روپے رہے۔ مجموعی ایڈوانسز 682 ارب روپے رہے۔ بینک کی ایکویٹی 13 فیصد اضافے کے ساتھ بہتر ہو کر 84 ارب روپے ہو گئی جو 30 ستمبر 2023 تک 74 ارب روپے تھی۔ 30 ستمبر 2023 تک کیپٹل ایڈیکسی ریشو 17.08 فیصد کے مقابلے میں 20.23 فیصد تک نمایاں طور پر بہتر ہو گئی، جبکہ لیوریج ریشو بھی 2.98 فیصد کے مقابلے میں 3.62 فیصد تک بہتر ہو گئی۔

بینک کو M/s PACRA کی طرف سے "AA+" کی طویل مدتی درجہ بندی تفویض کی گئی ہے جس میں مختصر مدت کی درجہ بندی "A1+" کے اعلیٰ ترین درجے پر ہے۔ بینک کے پاس اس وقت 861 آن لائن برانچز کا نیٹ ورک ہے جس میں 180 تقویٰ اسلامی بینکنگ برانچز اور 16 ذیلی شاخیں شامل ہیں۔ مزید برآں، بینک کے پاس 851 ای ٹی ایمز کا نیٹ ورک ہے جو صارفین کو 7/24 بینکنگ خدمات فراہم کرتا ہے۔ اس کے علاوہ، بینک اپنے قابل قدر گاہکوں کو پروڈکٹس/سروسز کی ایک وسیع رینج بھی پیش کر رہا ہے جس میں برانچ لیس بینکنگ، موبائل بینکنگ، انٹرنیٹ بینکنگ، کریڈٹ کارڈ اور کیش مینجمنٹ سروسز شامل ہیں۔

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

بورڈ کے لیے اور اس کی جانب سے

صدر/سی ای او

ڈائریکٹر



**UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
ASSETS			
Cash and balances with treasury banks - net	7	104,183,436	100,894,255
Balances with other banks - net	8	2,967,977	8,283,392
Lendings to financial institutions - net	9	13,865,728	144,960,933
Investments - net	10	1,210,288,484	913,191,416
Advances - net	11	627,455,748	806,386,880
Property and equipment	12	23,949,677	20,788,845
Right of use assets	13	12,119,677	12,424,136
Intangible assets	14	2,493,698	2,091,021
Deferred tax assets - net	15	11,346,584	10,242,767
Other assets - net	16	127,812,411	196,916,345
Total assets		2,136,483,420	2,216,179,990
LIABILITIES			
Bills payable	18	5,750,225	5,507,855
Borrowings	19	308,542,500	453,965,991
Deposits and other accounts	20	1,573,848,418	1,520,853,642
Lease liabilities	21	16,218,685	15,727,259
Subordinated debts	22	30,823,880	30,204,640
Deferred tax liabilities		-	-
Other liabilities - net	23	117,732,861	109,165,991
Total liabilities		2,052,916,569	2,135,425,378
NET ASSETS		83,566,851	80,754,612
REPRESENTED BY			
Share capital - net	24	32,452,535	32,452,535
Reserves		16,533,471	14,951,729
Surplus on revaluation of assets - net of tax	25	7,277,595	1,828,553
Unappropriated profit		27,303,250	31,521,795
		83,566,851	80,754,612
CONTINGENCIES AND COMMITMENTS	26		

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

THE BANK OF PUNJAB

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**

		Three Months Ended		Nine Months Ended	
		September 30,	September 30,	September 30,	September 30,
		2024	2023	2024	2023
Note		Rupees in '000'			
Mark-up / return / interest earned	27	91,805,140	97,124,958	263,524,397	223,945,247
Mark-up / return / interest expensed	28	78,483,287	86,450,372	234,286,428	195,853,227
Net mark-up / interest income		13,321,853	10,674,586	29,237,969	28,092,020
NON MARK-UP / INTEREST INCOME					
Fee and commission income	29	3,043,829	1,930,770	7,560,714	6,467,259
Dividend income		99,872	90,979	262,578	336,848
Foreign exchange (loss) / income		(101,457)	(1,153,551)	661,594	(377,056)
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net	30	2,825,054	296,527	4,914,338	336,268
Net (loss) / gain on derecognition of financial assets measured at amortised cost	31	(100,977)	-	1,261,041	-
Other income	32	48,649	1,869,803	1,082,107	2,002,572
Total non-markup / interest income		5,814,970	3,034,528	15,742,372	8,765,891
Total income		19,136,823	13,709,114	44,980,341	36,857,911
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	33	11,872,561	8,820,365	33,983,065	27,477,895
Workers' welfare fund		288,543	50,709	375,553	119,675
Other charges	34	4,393	176	6,046	8,806
Total non-markup / interest expenses		12,165,497	8,871,250	34,364,664	27,606,376
Profit before credit loss allowance		6,971,326	4,837,864	10,615,677	9,251,535
(Reversal of credit loss allowance) / provisions and write offs - net	35	(74,662)	(186,712)	(3,481,016)	308,221
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		7,045,988	5,024,576	14,096,693	8,943,314
Taxation - net	36	3,487,769	2,489,116	6,187,983	2,959,542
PROFIT AFTER TAXATION		3,558,219	2,535,460	7,908,710	5,983,772
Basic earnings per share - Rupees	37	1.09	0.77	2.42	1.83
Diluted earnings per share - Rupees	38	1.09	0.77	2.42	1.83

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2024	2023	2024	2023
	Rupees in '000'			
Profit after taxation for the period	3,558,219	2,535,460	7,908,710	5,983,772
Other comprehensive income / (loss):				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI / AFS investments - net of tax	2,961,728	4,041,169	2,295,207	2,977,723
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / loss on defined benefit obligations - net of tax	-	-	-	-
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	(183,967)	-	89,374	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	(285,427)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	(11,768)
	(183,967)	-	89,374	(297,195)
Total comprehensive income	6,335,980	6,576,629	10,293,291	8,664,300

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Share capital	Discount on issue of shares	Share capital - net	Share premium	Reserve for issuance of bonus shares	Statutory reserve	Surplus / (Deficit) - net of tax on revaluation of		Unappropriated profit	Total
							Investments	Property & equipment / non banking assets		
	Rupees in '000'									
Balance as on January 01, 2023 - audited	29,741,539	(263,158)	29,478,381	2,215,040	-	10,468,852	(7,819,265)	5,495,835	25,213,170	65,052,013
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	5,983,772	5,983,772
Other comprehensive loss - net of tax	-	-	-	-	-	-	2,977,723	(297,195)	-	2,680,528
Total other comprehensive (loss) / income - net of tax for the nine months ended September 30, 2023	-	-	-	-	-	-	2,977,723	(297,195)	5,983,772	8,664,300
Transfer to statutory reserve during the period	-	-	-	-	-	1,196,754	-	-	(1,196,754)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(90,980)	90,980	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(3,693)	3,693	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(138,626)	142,283	3,657
Transactions with owners recorded directly in equity:										
Final stock dividend - December 31, 2022 declared subsequent to year end at 10% per share	-	-	-	-	2,974,154	-	-	-	(2,974,154)	-
Issuance of bonus shares during the period	2,974,154	-	2,974,154	-	(2,974,154)	-	-	-	-	-
	2,974,154	-	2,974,154	-	-	-	-	-	(2,974,154)	-
Balance as on September 30, 2023 - un-audited	32,715,693	(263,158)	32,452,535	2,215,040	-	11,665,606	(4,841,542)	4,965,341	27,262,990	73,719,970
Profit after taxation for the three months ended December 31, 2023	-	-	-	-	-	-	-	-	5,355,413	5,355,413
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	1,915,536	17,889	(257,339)	1,676,086
Total other comprehensive income - net of tax for three months ended December 31, 2023	-	-	-	-	-	-	1,915,536	17,889	5,098,074	7,031,499
Transfer to statutory reserve during the period	-	-	-	-	-	1,071,083	-	-	(1,071,083)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(30,326)	30,326	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(1,178)	1,178	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(197,167)	200,310	3,143
Balance as on December 31, 2023 - audited	32,715,693	(263,158)	32,452,535	2,215,040	-	12,736,689	(2,926,006)	4,754,559	31,521,795	80,754,612
Impact of first time adoption of IFRS-09 - net of tax (note 4.2)	-	-	-	-	-	-	3,326,806	-	(7,640,056)	(4,313,250)
Balance as on January 01, 2024 - after the impact of adoption of IFRS-09	32,715,693	(263,158)	32,452,535	2,215,040	-	12,736,689	400,800	4,754,559	23,881,739	76,441,362
Profit after taxation for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	7,908,710	7,908,710
Other comprehensive income / (loss)										
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	-	2,295,207	-	-	2,295,207
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	-	89,374	-	-	89,374
Total other comprehensive loss - net of tax for the nine months ended September 30, 2024	-	-	-	-	-	-	2,384,581	-	-	2,384,581
Transfer to statutory reserve during the period	-	-	-	-	-	1,581,742	-	-	(1,581,742)	-
Transfer of deficit on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	-	-	(21,466)	-	42,090	20,624
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(86,432)	86,432	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,246)	2,246	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(152,201)	235,344	83,143
Transactions with owners recorded directly in equity:										
Final cash dividend - December 31, 2023 declared subsequent to year end at 10% per share	-	-	-	-	-	-	-	-	(3,271,569)	(3,271,569)
	-	-	-	-	-	-	-	-	(3,271,569)	(3,271,569)
Balance as on September 30, 2024 - un-audited	32,715,693	(263,158)	32,452,535	2,215,040	-	14,318,431	2,763,915	4,513,680	27,303,250	83,566,851

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	Nine Months Ended	
		September 30, 2024	September 30, 2023
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		14,096,693	8,943,314
Less: Dividend income		(262,578)	(336,848)
		13,834,115	8,606,466
Adjustments:			
Net mark-up / interest income excluding mark-up on lease liability against right of use assets		(30,824,285)	-
Depreciation on property and equipment	33	1,825,509	1,366,234
Depreciation on non banking assets acquired in satisfaction of claims	33	14,448	16,760
Depreciation on ijarah assets under IFAS - 2	33	249,370	135,573
Depreciation on right of use assets	33	1,416,257	1,240,046
Amortization on intangible assets	33	308,257	166,828
Amortization of discount on debt securities - net		(5,975,138)	(6,068,715)
Mark-up on lease liability against right of use assets	28	1,586,316	1,404,255
Unrealized (gain) / loss on revaluation of investments classified as FVTPL / Held for trading	30	(472,848)	(11,438)
Realized gain on deliverable future contracts	30	(7,887)	-
Reversal of credit loss allowance against lending to financial institutions	35	(47,958)	-
(Reversal of credit loss allowance) / provision for diminution in value of investments - net	35	(96,426)	816,668
Reversal of credit loss allowance /provision against loans & advances - net	35	(2,152,150)	(626,221)
(Reversal of credit loss allowance) / provision against other assets - net	35	(129,802)	117,774
Reversal of credit loss allowance against off balance sheet obligations	35	(594,250)	-
Credit loss allowance against balance with other banks	35	(198,520)	-
Reversal of credit loss allowance against balances with treasury banks	35	(261,910)	-
Workers' welfare fund		375,553	119,675
Gain on termination of lease liability against right of use assets	32	(179,553)	(127,167)
Gain on sale of property and equipment - net	32	(11,181)	(7,604)
Gain on sale of non banking assets acquired in satisfaction of claims - net	32	(514,549)	(1,841,632)
Realized gain on sale of securities - net	30	(4,433,603)	(324,830)
Gain on derecognition of financial assets measured at amortised cost	31	(1,563,972)	-
Loss on derecognition of financial assets measured at amortised cost	31	302,931	-
Provision for employees compensated absences		9,316	17,507
Provision for gratuity		456,650	334,169
		(40,919,425)	(3,272,118)
		(27,085,310)	5,334,348
(Increase) / decrease in operating assets:			
Lendings to financial institutions - net		131,051,783	53,834,342
Securities classified as FVTPL		(12,076,053)	(3,617,088)
Advances - net		157,026,703	(274,642,698)
Others assets - net (excluding non-banking assets, markup receivable and advance taxation - net)		77,984,210	(56,054,842)
		353,986,643	(280,480,286)
Increase / (decrease) in operating liabilities:			
Bills payable		242,370	1,881,103
Borrowings		(145,443,593)	542,643,862
Deposits and other accounts		52,994,776	165,507,294
Other liabilities - net (excluding taxation - net, markup payable and gratuity fund)		8,610,997	46,334,539
		(83,595,450)	756,366,798
Payment made to gratuity fund		(690,633)	(171,152)
Mark-up / return / interest received		263,899,036	-
Mark-up / return / interest paid		(230,187,239)	-
Income tax paid		(8,314,892)	(5,212,693)
		24,706,272	(5,383,845)
Net cash flow generated from operating activities		268,012,155	475,837,015

THE BANK OF PUNJAB

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) (Continued...)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	Nine Months Ended	
		September 30,	September 30,
		2024	2023
Rupees in '000'			
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI / AFS		(312,931,448)	(474,124,405)
Net investments in amortized cost securities / HTM		52,311,118	-
Dividends received		246,111	333,253
Investments in property and equipment		(3,777,749)	(2,617,879)
Investments in intangible assets		(710,934)	(291,582)
Proceeds from sale of property and equipment		24,320	15,909
Proceeds from sale of non banking assets acquired in satisfaction of claims		998,192	2,486,784
Investment in subsidiary		(1,100,000)	(110,487)
Net cash used in investing activities		(264,940,390)	(474,308,407)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(2,260)	(2,494,860)
Subscription received - subordinated perpetual term finance certificates ADT-I 2nd issue	22	50,000	3,900,000
Subscription received - privately placed term finance certificates - III		-	4,600,000
Subscription received - privately placed term finance certificates - IV		571,500	6,285,000
Payment of cash dividend		(3,271,568)	-
Payment of lease liability against right of use assets		(2,027,135)	(1,706,599)
Net cash (used in) / flow from financing activities		(4,679,463)	10,583,541
Increase in cash and cash equivalents		(1,607,698)	12,112,149
Impact of adoption of IFRS-09 on cash and cash equivalents		(438,638)	-
Cash and cash equivalents at beginning of the period		108,977,522	78,017,550
Cash and cash equivalents at end of the period		106,931,186	90,129,699
Cash and cash equivalents:			
Cash and balances with treasury banks - net	7	104,183,436	89,398,846
Balances with other banks - net	8	2,967,977	1,837,958
Overdrawn nostro accounts		(220,227)	(1,107,105)
		106,931,186	90,129,699

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

THE BANK OF PUNJAB

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

1. STATUS AND NATURE OF BUSINESS

The Bank of Punjab (the Bank) was constituted in Pakistan pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 861 branches including 16 sub branches and 180 Islamic banking branches (December 31, 2023: 815 branches including 16 sub branches and 160 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank also has 257 Islamic banking windows (December 31, 2023: 73). The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ and short term rating of A1+ to the Bank with stable outlook.

2 BASIS OF PREPARATION

In accordance with the directives of the Government of Pakistan regarding the 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 43 of these unconsolidated condensed interim financial statements.

2.1 Adoption of new forms for the preparation of condensed interim financial statements

The SBP, vide BPRD Circular No. 02 dated February 09, 2023, issued revised forms for the preparation of condensed interim quarterly / half yearly financial statements of the Banks / DFIs which are applicable for quarterly / half yearly periods beginning on or after January 01, 2024 vide BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of these unconsolidated condensed interim financial statements. These includes the right of use assets and corresponding lease liability which are now presented separately on the face of the statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the unconsolidated condensed interim financial statements in terms of recognition and measurement of assets and liabilities.

2.2 Statement of compliance

2.2.1 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" and International Financial Reporting Standards (IFRS) 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 and 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 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.

- 2.2.2** SBP has deferred the applicability of International Accounting Standards 40, "Investment Property" for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The SECP has deferred applicability of IFRS 7 "Financial Instruments: Disclosures" on banks through S.R.O 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.
- 2.2.3** 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.
- 2.2.4** The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective "Consolidated Financial Statements" 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.
- 2.2.5** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 dated February 09, 2023 and IAS-34, "Interim Financial Reporting". Accordingly, these unconsolidated condensed interim financial statements do not include all the information and disclosures required for annual unconsolidated financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for the impact of adoption of IFRS-09 "Financial Instruments" as explained in note 4.1 and 4.2.

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

There are certain new and amended standards, issued by the IASB, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these unconsolidated condensed interim financial statements except for IFRS-09 "Financial Instruments", the impact of which is disclosed in note 4.1 and 4.2 to these unconsolidated condensed interim financial statements.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations except for:

	Effective date (annual periods beginning on or after)
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	January 01, 2026
- IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027

3 BASIS OF MEASUREMENT

- 3.1** These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments, commitments in respect of forward exchange contracts and forward lending at fair value, 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 and depreciated over the respective lease terms.
- 3.2** These unconsolidated condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for the adoption of IFRS-09 "Financial instruments" with effect from January 01, 2024 as mentioned in note 4.1 and 4.2.

4.1 Adoption of 'IFRS-09 - 'Financial Instruments'

As permitted by the transitional provisions of IFRS-09, the Bank has opted for modified retrospective approach and has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves without restating the comparative information.

The SBP through its BPRD Circular Letter No. 16 dated July 29, 2024 has provided additional clarification on earlier issued 'IFRS 9 - Financial Instruments Application Instructions' to address certain key matters raised by the banks with a direction to ensure compliance by the extended timelines. There are few other matters, including the measurement of unencumbered general provision, income recognition on Islamic financings and the subsidized loans (other than staff loans extended to employees as per HR policy), which are still under deliberation with the SBP. The Bank has continued to follow the existing treatment in respect of these matters till the time SBP issues relevant guidance / clarification.

The adoption of IFRS-09 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- objectives for the portfolio;
- performance of the business model;
- risks that affect the performance of the business model; and
- the expected frequency, value and timing of sales.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Eventually, the financial assets fall under either of the following three business models:

- i) Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows;
- ii) Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets; and
- iii) Other business models: Resulting in classification of financial assets as FVTPL.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and the credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the markup rate is set.

Classification

Under IFRS-09, existing categories of financial assets: Held for trading (HFT), Available for sale (AFS), Held to maturity (HTM) and loans and receivables have been replaced by:

- Financial assets at amortized cost - A financial instrument is measured at amortized cost if these are held with a business model to hold financial assets in order to collect contractual cash flows and such contractual terms give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- Financial assets at fair value through other comprehensive income (FVOCI) - A financial instrument is measured at FVOCI only if the business model is collecting contractual cash flows and selling assets whose contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at fair value through profit or loss account (FVTPL) - A debt financial instrument shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Bank may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Under IFRS-09, the accounting for financial liabilities remains largely the same as before the adoption of IFRS-09 and therefore, these financial liabilities are being carried at amortized cost.

Initial recognition and subsequent measurement

a) Financial assets classified as amortized cost

Financial instruments under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction cost. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the profit and loss account. Interest income / expense on these instruments are recognised in the profit and loss account. On derecognition of these financial instruments, capital gain / loss shall be recognised in the profit and loss account.

b. Fair value through other comprehensive income (FVOCI)

Financial assets are initially measured at their fair value which includes transaction costs associated with the financial assets.

FVOCI equity securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Dividend income is recognized in profit and loss account when the right to receive the payment is established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit and loss account. Debt instruments are subject to impairment under Expected Credit Loss model. However, the loss allowance shall be recognized in profit & loss account. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit and loss account.

c) Fair value through profit or loss (FVTPL)

Financial assets are initially measured at their fair value and their associated transaction costs are charged to profit and loss account.

Financial assets (both equity and debt) at FVTPL are subsequently measured at fair value with changes in fair value are recognized in profit and loss account. Interest income on these instruments is recorded into profit and loss accounts. Dividend income on equity instruments is recorded in profit and loss account when the right to receive payment is established. On derecognition, capital gain / loss will be recognised in the profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

In addition, on initial recognition, the Bank may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Expected Credit Loss (ECL)

The adoption of IFRS-09 has fundamentally changed the Bank's loan loss impairment method with a forward-looking ECL approach. The Bank shall record the allowance for ECL for all financial instruments (loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts).

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

The 12mECL (12 months' expected credit loss) is the portion of LTECLs (the lifetime expected credit loss or LTECL) that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Based on the requirement of IFRS-09 and SBP's IFRS-09 application instructions, the Bank has performed an ECL assessment taking into account the key elements such as assessment of Significant Increase in Credit Risk (SICR), Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.
- LGD: It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Bank expects to receive, including any form of collateral.
- EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortization, pre-payments and forward-looking information where relevant.

A default will be deemed to have occurred either when the obligation has become over 90 days past due (DPD) or ratings have deteriorated to or beyond ORR 9, markup has been suspended as per Prudential Regulations or an event indicating default i.e., bankruptcy has occurred.

When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on 12mECL as outlined below.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: includes financial instruments that don't have a significant increase in credit risk since initial recognition or those that have low credit risk at the reporting date. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. For these assets, 12-month expected credit losses (ECLs) are recognized and markup is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfall over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

Stage 2: includes financial instruments that have or had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. For these assets, lifetime ECL are recognized, but markup is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.

Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). As per BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No. 16 of 2024 dated July 29, 2024, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the provision as per Prudential Regulations or IFRS 9 at borrower / facility level for corporate / commercial / SME loan portfolios and at segment / product basis for retail portfolio. In computing Stage 3 exposures, the Bank considers PD of 100% and LGDs used are based on regulatory prescribed percentages.

Write-offs

The Bank's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

Derecognition of Financial Asset / Financial Liabilities

Financial Assets:

The Bank derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Bank enters into transactions whereby it transfers assets recognised in its unconsolidated condensed interim statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial Liabilities:

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the unconsolidated condensed interim statement of profit and loss account.

4.2 Adoption impacts of IFRS-09

The impacts of adoption of IFRS-09 on Bank's statement of financial position as on January 01, 2024 are as follows:

	Balances as of December 31, 2023 (Audited)	Impact due to:					Total impact - gross of tax	Related Taxation impact	Total impact - net of tax	Adjusted balances as of January 01, 2024	IFRS-09 Category
		Recognition of expected credit losses (ECL)	Adoption of revised classifications under IFRS-09	Business model and SPPI assessment	Related movement in surplus	Reversal / adjustment of provisions held					
Rupees in '000'											
ASSETS											
Cash and balances with treasury banks - net	100,894,255	(663,904)	-	-	-	-	(663,904)	-	(663,904)	100,230,351	Amortised cost
Balances with other banks - net	8,283,392	(235,165)	-	-	-	-	(235,165)	-	(235,165)	8,048,227	Amortised cost
Lendings to financial institutions - net	144,960,933	(91,380)	-	-	-	-	(91,380)	-	(91,380)	144,869,553	Amortised cost
Investments - net:											
- Classified as available for sale	770,408,167	-	(770,408,167)	-	-	-	(770,408,167)	-	(770,408,167)	-	
- Classified as fair value through OCI (FVOCI)	-	-	770,408,167	(101,742,838)	6,523,150	3,303,891	678,492,370	-	678,492,370	678,492,370	FVOCI
- Classified as held to maturity	98,547,842	-	(98,547,842)	-	-	-	(98,547,842)	-	(98,547,842)	-	
- Classified as amortized cost	-	(87,711)	98,547,842	89,891,804	-	-	188,351,935	-	188,351,935	188,351,935	Amortised cost
- Classified as held for trading	44,124,920	-	(44,124,920)	-	-	-	(44,124,920)	-	(44,124,920)	-	
- Classified as fair value through P&L	-	-	44,124,920	11,851,034	229,050	(2,321,359)	53,883,645	-	53,883,645	53,883,645	FVTPL
- Subsidiary	110,487	-	-	-	-	-	-	-	-	110,487	Outside the scope of IFRS-09
	913,191,416	(87,711)	-	-	6,752,200	982,532	7,647,021	-	7,647,021	920,838,437	
Advances - net	806,386,880	(13,574,283)	-	-	-	-	(13,574,283)	-	(13,574,283)	792,812,597	Amortised cost
Property and equipment	20,788,845	-	-	-	-	-	-	-	-	20,788,845	Outside the scope of IFRS-09
Right of use assets	12,424,136	-	-	-	-	-	-	-	-	12,424,136	Outside the scope of IFRS-09
Intangible assets	2,091,021	-	-	-	-	-	-	-	-	2,091,021	Outside the scope of IFRS-09
Deferred tax asset - net	10,242,767	-	-	-	-	-	-	5,308,171	5,308,171	15,550,938	Outside the scope of IFRS-09
Other assets - net	196,916,345	(665,503)	-	-	-	-	(665,503)	-	(665,503)	196,250,842	Amortised cost for financial assets
	2,216,179,990	(15,317,946)	-	-	6,752,200	982,532	(7,583,214)	5,308,171	(2,275,043)	2,213,904,947	
LIABILITIES											
Bills payable	5,507,855	-	-	-	-	-	-	-	-	5,507,855	Amortised cost
Borrowings	453,965,991	-	-	-	-	-	-	-	-	453,965,991	Amortised cost
Deposits and other accounts	1,520,853,642	-	-	-	-	-	-	-	-	1,520,853,642	Amortised cost
Lease liabilities	15,727,259	-	-	-	-	-	-	-	-	15,727,259	Amortised cost
Subordinated debts	30,204,640	-	-	-	-	-	-	-	-	30,204,640	Amortised cost
Other liabilities - net	109,165,991	2,038,207	-	-	-	-	2,038,207	-	2,038,207	111,204,198	Amortised cost for financial liabilities
	2,135,425,378	2,038,207	-	-	-	-	2,038,207	-	2,038,207	2,137,463,585	
NET ASSETS	80,754,612	(17,356,153)	-	-	6,752,200	982,532	(9,621,421)	5,308,171	(4,313,250)	76,441,362	
REPRESENTED BY											
Share capital	32,452,535	-	-	-	-	-	-	-	-	32,452,535	Outside the scope of IFRS-09
Reserves	14,951,729	-	-	-	-	-	-	-	-	14,951,729	Outside the scope of IFRS-09
Surplus on revaluation of assets - net of tax	1,828,553	-	-	-	6,523,150	-	6,523,150	(3,196,344)	3,326,806	5,155,359	
Unappropriated profit	31,521,795	(17,356,153)	-	-	229,050	982,532	(16,144,571)	8,504,515	(7,640,056)	23,881,739	
	80,754,612	(17,356,153)	-	-	6,752,200	982,532	(9,621,421)	5,308,171	(4,313,250)	76,441,362	

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting judgments and key estimates adopted in preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for as explained in note 4.1 and 4.2.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2023 except as explained in note 4.1 & 4.2.

THE BANK OF PUNJAB

	(Un-audited)	(Audited)
	September 30,	December 31,
	2024	2023
	Rupees in '000'	
7 CASH AND BALANCES WITH TREASURY BANKS - NET		
In hand:		
Local currency	21,189,503	22,977,714
Foreign currencies	3,281,675	4,254,423
	24,471,178	27,232,137
With SBP in:		
Local currency current account	62,886,090	53,549,120
Foreign currency current account	2,159,219	2,931,351
Foreign currency deposit accounts	5,191,069	6,592,100
	70,236,378	63,072,571
With National Bank of Pakistan in:		
Local currency current accounts	9,456,583	10,307,990
Prize bonds	421,291	281,557
Less: Credit loss allowance held against cash and balances with treasury banks	(401,994)	-
Cash and balances with treasury banks - net of credit loss allowance	104,183,436	100,894,255
8 BALANCES WITH OTHER BANKS - NET		
In Pakistan:		
Current accounts	24,737	32,515
Deposit accounts	13	1,579
	24,750	34,094
Outside Pakistan:		
Current accounts	2,279,311	3,821,143
Deposit accounts	700,560	4,428,155
	2,979,871	8,249,298
	3,004,621	8,283,392
Less: Credit loss allowance held against balances with other banks	(36,644)	-
Balances with other banks - net of credit loss allowance	2,967,977	8,283,392
9 LENDINGS TO FINANCIAL INSTITUTIONS - NET		
Repurchase agreement lendings (Reverse Repo)	10,474,150	137,025,933
Placements	3,435,000	7,935,000
	13,909,150	144,960,933
Less: Credit loss allowance held against lendings to financial institutions	(43,422)	-
Lendings to financial institutions - net of credit loss allowance	13,865,728	144,960,933

10.1.1 The Bank has four subsidiary companies i.e. Punjab Modaraba Services (Private) Limited (PMSL), First Punjab Modaraba (FPM), Punjab Capital Securities (Private) Limited (PCS) and BOP Exchange (Private) Limited. The wholly owned subsidiary company of the Bank is PMSL which exercises control over FPM, as its management company and also has a direct economic interest in it. The country of incorporation of all subsidiary companies is Pakistan. Key financial results of subsidiary companies are as follows:

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
Investment in subsidiaries		
Punjab Modaraba Services (Private) Limited	164,945	164,945
Punjab Capital Securities (Private) Limited	210,487	110,487
BOP Exchange (Private) Limited	1,000,000	-
	1,375,432	275,432
Provision for diminution held against Punjab Modaraba Services (Private) Limited	(164,945)	(164,945)
Closing balance	1,210,487	110,487

	BOP Exchange		PMSL		FPM		PCS	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	Rupees in '000'							
Total assets	1,046,914	-	47,314	34,255	1,929,078	2,189,748	276,277	146,009
Total liabilities	61,775	-	110,261	104,877	1,716,284	1,811,628	55,015	48,617

	BOP Exchange		PMSL		FPM		PCS	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
	Rupees in '000'							
Revenue	-	-	4,023	-	339,334	253,126	39,387	17,713
Profit / (loss) after tax	(14,862)	-	(1,383)	(6,320)	88,824	(38,836)	20,757	2,836
Total comprehensive income / (loss)	(14,862)	-	9,058	(5,728)	88,824	(38,836)	23,871	(11,542)

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
10.2 Investments given as collateral		
Pakistan investment bonds	231,143,824	379,071,721

THE BANK OF PUNJAB

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
10.3 Credit loss allowance for diminution in value of investments			
10.3.1 Movement in credit loss allowance / provision for diminution in value of investments			
Opening balance		3,728,586	4,763,091
Impact of adoption of IFRS-09:			
Expected credit loss on debt securities	4.2	87,711	-
Reversal of impairment on equity securities	4.2	(982,532)	-
Adjustment of impairment on account of mandatory classification as FVTPL		(2,321,359)	-
		(3,216,180)	-
Charge / (reversals):			
Charge for the period / year		-	943,086
Reversals for the period / year		(87,608)	(147,044)
		(87,608)	796,042
Reversal on disposal during the period / year		(8,818)	(1,830,547)
Closing balance		415,980	3,728,586

		(Un-audited) September 30, 2024	(Audited) December 31, 2023		
		Outstanding amount	Credit loss allowance held	Outstanding amount	Provision
Rupees in '000'					
10.3.2 Particulars of credit loss allowance against debt securities					
Category of classification					
Performing	Stage 1	2,332,068	32,235	-	-
Under performing	Stage 2	-	-	-	-
Non-performing:					
Substandard		-	-	-	-
Doubtful	Stage 3	-	-	-	-
Loss		218,800	218,800	2,581,109	2,581,109
		218,800	218,800	2,581,109	2,581,109
		2,550,868	251,035	2,581,109	2,581,109

	Performing / underperforming		Non performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Rupees in '000'						
Loans, cash credits, running finances, etc.	526,613,402	675,092,112	52,432,265	47,728,513	579,045,667	722,820,625
Islamic financing and related assets	80,475,261	105,445,766	3,766,208	3,134,134	84,241,469	108,579,900
Bills discounted and purchased	18,695,387	18,092,079	17,222	17,221	18,712,609	18,109,300
Advances - gross	625,784,050	798,629,957	56,215,695	50,879,868	681,999,745	849,509,825
Credit loss allowance against advances:						
-Stage 1 / general provision	(5,170,669)	(695,731)	-	-	(5,170,669)	(695,731)
-Stage 2	(1,728,641)	-	(125,061)	-	(1,853,702)	-
-Stage 3 / specific provision	(601,054)	-	(46,918,572)	(42,427,214)	(47,519,626)	(42,427,214)
	(7,500,364)	(695,731)	(47,043,633)	(42,427,214)	(54,543,997)	(43,122,945)
Advances - net of credit loss allowance	618,283,686	797,934,226	9,172,062	8,452,654	627,455,748	806,386,880

11.1 Particulars of advances (gross)

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
In local currency	670,623,881	841,674,065
In foreign currencies	11,375,864	7,835,760
	681,999,745	849,509,825

11.2 Advances include Rs. 56,215,695 thousand (December 31, 2023: Rs. 50,879,868 thousand) which have been placed under non-performing / stage 2 and 3 status as detailed below:

Category of classification	(Un-audited) September 30, 2024		(Audited) December 31, 2023	
	Non performing loans	Credit loss allowance	Non performing loans	Provision
	Rupees in '000'			
Other assets especially mentioned	719,232	125,061	-	-
Other assets especially mentioned	599,399	234,890	334,350	9,041
Substandard	4,711,702	2,224,293	1,735,654	330,681
Doubtful	5,812,107	2,851,069	4,718,746	1,973,455
Loss	44,373,255	41,608,320	44,091,118	40,114,037
Total non performing loans	54,897,064	46,683,682	50,545,518	42,418,173
Grand total	56,215,695	47,043,633	50,879,868	42,427,214

Stage-2
Stage-3

11.3 Particulars of credit loss allowance against advances	Note	September 30, 2024 (Un-audited)				December 31, 2023 (Audited)		
		Stage 3	Stage 2	Stage 1	Total	Specific provision	General provision	Total
					Rupees in '000'			
Opening balance		42,427,214	-	695,731	43,122,945	44,179,521	614,979	44,794,500
Impact of adoption of IFRS-09	4.2	2,732,167	4,562,863	6,279,253	13,574,283	-	-	-
Sub total		45,159,381	4,562,863	6,974,984	56,697,228	44,179,521	614,979	44,794,500
Charge for the period / year		5,315,573	852,874	1,586,418	7,754,865	2,108,556	80,752	2,189,308
Reversals for the period / year		(2,954,247)	(3,562,035)	(3,390,733)	(9,907,015)	(3,634,387)	-	(3,634,387)
		2,361,326	(2,709,161)	(1,804,315)	(2,152,150)	(1,525,831)	80,752	(1,445,079)
Amounts written off		(1,081)	-	-	(1,081)	(1,138)	-	(1,138)
Provision transferred from advances to other assets		-	-	-	-	(225,338)	-	(225,338)
Closing balance		47,519,626	1,853,702	5,170,669	54,543,997	42,427,214	695,731	43,122,945

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 credit loss allowance against non-performing advances by Rs. 302,767 thousand (December 31, 2023: Rs. 3,563,768 thousand). The FSV benefit availed is not available for cash or stock dividend.

11.4 Advances - Particulars of credit loss allowance	September 30, 2024 (Un-audited)			
	Stage 3	Stage 2	Stage 1	Total
				Rupees in '000'
Opening balance after adoption of IFRS-09	45,159,381	4,562,863	6,974,984	56,697,228
New advances	1,853,327	213,547	1,898,736	3,965,610
Advances derecognized or repaid	(693,875)	(727,976)	(927,133)	(2,348,984)
Transfer to stage 1	(18,867)	(1,355,430)	1,374,297	-
Transfer to stage 2	(12,096)	241,935	(229,839)	-
Transfer to stage 3	343,294	(282,643)	(60,651)	-
	1,471,783	(1,910,567)	2,055,410	1,616,626
Amounts written off / charged off	(1,081)	-	-	(1,081)
Changes in risk parameters	889,543	(798,594)	(3,859,725)	(3,768,776)
Closing balance	47,519,626	1,853,702	5,170,669	54,543,997

11.5 Advances - Category of classification		September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Provision
					Rupees in '000'
Performing	Stage 1	543,265,028	5,170,669	-	-
Underperforming	Stage 2	81,240,746	1,728,641	-	-
Underperforming / restructured loans	Stage 3	1,278,276	601,054	-	-
		625,784,050	7,500,364	-	-
Non-Performing	Stage 2	719,232	125,061	-	-
Non-Performing:					
Other assets especially mentioned	Stage 3	599,399	234,889	334,350	9,041
Substandard		4,711,702	2,224,294	1,735,654	330,681
Doubtful		5,812,107	2,851,069	4,718,746	1,973,455
Loss		44,373,255	41,608,320	44,091,118	40,114,037
		55,496,463	46,918,572	50,879,868	42,427,214
Total		681,999,745	54,543,997	50,879,868	42,427,214

THE BANK OF PUNJAB

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
12	PROPERTY AND EQUIPMENT		
	Capital work-in-progress	934,839	750,114
	Property and equipment	<u>23,014,838</u>	<u>20,038,731</u>
		<u><u>23,949,677</u></u>	<u><u>20,788,845</u></u>
12.1	Capital work-in-progress		
	Civil works	893,612	709,037
	Advances to suppliers	<u>41,227</u>	<u>41,077</u>
		<u><u>934,839</u></u>	<u><u>750,114</u></u>
		(Un-audited)	(Un-audited)
		September 30,	September 30,
		2024	2023
12.2	Additions to property and equipment		
	The following additions / transfers have been made to property and equipment during the period:		
	Capital work-in-progress - net	184,725	(284,964)
	Property and equipment:		
	Freehold land	2,037,002	-
	Building on freehold land	-	68,061
	Furniture and fixtures	235,829	252,980
	Electrical and office equipments	543,690	401,474
	Computer equipments	1,100,739	885,243
	Lease hold improvements	842,734	1,191,735
	Vehicles	54,761	103,350
		<u>4,814,755</u>	<u>2,902,843</u>
		<u><u>4,999,480</u></u>	<u><u>2,617,879</u></u>
12.3	Disposal of property and equipment:		
	The net book value of property and equipment disposed off during the period is as follows:		
	Furniture and fixtures	4,185	3,786
	Electrical and office equipments	6,238	4,181
	Computer equipments	933	338
	Lease hold improvements	<u>1,783</u>	<u>-</u>
		<u><u>13,139</u></u>	<u><u>8,305</u></u>
		(Un-audited)	(Audited)
		September 30,	December 31,
		2024	2023
13	RIGHT OF USE ASSETS		
	As at January 01,		
	Cost	17,699,453	15,806,579
	Accumulated depreciation	<u>(5,275,317)</u>	<u>(3,704,419)</u>
	Net carrying amount as at January 01,	12,424,136	12,102,160
	Additions during the period / year	1,194,393	2,355,595
	Terminations - at cost during the period / year	<u>(175,431)</u>	<u>(462,721)</u>
	Depreciation on terminations during the period / year	<u>92,836</u>	<u>159,978</u>
	Terminations - at book value	<u>(82,595)</u>	<u>(302,743)</u>
	Depreciation charge for the period / year	<u>(1,416,257)</u>	<u>(1,730,876)</u>
	Net carrying amount	<u><u>12,119,677</u></u>	<u><u>12,424,136</u></u>

THE BANK OF PUNJAB

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
14	INTANGIBLE ASSETS	Rupees in '000'	
	Intangible in progress	415,847	635,072
	Software and long term licenses	<u>2,077,851</u>	<u>1,455,949</u>
		<u>2,493,698</u>	<u>2,091,021</u>
	Note		
		(Un-audited)	(Un-audited)
		September 30,	September 30,
		<u>2024</u>	<u>2023</u>
14.1	Additions to intangible assets	Rupees in '000'	
	The following additions / transfers have been made to intangible assets during the period:		
	Intangible in progress - net	(219,225)	138,047
	Intangible assets purchased	<u>930,159</u>	<u>153,535</u>
		<u>710,934</u>	<u>291,582</u>
		(Un-audited)	(Audited)
		September 30,	December 31,
		<u>2024</u>	<u>2023</u>
15	DEFERRED TAX ASSETS - NET	Rupees in '000'	
	Deductible temporary differences on:		
	Deficit on revaluation of investments classified as available for sale	-	2,811,262
	Right of use assets net of lease liabilities	2,008,512	1,618,530
	Workers welfare fund	826,076	642,055
	Credit loss allowance against off balance sheet obligations	707,539	-
	Credit loss allowance against lendings to financial institutions	21,277	-
	Credit loss allowance against balance with other banks	17,956	-
	Credit loss allowance against balance with treasury banks	196,977	-
	Credit loss allowance against investments	15,795	-
	Credit loss allowance against acceptance	262,493	-
	Credit loss allowance / provision against advances	<u>13,330,816</u>	<u>8,416,444</u>
		17,387,441	13,488,291
	Taxable temporary differences on:		
	Surplus on revaluation of property and equipment	(2,131,431)	(2,214,474)
	Surplus on revaluation of investments classified as FVTPL	(231,696)	-
	Surplus on revaluation of investments classified as FVOCI	(2,655,526)	-
	Accelerated tax depreciation	(1,012,643)	(936,188)
	Surplus on revaluation of non banking assets acquired in satisfaction of claims	(9,561)	(94,862)
		<u>(6,040,857)</u>	<u>(3,245,524)</u>
		<u>11,346,584</u>	<u>10,242,767</u>

THE BANK OF PUNJAB

		(Un-audited)	(Audited)
		September 30,	December 31,
		2024	2023
		Rupees in '000'	
16	OTHER ASSETS - NET		
	Income / mark-up accrued in local currency	88,427,270	89,515,734
	Income / mark-up accrued in foreign currency	156,957	11,858
	Receivable from the Government of Pakistan	-	85,200,400
	Advances, deposits, advance rent and other prepayments	2,620,244	1,257,571
	Advance taxation (payments less provisions)	-	-
	Non-banking assets acquired in satisfaction of claims	4,061,045	1,177,222
	Acceptances	17,821,549	15,888,469
	Branch adjustment account	5,038	27,927
	Stock of stationery & plastic cards	633,574	375,089
	Suspense account	213,617	37,187
	Mark to market gain on forward foreign exchange contracts - net	375,528	-
	Zakat recoverable from National Investment Trust Limited (NITL)	36,790	36,790
	Receivable against fraud and forgeries	409,665	399,468
	Auto Teller Machine and Point of Sale receivable - net	231,467	650,830
	Inter bank fund transfer and RAAST receivable - net	1,808,986	1,761,393
	Receivable against settlement arrangements	225,337	225,337
	Receivable against litigation expenses	312,218	312,218
	Deferred fair value loss on derecognition of financial asset	7,775,229	-
	Others	3,573,025	641,137
		128,687,539	197,518,630
	Less: Credit loss allowance / provision held against other assets	(1,485,990)	(1,452,895)
	Other assets (net of credit loss allowance)	127,201,549	196,065,735
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	610,862	850,610
	Other assets - total	127,812,411	196,916,345

16.1 As per privatization initiative approved by the Government of Pakistan (GoP), a new public limited company, Pakistan International Airlines Holding Company Limited (PIAHCL), has been formed by GoP to succeed specified assets and liabilities of Pakistan International Airlines Corporation Limited (PIACL). In this regard, the Bank recorded deferred fair value loss, at a benchmark rate corresponding to the tenor of the loan, arising from the restructuring of syndicated exposure to PIACL in accordance with the guidance issued by SBP vide letter NO. BPRD/BRD/PIAHCL/733688 – 2024 dated August 01, 2024. The impact of deferred loss recognition during the period is disclosed in note 31.2 of these unconsolidated condensed interim financial statements.

THE BANK OF PUNJAB

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
16.2	Credit loss allowance held against other assets		
	Income accrued in local currency	-	500,000
	Advances, deposits, advance rent & other prepayments	35,723	35,723
	Acceptances	116,627	-
	Income / markup accrued	421,291	-
	Non banking assets acquired in satisfaction of claims	30,876	30,876
	Zakat recoverable from NITL	36,790	36,790
	Fraud and forgeries	307,128	311,952
	Receivable against settlement arrangements	225,337	225,337
	Receivable against litigation expenses	312,218	312,217
		1,485,990	1,452,895
16.2.1	Movement in credit loss allowance held against other assets		
	Opening balance	1,452,895	635,017
	Impact of adoption of IFRS-09	665,503	-
	Charge for the period / year	238,149	610,065
	Reversals during the period / year	(367,951)	(13,953)
		(129,802)	596,112
	Amount written off	(502,606)	(3,572)
	Provision transferred to other assets from advances	-	225,338
	Closing balance	1,485,990	1,452,895
16.2.2	This includes provision amounted to Rs. 1,566 thousand (December 31, 2023: Rs. 4,795 thousand) maintained against certain closed cases as per approval of the management.		
		(Un-audited) September 30, 2024	(Audited) December 31, 2023
17	CONTINGENT ASSETS		
	Contingent assets	Nil	Nil
18	BILLS PAYABLE		
	In Pakistan	5,750,225	5,507,855
	Outside Pakistan	-	-
		5,750,225	5,507,855
19	BORROWINGS		
	Secured		
	Borrowings from SBP under:		
	Export refinance scheme (ERF)	24,748,481	29,950,587
	Long term financing facility (LTFF)	9,592,689	11,368,117
	Financing facility for storage of agriculture produce (FFSAP)	332,014	183,985
	Islamic refinance scheme facility for payment of wages & salaries	-	-
	Financing scheme for renewable energy	6,130,536	6,435,548
	Refinancing facility for combating COVID-19	570,418	814,386
	Refinance facility for working capital of small and medium enterprises	-	39,891
	Temporary economic refinance scheme (TERF)	16,096,175	19,310,908
	Refinance and credit guarantee scheme for women entrepreneurs	44,700	900
	Finance facility for SAAF rozgar reimbursement credit	15,530,277	6,954,080
	Finance facility for shamsi tawanai consumer	38,284	47,312
	Islamic temporary economic refinance facility (ITERF)	1,265,411	-
	Refinancing facility for modernization of small and medium enterprises (SMEs)	100,940	137,300
		74,449,925	75,243,014
	Repurchase agreement borrowings	228,874,600	377,025,018
	Borrowing from Pakistan Mortgage Refinance Company Limited	497,748	1,497,834
	Total secured	303,822,273	453,765,866
	Unsecured		
	Call borrowings	4,500,000	-
	Overdrawn nostro accounts	220,227	200,125
	Total unsecured	4,720,227	200,125
		308,542,500	453,965,991

20 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
Customers:						
Current deposits	253,459,079	10,014,686	263,473,765	247,207,834	10,577,445	257,785,279
Savings deposits	770,988,102	5,144,020	776,132,122	622,556,998	5,554,561	628,111,559
Term deposits	460,478,440	25,865,365	486,343,805	497,160,082	41,494,976	538,655,058
Others	31,968,748	-	31,968,748	33,238,862	-	33,238,862
	1,516,894,369	41,024,071	1,557,918,440	1,400,163,776	57,626,982	1,457,790,758
Financial institutions:						
Current deposits	4,057,320	788,840	4,846,160	2,203,132	975,218	3,178,350
Savings deposits	9,979,166	3,750	9,982,916	58,373,600	5,150	58,378,750
Term deposits	1,057,000	-	1,057,000	1,463,890	-	1,463,890
Others	43,902	-	43,902	41,894	-	41,894
	15,137,388	792,590	15,929,978	62,082,516	980,368	63,062,884
	1,532,031,757	41,816,661	1,573,848,418	1,462,246,292	58,607,350	1,520,853,642
					(Un-audited)	(Audited)
					September 30,	December 31,
					2024	2023
21 LEASE LIABILITIES				Note	Rupees in '000'	
Outstanding amount at the start of the period / year					15,727,259	14,352,825
Additions during the period / year					1,194,393	2,355,595
Markup accrued					1,586,316	1,939,763
Terminations during the period / year					(262,148)	(541,304)
Payment of lease liabilities against right of use assets					(2,027,135)	(2,379,620)
Outstanding amount at the end of the period / year					16,218,685	15,727,259
21.1 Maturity of outstanding lease liabilities						
Not later than one year					101,037	84,722
Later than one year and upto five years					1,695,841	1,435,423
Over five years					14,421,807	14,207,114
Total at the end of the period / year					16,218,685	15,727,259
22 SUBORDINATED DEBTS						
Subordinated perpetual term finance certificates - ADT I				22.1	8,017,500	8,017,500
Subordinated perpetual term finance certificates - ADT I 2nd issue				22.2	3,950,000	-
Privately placed term finance certificates - II				22.3	4,289,680	4,290,540
Privately placed term finance certificates - III				22.4	6,997,200	6,998,600
Privately placed term finance certificates - IV				22.5	7,569,500	-
Advance subscription money - subordinated perpetual term finance certificates - ADT I 2nd Issue					-	3,900,000
Advance subscription money - privately placed term finance certificates - IV					-	6,998,000
					30,823,880	30,204,640
22.1 Subordinated perpetual term finance certificates - ADT I						

The Bank issued listed, 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, 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.

22.2 Subordinated perpetual term finance certificates - ADT I 2nd Issue

During the period, the Bank issued listed, 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, with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 3,950,000 thousand
Issue date:	February 29, 2024
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.

22.3 Privately placed term finance certificates - II

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

Issue amount:	Rs. 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.

22.4 Privately placed term finance certificates - III

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

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

22.5 Privately placed term finance certificates - IV

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

Issue amount:	Rs. 7,569,500 thousand
Issue date:	June 27, 2024
Maturity date:	June 27, 2034
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 0.36% 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.

THE BANK OF PUNJAB

23 OTHER LIABILITIES - NET	Note	(Un-audited)	(Audited)
		September 30, 2024	December 31, 2023
Rupees in '000'			
Mark-up / return / interest payable in local currency		62,371,867	60,632,166
Mark-up / return / interest payable in foreign currencies		1,033,662	1,341,354
Mark-up payable on subordinated debts		2,161,589	1,080,725
Provision for taxation - net		391,970	4,535,927
Sundry creditors and accrued expenses		2,436,969	2,728,412
Lease key money		18,871,577	15,706,472
Acceptances	16	17,821,549	15,888,469
Payable to gratuity fund		456,650	690,633
Gratuity payable to key management personnel		19,435	19,435
Provision for employees compensated absences		170,325	163,363
Mark to market loss on forward foreign exchange contracts - net	16	-	26,020
Mark to market loss on deliverable future contracts		-	7,887
Unrealized loss on revaluation of foreign bills and trade loans		125,054	153,786
Credit loss allowance against off-balance sheet obligations	23.2	1,487,940	43,983
Taxes / zakat / import fee payable		5,362,705	2,115,471
Dividend payable		1	-
Unclaimed dividends		2,585	2,585
Payable to charity fund		166	850
Insurance payable against financing of consumer assets		674,375	584,365
Payable against purchase of shares		-	384,367
Workers' welfare fund	23.1	1,970,826	1,595,273
Others		2,373,616	1,464,448
		117,732,861	109,165,991

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

23.2 Movement in credit loss allowance against off-balance sheet obligations	Note	(Un-audited)	(Audited)
		September 30, 2024	December 31, 2023
Rupees in '000'			
Opening balance		43,983	43,983
Impact of adoption of IFRS-09	4.2	2,038,207	-
Charge for the period / year		396,083	-
Reversals during the period / year		(990,333)	-
	35	(594,250)	-
Closing balance		1,487,940	43,983

24 SHARE CAPITAL - NET**24.1 Authorized capital**

(Un-audited) September 30, 2024	(Audited) December 31, 2023		(Un-audited) September 30, 2024	(Audited) December 31, 2023
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

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

24.2 Issued, subscribed and paid up capital

(Un-audited) September 30, 2024	(Audited) December 31, 2023		(Un-audited) September 30, 2024	(Audited) December 31, 2023
Number of shares			Rupees in '000'	
			Note	
Opening balance				
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	839,925,583	Issued as bonus shares	11,373,410	8,399,256
3,271,569,319	2,974,153,927		32,715,693	29,741,539
Movement during the period / year				
-	297,415,392	Issued as bonus shares	-	2,974,154
Closing balance				
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	1,137,340,975	Issued as bonus shares	11,373,410	11,373,410
3,271,569,319	3,271,569,319		32,715,693	32,715,693
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
3,271,569,319	3,271,569,319		32,452,535	32,452,535

GoPb held 57.47% shares in the Bank as at September 30, 2024 (December 31, 2023: 57.47%).

25 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus / (deficit) on revaluation of:

Securities measured at FVOCI - debt instruments / available for sale investments	10.1	5,938,404	(5,737,268)
Securities measured at FVOCI - equity investments	10.1	(518,963)	-
Property and equipment		6,043,810	6,213,285
Non-banking assets acquired in satisfaction of claims	16	610,862	850,610
		12,074,113	1,326,627

Deferred tax on surplus / (deficit) on revaluation of:

Securities measured at FVOCI - debt instruments / available for sale investments		(2,909,818)	2,811,262
Securities measured at FVOCI - equity investments		254,292	-
Property and equipment		(2,131,431)	(2,214,474)
Non-banking assets acquired in satisfaction of claims		(9,561)	(94,862)
		(4,796,518)	501,926
		7,277,595	1,828,553

26 CONTINGENCIES AND COMMITMENTS

Guarantees	26.1	136,103,583	135,621,749
Commitments	26.2	324,523,869	406,852,140
Other contingent liabilities	26.3	291,951	291,951
		460,919,403	542,765,840

THE BANK OF PUNJAB

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
26.1	Guarantees:	Note	
	Financial guarantees		36,526,679
	Performance guarantees		34,797,867
	Other guarantees		23,639,266
	Back to back guarantees		54,320,270
	Mobilization and bid bond guarantees		9,184,433
	Other guarantees		13,353,713
			75,937,638
			136,103,583
			76,858,416
			135,621,749
			50,928,823
			10,251,068
			14,757,747
			75,937,638
			136,103,583
			76,858,416
			135,621,749
			50,928,823
			10,251,068
			14,757,747
			75,937,638
			136,103,583
			76,858,416
			135,621,749
			50,928,823
			10,251,068
			14,757,747
			75,937,638
			136,103,583
			76,858,416
			135,621,749
			50,928,823
			10,251,068
			14,757,747
			75,937,638
			136,103,583
			76,858,416
			135,621,749
			50,928,823
			10,251,068
			14,757,747
			75,937,638
			136,103,583
			76,858,416
			135,621,749
			50,928,823
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THE BANK OF PUNJAB

		(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
27	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	92,476,784	105,675,408
	Investments	167,083,525	114,095,608
	Lendings to financial institutions	3,348,051	3,821,714
	Balances with banks	616,037	352,517
		<u>263,524,397</u>	<u>223,945,247</u>
27.1	Interest income recognised on:		
	Financial assets measured at amortised cost	109,663,594	-
	Financial assets measured at FVOCI	146,208,421	-
	Financial assets measured at FVTPL	7,652,382	-
		<u>263,524,397</u>	<u>-</u>
28	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits and other accounts	178,128,540	133,302,892
	Borrowings	49,301,012	57,315,908
	Subordinated debts	5,270,560	3,830,172
	Mark-up on lease liability against right of use assets	1,586,316	1,404,255
		<u>234,286,428</u>	<u>195,853,227</u>
29	FEE AND COMMISSION INCOME		
	Branch banking customer fees	337,713	285,716
	Consumer finance related fees	502,060	392,621
	Card related fees	2,466,466	889,090
	Credit related fees	585,133	665,335
	Investment banking fees	406,472	314,010
	Branchless banking fees	86,933	91,261
	Commission on trade	1,197,307	1,033,032
	Commission on guarantees	406,502	335,501
	Commission on cash management	155,490	226,637
	Commission on remittances including home remittances	529,687	315,810
	Commission on bancassurance	184,564	170,884
	Commission on wheat financing	27	1,259,096
	SMS banking income	702,360	488,266
		<u>7,560,714</u>	<u>6,467,259</u>
30	GAIN / (LOSS) ON SECURITIES - NET		
	Realized gain on sale of securities - net	4,433,603	324,830
	Unrealized gain / (loss) - measured at FVTPL	472,848	11,438
	Realized gain - deliverable future contracts	7,887	-
		<u>4,914,338</u>	<u>336,268</u>
30.1	Realized gain on sale of securities - net:		
	Federal government securities	2,283,976	5,660
	Non government debt securities	1,699,143	-
	Shares	450,484	319,170
		<u>4,433,603</u>	<u>324,830</u>
30.2	Realized gain on sale of securities - net		
	Net gain on financial assets measured at FVTPL		
	Designated upon initial recognition	985,415	-
	Mandatorily measured at FVTPL	1,699,143	-
	Net gain on financial assets measured at FVOCI	1,749,045	-
		<u>4,433,603</u>	<u>-</u>
31	NET GAINS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST		
	Gain on derecognition on financial assets measured at amortised cost	1,563,972	-
	Loss on derecognition on financial assets measured at amortised cost	(302,931)	-
		<u>1,261,041</u>	<u>-</u>
31.1	During the period, the Bank has derecognized outstanding exposures of certain borrowers amounting to Rs. 2,436,762 thousand through acquisition of properties, in auction and negotiated purchase. Accordingly, a fair value gain of Rs. 1,563,972 thousand has been recognized in these unconsolidated condensed interim financial statements.		
31.2	This amount includes deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its Circular Letter No. BPRD/BRD/PIAHCL/733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognized proportionate amount of 1st year's 5% of loss in these unconsolidated condensed interim financial statements.		

THE BANK OF PUNJAB

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	Rupees in '000'	
32 OTHER INCOME		
Gain on sale of property and equipment - net	11,181	7,604
Gain on sale of non banking assets acquired in satisfaction of claims - net	514,549	1,841,632
Gain on termination of lease liability against right of use assets	179,553	127,167
Notice pay on resignations	45,178	26,169
Claim decided in favour of Bank against litigation	331,646	-
	1,082,107	2,002,572
33 OPERATING EXPENSES		
Total compensation expense	18,116,963	15,134,106
Property expense:		
Rent and taxes	55,974	29,625
Insurance	13,105	11,333
Utilities cost	1,551,214	1,082,851
Security	422	6,988
Repair and maintenance including janitorial charges	194,604	87,097
Depreciation	671,767	562,230
Depreciation on right of use assets	1,416,257	1,240,046
	3,903,343	3,020,170
Information technology expenses:		
Software maintenance	1,074,828	929,037
Hardware maintenance	65,816	52,054
Depreciation on computer equipment	623,149	374,317
Amortization on intangible assets	308,257	166,828
Network charges	384,425	352,001
	2,456,475	1,874,237
Other operating expenses:		
Directors' fees and allowances	49,789	23,558
Fees and allowances to shariah board	7,610	7,005
Legal and professional charges	244,026	173,289
Subscription charges	44,522	30,879
Outsourced staff services costs	753,556	573,834
Travelling and conveyance	300,878	271,463
NIFT clearing charges	73,843	77,625
Depreciation	530,593	429,687
Depreciation on non banking assets acquired in satisfaction of claims	14,448	16,760
Depreciation on ijarah assets under IFAS - 2	249,370	135,573
Training and development	92,506	111,026
Postage and courier charges	269,357	198,788
Stationery and printing	528,778	361,131
Marketing, advertisement and publicity	680,996	581,143
Auditors remuneration	5,164	4,868
Insurance	228,363	216,346
Deposit protection fee	561,763	435,771
Repair and maintenance	582,061	439,827
Entertainment expenses	229,733	211,394
Vehicle running expenses	81,379	63,981
Fuel for generator	196,680	226,927
Commission and brokerage	320,507	213,912
SMS banking charges	547,839	321,928
Bank charges	43,919	36,089
Card related expenses	1,687,142	1,216,822
Cash remittance charges	582,577	509,845
Branch license fee	24,891	20,142
CNIC verification / ECIB charges	199,598	237,024
Participation and arrangement fee against TFCs	-	77,864
Miscellaneous expenses	374,396	224,881
	9,506,284	7,449,382
	33,983,065	27,477,895

THE BANK OF PUNJAB

		(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
		Rupees in '000'	
34	OTHER CHARGES	Note	
	Penalties imposed by SBP	5,889	8,806
	Operational loss	157	-
		6,046	8,806
35	(REVERSAL OF CREDIT LOSS ALLOWANCE) / PROVISIONS AND WRITE OFFS - NET		
	Reversal of credit loss allowance against lending to financial institutions	(47,958)	-
	Credit loss allowance / provision for diminution in value of investments	(96,426)	816,668
	Reversal of credit loss allowance / provision against loans & advances	11.3 (2,152,150)	(626,221)
	Reversal of credit loss allowance against balances with treasury banks	(261,910)	-
	(Reversal of credit loss allowance) / provision against other assets - net	16.2.1 (129,802)	117,774
	Credit loss allowance against off balance sheet obligations	23.2 (594,250)	-
	Credit loss allowance against balance with other banks	(198,520)	-
		(3,481,016)	308,221
36	TAXATION - NET		
	Current	36.1 4,170,935	2,465,694
	Deferred	2,017,048	493,848
		6,187,983	2,959,542
36.1	This includes provision for super tax for the period in accordance with Income Tax Ordinance, 2001.		
37	BASIC EARNINGS PER SHARE	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	Profit after taxation for the period (Rs in '000')	7,908,710	5,983,772
	Weighted average number of ordinary shares (No.).	3,271,569,319	3,271,569,319
	Basic earnings per share - Rs.	2.42	1.83
38	DILUTED EARNINGS PER SHARE		
	There were no convertible dilutive potential ordinary shares outstanding as at reporting dates.		
39	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.		
39.1	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).		

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

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

39.2 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:

	September 30, 2024 (Un-audited)				Total
	Carrying value / Notional value	Level 1	Level 2	Level 3	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	1,054,601,248	-	1,054,601,248	-	1,054,601,248
Shares	6,594,546	6,567,976	26,570	-	6,594,546
Non-Government debt securities	8,567,835	-	8,567,835	-	8,567,835
Mutual fund & investment trust units	83,069	-	83,069	-	83,069
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	1,210,487	-	-	1,210,487	1,210,487
Financial assets disclosed but not measured at fair value:					
Government securities	135,922,362	-	173,036,444	-	173,036,444
Non-Government debt securities	3,296,980	-	3,296,980	-	3,296,980
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	68,965,653	-	68,965,653	-	68,965,653
Forward sale of foreign exchange contracts	53,431,523	-	53,431,523	-	53,431,523
Forward sale of Government securities transactions	5,923,600	-	5,923,600	-	5,923,600

	December 31, 2023 (Audited)				Total
	Carrying value / Notional value	Level 1	Level 2	Level 3	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	793,964,039	-	793,964,039	-	793,964,039
Shares	4,393,049	4,371,789	21,260	-	4,393,049
Non-Government debt securities	8,725,336	-	8,725,336	-	8,725,336
Mutual funds & investment trust units	3,250,963	-	3,250,963	-	3,250,963
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	110,487	-	-	110,487	110,487
Financial assets disclosed but not measured at fair value:					
Government securities	98,547,842	-	84,546,226	-	84,546,226
Non-Government debt securities	4,187,743	-	4,187,743	-	4,187,743
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	118,317,903	-	118,317,903	-	118,317,903
Forward sale of foreign exchange contracts	93,928,311	-	93,928,311	-	93,928,311
Purchase of deliverable future contracts	120,433	-	120,433	-	120,433

39.3 Fair value of non financial assets

	September 30, 2024 (Un-audited)				Total
	Carrying value / Notional value	Level 1	Level 2	Level 3	
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	13,664,736	-	13,664,736	-	13,664,736
Non banking assets acquired in satisfaction of claims	4,641,031	-	4,641,031	-	4,641,031
December 31, 2023 (Audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	11,977,725	-	11,977,725	-	11,977,725
Non banking assets acquired in satisfaction of claims	1,996,956	-	1,996,956	-	1,996,956

40 SEGMENT INFORMATION

40.1 Segment details with respect to business activities

	(Un-audited)						
	September 30, 2024						
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit and loss							
Net mark-up / return / profit	60,980,688	172,320	17,685,833	163,822,850	20,055,025	807,681	263,524,397
Inter segment (cost) / revenue - net	(32,979,985)	108,455,423	60,487,552	(141,355,023)	(2,045,971)	7,438,004	-
Non mark-up / return / interest income	2,348,755	3,588,888	1,264,856	4,660,598	182,650	3,696,625	15,742,372
Total income	<u>30,349,458</u>	<u>112,216,631</u>	<u>79,438,241</u>	<u>27,128,425</u>	<u>18,191,704</u>	<u>11,942,310</u>	<u>279,266,769</u>
Segment total expenses	<u>31,064,306</u>	<u>100,324,170</u>	<u>56,990,176</u>	<u>45,693,333</u>	<u>12,229,305</u>	<u>22,349,802</u>	<u>268,651,092</u>
Profit before credit loss allowance and tax	(714,848)	11,892,461	22,448,065	(18,564,908)	5,962,399	(10,407,492)	10,615,677
Credit loss allowance	(3,227,407)	16,258	681,118	(511,531)	(514,166)	74,712	(3,481,016)
Profit / (loss) before tax	<u>2,512,559</u>	<u>11,876,203</u>	<u>21,766,947</u>	<u>(18,053,377)</u>	<u>6,476,565</u>	<u>(10,482,204)</u>	<u>14,096,693</u>
Balance sheet							
Cash and bank balances	-	302,714	30,858,090	65,489,101	10,501,508	-	107,151,413
Investments - net	1,052,282	-	-	1,164,969,082	44,267,120	-	1,210,288,484
Net inter segment lending	-	736,137,261	456,363,355	-	4,647,484	33,313,161	1,230,461,261
Lendings to financial institutions	-	-	-	10,474,150	3,391,578	-	13,865,728
Advances - performing	379,921,704	2,007,731	131,238,867	-	79,568,787	25,546,597	618,283,686
- non-performing - net	5,979,370	-	1,770,429	-	1,338,209	84,054	9,172,062
Others	39,510,884	87,623	15,510,706	53,470,292	13,626,527	55,516,015	177,722,047
Total assets	<u>426,464,240</u>	<u>738,535,329</u>	<u>635,741,447</u>	<u>1,294,402,625</u>	<u>157,341,213</u>	<u>114,459,827</u>	<u>3,366,944,681</u>
Borrowings	66,393,507	-	1,864,099	233,594,827	6,690,067	-	308,542,500
Subordinated debts	-	-	-	-	-	30,823,880	30,823,880
Deposits and other accounts	170,844,042	722,727,650	553,280,347	-	126,996,379	-	1,573,848,418
Net inter segment borrowing	171,969,364	-	-	1,058,491,897	-	-	1,230,461,261
Others	17,257,327	15,807,679	80,597,001	2,315,902	6,610,917	17,112,945	139,701,771
Total liabilities	<u>426,464,240</u>	<u>738,535,329</u>	<u>635,741,447</u>	<u>1,294,402,626</u>	<u>140,297,363</u>	<u>47,936,825</u>	<u>3,283,377,830</u>
Equity							<u>83,566,851</u>
Total equity and liabilities							<u>3,366,944,681</u>
Contingencies and commitments	<u>292,634,318</u>	<u>-</u>	<u>18,417,113</u>	<u>125,404,448</u>	<u>23,971,860</u>	<u>491,664</u>	<u>460,919,403</u>

(Un-audited)
September 30, 2023

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
				Rupees in '000'			
Profit and loss							
Net mark-up / return / profit	81,108,283	2,078	13,955,542	113,022,886	15,234,944	621,514	223,945,247
Inter segment revenue - net	(47,343,731)	88,498,012	51,329,525	(74,685,973)	(907,139)	(16,890,694)	-
Non mark-up / return / interest income	2,762,420	1,229,661	1,133,057	729,783	298,839	2,612,131	8,765,891
Total income	36,526,972	89,729,751	66,418,124	39,066,696	14,626,644	(13,657,049)	232,711,138
Segment total expenses	26,424,835	71,823,681	42,989,068	54,155,648	11,033,648	17,032,723	223,459,603
Profit before credit loss allowance and tax	10,102,137	17,906,070	23,429,056	(15,088,952)	3,592,996	(30,689,772)	9,251,535
Credit loss allowance	(776,182)	-	26,345	818,168	164,869	75,021	308,221
Profit / (loss) before tax	10,878,319	17,906,070	23,402,711	(15,907,120)	3,428,127	(30,764,793)	8,943,314

(Audited)
December 31, 2023

Balance sheet							
Cash and bank balances	-	186,246	34,672,274	64,895,673	9,423,454	-	109,177,647
Investments - net	2,756,908	-	-	868,721,723	41,712,785	-	913,191,416
Net inter segment lending	-	645,860,735	416,690,196	-	-	57,079,680	1,119,630,611
Lendings to financial institutions	-	-	-	141,025,933	3,935,000	-	144,960,933
Advances - performing	530,870,534	758,612	138,987,419	-	105,445,766	21,871,895	797,934,226
- non-performing	5,274,559	-	1,843,961	-	1,326,535	7,599	8,452,654
Others	52,959,233	75,427	10,743,167	124,519,862	12,103,448	42,061,977	242,463,114
Total assets	591,861,234	646,881,020	602,937,017	1,199,163,191	173,946,988	121,021,151	3,335,810,601
Borrowings	73,019,677	-	1,497,834	377,225,143	2,223,337	-	453,965,991
Subordinated debts	-	-	-	-	-	30,204,640	30,204,640
Deposits and other accounts	245,281,536	634,070,009	528,169,599	-	113,332,498	-	1,520,853,642
Net inter segment borrowing	258,755,695	-	-	821,938,048	38,936,868	-	1,119,630,611
Others	14,804,326	12,811,011	73,269,584	-	7,991,360	21,524,824	130,401,105
Total liabilities	591,861,234	646,881,020	602,937,017	1,199,163,191	162,484,063	51,729,464	3,255,055,989
Equity							80,754,612
Total equity and liabilities							3,335,810,601
Contingencies and commitments	290,616,339	-	14,715,236	217,962,036	18,778,330	693,899	542,765,840

41 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, employee benefit plans, directors and Key Management Personnel. The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the 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 unconsolidated condensed interim financial statements are as follows:

	(Un-audited) September 30, 2024					(Audited) December 31, 2023				
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Other related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Other related parties
	Rupees in '000'									
Lendings to financial institutions:										
Opening balance	-	-	1,985,000	-	-	-	-	1,825,000	-	-
Addition during the period / year	-	-	-	-	-	-	-	7,085,000	-	-
Repaid during the period / year	-	-	-	-	-	-	-	6,925,000	-	-
Closing balance	-	-	1,985,000	-	-	-	-	1,985,000	-	-
Credit loss allowance against lendings to financial institutions	-	-	25,092	-	-	-	-	-	-	-
Investments (gross)	-	-	1,375,432	-	-	-	-	275,432	-	-
Credit loss allowance for diminution in value of investments	-	-	164,945	-	-	-	-	164,945	-	-
Advances (gross):										
Opening balance	-	466,461	-	-	-	-	362,721	-	-	-
Addition during the period / year	-	221,003	-	-	-	-	232,127	-	-	-
Repaid during the period / year	-	159,599	-	-	-	-	128,387	-	-	-
Closing balance	-	527,865	-	-	-	-	466,461	-	-	-
Credit loss allowance held against advances	-	1,865	-	-	-	-	-	-	-	-
Other assets - advance deposits and prepayments	-	-	168,083	-	-	-	-	100,000	-	-
Other assets - markup receivable	-	20,309	57,112	-	-	-	20,018	103,301	-	-
Credit loss allowance against other assets	-	73	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	59,291	-	-	-	-	62,610
Lease liability against right of use assets	-	-	-	-	16,817	-	-	-	-	15,208
Deposits and other accounts:										
Opening balance	9,536	95,861	17,454	1,185,599	114,393	239	30,825	40,067	1,036,847	26,391
Received during the period / year	106,909	1,662,627	2,901,561	3,832,467	19,112,989	69,369	1,530,820	3,548,294	8,849,409	465,652
Withdrawn during the period / year	89,864	1,619,095	2,116,588	3,461,303	15,670,460	60,072	1,465,784	3,570,907	8,700,657	377,650
Closing balance	26,581	139,393	802,427	1,556,763	3,556,922	9,536	95,861	17,454	1,185,599	114,393
Other liabilities	71	3,657	690	-	40,888	217	2,721	1,058	690,633	3,466
Contingencies (non funded exposure)	-	-	-	-	56,300	-	-	-	-	49,822

	September 30, 2024 (Un-audited)					September 30, 2023 (Un-audited)				
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee Funds	Other related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee Funds	Other related parties
	Rupees in '000'									
Income:										
Mark-up / return / interest earned	-	17,148	277,309	-	-	-	15,713	264,967	-	-
Fee and commission income	2	838	134	-	1,016	-	1,237	-	-	-
Expense:										
Mark-up / return / interest expensed	4,615	6,555	1,941	184,719	284,874	896	333	3,727	245,244	3,604
Depreciation on right of use assets	-	-	-	-	3,319	-	-	-	-	3,319
Mark-up on lease liability against right of use assets	-	-	-	-	1,609	-	-	-	-	1,401
Compensation expense	-	578,137	-	-	-	-	447,509	-	-	-
Commission expense	-	-	9,114	-	-	-	-	6,012	-	-
Directors fee and allowances	50,149	-	-	-	-	23,558	-	-	-	-

41.1 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.

41.2 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) September 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
Advances	10,977,078	99,445,479
Credit loss allowance held against advances	190,493	-
Deposits and other accounts	744,326,982	649,339,057
Bills payable	66,577	157,468
Subordinated debts	12,314,038	12,314,304
Acceptances	71,929	71,929
Contingencies and commitments	24,799,708	26,885,973
Credit loss allowance against off balance sheet obligations	33,313	-
Mark-up receivable	1,048,360	17,065,985
Credit loss allowance against other assets	10,999	-
Mark-up payable on subordinated debts	628,665	506,774
Mark-up payable	39,468,652	37,615,613
	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	Rupees in '000'	
Mark-up earned	4,167,190	35,469,775
Mark-up expensed	100,385,668	71,792,100
Income on contingencies and commitments	142,390	138,876

41.3 The Bank made contribution of Rs. 450,918 thousand (September 30, 2023: Rs. 369,738 thousand) to employees provident fund during the period.

41.4 BOP has allocated 3rd floor, National Tower, 28-Egerton road, Lahore to PMSL for its utilization and grants PMSL the authority to assign, sub-let or otherwise transfer possession of the premises or any portion thereof, on an arm's length basis, to its associated entities for business and commercial purposes, under its regulatory framework.

41.5 Advances to employees as at September 30, 2024, other than key management personnel, amounted to Rs. 28,865,723 thousand (December 31, 2023: Rs. 24,467,885 thousand) with markup receivable of Rs. 1004,710 thousand (December 31, 2023: Rs.831,158 thousand) and markup income of Rs.921,585 thousand (September 30, 2023: Rs. 708,506 thousand) and fee & commission income of Rs. 21,698 thousand (September 30, 2023: Rs. 15,646 thousand). The ECL on said advances including markup and unutilized limits amounted to Rs. 208,068 thousand (December 31, 2023: Rs. Nil). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on September 30, 2024 stood at Rs. 112,748 thousand (December 31, 2023: Rs. 90,145 thousand).

41.6 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.

41.7 The Bank held government securities in fiduciary capacity for its employee fund in IPS account amounting to Rs. 6,547,500 thousand (December 31, 2023: Rs. 5,275,500 thousand)

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital including share premium (net of losses)	<u>34,667,575</u>	<u>34,667,575</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>77,852,865</u>	74,275,763
Eligible Additional Tier 1 (ADT 1) Capital	<u>11,967,500</u>	11,917,500
Total Eligible Tier 1 Capital	<u>89,820,365</u>	86,193,263
Eligible Tier 2 Capital	<u>25,558,492</u>	16,484,562
Total Eligible Capital (Tier 1 + Tier 2)	<u>115,378,857</u>	102,677,825
Risk Weighted Assets (RWAs):		
Credit risk	<u>459,896,111</u>	441,962,289
Market risk	<u>29,074,659</u>	35,476,704
Operational risk	<u>81,429,494</u>	81,512,110
Total	<u>570,400,264</u>	558,951,103
Common equity tier I capital adequacy ratio	<u>13.65%</u>	13.29%
Tier I CAR (%)	<u>15.75%</u>	15.42%
Total CAR (%)	<u>20.23%</u>	18.37%
42.1 Leverage Ratio (LR):		
Eligible Tier-I Capital	<u>89,820,365</u>	86,193,263
Total exposures	<u>2,478,334,160</u>	2,553,544,800
LR (%)	<u>3.62%</u>	3.38%
42.2 Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	<u>769,655,573</u>	633,492,844
Total net cash outflow	<u>413,740,897</u>	345,059,142
LCR (%)	<u>186.02%</u>	183.59%
42.3 Net Stable Funding Ratio (NSFR):		
Total available stable funding	<u>1,208,368,509</u>	1,136,308,900
Total required stable funding	<u>807,231,608</u>	911,331,400
NSFR (%)	<u>149.69%</u>	124.69%
42.4	The Bank availed the benefit of stage I and II staggering as allowed by SBP vide IFRS-09 application instructions. Had this relaxation not availed, the CAR, LR and NSFR would have been 18.85%, 3.30% and 149.19% respectively.	

43 ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the September 30, 2024, the Bank is operating 180 Islamic banking branches (December 31, 2023: 160 Islamic banking branches) and 257 Islamic banking windows (December 31, 2023: 73).

**STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024**

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
ASSETS			
Cash and balances with treasury banks - net		10,062,799	8,872,231
Balances with other banks - net		438,709	551,223
Due from financial institutions - net	43.1	3,391,578	3,935,000
Investments - net	43.2	44,267,120	41,712,785
Islamic financing and related assets - net	43.3	80,906,996	106,772,301
Property and equipment		1,775,887	1,247,643
Right of use assets		2,589,061	2,522,746
Intangible assets		12,805	9,416
Due from head office		4,647,484	-
Other assets - net		9,248,774	8,323,643
Total assets		157,341,213	173,946,988
LIABILITIES			
Bills payable		496,109	710,834
Due to financial institutions		6,690,067	2,223,337
Deposits and other accounts	43.4	126,996,379	113,332,498
Due to head office		-	38,936,868
Lease liabilities		3,359,400	3,158,734
Subordinated debt		-	-
Other liabilities - net		2,755,408	4,121,792
		140,297,363	162,484,063
NET ASSETS		17,043,850	11,462,925
REPRESENTED BY			
Islamic banking fund		2,000,000	2,000,000
Reserves		26,143	98,651
Surplus / (deficit) on revaluation of assets		455,349	(1,029,266)
Unappropriated profit	43.5	14,562,358	10,393,540
		17,043,850	11,462,925
CONTINGENCIES AND COMMITMENTS	43.6		

ISLAMIC BANKING BUSINESS
STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	Three Months Ended		Nine Months Ended	
		September 30,	September 30,	September 30,	September 30,
		2024	2023	2024	2023
		Rupees in '000'			
Profit / return earned	43.7	6,025,557	6,255,851	20,055,025	15,234,944
Profit / return expensed	43.8	2,992,000	3,720,258	10,924,877	9,316,550
Net profit / return		3,033,557	2,535,593	9,130,148	5,918,394
Fee and commission income		109,545	115,137	300,920	294,230
Dividend income		-	-	-	-
Foreign exchange (loss) / income		(138,639)	(3,474)	(199,080)	(167)
Gain on securities - net		-	22	1,366	33
Other income		3,272	1,752	79,444	4,743
		(25,822)	113,437	182,650	298,839
Total income		3,007,735	2,649,030	9,312,798	6,217,233
Operating expenses		1,202,730	858,935	3,350,272	2,624,220
Workers' welfare fund		-	-	-	-
Other charges		117	17	127	17
		1,202,847	858,952	3,350,399	2,624,237
Profit before credit loss allowance		1,804,888	1,790,078	5,962,399	3,592,996
(Reversal of credit loss allowance) / provisions and write offs - net		(119,314)	12,328	(514,166)	164,869
Profit before taxation		1,924,202	1,777,750	6,476,565	3,428,127
Taxation	43.9	-	-	-	-
Profit after taxation		1,924,202	1,777,750	6,476,565	3,428,127

		September 30, 2024 (Un-audited)			December 31, 2023 (Audited)				
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total		
43.1	DUE FROM FINANCIAL INSTITUTIONS	Rupees in '000'							
	Secured	3,435,000	-	3,435,000	3,935,000	-	3,935,000		
	Less: Credit loss allowance	(43,422)	-	(43,422)	-	-	-		
		<u>3,391,578</u>	<u>-</u>	<u>3,391,578</u>	<u>3,935,000</u>	<u>-</u>	<u>3,935,000</u>		
		September 30, 2024 (Un-audited)			December 31, 2023 (Audited)				
43.2	INVESTMENTS - NET	Cost/ Amortized cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Investments by segment	Rupees in '000'							
	Classified / Measured at FVTPL / held for trading								
	Federal government securities	553,480	-	-	553,480	-	-	-	-
		<u>553,480</u>	<u>-</u>	<u>-</u>	<u>553,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Classified / Measured at FVOCI / available for sale								
	Federal government securities	23,219,877	-	383,006	23,602,883	31,290,783	-	(1,134,412)	30,156,371
	Non government debt securities	8,282,108	-	(40,107)	8,242,001	11,545,574	-	10,840	11,556,414
		<u>31,501,985</u>	<u>-</u>	<u>342,899</u>	<u>31,844,884</u>	<u>42,836,357</u>	<u>-</u>	<u>(1,123,572)</u>	<u>41,712,785</u>
	Classified / Measured at Amortised cost / held to maturity								
	Federal government securities	9,568,923	-	-	9,568,923	-	-	-	-
	Non government debt securities	2,332,068	(32,235)	-	2,299,833	-	-	-	-
		<u>11,900,991</u>	<u>(32,235)</u>	<u>-</u>	<u>11,868,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total investments	<u>43,956,456</u>	<u>(32,235)</u>	<u>342,899</u>	<u>44,267,120</u>	<u>42,836,357</u>	<u>-</u>	<u>(1,123,572)</u>	<u>41,712,785</u>
								(Un-audited)	(Audited)
								September 30,	December 31,
								2024	2023
								Rupees in '000'	
43.2.1	Particulars of credit loss allowance								
	Stage 1							(32,235)	-
	Stage 2							-	-
	Stage 3							-	-
								<u>(32,235)</u>	<u>-</u>
43.3	ISLAMIC FINANCING AND RELATED ASSETS - NET								
	Ijarah							3,018,882	2,451,160
	Murabaha							428,751	977,303
	Musharaka							12,322,888	47,100,860
	Diminishing musharaka							44,439,400	40,720,767
	Payment against documents							55,304	305,304
	Waqala							7,934,597	5,155,929
	Istisna							8,860,018	7,001,913
	Musawamah financing							5,452,249	4,530,852
	Tijarah financing							1,729,380	335,812
	Gross islamic financing and related assets							<u>84,241,469</u>	108,579,900
	Less: credit loss allowance against Islamic financings								
	-Stage 1							754,856	-
	-Stage 2							227,803	-
	-Stage 3							2,351,814	1,807,599
								<u>3,334,473</u>	<u>1,807,599</u>
	Islamic financing and related assets - net							<u>80,906,996</u>	<u>106,772,301</u>
43.4	DEPOSITS AND OTHER ACCOUNTS	September 30, 2024 (Un-audited)			December 31, 2023 (Audited)				
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total		
		Rupees in '000'							
	Customers:								
	Current deposits	25,484,722	930,643	26,415,365	19,828,751	567,074	20,395,825		
	Savings deposits	77,791,956	390,747	78,182,703	66,146,832	562,048	66,708,880		
	Term deposits	14,149,840	4,349,293	18,499,133	14,863,624	913,660	15,777,284		
	Others	2,824,434	-	2,824,434	5,824,378	-	5,824,378		
		<u>120,250,952</u>	<u>5,670,683</u>	<u>125,921,635</u>	<u>106,663,585</u>	<u>2,042,782</u>	<u>108,706,367</u>		
	Financial institutions:								
	Current deposits	29,740	19,652	49,392	31,400	19,425	50,825		
	Savings deposits	1,024,991	194	1,025,185	4,574,897	239	4,575,136		
	Term deposits	-	-	-	-	-	-		
	Others	167	-	167	170	-	170		
		<u>1,054,898</u>	<u>19,846</u>	<u>1,074,744</u>	<u>4,606,467</u>	<u>19,664</u>	<u>4,626,131</u>		
		<u>121,305,850</u>	<u>5,690,529</u>	<u>126,996,379</u>	<u>111,270,052</u>	<u>2,062,446</u>	<u>113,332,498</u>		

THE BANK OF PUNJAB

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
43.5	UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS	Rupees in '000'	
	Opening balance	10,393,540	4,640,774
	Impact of adoption of IFRS-09	(2,307,747)	-
	Add: Islamic banking profit for the period / year	6,476,565	5,752,766
	Closing balance	<u>14,562,358</u>	<u>10,393,540</u>
43.6	CONTINGENCIES AND COMMITMENTS		
	Guarantees:		
	Financial guarantees	18,200	18,200
	Performance guarantees	1,163,575	877,740
	Other guarantees	1,875,216	1,213,877
		3,056,991	2,109,817
	Commitments:		
	Documentary credits and short-term trade-related transactions - letters of credit	5,977,290	5,782,258
	Commitments in respect of forward lending	10,077,321	10,886,255
	Commitments in respect of purchase forward foreign exchange contracts	4,849,087	-
	Commitments for acquisition of:		
	- fixed assets	11,171	-
	- intangible assets	-	-
		20,914,869	16,668,513
		23,971,860	18,778,330
		(Un-audited)	(Un-audited)
		September 30,	September 30,
		2024	2023
		Rupees in '000'	
43.7	PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
	Profit earned on:		
	Financing	13,434,945	10,446,468
	Investments	5,955,417	4,042,417
	Placements	664,583	746,049
	Deposits with financial institutions	80	10
		<u>20,055,025</u>	<u>15,234,944</u>
43.8	PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
	Deposits and other accounts	8,360,445	8,124,483
	Markup on lease liability against right of use assets	321,041	264,926
	Markup on call borrowings	103,909	-
	Markup on borrowings from SBP	93,511	20,002
	Profit on deposits from conventional head office	2,045,971	907,139
		<u>10,924,877</u>	<u>9,316,550</u>
43.9	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. 2,843,212 thousand (September 30, 2023: Rs. 1,134,367 thousand).		
43.10	During the period, During the period, following pool has been created:		
	- RFC USD Special Pool-1 (RFUSD1)		
	The main characteristics of the pool are as under:		
	i) Profit sharing ratio between Mudarib and Rab-ul-mal is 20:80 for Special Saving Pool-1 and 30:70 for RFC USD Special Pool-1		
	ii) Profit equalization reserve upto 2% of net income will be created, if needed.		
	iii) Investment risk reserve upto 1% of distributable profit of depositors will be created, if needed.		

44 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 30, 2024 by the Board of Directors of the Bank.

45 GENERAL

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

45.2 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 as mentioned below and in notes 2.1, 4.1 and 4.2 to these unconsolidated condensed interim financial statements;

Area	Reclassified from	Reclassified to	Rs in thousand
Operating Expenses	Travelling and conveyance	Total compensation expense	1,291,012
	Travelling and conveyance	Vehicle running expenses	63,981
	Credit Card Charges	Card related expenses	12,048
	Marketing, advertisement and publicity	Card related expenses	52,037

Chief Financial Officer

President

Chairman

Director

Director



**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**

THE BANK OF PUNJAB AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
ASSETS			
Cash and balances with treasury banks - net	7	104,183,726	100,894,627
Balances with other banks - net	8	3,050,603	8,560,478
Lendings to financial institutions - net	9	12,117,664	143,325,933
Investments - net	10	1,209,311,017	913,088,050
Advances - net	11	628,666,340	807,544,892
Property and equipment	12	23,994,200	20,794,866
Right of use assets	13	12,119,677	12,424,136
Intangible assets	14	2,501,395	2,099,217
Deferred tax assets - net	15	11,459,077	10,314,627
Other assets - net	16	128,128,094	197,156,815
Total assets		2,135,531,793	2,216,203,641
LIABILITIES			
Bills payable	18	5,750,225	5,507,855
Borrowings	19	308,542,500	453,965,991
Deposits and other accounts	20	1,573,045,951	1,520,836,189
Lease liabilities	21	16,218,685	15,727,259
Subordinated debts	22	30,823,880	30,204,640
Deferred tax liabilities		-	-
Other liabilities - net	23	117,972,309	109,390,541
Total liabilities		2,052,353,550	2,135,632,475
NET ASSETS		83,178,243	80,571,166
REPRESENTED BY			
Share capital - net	24	32,452,535	32,452,535
Reserves		16,616,877	15,035,135
Non-controlling interest		955,790	762,170
Surplus on revaluation of assets - net of tax	25	7,272,501	1,818,506
Unappropriated profit		25,880,540	30,502,820
		83,178,243	80,571,166
CONTINGENCIES AND COMMITMENTS	26		

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	Three Months Ended		Nine Months Ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Rupees in '000'					
Mark-up / return / interest earned	27	91,823,767	97,151,088	263,601,989	223,983,989
Mark-up / return / interest expensed	28	78,482,786	86,448,875	234,284,630	195,849,587
Net mark-up / interest income		13,340,981	10,702,213	29,317,359	28,134,402
NON MARK-UP / INTEREST INCOME					
Fee and commission income	29	3,075,141	1,922,359	7,630,076	6,487,736
Dividend income		99,872	90,979	262,578	336,848
Foreign exchange (loss) / income		(101,457)	(1,153,551)	661,594	(377,056)
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net	30	2,833,830	296,527	4,923,114	336,268
Net (loss) / gain on derecognition of financial assets measured at amortised cost	31	(100,977)	-	1,261,041	-
Other income	32	51,256	1,869,803	1,084,714	2,003,572
Total non-markup / interest income		5,857,665	3,026,117	15,823,117	8,787,368
Total income		19,198,646	13,728,330	45,140,476	36,921,770
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	33	11,941,529	8,861,600	34,177,641	27,616,408
Workers' welfare fund		288,543	50,709	375,553	119,675
Other charges	34	4,393	176	6,046	8,806
Total non-markup / interest expenses		12,234,465	8,912,485	34,559,240	27,744,889
Profit before credit loss allowance		6,964,181	4,815,845	10,581,236	9,176,881
(Reversal of credit loss allowance) / provisions and write offs - net	35	(128,096)	(186,726)	(3,565,614)	296,217
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		7,092,277	5,002,571	14,146,850	8,880,664
Taxation - net	36	3,491,246	2,490,074	6,194,106	2,912,850
PROFIT AFTER TAXATION		3,601,031	2,512,497	7,952,744	5,967,814
Equity holders of the Bank		3,513,018	2,467,876	7,759,124	5,808,011
Non controlling interest		88,013	44,621	193,620	159,803
		3,601,031	2,512,497	7,952,744	5,967,814
Basic earnings per share - Rupees	37	1.07	0.76	2.37	1.78
Diluted earnings per share - Rupees	38	1.07	0.76	2.37	1.78

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

THE BANK OF PUNJAB AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2024	2023	2024	2023
	Rupees in '000'			
Profit after taxation for the period	3,601,031	2,512,497	7,952,744	5,967,814
Other comprehensive income / (loss):				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI / AFS investments - net of tax	2,961,727	4,041,169	2,295,206	2,977,723
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / loss on defined benefit obligations - net of tax	-	-	-	-
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	(181,587)	-	94,328	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	(285,427)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	(11,768)
	(181,587)	-	94,328	(297,195)
Total comprehensive income	6,381,171	6,553,666	10,342,278	8,648,342
Equity holders of the Bank	6,293,158	6,509,045	10,148,658	8,488,539
Non controlling interest	88,013	44,621	193,620	159,803
	6,381,171	6,553,666	10,342,278	8,648,342

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

THE BANK OF PUNJAB AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Share capital	Discount on issue of shares	Share capital - net	Share premium	Reserve for issuance of bonus shares	Statutory reserve	Surplus / (Deficit) - net of tax on revaluation of		Unappropriated profit	Non-controlling interest	Total
							Investments	Property & equipment / non banking assets			
Rupees in '000'											
Balance as on January 01, 2023 - audited	29,741,539	(263,158)	29,478,381	2,215,040	-	10,554,384	(7,819,265)	5,495,835	24,411,784	627,811	64,963,970
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	5,808,011	159,803	5,967,814
Other comprehensive loss - net of tax	-	-	-	-	-	-	2,977,723	(297,195)	-	-	2,680,528
Total other comprehensive (loss) / income - net of tax for the nine months ended September 30, 2023	-	-	-	-	-	-	2,977,723	(297,195)	5,808,011	159,803	8,648,342
Transfer to statutory reserve during the period	-	-	-	-	-	1,194,628	-	-	(1,194,628)	-	-
Acquisition of Punjab Capital Securities Limited	-	-	-	-	-	-	-	-	38,739	(38,739)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(90,980)	90,980	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(3,693)	3,693	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(138,626)	142,283	-	3,657
Transactions with owners recorded directly in equity:											
Final stock dividend - December 31, 2022 declared subsequent to year end at 10% per share	-	-	-	-	2,974,154	-	-	-	(2,974,154)	-	-
Issuance of bonus shares during the period	2,974,154	-	2,974,154	-	(2,974,154)	-	-	-	-	-	-
	2,974,154	-	2,974,154	-	-	-	-	-	(2,974,154)	-	-
Balance as on September 30, 2023 - un-audited	32,715,693	(263,158)	32,452,535	2,215,040	-	11,749,012	(4,841,542)	4,965,341	26,326,708	748,875	73,615,969
Profit after taxation for the three months ended December 31, 2023	-	-	-	-	-	-	-	-	5,272,720	13,295	5,286,015
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	1,905,489	17,889	(257,339)	-	1,666,039
Total other comprehensive income - net of tax for three months ended December 31, 2023	-	-	-	-	-	-	1,905,489	17,889	5,015,381	13,295	6,952,054
Transfer to statutory reserve during the period	-	-	-	-	-	1,071,083	-	-	(1,071,083)	-	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(30,326)	30,326	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(1,178)	1,178	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(197,167)	200,310	-	3,143
Balance as on December 31, 2023 - audited	32,715,693	(263,158)	32,452,535	2,215,040	-	12,820,095	(2,936,053)	4,754,559	30,502,820	762,170	80,571,166
Impact of first time adoption of IFRS-09 - net of tax (note 4.2)	-	-	-	-	-	-	3,326,806	-	(7,894,205)	-	(4,567,399)
Balance as on January 01, 2024 - after the impact of adoption of IFRS-09	32,715,693	(263,158)	32,452,535	2,215,040	-	12,820,095	390,753	4,754,559	22,608,615	762,170	76,003,767
Profit after taxation for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	7,759,124	193,620	7,952,744
Other comprehensive income / (loss)											
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	-	2,295,206	-	-	-	2,295,206
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	-	94,328	-	-	-	94,328
Total other comprehensive loss - net of tax for the nine months ended September 30, 2024	-	-	-	-	-	-	2,389,534	-	-	-	2,389,534
Transfer to statutory reserve during the period	-	-	-	-	-	1,581,742	-	-	(1,581,742)	-	-
Transfer of deficit on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	-	-	(21,466)	-	42,090	-	20,624
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(86,432)	86,432	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,246)	2,246	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(152,201)	235,344	-	83,143
Transactions with owners recorded directly in equity:											
Final cash dividend - December 31, 2023 declared subsequent to year end at 10% per share	-	-	-	-	-	-	-	-	(3,271,569)	-	(3,271,569)
	-	-	-	-	-	-	-	-	(3,271,569)	-	(3,271,569)
Balance as on September 30, 2024 - un-audited	32,715,693	(263,158)	32,452,535	2,215,040	-	14,401,837	2,758,821	4,513,680	25,880,540	955,790	83,178,243

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

THE BANK OF PUNJAB AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	Nine Months Ended	
		September 30, 2024	September 30, 2023
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		14,146,850	8,880,664
Less: Dividend income		(262,578)	(336,848)
		13,884,272	8,543,816
Adjustments:			
Net mark-up / interest income excluding mark-up on lease liability against right of use assets		(30,903,675)	-
Depreciation on property and equipment	33	1,826,811	1,367,564
Depreciation on non banking assets acquired in satisfaction of claims	33	14,448	16,760
Depreciation on ijarah assets under IFAS - 2	33	284,194	204,736
Depreciation on right of use assets	33	1,416,257	1,240,046
Amortization on intangible assets	33	308,756	167,327
Amortization of discount on debt securities - net		(5,975,138)	(6,068,715)
Mark-up on lease liability against right of use assets	28	1,586,316	1,404,255
Unrealized (gain) / loss on revaluation of investments classified as FVTPL / Held for trading	30	(481,624)	(11,438)
Realized gain on deliverable future contracts	30	(7,887)	-
Reversal of credit loss allowance against lending to financial institutions	35	(47,958)	-
(Reversal of credit loss allowance) / provision for diminution in value of investments - net	35	(96,426)	816,668
Reversal of credit loss allowance /provision against loans & advances - net	35	(2,170,765)	(638,225)
(Reversal of credit loss allowance) / provision against other assets - net	35	(195,785)	117,774
Reversal of credit loss allowance against off balance sheet obligations	35	(594,250)	-
Credit loss allowance against balance with other banks	35	(198,520)	-
Reversal of credit loss allowance against balances with treasury banks	35	(261,910)	-
Workers' welfare fund		375,553	119,675
Gain on termination of lease liability against right of use assets	32	(179,553)	(127,167)
Gain on sale of property and equipment - net	32	(13,788)	(8,604)
Gain on sale of non banking assets acquired in satisfaction of claims - net	32	(514,549)	(1,841,632)
Realized gain on sale of securities - net	30	(4,433,603)	(324,830)
Gain on derecognition of financial assets measured at amortised cost	31	(1,563,972)	-
Loss on derecognition of financial assets measured at amortised cost	31	302,931	-
Provision for employees compensated absences		9,316	17,507
Provision for gratuity		456,650	334,169
		(41,058,171)	(3,214,130)
		(27,173,899)	5,329,686
(Increase) / decrease in operating assets:			
Lendings to financial institutions - net		131,164,847	53,780,342
Securities classified as FVTPL		(12,290,062)	(3,617,088)
Advances - net		156,796,406	(274,592,037)
Others assets - net (excluding non-banking assets, markup receivable and advance taxation - net)		77,684,398	(56,149,423)
		353,355,589	(280,578,206)
Increase / (decrease) in operating liabilities:			
Bills payable		242,370	1,881,103
Borrowings		(145,443,593)	542,643,862
Deposits and other accounts		52,209,762	165,532,320
Other liabilities - net (excluding taxation - net, markup payable and gratuity fund)		8,591,599	46,315,632
		(84,399,862)	756,372,917
Payment made to gratuity fund		(688,513)	(171,152)
Mark-up / return / interest received		264,136,195	-
Mark-up / return / interest paid		(230,168,318)	-
Income tax paid		(8,308,221)	(5,213,759)
		24,971,143	(5,384,911)
Net cash flow generated from operating activities		266,752,971	475,739,486

THE BANK OF PUNJAB AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) (Continued...)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	Nine Months Ended	
		September 30,	September 30,
		2024	2023
		Rupees in '000'	
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI / AFS		(312,929,609)	(474,123,306)
Net investments in amortized cost securities / HTM		52,311,118	-
Dividends received		246,111	333,253
Investments in property and equipment		(3,817,553)	(2,620,677)
Investments in intangible assets		(710,934)	(291,492)
Proceeds from sale of property and equipment		26,927	16,909
Proceeds from sale of non banking assets acquired in satisfaction of claims		998,192	2,486,784
Net cash used in investing activities		(263,875,748)	(474,198,529)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(2,260)	(2,494,860)
Subscription received - subordinated perpetual term finance certificates ADT-I 2nd issue	22	50,000	3,900,000
Subscription received - privately placed term finance certificates - III		-	4,600,000
Subscription received - privately placed term finance certificates - IV		571,500	6,285,000
Payment of cash dividend		(3,271,568)	-
Payment of lease liability against right of use assets		(2,027,135)	(1,706,599)
Net cash (used in) / flow from financing activities		(4,679,463)	10,583,541
Increase in cash and cash equivalents		(1,802,240)	12,124,498
Impact of adoption of IFRS-09 on cash and cash equivalents		(438,638)	-
Cash and cash equivalents at beginning of the period		109,254,980	78,017,550
Cash and cash equivalents at end of the period		107,014,102	90,142,048
Cash and cash equivalents:			
Cash and balances with treasury banks - net	7	104,183,726	89,399,927
Balances with other banks - net	8	3,050,603	1,849,226
Overdrawn nostro accounts		(220,227)	(1,107,105)
		107,014,102	90,142,048

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

1. STATUS AND NATURE OF BUSINESS

1.1 The Bank of Punjab Group (“the Group”) comprises of The Bank of Punjab (“the Bank”), (“the Parent”), Punjab Modaraba Services (Private) Limited (the Management Company), First Punjab Modaraba (“the Modaraba”), BOP Exchange (Private) Limited, Punjab Capital Securities (Private) Limited (100% owned by The Bank of Punjab). For the purpose of these consolidated financial statements, The Bank of Punjab and consolidated subsidiaries are referred to as the Group.

The Group consists of :

Parent

THE BANK OF PUNJAB

Subsidiaries	% age of holding September 2024	% age of holding December 2023
	Rupees in ‘000’	
Punjab Modaraba Services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
Punjab Capital Securities (Private) Limited	100.00%	100.00%
BOP Exchange (Private) Limited	-	100.00%

The subsidiary company of the Group, Punjab Modaraba Services (Private) Limited exercises control over First Punjab Modaraba, as its management company and also has a direct economic interest in it. The Group 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 861 branches including 16 sub branches and 180 Islamic banking branches (December 31, 2023: 815 branches including 16 sub branches and 160 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank also has 273 Islamic banking windows (December 31, 2023: 73). The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ with stable outlook and short term rating of A1+ to the Bank.

Punjab Modaraba Services (Private) Limited

Punjab Modaraba Services (Private) Limited ("PMSL") 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 and is primarily engaged in the business of floating and managing Modarabas.

First Punjab Modaraba

First Punjab Modaraba ("FPM") , (“the Modaraba”), was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by PMSL (wholly owned subsidiary of the Bank).The registered office of the Modaraba is situated at Office No 100, 3rd floor, National Tower 28-Edgerton Road, Lahore. The Modaraba commenced its operations on December 23, 1992. The Modaraba is listed on the Pakistan Stock Exchange.

Punjab Capital Securities (Private) Limited

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

BOP Exchange (Private) Limited

BOP Exchange (Private) Limited was incorporated in Pakistan on April 18, 2024 under the Companies Act, 2017 as a private limited company. It is wholly owned by the Bank and is primarily engaged in the business of currency exchange.

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 to exist. 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 Group 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 Group 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 consolidated profit and loss account.

Any contingent consideration to be transferred by the Group 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 consolidated profit and loss account or as a change to consolidated statement of 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 consolidated profit and loss account. 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 Group 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 consolidated profit and loss account. 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 consolidated statement of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in consolidated statement of comprehensive income are reclassified to consolidated profit and loss account.

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

2 BASIS OF PREPARATION

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

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

The financial results of Islamic Banking business have been consolidated in these consolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in note 43 of these consolidated condensed interim financial statements.

2.1 Adoption of new forms for the preparation of condensed interim financial statements

The SBP, vide BPRD Circular No. 02 dated February 09, 2023, issued revised forms for the preparation of condensed interim quarterly / half yearly financial statements of the Banks / DFIs which are applicable for quarterly / half yearly periods beginning on or after January 01, 2024 vide BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of these consolidated condensed interim financial statements. These includes the right of use assets and corresponding lease liability which are now presented separately on the face of the statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the consolidated condensed interim financial statements in terms of recognition and measurement of assets and liabilities.

2.2 Statement of compliance

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

- International Accounting Standard (IAS) 34, "Interim Financial Reporting" and International Financial Reporting Standards (IFRS) 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 and 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 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.

2.2.2 SBP has deferred the applicability of International Accounting Standards 40, "Investment Property" for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The SECP has deferred applicability of IFRS 7 "Financial Instruments: Disclosures" on banks through S.R.O 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

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

2.2.4 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective "Consolidated Financial Statements" 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.

2.2.5 The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 dated February 09, 2023 and IAS-34, "Interim Financial Reporting". Accordingly, these consolidated condensed interim financial statements do not include all the information and disclosures required for annual consolidated financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the annual audited consolidated financial statements of the Bank for the year ended December 31, 2023 except for the impact of adoption of IFRS-09 "Financial Instruments" as explained in note 4.1 and 4.2.

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

There are certain new and amended standards, issued by the IASB, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these consolidated condensed interim financial statements except for IFRS-09 "Financial Instruments", the impact of which is disclosed in note 4.1 and 4.2 to these consolidated condensed interim financial statements.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations except for:

	Effective date (annual periods beginning on or after)
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	January 01, 2026
- IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027

3 BASIS OF MEASUREMENT

3.1 These consolidated condensed interim financial statements have been prepared under the historical cost convention except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments, commitments in respect of forward exchange contracts and forward lending at fair value, 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 and depreciated over the respective lease terms.

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of annual audited consolidated financial statements of the Bank for the year ended December 31, 2023 except for the adoption of IFRS-09 "Financial instruments" with effect from January 01, 2024 as mentioned in note 4.1 and 4.2.

4.1 Adoption of 'IFRS-09 - 'Financial Instruments'

As permitted by the transitional provisions of IFRS-09, the Bank has opted for modified retrospective approach and has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves without restating the comparative information.

The SBP through its BPRD Circular Letter No. 16 dated July 29, 2024 has provided additional clarification on earlier issued 'IFRS 9 - Financial Instruments Application Instructions' to address certain key matters raised by the banks with a direction to ensure compliance by the extended timelines. There are few other matters, including the measurement of unencumbered general provision, income recognition on Islamic financings and the subsidized loans (other than staff loans extended to employees as per HR policy), which are still under deliberation with the SBP. The Bank has continued to follow the existing treatment in respect of these matters till the time SBP issues relevant guidance / clarification.

The adoption of IFRS-09 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- objectives for the portfolio;
- performance of the business model;
- risks that affect the performance of the business model; and
- the expected frequency, value and timing of sales.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Eventually, the financial assets fall under either of the following three business models:

- i) Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows;
- ii) Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets; and
- iii) Other business models: Resulting in classification of financial assets as FVTPL.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and the credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the markup rate is set.

Classification

Under IFRS-09, existing categories of financial assets: Held for trading (HFT), Available for sale (AFS), Held to maturity (HTM) and loans and receivables have been replaced by:

- Financial assets at amortized cost - A financial instrument is measured at amortized cost if these are held with a business model to hold financial assets in order to collect contractual cash flows and such contractual terms give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

THE BANK OF PUNJAB AND SUBSIDIARIES

- Financial assets at fair value through other comprehensive income (FVOCI) - A financial instrument is measured at FVOCI only if the business model is collecting contractual cash flows and selling assets whose contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at fair value through profit or loss account (FVTPL) - A debt financial instrument shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Bank may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Under IFRS-09, the accounting for financial liabilities remains largely the same as before the adoption of IFRS-09 and therefore, these financial liabilities are being carried at amortized cost.

Initial recognition and subsequent measurement

a) Financial assets classified as amortized cost

Financial instruments under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction cost. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the profit and loss account. Interest income / expense on these instruments are recognised in the profit and loss account. On derecognition of these financial instruments, capital gain / loss shall be recognised in the profit and loss account.

b. Fair value through other comprehensive income (FVOCI)

Financial assets are initially measured at their fair value which includes transaction costs associated with the financial assets.

FVOCI equity securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Dividend income is recognized in profit and loss account when the right to receive the payment is established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit and loss account. Debt instruments are subject to impairment under Expected Credit Loss model. However, the loss allowance shall be recognized in profit & loss account. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit and loss account.

c) Fair value through profit or loss (FVTPL)

Financial assets are initially measured at their fair value and their associated transaction costs are charged to profit and loss account.

Financial assets (both equity and debt) at FVTPL are subsequently measured at fair value with changes in fair value are recognized in profit and loss account. Interest income on these instruments is recorded into profit and loss accounts. Dividend income on equity instruments is recorded in profit and loss account when the right to receive payment is established. On derecognition, capital gain / loss will be recognised in the profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

In addition, on initial recognition, the Bank may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Expected Credit Loss (ECL)

The adoption of IFRS-09 has fundamentally changed the Bank's loan loss impairment method with a forward-looking ECL approach. The Bank shall record the allowance for ECL for all financial instruments (loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts).

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

The 12mECL (12 months' expected credit loss) is the portion of LTECLs (the lifetime expected credit loss or LTECL) that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Based on the requirement of IFRS-09 and SBP's IFRS-09 application instructions, the Bank has performed an ECL assessment taking into account the key elements such as assessment of Significant Increase in Credit Risk (SICR), Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.

- LGD: It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Bank expects to receive, including any form of collateral.

- EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortization, pre-payments and forward-looking information where relevant.

A default will deem to have occurred either when the obligation has become over 90 days past due (DPD) or ratings have deteriorated to or beyond ORR 9, markup has been suspended as per Prudential Regulations or an event indicating default i.e., bankruptcy has occurred.

When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on 12mECL as outlined below.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: includes financial instruments that don't have a significant increase in credit risk since initial recognition or those have low credit risk at the reporting date. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. For these assets, 12-month expected credit losses (ECLs) are recognized and markup is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfall over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.
- Stage 2: includes financial instruments that have or had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. For these assets, lifetime ECL are recognized, but markup is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.
- Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). As per BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No. 16 of 2024 dated July 29, 2024, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the provision as per Prudential Regulations or IFRS 9 at borrower / facility level for corporate / commercial / SME loan portfolios and at segment / product basis for retail portfolio. In computing Stage 3 exposures, the Bank considers PD of 100% and LGDs used are based on regulatory prescribed percentages.

Write-offs

The Bank's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

Derecognition of Financial Asset / Financial Liabilities

Financial Assets:

The Bank derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Bank enters into transactions whereby it transfer assets recognised in its consolidated condensed interim statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial Liabilities:

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the consolidated condensed interim statement of profit and loss account.

4.2 Adoption impacts of IFRS-09

The impacts of adoption of IFRS-09 on Bank's statement of financial position as on January 01, 2024 are as follows:

	Balances as of December 31, 2023 (Audited)	Impact due to:				Total impact - gross of tax	Related Taxation impact	Total impact - net of tax	Adjusted balances as of January 01, 2024	IFRS-09 Category
		Recognition of expected credit losses (ECL)	Adoption of revised classifications under IFRS-09	Business model and SPPI assessment	Related movement in surplus					
Rupees in '000'										
ASSETS										
Cash and balances with treasury banks - net	100,894,627	(663,904)	-	-	-	(663,904)	-	(663,904)	100,230,723	Amortised cost
Balances with other banks - net	8,560,478	(235,165)	-	-	-	(235,165)	-	(235,165)	8,325,313	Amortised cost
Lendings to financial institutions - net	143,325,933	(91,380)	-	-	-	(91,380)	-	(91,380)	143,234,553	Amortised cost
Investments - net:										
- Classified as available for sale	770,415,288	-	(770,415,288)	-	-	(770,415,288)	-	(770,415,288)	-	
- Classified as fair value through OCI (FVOCI)	-	-	770,415,288	(101,742,838)	6,523,150	3,303,891	-	678,499,491	678,499,491	FVOCI
- Classified as held to maturity	98,547,842	-	(98,547,842)	-	-	(98,547,842)	-	(98,547,842)	-	
- Classified as amortized cost	-	(87,711)	98,547,842	89,891,804	-	188,351,935	-	188,351,935	188,351,935	Amortised cost
- Classified as held for trading	44,124,920	-	(44,124,920)	-	-	(44,124,920)	-	(44,124,920)	-	
- Classified as fair value through P&L	-	-	44,124,920	11,851,034	229,050	53,883,645	-	53,883,645	53,883,645	FVTPL
- Subsidiary	-	-	-	-	-	-	-	-	-	Outside the scope of IFRS-09
	913,088,050	(87,711)	-	-	6,752,200	982,532	-	7,647,021	920,735,071	
Advances - net	807,544,892	(13,735,791)	-	-	-	(13,735,791)	-	(13,735,791)	793,809,101	Amortised cost
Property and equipment	20,794,866	-	-	-	-	-	-	-	20,794,866	Outside the scope of IFRS-09
Right of use assets	12,424,136	-	-	-	-	-	-	-	12,424,136	Outside the scope of IFRS-09
Intangible assets	2,099,217	-	-	-	-	-	-	-	2,099,217	Outside the scope of IFRS-09
Deferred tax asset - net	10,314,627	-	-	-	-	-	5,308,171	5,308,171	15,622,798	Outside the scope of IFRS-09
Other assets - net	197,156,815	(758,144)	-	-	-	(758,144)	-	(758,144)	196,398,671	Amortised cost for financial assets
	2,216,203,641	(15,572,095)	-	-	6,752,200	(7,837,363)	5,308,171	(2,529,192)	2,213,674,449	
LIABILITIES										
Bills payable	5,507,855	-	-	-	-	-	-	-	5,507,855	Amortised cost
Borrowings	453,965,991	-	-	-	-	-	-	-	453,965,991	Amortised cost
Deposits and other accounts	1,520,836,189	-	-	-	-	-	-	-	1,520,836,189	Amortised cost
Lease liabilities	15,727,259	-	-	-	-	-	-	-	15,727,259	Amortised cost
Subordinated debts	30,204,640	-	-	-	-	-	-	-	30,204,640	Amortised cost
Other liabilities - net	109,390,541	2,038,207	-	-	-	2,038,207	-	2,038,207	111,428,748	Amortised cost for financial liabilities
	2,135,632,475	2,038,207	-	-	-	2,038,207	-	2,038,207	2,137,670,682	
NET ASSETS	80,571,166	(17,610,302)	-	-	6,752,200	(9,875,570)	5,308,171	(4,567,399)	76,003,767	
REPRESENTED BY										
Share capital	32,452,535	-	-	-	-	-	-	-	32,452,535	Outside the scope of IFRS-09
Reserves	15,035,135	-	-	-	-	-	-	-	15,035,135	Outside the scope of IFRS-09
Surplus on revaluation of assets - net of tax	1,818,506	-	-	-	6,523,150	6,523,150	(3,196,344)	3,326,806	5,145,312	
Non controlling interest	762,170	-	-	-	-	-	-	-	762,170	
Unappropriated profit	30,502,820	(17,610,302)	-	-	229,050	(16,398,720)	8,504,515	(7,894,205)	22,608,615	
	80,571,166	(17,610,302)	-	-	6,752,200	(9,875,570)	5,308,171	(4,567,399)	76,003,767	

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting judgments and key estimates adopted in preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Bank for the year ended December 31, 2023 except for as explained in note 4.1 and 4.2.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual audited consolidated financial statements of the Bank for the year ended December 31, 2023 except as explained in note 4.1 & 4.2.

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
7 CASH AND BALANCES WITH TREASURY BANKS - NET		
In hand:		
Local currency	21,189,793	22,977,986
Foreign currencies	3,281,675	4,254,423
	24,471,468	27,232,409
With SBP in:		
Local currency current account	62,886,090	53,549,220
Foreign currency current account	2,159,219	2,931,351
Foreign currency deposit accounts	5,191,069	6,592,100
	70,236,378	63,072,671
With National Bank of Pakistan in:		
Local currency current accounts	9,456,583	10,307,990
Prize bonds	421,291	281,557
Less: Credit loss allowance held against cash and balances with treasury banks	(401,994)	-
Cash and balances with treasury banks - net of credit loss allowance	104,183,726	100,894,627
8 BALANCES WITH OTHER BANKS - NET		
In Pakistan:		
Current accounts	104,294	105,437
Deposit accounts	3,082	205,743
	107,376	311,180
Outside Pakistan:		
Current accounts	2,279,311	3,821,143
Deposit accounts	700,560	4,428,155
	2,979,871	8,249,298
	3,087,247	8,560,478
Less: Credit loss allowance held against balances with other banks	(36,644)	-
Balances with other banks - net of credit loss allowance	3,050,603	8,560,478
9 LENDINGS TO FINANCIAL INSTITUTIONS - NET		
Repurchase agreement lendings (Reverse Repo)	10,474,150	137,025,933
Placements	1,686,936	6,300,000
	12,161,086	143,325,933
Less: Credit loss allowance held against lendings to financial institutions	(43,422)	-
Lendings to financial institutions - net of credit loss allowance	12,117,664	143,325,933

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

		September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
		Lendings	Credit loss allowance held	Lendings	Provision
Rupees in '000'					
Performing	Stage 1	12,161,086	43,422	-	-
Under performing	Stage 2	-	-	-	-
Non-performing					
Substandard		-	-	-	-
Doubtful	Stage 3	-	-	-	-
Loss		-	-	-	-
		12,161,086	43,422	-	-

		September 30, 2024 (Un-audited)				December 31, 2023 (Audited)				
		Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	
		Rupees in '000'								
10.1	Investments by type:									
		Note								
	FVTPL / held for trading									
	Federal government securities		65,663,542	-	381,809	66,045,351	44,069,917	-	55,003	44,124,920
	Ordinary shares		1,512,229	-	96,129	1,608,358	-	-	-	-
	Non government debt securities		1,323,251	-	(270)	1,322,981	-	-	-	-
			68,499,022	-	477,668	68,976,690	44,069,917	-	55,003	44,124,920
	FVOCI / available for sale									
	Federal government securities	10.2	982,800,171	-	5,978,511	988,778,682	756,146,695	-	(6,307,576)	749,839,119
	Shares		5,538,549	-	(542,126)	4,996,423	4,845,016	(982,532)	537,686	4,400,170
	Mutual fund & investment trust units		65,000	-	18,069	83,069	3,228,680	-	22,283	3,250,963
	Non government debt securities		8,500,508	(218,400)	(40,107)	8,242,001	15,493,496	(2,580,709)	292	12,913,079
	Foreign securities		11,957	-	-	11,957	11,957	-	-	11,957
			996,916,185	(218,400)	5,414,347	1,002,112,132	779,725,844	(3,563,241)	(5,747,315)	770,415,288
	Amortised cost / held to maturity									
	Federal government securities		135,922,362	-	-	135,922,362	98,547,842	-	-	98,547,842
	Non government debt securities		2,332,068	(32,235)	-	2,299,833	-	-	-	-
	WAPDA bonds		400	(400)	-	-	400	(400)	-	-
			138,254,830	(32,635)	-	138,222,195	98,548,242	(400)	-	98,547,842
	Total investments		1,203,670,037	(251,035)	5,892,015	1,209,311,017	922,344,003	(3,563,641)	(5,692,312)	913,088,050

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
10.2 Investments given as collateral			
Pakistan investment bonds		231,143,824	379,071,721
10.3 Credit loss allowance for diminution in value of investments			
10.3.1 Movement in credit loss allowance / provision for diminution in value of investments			
Opening balance		3,563,641	4,598,146
Impact of adoption of IFRS-09:			
Expected credit loss on debt securities	4.2	87,711	-
Reversal of impairment on equity securities	4.2	(982,532)	-
Adjustment of impairment on account of mandatory classification as FVTPL		(2,321,359)	-
		(3,216,180)	-
Charge / (reversals):			
Charge for the period / year		-	943,086
Reversals for the period / year		(87,608)	(147,044)
		(87,608)	796,042
Reversal on disposal during the period / year		(8,818)	(1,830,547)
Closing balance		251,035	3,563,641

		(Un-audited) September 30, 2024	(Audited) December 31, 2023		
		Outstanding amount	Credit loss allowance held	Outstanding amount	Provision
Rupees in '000'					
10.3.2 Particulars of credit loss allowance against debt securities					
Category of classification					
Performing	Stage 1	2,332,068	32,235	-	-
Under performing	Stage 2	-	-	-	-
Non-performing:					
Substandard		-	-	-	-
Doubtful	Stage 3	-	-	-	-
Loss		218,800	218,800	2,581,109	2,581,109
		218,800	218,800	2,581,109	2,581,109
		2,550,868	251,035	2,581,109	2,581,109

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

	Performing / underperforming		Non performing		Total	
	(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023	(Un-audited) September 30, 2024	(Audited) December 31, 2023
11 ADVANCES - NET	Rupees in '000'					
Loans, cash credits, running finances, etc.	527,566,630	675,933,777	53,073,712	48,286,050	580,640,342	724,219,827
Islamic financing and related assets	80,475,261	105,445,766	3,766,208	3,134,134	84,241,469	108,579,900
Bills discounted and purchased	18,695,387	18,092,079	17,222	17,221	18,712,609	18,109,300
Advances - gross	626,737,278	799,471,622	56,857,142	51,437,405	683,594,420	850,909,027
Credit loss allowance against advances:						
-Stage 1 / general provision	(5,176,543)	(695,731)	-	-	(5,176,543)	(695,731)
-Stage 2	(1,735,359)	-	(125,061)	-	(1,860,420)	-
-Stage 3 / specific provision	(601,054)	-	(47,290,063)	(42,668,404)	(47,891,117)	(42,668,404)
	(7,512,956)	(695,731)	(47,415,124)	(42,668,404)	(54,928,080)	(43,364,135)
Advances - net of credit loss allowance	619,224,322	798,775,891	9,442,018	8,769,001	628,666,340	807,544,892
11.1 Particulars of advances (gross)					(Un-audited) September 30, 2024	(Audited) December 31, 2023
In local currency					672,218,556	843,073,267
In foreign currencies					11,375,864	7,835,760
					683,594,420	850,909,027

11.2 Advances include Rs. 56,857,142 thousand (December 31, 2023: Rs. 51,437,405 thousand) which have been placed under non-performing / stage 2 and 3 status as detailed below:

Category of classification		(Un-audited) September 30, 2024		(Audited) December 31, 2023	
		Non performing loans	Credit loss allowance	Non performing loans	Provision
		Rupees in '000'			
Other assets especially mentioned	Stage-2	719,232	125,061	-	-
Other assets especially mentioned	Stage-3	599,399	234,890	388,638	9,041
Substandard		4,711,702	2,224,293	1,776,865	330,681
Doubtful		5,812,107	2,851,069	4,721,891	1,974,548
Loss		45,014,702	41,979,811	44,550,011	40,354,134
Total non performing loans		55,538,511	47,055,173	51,048,767	42,659,363
Grand total		56,857,142	47,415,124	51,437,405	42,668,404

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

11.3 Particulars of credit loss allowance against advances	Note	September 30, 2024 (Un-audited)				December 31, 2023 (Audited)		
		Stage 3	Stage 2	Stage 1	Total	Specific provision	General provision	Total
					Rupees in '000'			
Opening balance		42,668,404	-	695,731	43,364,135	44,435,016	614,979	45,049,995
Impact of adoption of IFRS-09	4.2	2,893,675	4,562,863	6,279,253	13,735,791	-	-	-
Sub total		45,562,079	4,562,863	6,974,984	57,099,926	44,435,016	614,979	45,049,995
Charge for the period / year		5,315,573	859,592	1,592,292	7,767,457	2,108,556	80,752	2,189,308
Reversals for the period / year		(2,985,454)	(3,562,035)	(3,390,733)	(9,938,222)	(3,648,692)	-	(3,648,692)
		2,330,119	(2,702,443)	(1,798,441)	(2,170,765)	(1,540,136)	80,752	(1,459,384)
Amounts written off		(1,081)	-	-	(1,081)	(1,138)	-	(1,138)
Provision transferred from advances to other assets		-	-	-	-	(225,338)	-	(225,338)
Closing balance		47,891,117	1,860,420	5,176,543	54,928,080	42,668,404	695,731	43,364,135

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 credit loss allowance against non-performing advances by Rs. 302,767 thousand (December 31, 2023: Rs. 3,563,768 thousand). The FSV benefit availed is not available for cash or stock dividend.

11.4 Advances - Particulars of credit loss allowance	September 30, 2024 (Un-audited)						
	Stage 3	Stage 2	Stage 1	Total			
				Rupees in '000'			
Opening balance after adoption of IFRS-09	45,562,079	4,562,863	6,974,984	57,099,926			
New advances	1,853,327	220,265	1,904,610	3,978,202			
Advances derecognized or repaid	(725,082)	(727,976)	(927,133)	(2,380,191)			
Transfer to stage 1	(18,867)	(1,355,430)	1,374,297	-			
Transfer to stage 2	(12,096)	241,935	(229,839)	-			
Transfer to stage 3	343,294	(282,643)	(60,651)	-			
	1,440,576	(1,903,849)	2,061,284	1,598,011			
Amounts written off / charged off	(1,081)	-	-	(1,081)			
Changes in risk parameters	889,543	(798,594)	(3,859,725)	(3,768,776)			
Closing balance	47,891,117	1,860,420	5,176,543	54,928,080			

11.5 Advances - Category of classification	September 30, 2024 (Un-audited)		December 31, 2023 (Audited)				
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision			
				Rupees in '000'			
Performing	Stage 1	544,218,256	5,176,543	-	-		
Underperforming	Stage 2	81,240,746	1,735,359	-	-		
Underperforming / restructured loans	Stage 3	1,278,276	601,054	-	-		
		626,737,278	7,512,956	-	-		
Non-Performing	Stage 2	719,232	125,061	-	-		
Non-Performing:							
Other assets especially mentioned	Stage 3	599,399	234,889	388,638	9,041		
Substandard		4,711,702	2,224,294	1,776,865	330,681		
Doubtful		5,812,107	2,851,069	4,721,891	1,974,548		
Loss		45,014,702	41,979,811	44,550,011	40,354,134		
		56,137,910	47,290,063	51,437,405	42,668,404		
Total		683,594,420	54,928,080	51,437,405	42,668,404		

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

			(Un-audited) September 30, 2024	(Audited) December 31, 2023
12 PROPERTY AND EQUIPMENT		Note	Rupees in '000'	
Capital work-in-progress		12.1	934,839	750,114
Property and equipment		12.2	<u>23,059,361</u>	<u>20,044,752</u>
			<u>23,994,200</u>	<u>20,794,866</u>
12.1 Capital work-in-progress				
Civil works			893,612	709,037
Advances to suppliers			<u>41,227</u>	<u>41,077</u>
			<u>934,839</u>	<u>750,114</u>
			(Un-audited)	(Un-audited)
			September 30,	September 30,
			2024	2023
12.2 Additions to property and equipment			Rupees in '000'	
The following additions / transfers have been made to property and equipment during the period:				
Capital work-in-progress - net			184,725	(284,964)
Property and equipment:				
Freehold land			2,037,002	-
Building on freehold land			-	68,061
Furniture and fixtures			244,722	255,778
Electrical and office equipments			555,205	401,474
Computer equipments			1,100,739	885,243
Lease hold improvements			861,738	1,191,735
Vehicles			55,153	103,350
			<u>4,854,559</u>	<u>2,905,641</u>
			<u>5,039,284</u>	<u>2,620,677</u>
12.3 Disposal of property and equipment:				
The net book value of property and equipment disposed off during the period is as follows:				
Furniture and fixtures			4,185	3,786
Electrical and office equipments			6,238	4,181
Computer equipments			933	338
Lease hold improvements			<u>1,783</u>	<u>-</u>
			<u>13,139</u>	<u>8,305</u>
			(Un-audited)	(Audited)
			September 30,	December 31,
			2024	2023
13 RIGHT OF USE ASSETS			Rupees in '000'	
As at January 01,				
Cost			17,699,453	15,806,579
Accumulated depreciation			<u>(5,275,317)</u>	<u>(3,704,419)</u>
Net carrying amount as at January 01,			12,424,136	12,102,160
Additions during the period / year			1,194,393	2,355,595
Terminations - at cost during the period / year			<u>(175,431)</u>	<u>(462,721)</u>
Depreciation on terminations during the period / year			<u>92,836</u>	<u>159,978</u>
Terminations - at book value			<u>(82,595)</u>	<u>(302,743)</u>
Depreciation charge for the period / year			<u>(1,416,257)</u>	<u>(1,730,876)</u>
Net carrying amount			<u>12,119,677</u>	<u>12,424,136</u>

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
14	INTANGIBLE ASSETS	Rupees in '000'	
	Intangible in progress	415,847	635,072
	Software and long term licenses	2,085,548	1,464,145
		<u>2,501,395</u>	<u>2,099,217</u>
		<u>2,501,395</u>	<u>2,099,217</u>
		(Un-audited)	(Un-audited)
		September 30,	September 30,
		2024	2023
		<u>2,501,395</u>	<u>2,099,217</u>
14.1	Additions to intangible assets	Rupees in '000'	
	The following additions / transfers have been made to intangible assets during the period:		
	Intangible in progress - net	(219,225)	138,047
	Intangible assets purchased	930,159	153,445
		<u>710,934</u>	<u>291,492</u>
		<u>710,934</u>	<u>291,492</u>
		(Un-audited)	(Audited)
		September 30,	December 31,
		2024	2023
		<u>710,934</u>	<u>291,492</u>
15	DEFERRED TAX ASSETS - NET	Rupees in '000'	
	Deductible temporary differences on:		
	Deficit on revaluation of investments classified as available for sale	-	2,811,262
	Right of use assets net of lease liabilities	2,008,512	1,618,530
	Workers welfare fund	826,076	642,055
	Credit loss allowance against off balance sheet obligations	707,539	-
	Credit loss allowance against lendings to financial institutions	21,277	-
	Credit loss allowance against balance with other banks	17,956	-
	Credit loss allowance against balance with treasury banks	196,977	-
	Credit loss allowance against investments	15,795	-
	Credit loss allowance against acceptance	262,493	-
	Credit loss allowance / provision against advances	13,330,816	8,416,444
	Business loss subsidiary	112,493	72,505
		<u>17,499,934</u>	<u>13,560,796</u>
		<u>17,499,934</u>	<u>13,560,796</u>
	Taxable temporary differences on:		
	Surplus on revaluation of property and equipment	(2,131,431)	(2,214,474)
	Surplus on revaluation of investments classified as FVTPL	(231,696)	-
	Surplus on revaluation of investments classified as FVOCI	(2,655,526)	-
	Accelerated tax depreciation	(1,012,643)	(936,833)
	Surplus on revaluation of non banking assets acquired in satisfaction of claims	(9,561)	(94,862)
		<u>(6,040,857)</u>	<u>(3,246,169)</u>
		<u>(6,040,857)</u>	<u>(3,246,169)</u>
		<u>11,459,077</u>	<u>10,314,627</u>
		<u>11,459,077</u>	<u>10,314,627</u>

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

		(Un-audited)	(Audited)
		September 30,	December 31,
		2024	2023
		Rupees in '000'	
16	OTHER ASSETS - NET		
	Income / mark-up accrued in local currency	88,370,158	89,618,189
	Income / mark-up accrued in foreign currency	156,957	11,858
	Receivable from the Government of Pakistan	-	85,200,400
	Advances, deposits, advance rent and other prepayments	3,101,882	1,427,101
	Advance taxation (payments less provisions)	-	-
	Non-banking assets acquired in satisfaction of claims	4,061,045	1,177,222
	Acceptances	23 17,821,549	15,888,469
	Branch adjustment account	5,038	27,927
	Stock of stationery & plastic cards	633,574	375,089
	Suspense account	213,617	37,187
	Mark to market gain on forward foreign exchange contracts - net	23 375,528	-
	Zakat recoverable from National Investment Trust Limited (NITL)	36,790	36,790
	Receivable against fraud and forgeries	409,665	399,468
	Auto Teller Machine and Point of Sale receivable - net	231,467	650,830
	Inter bank fund transfer and RAAST receivable - net	1,808,986	1,761,393
	Receivable against settlement arrangements	225,337	225,337
	Receivable against litigation expenses	312,218	312,218
	Deferred fair value loss on derecognition of financial asset	16.1 7,775,229	-
	Others	3,619,187	707,725
		129,158,227	197,857,203
	Less: Credit loss allowance / provision held against other assets	16.2 (1,640,995)	(1,550,998)
	Other assets (net of credit loss allowance)	127,517,232	196,306,205
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	25 610,862	850,610
	Other assets - total	128,128,094	197,156,815

16.1 As per privatization initiative approved by the Government of Pakistan (GoP), a new public limited company, Pakistan International Airlines Holding Company Limited (PIAHCL), has been formed by GoP to succeed specified assets and liabilities of Pakistan International Airlines Corporation Limited (PIACL). In this regard, the Bank recorded deferred fair value loss, at a benchmark rate corresponding to the tenor of the loan, arising from the restructuring of syndicated exposure to PIACL in accordance with the guidance issued by SBP vide letter NO. BPRD/BRD/PIAHCL/733688 – 2024 dated August 01, 2024. The impact of deferred loss recognition during the period is disclosed in note 31.2 of these consolidated condensed interim financial statements.

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
16.2 Credit loss allowance held against other assets			
Income accrued in local currency		-	500,000
Advances, deposits, advance rent & other prepayments		35,723	35,723
Acceptances		116,627	-
Income / markup accrued		421,291	-
Non banking assets acquired in satisfaction of claims		30,876	30,876
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries	16.2.2	307,128	311,952
Receivable against settlement arrangements		225,337	225,337
Receivable against litigation expenses		312,218	312,217
Others		155,005	98,103
	16.2.1	<u>1,640,995</u>	<u>1,550,998</u>
16.2.1 Movement in credit loss allowance held against other assets			
Opening balance		1,550,998	787,166
Impact of adoption of IFRS-09	4.2	758,144	-
Charge for the period / year		238,149	610,065
Reversals during the period / year		(433,934)	(13,953)
		(195,785)	596,112
Amount written off		(502,606)	(3,572)
Provision transferred to other assets from advances		-	225,338
Other adjustment		30,244	(54,046)
Closing balance		<u>1,640,995</u>	<u>1,550,998</u>
16.2.2 This includes provision amounted to Rs. 1,566 thousand (December 31, 2023: Rs. 4,795 thousand) maintained against certain closed cases as per approval of the management.			
		(Un-audited) September 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
17 CONTINGENT ASSETS		Nil	Nil
Contingent assets			
18 BILLS PAYABLE			
In Pakistan		5,750,225	5,507,855
Outside Pakistan		-	-
		<u>5,750,225</u>	<u>5,507,855</u>
19 BORROWINGS			
Secured			
Borrowings from SBP under:			
Export refinance scheme (ERF)		24,748,481	29,950,587
Long term financing facility (LTFF)		9,592,689	11,368,117
Financing facility for storage of agriculture produce (FFSAP)		332,014	183,985
Islamic refinance scheme facility for payment of wages & salaries		-	-
Financing scheme for renewable energy		6,130,536	6,435,548
Refinancing facility for combating COVID-19		570,418	814,386
Refinance facility for working capital of small and medium enterprises		-	39,891
Temporary economic refinance scheme (TERF)		16,096,175	19,310,908
Refinance and credit guarantee scheme for women entrepreneurs		44,700	900
Finance facility for SAAF rozgar reimbursement credit		15,530,277	6,954,080
Finance facility for shamsi tawanai consumer		38,284	47,312
Islamic temporary economic refinance facility (ITERF)		1,265,411	-
Refinancing facility for modernization of small and medium enterprises (SMEs)		100,940	137,300
		74,449,925	75,243,014
Repurchase agreement borrowings		228,874,600	377,025,018
Borrowing from Pakistan Mortgage Refinance Company Limited		497,748	1,497,834
Total secured		<u>303,822,273</u>	<u>453,765,866</u>
Unsecured			
Call borrowings		4,500,000	-
Overdrawn nostro accounts		220,227	200,125
Total unsecured		<u>4,720,227</u>	<u>200,125</u>
		<u>308,542,500</u>	<u>453,965,991</u>

20 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
Customers:						
Current deposits	252,677,028	10,014,686	262,691,714	247,207,834	10,577,445	257,785,279
Savings deposits	770,967,686	5,144,020	776,111,706	622,556,998	5,554,561	628,111,559
Term deposits	460,478,440	25,865,365	486,343,805	497,160,082	41,494,976	538,655,058
Others	31,968,748	-	31,968,748	33,238,862	-	33,238,862
	1,516,091,902	41,024,071	1,557,115,973	1,400,163,776	57,626,982	1,457,790,758
Financial institutions:						
Current deposits	4,057,320	788,840	4,846,160	2,190,540	975,218	3,165,758
Savings deposits	9,979,166	3,750	9,982,916	58,368,739	5,150	58,373,889
Term deposits	1,057,000	-	1,057,000	1,463,890	-	1,463,890
Others	43,902	-	43,902	41,894	-	41,894
	15,137,388	792,590	15,929,978	62,065,063	980,368	63,045,431
	1,531,229,290	41,816,661	1,573,045,951	1,462,228,839	58,607,350	1,520,836,189

	Note	(Un-audited)	(Audited)
		September 30, 2024	December 31, 2023
Rupees in '000'			
21 LEASE LIABILITIES			
Outstanding amount at the start of the period / year		15,727,259	14,352,825
Additions during the period / year		1,194,393	2,355,595
Markup accrued		1,586,316	1,939,763
Terminations during the period / year		(262,148)	(541,304)
Payment of lease liabilities against right of use assets		(2,027,135)	(2,379,620)
Outstanding amount at the end of the period / year		16,218,685	15,727,259
21.1 Maturity of outstanding lease liabilities			
Not later than one year		101,037	84,722
Later than one year and upto five years		1,695,841	1,435,423
Over five years		14,421,807	14,207,114
Total at the end of the period / year		16,218,685	15,727,259
22 SUBORDINATED DEBTS			
Subordinated perpetual term finance certificates - ADT I	22.1	8,017,500	8,017,500
Subordinated perpetual term finance certificates - ADT I 2nd issue	22.2	3,950,000	-
Privately placed term finance certificates - II	22.3	4,289,680	4,290,540
Privately placed term finance certificates - III	22.4	6,997,200	6,998,600
Privately placed term finance certificates - IV	22.5	7,569,500	-
Advance subscription money - subordinated perpetual term finance certificates - ADT I 2nd Issue		-	3,900,000
Advance subscription money - privately placed term finance certificates - IV		-	6,998,000
		30,823,880	30,204,640
22.1 Subordinated perpetual term finance certificates - ADT I			

The Bank issued listed, 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, 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.

22.2 Subordinated perpetual term finance certificates - ADT I 2nd Issue

During the period, the Bank issued listed, 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, with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 3,950,000 thousand
Issue date:	February 29, 2024
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.

22.3 Privately placed term finance certificates - II

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

Issue amount:	Rs. 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.

22.4 Privately placed term finance certificates - III

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

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

22.5 Privately placed term finance certificates - IV

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

Issue amount:	Rs. 7,569,500 thousand
Issue date:	June 27, 2024
Maturity date:	June 27, 2034
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 0.36% 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.

23 OTHER LIABILITIES - NET	Note	(Un-audited)	(Audited)
		September 30, 2024	December 31, 2023
Rupees in '000'			
Mark-up / return / interest payable in local currency		62,388,990	60,632,166
Mark-up / return / interest payable in foreign currencies		1,033,662	1,341,354
Mark-up payable on subordinated debts		2,161,589	1,080,725
Provision for taxation - net		407,023	4,535,927
Sundry creditors and accrued expenses		2,623,008	2,912,244
Lease key money		18,871,577	15,706,472
Acceptances	16	17,821,549	15,888,469
Payable to gratuity fund		458,770	690,633
Gratuity payable to key management personnel		19,435	19,435
Provision for employees compensated absences		170,325	163,363
Mark to market loss on forward foreign exchange contracts - net	16	-	26,020
Mark to market loss on deliverable future contracts		-	7,887
Unrealized loss on revaluation of foreign bills and trade loans		125,054	153,786
Credit loss allowance against off-balance sheet obligations	23.2	1,487,940	43,983
Taxes / zakat / import fee payable		5,362,705	2,115,471
Dividend payable		1	-
Unclaimed dividends		2,585	2,585
Payable to charity fund		166	850
Insurance payable against financing of consumer assets		674,375	584,365
Payable against purchase of shares		-	384,367
Workers' welfare fund	23.1	1,970,826	1,595,273
Others		2,392,729	1,505,166
		117,972,309	109,390,541

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

23.2 Movement in credit loss allowance against off-balance sheet obligations	Note	(Un-audited)	(Audited)
		September 30, 2024	December 31, 2023
Rupees in '000'			
Opening balance		43,983	43,983
Impact of adoption of IFRS-09	4.2	2,038,207	-
Charge for the period / year		396,083	-
Reversals during the period / year		(990,333)	-
	35	(594,250)	-
Closing balance		1,487,940	43,983

24 SHARE CAPITAL - NET

24.1 Authorized capital

(Un-audited) September 30, 2024	(Audited) December 31, 2023		(Un-audited) September 30, 2024	(Audited) December 31, 2023
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

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

24.2 Issued, subscribed and paid up capital

(Un-audited) September 30, 2024	(Audited) December 31, 2023		(Un-audited) September 30, 2024	(Audited) December 31, 2023
Number of shares			Rupees in '000'	
			Note	
Opening balance				
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	839,925,583	Issued as bonus shares	11,373,410	8,399,256
3,271,569,319	2,974,153,927		32,715,693	29,741,539
Movement during the period / year				
-	297,415,392	Issued as bonus shares	-	2,974,154
Closing balance				
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	1,137,340,975	Issued as bonus shares	11,373,410	11,373,410
3,271,569,319	3,271,569,319		32,715,693	32,715,693
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
3,271,569,319	3,271,569,319		32,452,535	32,452,535

GoPb held 57.47% shares in the Bank as at September 30, 2024 (December 31, 2023: 57.47%).

25 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus / (deficit) on revaluation of:

Securities measured at FVOCI - debt instruments / available for sale investments	10.1	5,938,403	(5,747,315)
Securities measured at FVOCI - equity investments	10.1	(524,056)	-
Property and equipment		6,043,810	6,213,285
Non-banking assets acquired in satisfaction of claims	16	610,862	850,610
		12,069,019	1,316,580

Deferred tax on surplus / (deficit) on revaluation of:

Securities measured at FVOCI - debt instruments / available for sale investments		(2,909,818)	2,811,262
Securities measured at FVOCI - equity investments		254,292	-
Property and equipment		(2,131,431)	(2,214,474)
Non-banking assets acquired in satisfaction of claims		(9,561)	(94,862)
		(4,796,518)	501,926
		7,272,501	1,818,506

26 CONTINGENCIES AND COMMITMENTS

Guarantees	26.1	136,103,583	135,621,749
Commitments	26.2	324,523,869	406,852,140
Other contingent liabilities	26.3	291,951	291,951
		460,919,403	542,765,840

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
26.1	Guarantees:	Note	
	Financial guarantees		36,526,679
	Performance guarantees		34,797,867
	Other guarantees		23,639,266
	Back to back guarantees		54,320,270
	Mobilization and bid bond guarantees		9,184,433
	Other guarantees		13,353,713
			<u>75,937,638</u>
			<u>136,103,583</u>
			<u>135,621,749</u>
	26.2 Commitments:		
	Documentary credits and short-term trade-related transactions		
	- letters of credit		172,670,983
	Commitments in respect of:		
	- forward foreign exchange contracts	26.2.1	217,833,716
	- forward Government securities transactions	26.2.2	-
	- deliverable future contracts	26.2.3	128,320
	- forward lending	26.2.4	15,817,173
	Commitments for acquisition of:		
	- property and equipment		240,693
	- intangible assets		161,255
			<u>324,523,869</u>
			<u>406,852,140</u>
	26.2.1 Commitments in respect of forward foreign exchange contracts		
	Purchase		121,124,664
	Sale		96,709,052
			<u>124,329,934</u>
			<u>217,833,716</u>
	26.2.2 Commitments in respect of forward Government securities transactions		
	Purchase		-
	Sale		-
			<u>5,923,600</u>
			<u>-</u>
	26.2.3 Commitments in respect of deliverable future contracts		128,320
	26.2.4 Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	26.2.4.1	15,817,173
	26.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		<u>32,017,044</u>
	26.3 Other contingent liabilities	26.3.1	291,951
	26.3.1 For tax years 2014 - 2023, 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.		<u>291,951</u>
	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 tax department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate authorities.		
	26.4 Claims against the Bank not acknowledged as debts		
	An amount of Rs. 46,268,295 (December 31, 2023: Rs. 46,313,295 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.		

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

		(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
27	MARK-UP / RETURN / INTEREST EARNED		
		Note	
	Loans and advances	92,582,055	105,714,150
	Investments	167,255,893	114,095,608
	Lendings to financial institutions	3,348,051	3,821,714
	Balances with banks	415,990	352,517
		<u>263,601,989</u>	<u>223,983,989</u>
27.1	Interest income recognised on:		
	Financial assets measured at amortised cost	109,741,186	-
	Financial assets measured at FVOCI	146,208,421	-
	Financial assets measured at FVTPL	7,652,382	-
		<u>263,601,989</u>	<u>-</u>
28	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits and other accounts	178,405,992	133,299,252
	Borrowings	49,021,762	57,315,908
	Subordinated debts	5,270,560	3,830,172
	Mark-up on lease liability against right of use assets	1,586,316	1,404,255
		<u>234,284,630</u>	<u>195,849,587</u>
29	FEE AND COMMISSION INCOME		
	Branch banking customer fees	337,713	285,716
	Consumer finance related fees	546,782	413,098
	Card related fees	2,466,466	889,090
	Credit related fees	609,773	665,335
	Investment banking fees	406,472	314,010
	Branchless banking fees	86,933	91,261
	Commission on trade	1,197,307	1,033,032
	Commission on guarantees	406,502	335,501
	Commission on cash management	155,490	226,637
	Commission on remittances including home remittances	529,687	315,810
	Commission on bancassurance	184,564	170,884
	Commission on wheat financing	27	1,259,096
	SMS banking income	702,360	488,266
		<u>7,630,076</u>	<u>6,487,736</u>
30	GAIN / (LOSS) ON SECURITIES - NET		
	Realized gain on sale of securities - net	30.1 4,433,603	324,830
	Unrealized gain / (loss) - measured at FVTPL	10.1 481,624	11,438
	Realized gain - deliverable future contracts	7,887	-
		<u>4,923,114</u>	<u>336,268</u>
30.1	Realized gain on sale of securities - net:		
	Federal government securities	2,283,976	5,660
	Non government debt securities	1,699,143	-
	Shares	450,484	319,170
		<u>4,433,603</u>	<u>324,830</u>
30.2	Realized gain on sale of securities - net		
	Net gain on financial assets measured at FVTPL		
	Designated upon initial recognition	985,415	-
	Mandatorily measured at FVTPL	1,699,143	-
	Net gain on financial assets measured at FVOCI	1,749,045	-
		<u>4,433,603</u>	<u>-</u>
31	NET GAINS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST		
	Gain on derecognition on financial assets measured at amortised cost	31.1 1,563,972	-
	Loss on derecognition on financial assets measured at amortised cost	31.2 (302,931)	-
		<u>1,261,041</u>	<u>-</u>
31.1	During the period, the Bank has derecognized outstanding exposures of certain borrowers amounting to Rs. 2,436,762 thousand through acquisition of properties, in auction and negotiated purchase. Accordingly, a fair value gain of Rs. 1,563,972 thousand has been recognized in these consolidated condensed interim financial statements.		
31.2	This amount includes deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its Circular Letter No. BPRD/BRD/PIAHCL/733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognized proportionate amount of 1st year's 5% of loss in these consolidated condensed interim financial statements.		

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	Rupees in '000'	
32 OTHER INCOME		
Gain on sale of property and equipment - net	13,788	8,604
Gain on sale of non banking assets acquired in satisfaction of claims - net	514,549	1,841,632
Gain on termination of lease liability against right of use assets	179,553	127,167
Notice pay on resignations	45,178	26,169
Claim decided in favour of Bank against litigation	331,646	-
	1,084,714	2,003,572
33 OPERATING EXPENSES		
Total compensation expense	18,198,407	15,182,516
Property expense:		
Rent and taxes	61,051	30,588
Insurance	13,105	11,333
Utilities cost	1,556,445	1,085,508
Security	422	6,988
Repair and maintenance including janitorial charges	195,570	87,097
Depreciation	673,069	562,230
Depreciation on right of use assets	1,416,257	1,240,046
	3,915,919	3,023,790
Information technology expenses:		
Software maintenance	1,074,828	929,037
Hardware maintenance	65,816	52,054
Depreciation on computer equipment	623,149	374,317
Amortization on intangible assets	308,756	167,327
Network charges	384,425	352,001
	2,456,974	1,874,736
Other operating expenses:		
Directors' fees and allowances	50,264	23,558
Fees and allowances to shariah board	7,610	7,005
Legal and professional charges	246,018	174,220
Subscription charges	51,704	35,412
Outsourced staff services costs	753,556	573,834
Travelling and conveyance	301,644	272,614
NIFT clearing charges	73,843	77,625
Depreciation	530,593	431,017
Depreciation on non banking assets acquired in satisfaction of claims	14,448	16,760
Depreciation on ijarah assets under IFAS - 2	284,194	204,736
Training and development	92,506	111,026
Postage and courier charges	269,357	199,971
Stationery and printing	530,423	362,352
Marketing, advertisement and publicity	685,684	581,462
Auditors remuneration	5,478	4,868
Insurance	229,788	220,225
Deposit protection fee	561,763	435,771
Repair and maintenance	584,412	441,330
Entertainment expenses	231,118	212,558
Vehicle running expenses	82,547	63,981
Fuel for generator	196,680	226,927
Commission and brokerage	320,507	213,912
SMS banking charges	547,839	321,928
Bank charges	43,919	36,089
Card related expenses	1,687,142	1,216,822
Cash remittance charges	582,577	509,845
Branch license fee	24,891	20,142
CNIC verification / ECIB charges	199,598	237,024
Participation and arrangement fee against TFCs	-	77,864
Miscellaneous expenses	416,238	224,488
	9,606,341	7,535,366
	34,177,641	27,616,408

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

		(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
34 OTHER CHARGES	Note	Rupees in '000'	
Penalties imposed by SBP		5,889	8,806
Operational loss		157	-
		6,046	8,806
35 (REVERSAL OF CREDIT LOSS ALLOWANCE) / PROVISIONS AND WRITE OFFS - NET			
Reversal of credit loss allowance against lending to financial institutions		(47,958)	-
Credit loss allowance / provision for diminution in value of investments		(96,426)	816,668
Reversal of credit loss allowance / provision against loans & advances	11.3	(2,170,765)	(638,225)
Reversal of credit loss allowance against balances with treasury banks		(261,910)	-
(Reversal of credit loss allowance) / provision against other assets - net	16.2.1	(195,785)	117,774
Credit loss allowance against off balance sheet obligations	23.2	(594,250)	-
Credit loss allowance against balance with other banks		(198,520)	-
		(3,565,614)	296,217
36 TAXATION - NET			
Current	36.1	4,179,317	2,466,760
Deferred		2,014,789	446,090
		6,194,106	2,912,850
36.1	This includes provision for super tax for the period in accordance with Income Tax Ordinance, 2001.		
		(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
37 BASIC EARNINGS PER SHARE			
Profit after taxation for the period (Rs in '000')		7,759,124	5,808,011
Weighted average number of ordinary shares (No.).		3,271,569,319	3,271,569,319
Basic earnings per share - Rs.		2.37	1.78
38 DILUTED EARNINGS PER SHARE			
There were no convertible dilutive potential ordinary shares outstanding as at reporting dates.			
39 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.			
39.1	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).		

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

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

39.2 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:

September 30, 2024 (Un-audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	1,054,824,033	-	1,054,824,033	-	1,054,824,033
Shares	6,604,781	6,578,211	26,570	-	6,604,781
Non-Government debt securities	8,567,835	-	8,567,835	-	8,567,835
Mutual fund & investment trust units	83,069	-	83,069	-	83,069
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	-	-	-	-	-
Financial assets disclosed but not measured at fair value:					
Government securities	135,922,362	-	173,036,444	-	173,036,444
Non-Government debt securities	3,296,980	-	3,296,980	-	3,296,980
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	68,965,653	-	68,965,653	-	68,965,653
Forward sale of foreign exchange contracts	53,431,523	-	53,431,523	-	53,431,523
Forward sale of Government securities transactions	5,923,600	-	5,923,600	-	5,923,600

December 31, 2023 (Audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	793,964,039	-	793,964,039	-	793,964,039
Shares	4,393,049	4,371,789	21,260	-	4,393,049
Non-Government debt securities	8,725,336	-	8,725,336	-	8,725,336
Mutual funds & investment trust units	3,250,963	-	3,250,963	-	3,250,963
Foreign securities	11,957	-	-	11,957	11,957
Financial assets disclosed but not measured at fair value:					
Government securities	98,547,842	-	84,546,226	-	84,546,226
Non-Government debt securities	4,187,743	-	4,187,743	-	4,187,743
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	118,317,903	-	118,317,903	-	118,317,903
Forward sale of foreign exchange contracts	93,928,311	-	93,928,311	-	93,928,311
Purchase of deliverable future contracts	120,433	-	120,433	-	120,433

39.3 Fair value of non financial assets

September 30, 2024 (Un-audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	13,664,736	-	13,664,736	-	13,664,736
Non banking assets acquired in satisfaction of claims	4,641,031	-	4,641,031	-	4,641,031
December 31, 2023 (Audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	11,977,725	-	11,977,725	-	11,977,725
Non banking assets acquired in satisfaction of claims	1,996,956	-	1,996,956	-	1,996,956

40 SEGMENT INFORMATION

40.1 Segment details with respect to business activities

	(Un-audited)						
	September 30, 2024						
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit and loss							
Net mark-up / return / profit	61,058,280	172,320	17,685,833	163,822,850	20,055,025	807,681	263,601,989
Inter segment (cost) / revenue - net	(32,979,985)	108,455,423	60,487,552	(141,355,023)	(2,045,971)	7,438,004	-
Non mark-up / return / interest income	2,429,500	3,588,888	1,264,856	4,660,598	182,650	3,696,625	15,823,117
Total income	<u>30,507,795</u>	<u>112,216,631</u>	<u>79,438,241</u>	<u>27,128,425</u>	<u>18,191,704</u>	<u>11,942,310</u>	<u>279,425,106</u>
Segment total expenses	<u>31,257,084</u>	<u>100,324,170</u>	<u>56,990,176</u>	<u>45,693,333</u>	<u>12,229,305</u>	<u>22,349,802</u>	<u>268,843,870</u>
Profit before credit loss allowance and tax	(749,289)	11,892,461	22,448,065	(18,564,908)	5,962,399	(10,407,492)	10,581,236
Credit loss allowance	(3,312,005)	16,258	681,118	(511,531)	(514,166)	74,712	(3,565,614)
Profit / (loss) before tax	<u>2,562,716</u>	<u>11,876,203</u>	<u>21,766,947</u>	<u>(18,053,377)</u>	<u>6,476,565</u>	<u>(10,482,204)</u>	<u>14,146,850</u>
Balance sheet							
Cash and bank balances	-	302,714	30,941,006	65,489,101	10,501,508	-	107,234,329
Investments - net	1,052,282	-	-	1,163,991,615	44,267,120	-	1,209,311,017
Net inter segment lending	-	736,137,261	456,280,439	-	4,647,484	32,924,553	1,229,989,737
Lendings to financial institutions	-	-	-	8,726,086	3,391,578	-	12,117,664
Advances - performing	380,862,340	2,007,731	131,238,867	-	79,568,787	25,546,597	619,224,322
- non-performing - net	6,249,326	-	1,770,429	-	1,338,209	84,054	9,442,018
Others	39,991,280	87,623	15,510,706	53,470,292	13,626,527	55,516,015	178,202,443
Total assets	<u>428,155,228</u>	<u>738,535,329</u>	<u>635,741,447</u>	<u>1,291,677,094</u>	<u>157,341,213</u>	<u>114,071,219</u>	<u>3,365,521,530</u>
Borrowings	66,393,507	-	1,864,099	233,594,827	6,690,067	-	308,542,500
Subordinated debts	-	-	-	-	-	30,823,880	30,823,880
Deposits and other accounts	170,041,575	722,727,650	553,280,347	-	126,996,379	-	1,573,045,951
Net inter segment borrowing	174,223,371	-	-	1,055,766,366	-	-	1,229,989,737
Others	17,496,775	15,807,679	80,597,001	2,315,902	6,610,917	17,112,945	139,941,219
Total liabilities	<u>428,155,228</u>	<u>738,535,329</u>	<u>635,741,447</u>	<u>1,291,677,095</u>	<u>140,297,363</u>	<u>47,936,825</u>	<u>3,282,343,287</u>
Equity							83,178,243
Total equity and liabilities							<u>3,365,521,530</u>
Contingencies and commitments	<u>292,634,318</u>	<u>-</u>	<u>18,417,113</u>	<u>125,404,448</u>	<u>23,971,860</u>	<u>491,664</u>	<u>460,919,403</u>

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

(Un-audited)
September 30, 2023

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
				Rupees in '000'			
Profit and loss							
Net mark-up / return / profit	81,147,025	2,078	13,955,542	113,022,886	15,234,944	621,514	223,983,989
Inter segment revenue - net	(47,343,731)	88,498,012	51,329,525	(74,685,973)	(907,139)	(16,890,694)	-
Non mark-up / return / interest income	2,783,897	1,229,661	1,133,057	729,783	298,839	2,612,131	8,787,368
Total income	36,587,191	89,729,751	66,418,124	39,066,696	14,626,644	(13,657,049)	232,771,357
Segment total expenses	26,559,708	71,823,681	42,989,068	54,155,648	11,033,648	17,032,723	223,594,476
Profit before credit loss allowance and tax	10,027,483	17,906,070	23,429,056	(15,088,952)	3,592,996	(30,689,772)	9,176,881
Credit loss allowance	(788,186)	-	26,345	818,168	164,869	75,021	296,217
Profit / (loss) before tax	10,815,669	17,906,070	23,402,711	(15,907,120)	3,428,127	(30,764,793)	8,880,664

(Audited)
December 31, 2023

Balance sheet							
Cash and bank balances	-	186,246	34,672,274	64,895,673	9,423,454	277,458	109,455,105
Investments - net	2,756,908	-	-	868,618,357	41,712,785	-	913,088,050
Net inter segment lending	-	645,860,735	416,690,196	-	-	55,358,767	1,117,909,698
Lendings to financial institutions	-	-	-	139,390,933	3,935,000	-	143,325,933
Advances - performing	530,870,534	758,612	138,987,419	-	105,445,766	22,713,560	798,775,891
- non-performing	5,274,559	-	1,843,961	-	1,326,535	323,946	8,769,001
Others	52,959,233	75,427	10,743,167	124,519,862	12,103,448	42,388,524	242,789,661
Total assets	591,861,234	646,881,020	602,937,017	1,197,424,825	173,946,988	121,062,255	3,334,113,339
Borrowings	73,019,677	-	1,497,834	377,225,143	2,223,337	-	453,965,991
Subordinated debts	-	-	-	-	-	30,204,640	30,204,640
Deposits and other accounts	245,264,083	634,070,009	528,169,599	-	113,332,498	-	1,520,836,189
Net inter segment borrowing	258,773,148	-	-	820,199,682	38,936,868	-	1,117,909,698
Others	14,804,326	12,811,011	73,269,584	-	7,991,360	21,749,374	130,625,655
Total liabilities	591,861,234	646,881,020	602,937,017	1,197,424,825	162,484,063	51,954,014	3,253,542,173
Equity							80,571,166
Total equity and liabilities							3,334,113,339
Contingencies and commitments	290,616,339	-	14,715,236	217,962,036	18,778,330	693,899	542,765,840

41 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, employee benefit plans, directors and Key Management Personnel. The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the 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 consolidated condensed interim financial statements are as follows:

	(Un-audited) September 30, 2024				(Audited) December 31, 2023			
	Directors	Key management personnel	Employee funds	Other related parties	Directors	Key management personnel	Employee funds	Other related parties
	Rupees in '000'							
Advances (gross):								
Opening balance	-	474,755	-	-	-	368,701	-	-
Addition during the period / year	-	228,301	-	-	-	237,145	-	-
Repaid during the period / year	-	171,355	-	-	-	131,091	-	-
Closing balance	-	531,701	-	-	-	474,755	-	-
Credit loss allowance held against advances	-	1,876	-	-	-	-	-	-
Other assets - markup receivable	-	20,309	-	-	-	20,062	-	-
Credit loss allowance against other assets	-	73	-	-	-	-	-	-
Right of use assets	-	-	-	59,291	-	-	-	62,610
Lease liability against right of use assets	-	-	-	16,817	-	-	-	15,208
Deposits and other accounts:								
Opening balance	9,536	107,198	1,185,599	114,393	239	32,751	1,036,847	26,391
Received during the period / year	106,909	1,688,651	3,832,467	19,112,989	69,369	1,560,580	8,849,409	465,652
Withdrawn during the period / year	89,864	1,655,241	3,461,303	15,670,460	60,072	1,486,133	8,700,657	377,650
Closing balance	26,581	140,608	1,556,763	3,556,922	9,536	107,198	1,185,599	114,393
Other liabilities	71	3,664	-	40,888	217	2,852	690,633	3,466
Contingencies (non funded exposure)	-	-	-	56,300	-	-	-	49,822
	September 30, 2024 (Un-audited)				September 30, 2023 (Un-audited)			
	Directors	Key management personnel	Employee Funds	Other related parties	Directors	Key management personnel	Employee Funds	Other related parties
	Rupees in '000'							
Income:								
Mark-up / return / interest earned	-	18,336	-	-	-	16,493	-	-
Fee and commission income	2	838	-	1,016	-	1,237	-	-
Expense:								
Mark-up / return / interest expensed	4,615	6,708	184,719	284,874	896	349	245,244	3,604
Depreciation on right of use assets	-	-	-	3,319	-	-	-	3,319
Mark-up on lease liability against right of use assets	-	-	-	1,609	-	-	-	1,401
Compensation expense	-	597,098	-	-	-	461,678	-	-
Directors fee and allowances	50,149	-	-	-	23,558	-	-	-

- 41.1** 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.
- 41.2** 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) September 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
Advances	10,977,078	99,445,479
Credit loss allowance held against advances	190,493	-
Deposits and other accounts	744,326,982	649,339,057
Bills payable	66,577	157,468
Subordinated debts	12,314,038	12,314,304
Acceptances	71,929	71,929
Contingencies and commitments	24,799,708	26,885,973
Credit loss allowance against off balance sheet obligations	33,313	-
Mark-up receivable	1,048,360	17,065,985
Credit loss allowance against other assets	10,999	-
Mark-up payable on subordinated debts	628,665	506,774
Mark-up payable	39,468,652	37,615,613
	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	Rupees in '000'	
Mark-up earned	4,167,190	35,469,775
Mark-up expensed	100,385,668	71,792,100
Income on contingencies and commitments	142,390	138,876

- 41.3** The Bank made contribution of Rs. 450,918 thousand (September 30, 2023: Rs. 369,738 thousand) to employees provident fund during the period.
- 41.4** BOP has allocated 3rd floor, National Tower, 28-Egerton road, Lahore to PMSL for its utilization and grants PMSL the authority to assign, sub-let or otherwise transfer possession of the premises or any portion thereof, on an arm's length basis, to its associated entities for business and commercial purposes, under its regulatory framework.
- 41.5** Advances to employees as at September 30, 2024, other than key management personnel, amounted to Rs. 28,873,969 thousand (December 31, 2023: Rs. 24,476,686 thousand) with markup receivable of Rs. 1004,710 thousand (December 31, 2023: Rs.831,158 thousand) and markup income of Rs.922,050 thousand (September 30, 2023: Rs. 708,506 thousand) and fee & commission income of Rs. 21,698 thousand (September 30, 2023: Rs. 15,646 thousand). The ECL on said advances including markup and unutilized limits amounted to Rs. 208,091 thousand (December 31, 2023: Rs. Nil). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on September 30, 2024 stood at Rs. 112,748 thousand (December 31, 2023: Rs. 90,145 thousand).
- 41.6** 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.
- 41.7** The Bank held government securities in fiduciary capacity for its employee fund in IPS account amounting to Rs. 6,547,500 thousand (December 31, 2023: Rs. 5,275,500 thousand)

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital including share premium (net of losses)	<u>34,667,575</u>	<u>34,667,575</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>77,466,343</u>	74,004,137
Eligible Additional Tier 1 (ADT 1) Capital	<u>11,967,500</u>	11,917,500
Total Eligible Tier 1 Capital	<u>89,433,843</u>	85,921,637
Eligible Tier 2 Capital	<u>25,554,429</u>	16,474,516
Total Eligible Capital (Tier 1 + Tier 2)	<u>114,988,272</u>	<u>102,396,153</u>
Risk Weighted Assets (RWAs):		
Credit risk	<u>458,042,650</u>	442,180,669
Market risk	<u>29,114,625</u>	35,234,308
Operational risk	<u>81,699,903</u>	81,726,967
Total	<u>568,857,178</u>	<u>559,141,944</u>
Common equity tier I capital adequacy ratio	<u>13.62%</u>	13.24%
Tier I CAR (%)	<u>15.72%</u>	15.37%
Total CAR (%)	<u>20.21%</u>	18.31%
42.1 Leverage Ratio (LR):		
Eligible Tier-I Capital	<u>89,433,843</u>	85,921,637
Total exposures	<u>2,477,370,329</u>	2,553,341,907
LR (%)	<u>3.61%</u>	3.37%
42.2 Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	<u>769,655,573</u>	633,492,844
Total net cash outflow	<u>413,740,897</u>	345,059,142
LCR (%)	<u>186.02%</u>	183.59%
42.3 Net Stable Funding Ratio (NSFR):		
Total available stable funding	<u>1,208,368,509</u>	1,136,308,900
Total required stable funding	<u>807,231,608</u>	911,331,400
NSFR (%)	<u>149.69%</u>	124.69%
42.4 The Bank availed the benefit of stage I and II staggering as allowed by SBP vide IFRS-09 application instructions. Had this relaxation not availed, the CAR, LR and NSFR would have been 18.78%, 3.28% and 149.19% respectively.		

43 ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the September 30, 2024, the Bank is operating 180 Islamic banking branches (December 31, 2023: 160 Islamic banking branches) and 257 Islamic banking windows (December 31, 2023: 73).

**STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024**

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
ASSETS			
Cash and balances with treasury banks - net		10,062,799	8,872,231
Balances with other banks - net		438,709	551,223
Due from financial institutions - net	43.1	3,391,578	3,935,000
Investments - net	43.2	44,267,120	41,712,785
Islamic financing and related assets - net	43.3	80,906,996	106,772,301
Property and equipment		1,775,887	1,247,643
Right of use assets		2,589,061	2,522,746
Intangible assets		12,805	9,416
Due from head office		4,647,484	-
Other assets - net		9,248,774	8,323,643
Total assets		157,341,213	173,946,988
LIABILITIES			
Bills payable		496,109	710,834
Due to financial institutions		6,690,067	2,223,337
Deposits and other accounts	43.4	126,996,379	113,332,498
Due to head office		-	38,936,868
Lease liabilities		3,359,400	3,158,734
Subordinated debt		-	-
Other liabilities - net		2,755,408	4,121,792
		140,297,363	162,484,063
NET ASSETS		17,043,850	11,462,925
REPRESENTED BY			
Islamic banking fund		2,000,000	2,000,000
Reserves		26,143	98,651
Surplus / (deficit) on revaluation of assets		455,349	(1,029,266)
Unappropriated profit	43.5	14,562,358	10,393,540
		17,043,850	11,462,925
CONTINGENCIES AND COMMITMENTS	43.6		

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

ISLAMIC BANKING BUSINESS

STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Note	Three Months Ended		Nine Months Ended	
		September 30,	September 30,	September 30,	September 30,
		2024	2023	2024	2023
		Rupees in '000'			
Profit / return earned	43.7	6,025,557	6,255,851	20,055,025	15,234,944
Profit / return expensed	43.8	2,992,000	3,720,258	10,924,877	9,316,550
Net profit / return		3,033,557	2,535,593	9,130,148	5,918,394
Fee and commission income		109,545	115,137	300,920	294,230
Dividend income		-	-	-	-
Foreign exchange (loss) / income		(138,639)	(3,474)	(199,080)	(167)
Gain on securities - net		-	22	1,366	33
Other income		3,272	1,752	79,444	4,743
		(25,822)	113,437	182,650	298,839
Total income		3,007,735	2,649,030	9,312,798	6,217,233
Operating expenses		1,202,730	858,935	3,350,272	2,624,220
Workers' welfare fund		-	-	-	-
Other charges		117	17	127	17
		1,202,847	858,952	3,350,399	2,624,237
Profit before credit loss allowance		1,804,888	1,790,078	5,962,399	3,592,996
(Reversal of credit loss allowance) / provisions and write offs - net		(119,314)	12,328	(514,166)	164,869
Profit before taxation		1,924,202	1,777,750	6,476,565	3,428,127
Taxation	43.9	-	-	-	-
Profit after taxation		1,924,202	1,777,750	6,476,565	3,428,127

		September 30, 2024 (Un-audited)			December 31, 2023 (Audited)				
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total		
43.1	DUE FROM FINANCIAL INSTITUTIONS	Rupees in '000'							
	Secured	3,435,000	-	3,435,000	3,935,000	-	3,935,000		
	Less: Credit loss allowance	(43,422)	-	(43,422)	-	-	-		
		<u>3,391,578</u>	<u>-</u>	<u>3,391,578</u>	<u>3,935,000</u>	<u>-</u>	<u>3,935,000</u>		
		September 30, 2024 (Un-audited)			December 31, 2023 (Audited)				
43.2	INVESTMENTS - NET	Cost/ Amortized cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Investments by segment	Rupees in '000'							
	Classified / Measured at FVTPL / held for trading								
	Federal government securities	553,480	-	-	553,480	-	-	-	-
		<u>553,480</u>	<u>-</u>	<u>-</u>	<u>553,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Classified / Measured at FVOCI / available for sale								
	Federal government securities	23,219,877	-	383,006	23,602,883	31,290,783	-	(1,134,412)	30,156,371
	Non government debt securities	8,282,108	-	(40,107)	8,242,001	11,545,574	-	10,840	11,556,414
		<u>31,501,985</u>	<u>-</u>	<u>342,899</u>	<u>31,844,884</u>	<u>42,836,357</u>	<u>-</u>	<u>(1,123,572)</u>	<u>41,712,785</u>
	Classified / Measured at Amortised cost / held to maturity								
	Federal government securities	9,568,923	-	-	9,568,923	-	-	-	-
	Non government debt securities	2,332,068	(32,235)	-	2,299,833	-	-	-	-
		<u>11,900,991</u>	<u>(32,235)</u>	<u>-</u>	<u>11,868,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total investments	<u>43,956,456</u>	<u>(32,235)</u>	<u>342,899</u>	<u>44,267,120</u>	<u>42,836,357</u>	<u>-</u>	<u>(1,123,572)</u>	<u>41,712,785</u>
								(Un-audited)	(Audited)
								September 30,	December 31,
								2024	2023
								Rupees in '000'	
43.2.1	Particulars of credit loss allowance								
	Stage 1							(32,235)	-
	Stage 2							-	-
	Stage 3							-	-
								<u>(32,235)</u>	<u>-</u>
43.3	ISLAMIC FINANCING AND RELATED ASSETS - NET								
	Ijarah							3,018,882	2,451,160
	Murabaha							428,751	977,303
	Musharaka							12,322,888	47,100,860
	Diminishing musharaka							44,439,400	40,720,767
	Payment against documents							55,304	305,304
	Waqala							7,934,597	5,155,929
	Istisna							8,860,018	7,001,913
	Musawamah financing							5,452,249	4,530,852
	Tijarah financing							1,729,380	335,812
	Gross islamic financing and related assets							<u>84,241,469</u>	108,579,900
	Less: credit loss allowance against Islamic financings								
	-Stage 1							754,856	-
	-Stage 2							227,803	-
	-Stage 3							2,351,814	1,807,599
								<u>3,334,473</u>	<u>1,807,599</u>
	Islamic financing and related assets - net							<u>80,906,996</u>	<u>106,772,301</u>
43.4	DEPOSITS AND OTHER ACCOUNTS	September 30, 2024 (Un-audited)			December 31, 2023 (Audited)				
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total		
		Rupees in '000'							
	Customers:								
	Current deposits	25,484,722	930,643	26,415,365	19,828,751	567,074	20,395,825		
	Savings deposits	77,791,956	390,747	78,182,703	66,146,832	562,048	66,708,880		
	Term deposits	14,149,840	4,349,293	18,499,133	14,863,624	913,660	15,777,284		
	Others	2,824,434	-	2,824,434	5,824,378	-	5,824,378		
		<u>120,250,952</u>	<u>5,670,683</u>	<u>125,921,635</u>	<u>106,663,585</u>	<u>2,042,782</u>	<u>108,706,367</u>		
	Financial institutions:								
	Current deposits	29,740	19,652	49,392	31,400	19,425	50,825		
	Savings deposits	1,024,991	194	1,025,185	4,574,897	239	4,575,136		
	Term deposits	-	-	-	-	-	-		
	Others	167	-	167	170	-	170		
		<u>1,054,898</u>	<u>19,846</u>	<u>1,074,744</u>	<u>4,606,467</u>	<u>19,664</u>	<u>4,626,131</u>		
		<u>121,305,850</u>	<u>5,690,529</u>	<u>126,996,379</u>	<u>111,270,052</u>	<u>2,062,446</u>	<u>113,332,498</u>		

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
43.5	UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS	Rupees in '000'	
	Opening balance	10,393,540	4,640,774
	Impact of adoption of IFRS-09	(2,307,747)	-
	Add: Islamic banking profit for the period / year	6,476,565	5,752,766
	Closing balance	14,562,358	10,393,540
43.6	CONTINGENCIES AND COMMITMENTS		
	Guarantees:		
	Financial guarantees	18,200	18,200
	Performance guarantees	1,163,575	877,740
	Other guarantees	1,875,216	1,213,877
		3,056,991	2,109,817
	Commitments:		
	Documentary credits and short-term trade-related transactions - letters of credit	5,977,290	5,782,258
	Commitments in respect of forward lending	10,077,321	10,886,255
	Commitments in respect of purchase forward foreign exchange contracts	4,849,087	-
	Commitments for acquisition of:		
	- fixed assets	11,171	-
	- intangible assets	-	-
		20,914,869	16,668,513
		23,971,860	18,778,330
		(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
		Rupees in '000'	
43.7	PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
	Profit earned on:		
	Financing	13,434,945	10,446,468
	Investments	5,955,417	4,042,417
	Placements	664,583	746,049
	Deposits with financial institutions	80	10
		20,055,025	15,234,944
43.8	PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
	Deposits and other accounts	8,360,445	8,124,483
	Markup on lease liability against right of use assets	321,041	264,926
	Markup on call borrowings	103,909	-
	Markup on borrowings from SBP	93,511	20,002
	Profit on deposits from conventional head office	2,045,971	907,139
		10,924,877	9,316,550
43.9	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. 2,843,212 thousand (September 30, 2023: Rs. 1,134,367 thousand).		
43.10	During the period, During the period, following pool has been created:		
	- RFC USD Special Pool-1 (RFUSD1)		
	The main characteristics of the pool are as under:		
	i) Profit sharing ratio between Mudarib and Rab-ul-mal is 20:80 for Special Saving Pool-1 and 30:70 for RFC USD Special Pool-1		
	ii) Profit equalization reserve upto 2% of net income will be created, if needed.		
	iii) Investment risk reserve upto 1% of distributable profit of depositors will be created, if needed.		

44 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on October 30, 2024 by the Board of Directors of the Bank.

45 GENERAL

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

45.2 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 as mentioned below and in notes 2.1, 4.1 and 4.2 to these consolidated condensed interim financial statements;

Area	Reclassified from	Reclassified to	Rs in thousand
Operating Expenses	Travelling and conveyance	Total compensation expense	1,291,012
	Travelling and conveyance	Vehicle running expenses	63,981
	Credit Card Charges	Card related expenses	12,048
	Marketing, advertisement and publicity	Card related expenses	52,037

Chief Financial Officer



President

Chairman

Director

Director



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