



# Contents

Corporate Information	2
Directors' Review	3
Unconsolidated Condensed Interim Financial Statements of The Bank of Punjab	7
Consolidated Condensed Interim Financial Statements of The Bank of Punjab and its subsidiaries	49

# Corporate Information

## Board of Directors

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

## Board Audit Committee

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

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

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

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

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

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

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

## Information Technology and Communications Committee (ITCC)

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

## Auditors

A.F. Ferguson & Co.  
Chartered Accountants

## Registered Office

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

## Registrar

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

## Website

[www.bop.com.pk](http://www.bop.com.pk)

# Directors' Review

## Quarterly Financial Statements – September 30, 2023

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 nine months period ended September 30, 2023.

During Q1FY24, growth prospects have improved moderately after decline in GDP growth to 0.3% in FY23. Since July'23, better input and favorable weather conditions have led to improved agriculture outlook with total cotton arrivals rising by 71 percent year on year to 5 million bales by end September.

Current account deficit has reduced by 58% to \$ 947 million in Q1FY24 compared to \$ 2,258 million in Q1FY23. Imports declined by 24% to \$ 12.5 billion while exports fell by 5% to \$ 7 billion in the same period. The recent administrative and regulatory measures aimed at improving availability of essential food commodities and curbing illegal activities in the foreign exchange market have begun to yield results. This has helped in narrowing the gap between the interbank and open market exchange rates.

National CPI inflation decelerated to 31.4 percent in September after peaking to 38 percent in May'23 driven primarily by rise in food and domestic fuel prices. National Core Inflation is more persistent around 21.6% in Jul-Sep 2023 reflecting second round effects of food and energy price increase. The decline in inflation was lower than anticipated largely due to the surge in global oil prices and their pass-through to administered energy prices. International Brent Crude prices have been hovering above \$ 90/bbl in September due to production cuts by OPEC+. The recent Middle East crisis has further aggravated risks arising from the volatility in international energy prices.

Going forward, domestic demand is expected to remain suppressed due to lagged impact of monetary tightening and ongoing fiscal consolidation. Due to the high base impact of last year and favorable agriculture outlook, inflation is expected to decline from Q2FY24 and maintain its downward trajectory from thereon. These developments are broadly in line with earlier expectations about a moderate growth target of 2-3 percent in FY24.

Financial Highlights:	Rs. in Million
Total Assets	2,258,537
Deposits	1,392,847
Gross Advances	908,883
Investments & Lending to FIs	1,141,909
Profit before taxation	8,943,314
Taxation	2,959,542
Profit after taxation	5,983,772
Earnings per share (Rupees)	1.83

During 3rd quarter 2023, the Bank earned Before Tax Profit of Rs. 5.03 billion as against Rs. 1.81 billion during 2nd quarter 2023, registering a massive rise of 178%. Similarly, Net Interest Margin (NIM) also improved to Rs. 10.68 billion as against Rs. 9.65 billion during 2nd quarter 2023, while Non-Markup/Interest Income remained at Rs. 3.04 Billion. Bank's Non-Markup Expenses also reduced by 14% to Rs. 8.87 billion as against Rs. 10.36 billion during 2nd quarter 2023.

During Jan-Sep 2023, the Net Interest Margin improved to Rs. 28.09 billion as against Rs. 22.88 billion during corresponding period last year registering a growth of 23%. Similarly, Non-Markup Income also improved to Rs. 8.77 billion with a YOY growth of 38%, while Profit Before Provisions improved to Rs. 9.25 billion as against Rs. 8.59 billion for Jan-Sep 2022 and Profit Before Tax remained at the level of Rs. 8.94 billion.

Bank's investment portfolio has due potential for contributing substantial improvement in Bank's NIM on account of repricing of investments in Government Securities. Substantial portion of these investments has already been repriced during this quarter, benefits of which will continue to surface accordingly. During 1st nine months of the year 2023, Non-performing Portfolio to the extent of Rs. 3.73 Billion have been recovered/regularized, without the support of large-one-offs and due efforts are also in progress for substantial recovery in coming periods.

During the period, the Bank successfully implemented the strategies opted for ensuring sustained growth and stable earning streams. As at September 30, 2023, Bank's Balance Sheet Size was recorded at Rs. 2.26 Trillion to achieve new height among the list of Large Banks of the Country. Accordingly, Total Assets registered remarkable YOY growth of 72%. The Deposits of the Bank also increased to Rs.1,393 billion with a significant YOY growth of 34%. Further, Bank's CASA Deposits also touched the level of Rs. 868 billion registering a YOY growth of 19%. Loans & Advances stood at Rs. 909 billion with a significant YOY growth of 52%. Similarly, Investments & Lending to FIs improved to Rs. 1,142 billion with a massive YOY growth of 95%. Bank's Capital Adequacy Ratio also registered substantial improvement and stood at 17.08% as against 14.14% as of September 30, 2022. Accordingly, Bank very comfortably stood compliant with regulatory capital requirements of CAR & MCR with a sufficient margin over the regulatory requirements. A testament of strong financial trajectory for the future and well on course to meet its ambitious profitability growth targets for 2023 and subsequent years.

The Bank has been assigned long term entity rating of "AA+" by M/s PACRA with short term rating being at the highest rank of "A1+". The Bank currently has a network of 780 online branches, including 140 Taqwa Islamic Banking Branches and 16 sub-branches. Further, the Bank has a network of 783 ATMs providing 24/7 banking services to the customers. Besides, Bank is also offering a wide range of products/services to its valued clients including Branchless Banking, Mobile Banking, Internet Banking, Credit Card and Cash Management services.

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

For and on behalf of the Board



PRESIDENT/CEO



DIRECTOR

# ڈائریکٹرز رپورٹ

سہ ماہی مالی بیانات - 30 ستمبر 2023

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

مالی سال 23 میں جی ڈی پی کی شرح نمو 0.3 فیصد تک گرنے کے بعد مالی سال 24 کی پہلی سہ ماہی میں ترقی کے امکانات میں معمولی بہتری آئی ہے۔ جولائی 23 کے بعد سے، بہتر ان پٹ اور سازگار موبھی حالات نے زرعی نقطہ نظر کو بہتر بنایا ہے اور کپاس کی کل آمد 71 فیصد سالانہ بڑھ کر ستمبر کے آخر تک 5 بلین گانٹھوں تک پہنچ گئی ہے۔

مالی سال 23 کی پہلی سہ ماہی میں 2,258 بلین ڈالر کے مقابلے میں مالی سال 24 کی پہلی سہ ماہی میں کرنٹ اکاؤنٹ خسارہ 58 فیصد کم ہو کر 947 بلین ڈالر ہو گیا ہے۔ اسی عرصے میں درآمدات 24 فیصد کم ہو کر 12.5 بلین ڈالر رہیں جبکہ برآمدات 5 فیصد کم ہو کر 7 بلین ڈالر رہیں۔ ضروری غذائی اجناس کی دستیابی کو بہتر بنانے اور غیر ملکی زرمبادلہ کی منڈی میں غیر قانونی سرگرمیوں کو روکنے کے لیے کیے گئے حالیہ انتظامی اور ریگولیٹری اقدامات کے نتائج برآمد ہونا شروع ہو گئے ہیں۔ اس سے انٹر بینک اور اوپن مارکیٹ ایکسیچ ریٹ کے درمیان فرق کو کم کرنے میں مدد ملی ہے۔

قومی سی پی آئی افراط زر ستمبر میں 31.4 فیصد تک گر گیا جب کہ مئی 23 میں 38 فیصد تک پہنچ گیا جو بنیادی طور پر خوراک اور گھریلو ایندھن کی قیمتوں میں اضافے کی وجہ سے ہے۔ قومی بنیادی افراط زر جولائی - ستمبر 2023 میں 21.6 فیصد کے قریب زیادہ مستقل ہے جو خوراک اور توانائی کی قیمتوں میں اضافے کے دوسرے دور کے اثرات کو ظاہر کرتا ہے۔ مہنگائی میں کمی متوقع ہے کم تھی جس کی بڑی وجہ تیل کی عالمی قیمتوں میں اضافہ اور ان کے زیر انتظام توانائی کی قیمتوں تک رسائی تھی۔ OPEC+ کی جانب سے پیداوار میں کمی کی وجہ سے ستمبر میں بین الاقوامی ریبنٹ کروڈ کی قیمتیں \$90 / bbl سے اوپر رہی ہیں۔ مشرق وسطیٰ کے حالیہ بحران نے توانائی کی بین الاقوامی قیمتوں میں اتار چڑھاؤ سے پیدا ہونے والے خطرات کو مزید بڑھا دیا ہے۔

آگے بڑھتے ہوئے، توقع ہے کہ مالیاتی تھنٹی اور جاری مالی استحکام کے پیچھے پڑنے والے اثرات کی وجہ سے ملکی طلب کے دبے رہنے کی توقع ہے۔ پچھلے سال کے اعلیٰ بنیادی اثرات اور سازگار زرعی آؤٹ لک کی وجہ سے، مالی سال 24 کی دوسری سہ ماہی سے افراط زر کی شرح میں کمی آنے کی توقع ہے اور اس کے بعد سے نیچے کی رفتار کو برقرار رکھا جائے گا۔ یہ پیش رفت بڑے پیمانے پر مالی سال 24 میں 2-3 فیصد کے درمیان شرح نمو کے ہدف کے بارے میں پیلے کی توقعات کے مطابق ہے۔

مالی جھلکیاں: روپے بلین میں

2,258,537	کل اثاثے
1,392,847	ڈپازٹ
908,883	مجموعی ایڈوانسز
1,141,909	سرمایہ کاری اور Fls کو قرضے
8,943,314	ٹیکس سے پہلے منافع
2,959,542	ٹیکس
5,983,772	ٹیکس کے بعد منافع
1.83	ٹی شیئر آمدنی (روپے)

سال 2023 کی تیسری سہ ماہی کے دوران بینک نے 5.03 ارب روپے کا قبل از ٹیکس منافع کمایا جو کہ سال 2023 کی دوسری سہ ماہی کے دوران 1.81 ارب روپے تھا اور اس میں 178 فی صد کا شاندار اضافہ ہوا۔ اسی طرح نیٹ انٹرسٹ مارجن بہتر ہو کر 10.68 ارب روپے ہو گئی جو کہ سال 2023 کی دوسری سہ ماہی کے دوران 9.65 ارب روپے تھا جبکہ نان مارک اپ آمدن 3.04 ارب روپے رہی۔ بینک کے نان مارک اپ اخراجات 14 فی صد کی کے ساتھ 8.87 ارب روپے رہے جو کہ سال 2023 کی دوسری سہ ماہی کے دوران 10.36 ارب روپے تھے۔

جنوری تا ستمبر 2023 کے دوران نیٹ انٹرسٹ مارجن 23 فی صد اضافہ کے ساتھ 28.09 ارب روپے ہو گیا جو کہ گذشتہ سال کی اسی مدت کے دوران 22.88 ارب روپے تھا۔ اسی طرح نان مارک اپ آمدن 38 فی صد اضافہ کے ساتھ 8.77 ارب روپے رہی۔ جبکہ قبل از پرویشن منافع 9.25 ارب روپے ہو گیا جو کہ گذشتہ سال کی اسی مدت کے دوران 8.59 ارب روپے تھا جبکہ قبل از ٹیکس منافع 8.94 ارب روپے رہا۔

بینک کے سرمایہ کاری کے پورٹ فولیو میں سرکاری سیکورٹیز میں سرمایہ کاری کی repricing کی وجہ سے بینک کے NIM میں خاطر خواہ بہتری لانے کی بھرپور صلاحیت ہے۔ سال 2023 کے پہلے نو ماہ کے اختتام کے بعد، ان سرمایہ کاری کے کافی حصے کی repricing ہو گئی ہے اور باقی وقت کے ساتھ ساتھ ہو جائے گی، جس کے فوائد اسی کے مطابق ماننا شروع ہو جائیں گے۔ سال 2023 کے پہلے نو ماہ کے دوران 3.73 بلین روپے کے نان پرفارمنگ پورٹ فولیو کی ریکوری/ریگولائزیشن ہو گئی ہے اور آنے والے ادوار میں خاطر خواہ بحالی کے لیے مناسب کوششیں بھی جاری ہیں۔


اس مدت کے دوران، بینک نے پائیدار ترقی اور مستحکم آمدنی کے سلسلے کو یقینی بنانے کے لیے منتخب کردہ حکمت عملیوں کو کامیابی کے ساتھ نافذ کیا۔ 30 ستمبر 2023 تک، بینک کی بیلینس شیٹ کا سائز 2.26 بلین روپے سے تجاوز کر گیا اور وہ صنعت میں بڑے بینکوں کی فہرست میں شامل ہو گیا۔ اس کے مطابق کل اثاثوں میں 72 فی صد کا YOY اضافہ ہوا۔ بینک کے ڈپازٹس بھی 34 فی صد کی نمایاں YOY نمو کے ساتھ بڑھ کر 1,393 بلین روپے ہو گئے۔ مزید، بینک کے CASA ڈپازٹس بھی 19 فی صد کی YOY نمو کے ساتھ بڑھ کر 868 بلین روپے کی سطح کو پہنچ گئے۔ قرضے اور ایڈوانسز 52 فی صد کی نمایاں YOY نمو کے ساتھ 909 بلین روپے رہے۔ اسی طرح سرمایہ کاری اور Flis کو قرضے 95 فی صد کی بڑے پیمانے پر YOY نمو کے ساتھ 1,142 بلین روپے رہے۔ بینک کی کپیٹل ایکٹیو ریشٹو میں خاطر خواہ بہتری درج کی گئی جو 30 ستمبر 2022 تک 14.14 فی صد کے مقابلے میں 17.08 فی صد رہی۔ اس کے مطابق، بینک ریگولیٹری تقاضوں پر کافی مارجن کے ساتھ CAR اور MCR کی ریگولیٹری سرمائے کی ضروریات کے مطابق کھڑا رہا۔ یہ مستقبل میں مزید اضافہ اور سال 2023 کے اہداف کے حصول کے لئے درست سمت کا تعین کرتا ہے۔

بینک کو PACRAs / M کی طرف سے "AA+" کی طویل مدتی ہستی کی درجہ بندی تقویض کی گئی ہے اور مختصر مدت کی درجہ بندی "A1+" کے اعلیٰ ترین درجے پر ہے۔ بینک کے پاس اس وقت 780 آن لائن برانچوں کا نیٹ ورک ہے جس میں 140 تقویٰ اسلامی بینکنگ برانچز اور 16 ذیلی شاخیں شامل ہیں۔ مزید برآں، بینک کے پاس 783 ATMs کا نیٹ ورک ہے جو صارفین کو 24/7 بینکنگ خدمات فراہم کرتا ہے۔ اس کے علاوہ، بینک اپنے قابل قدر کارکنوں 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 منیجمنٹ سروسز شامل ہیں۔

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

بورڈ آف ڈائریکٹرز کی جانب سے

  
ڈائریکٹر

  
پریذیڈنٹ/سی ای او

Unconsolidated Condensed Interim  
**FINANCIAL  
STATEMENTS**  
For the nine months ended September 30, 2023





# Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2023

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
<b>ASSETS</b>			
Cash and balances with treasury banks	7	89,398,846	73,203,096
Balances with other banks	8	1,837,958	4,814,454
Lendings to financial institutions	9	15,985,000	69,819,342
Investments - net	10	1,125,923,722	638,258,636
Advances - net	11	864,714,785	589,581,439
Fixed assets	12	31,433,376	30,339,290
Intangible assets	13	1,892,741	1,767,987
Deferred tax assets - net	14	12,520,058	14,554,517
Other assets - net	15	114,830,133	59,551,375
		2,258,536,619	1,481,890,136
<b>LIABILITIES</b>			
Bills payable	17	8,204,744	6,323,641
Borrowings	18	624,571,179	80,820,212
Deposits and other accounts	19	1,392,846,784	1,227,339,490
Liabilities against assets subject to finance lease		-	-
Subordinated debts	20	29,493,900	17,203,760
Deferred tax liabilities		-	-
Other liabilities - net	21	129,700,042	85,151,020
		2,184,816,649	1,416,838,123
<b>NET ASSETS</b>		73,719,970	65,052,013
<b>REPRESENTED BY</b>			
Share capital - net	22	32,452,535	29,478,381
Reserves		13,880,646	12,683,892
Surplus / (deficit) on revaluation of assets - net of tax	23	123,799	(2,323,430)
Unappropriated profit		27,262,990	25,213,170
		73,719,970	65,052,013
<b>CONTINGENCIES AND COMMITMENTS</b>	24		

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

  
Chief Financial Officer

  
President

  
Chairman

  
Director

  
Director

# Unconsolidated Condensed Interim Profit and Loss Account

For the Nine Months Ended September 30, 2023 (Un-audited)

	Note	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Rupees in '000'					
Mark-up / return / interest earned	25	97,124,958	35,662,434	223,945,247	94,542,404
Mark-up / return / interest expensed	26	86,450,372	28,648,145	195,853,227	71,664,196
Net mark-up / interest income		10,674,586	7,014,289	28,092,020	22,878,208
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	27	1,930,770	1,646,191	6,467,259	5,000,882
Dividend income		90,979	167,381	336,848	388,297
Foreign exchange (loss) / income		(1,153,551)	903,623	(377,056)	1,589,421
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities - net	28	296,527	49,214	336,268	(811,797)
Other income - net	29	1,869,803	9,410	2,002,572	207,530
Total non-markup / interest income		3,034,528	2,775,819	8,765,891	6,374,333
Total income		13,709,114	9,790,108	36,857,911	29,252,541
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	30	8,820,365	6,553,923	27,477,895	20,416,196
Workers' welfare fund		50,709	63,560	119,675	210,631
Other charges	31	176	762	8,806	34,556
Total non-markup / interest expenses		8,871,250	6,618,245	27,606,376	20,661,383
Profit before provisions		4,837,864	3,171,863	9,251,535	8,591,158
(Reversal of provisions) / provisions and write offs - net	32	(186,712)	(915,068)	308,221	(3,855,313)
Extra ordinary / unusual items		-	-	-	-
<b>PROFIT BEFORE TAXATION</b>		5,024,576	4,086,931	8,943,314	12,446,471
Taxation - net	33	2,489,116	1,909,719	2,959,542	4,848,438
<b>PROFIT AFTER TAXATION</b>		2,535,460	2,177,212	5,983,772	7,598,033
<b>Basic earnings per share - Rupees</b>	34	0.77	(Restated) 0.67	1.83	(Restated) 2.32
<b>Diluted earnings per share - Rupees</b>	35	0.77	0.67	1.83	2.32

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

 Chief Financial Officer	 President	 Chairman	 Director	 Director
--	--	---	---	---

# Unconsolidated Condensed Interim Statement of Comprehensive Income

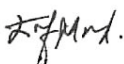
For the Nine Months Ended September 30, 2023 (Un-audited)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
	Rupees in '000'			
Profit after taxation for the period	2,535,460	2,177,212	5,983,772	7,598,033
Other comprehensive (loss) / income for the period:				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of investments - net of tax	4,041,169	5,295,649	2,977,723	1,402,430
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / loss on defined benefit obligations	-	-	-	-
Movement in surplus on revaluation of fixed / non-banking assets - net of tax	-	-	(297,195)	574,026
	-	-	(297,195)	574,026
<b>Total comprehensive income for the period</b>	<b>6,576,629</b>	<b>7,472,861</b>	<b>8,664,300</b>	<b>9,574,489</b>

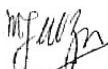
The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



President



Chairman



Director



Director

# Unconsolidated Condensed Interim Statement of Changes in Equity

For the Nine Months Ended September 30, 2023 (Un-audited)

	Rupees in '000'							Total		
	Share capital	Discount on issue of shares	Share capital - net	Share premium	Reserve for issuance of bonus shares	Statutory reserve	Investments		Fixed / non banking assets	Unappropriated profit
<b>Balance as on January 01, 2022 - audited</b>	26,436,924	(263,158)	26,173,766	2,215,040	-	8,302,011	(6,446,164)	5,077,454	19,510,769	54,832,878
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	1,402,430	574,026	7,598,033	7,598,033
Other comprehensive income	-	-	-	-	-	-	-	-	-	1,976,466
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	-	1,402,430	574,026	7,598,033	9,574,489
Transfer to statutory reserve during the period	-	-	-	-	-	1,519,607	-	-	(1,519,607)	-
Transfer from surplus on evaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(62,590)	-	-	52,590	-
Transfer from surplus on evaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	(2,666)	-	-	2,666	-
Transfer from surplus on evaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(99,487)	41,272	1,785
<b>Transactions with owners recognized directly in equity:</b>										
Final stock dividend - December 31, 2021, declared subsequent to year end at 12.5% per share	3,304,615	-	3,304,615	-	3,304,615	-	-	-	(3,304,615)	-
Issuance of bonus shares during the period	3,304,615	-	3,304,615	-	(3,304,615)	-	-	-	(3,304,615)	-
<b>Balance as on September 30, 2022 - un-audited</b>	29,741,539	(263,158)	29,478,381	2,215,040	-	9,821,618	(5,043,734)	5,556,737	22,381,108	64,409,150
Profit after taxation for the three months ended December 31, 2022	-	-	-	-	-	-	(2,775,531)	12,800	3,236,174	3,236,174
Other comprehensive (loss) / income	-	-	-	-	-	-	-	-	(169,420)	(2,693,311)
Total comprehensive (loss) / income for the three months ended December 31, 2022	-	-	-	-	-	-	(2,775,531)	12,800	3,405,594	642,863
Transfer to statutory reserve during the period	-	-	-	-	-	647,234	-	-	(647,234)	-
Transfer from surplus on evaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(71,070)	71,070	-
Transfer from surplus on evaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,632)	2,632	-
<b>Balance as on December 31, 2022 - audited</b>	29,741,539	(263,158)	29,478,381	2,215,040	-	10,468,852	(7,819,265)	5,495,935	25,213,170	65,052,013
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	-	2,977,723	(297,195)	5,983,772	5,983,772
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-	(297,195)	(2,660,528)
Total comprehensive income / (loss) 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 evaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(90,980)	90,980	-
Transfer from surplus on evaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(3,693)	3,693	-
Transfer from surplus on evaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(138,626)	142,283	3,657
<b>Transactions with owners recognized directly in equity:</b>										
Final stock dividend - December 31, 2022, declared subsequent to year end at 10% per share	2,974,154	-	2,974,154	-	2,974,154	-	-	-	(2,974,154)	-
Issuance of bonus shares during the period	2,974,154	-	2,974,154	-	(2,974,154)	-	-	-	(2,974,154)	-
<b>Balance as on September 30, 2023 - un-audited</b>	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

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

  
Chief Financial Officer

  
President

  
Chairman

  
Director

  
Director

# Unconsolidated Condensed Interim Cash Flow Statement

For the Nine Months Ended September 30, 2023 (Un-audited)

	Note	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
		Rupees in '000'	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		8,943,314	12,446,471
Less: Dividend income		(336,848)	(388,297)
		8,606,466	12,058,174
Adjustments:			
Depreciation on fixed assets	30	1,366,234	1,177,450
Depreciation on non banking assets acquired in satisfaction of claims	30	16,760	27,182
Depreciation on ijarah assets under IFAS - 2	30	135,573	97,376
Depreciation on right of use assets	30	1,240,046	912,907
Amortization on intangible assets	30	166,828	190,072
Amortization of discount on debt securities - net		(6,068,715)	(3,343,628)
Mark-up on lease liability against right of use assets	26	1,404,255	1,032,029
Unrealized (gain) / loss on revaluation of investments classified as held for trading	28	(11,438)	39,140
(Reversal of provisions) / Provisions and write-offs - net	32	308,221	(3,855,313)
Workers' welfare fund		119,675	210,631
Gain on termination of lease liability against right of use assets	29	(127,167)	(9,378)
Gain on sale of property and equipment - net	29	(7,604)	(63,445)
Gain on sale of non banking assets - net	29	(1,841,632)	(114,420)
Realized (gain) / loss on sale of securities - net	28	(324,830)	772,657
Provision for employees compensated absences		17,507	9,030
Provision for gratuity		334,169	255,024
		(3,272,118)	(2,662,686)
		5,334,348	9,395,488
Increase / (decrease) in operating assets:			
Lendings to financial institutions		53,834,342	21,152,011
Held for trading securities		(3,617,088)	31,683,439
Advances - net		(274,642,698)	(64,304,400)
Others assets - net		(56,054,842)	(14,804,463)
		(280,480,286)	(26,273,413)
Increase / (decrease) in operating liabilities:			
Bills payable		1,881,103	(2,660,606)
Borrowings from financial institutions		542,643,862	41,284,659
Deposits		165,507,294	37,535,490
Other liabilities (excluding taxation - net and gratuity fund)		46,334,539	15,526,875
		756,366,798	91,686,418
Payment made to gratuity fund		(171,152)	(268,144)
Income tax paid		(5,212,693)	(3,809,463)
		(5,383,845)	(4,077,607)
<b>Net cash flow generated from operating activities</b>		<b>475,837,015</b>	<b>70,730,886</b>

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

For the Nine Months Ended September 30, 2023 (Un-audited)

		Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
	Note	Rupees in '000'	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in available for sale securities		(474,124,405)	(39,061,631)
Net investments in held to maturity securities		-	(34,041,392)
Dividends received		333,253	381,187
Investments in operating fixed assets		(2,617,879)	(2,485,466)
Investments in intangible assets		(291,582)	(718,629)
Proceeds from sale of fixed assets		15,909	68,198
Proceeds from sale of non banking assets acquired in satisfaction of claims		2,486,784	731,323
Investment in subsidiary	10.1.3	(110,487)	-
<b>Net cash flow used in investing activities</b>		<b>(474,308,407)</b>	<b>(75,126,410)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of subordinated debts		(2,494,860)	(1,360)
Subscription received - subordinated perpetual term finance certificates		-	7,017,500
Advance subscription received - subordinated perpetual term finance certificates ADT-I 2nd issue	20.2	3,900,000	-
Subscription received - privately placed term finance certificates - III		4,600,000	-
Advance subscription received - privately placed term finance certificates - IV	20.6	6,285,000	-
Payment of lease liability against right of use assets		(1,706,599)	(1,314,208)
<b>Net cash flow from financing activities</b>		<b>10,583,541</b>	<b>5,701,932</b>
<b>Increase in cash and cash equivalents</b>		<b>12,112,149</b>	<b>1,306,408</b>
Cash and cash equivalents at beginning of the period		78,017,550	80,036,375
Cash and cash equivalents at end of the period		90,129,699	81,342,783
<b>Cash and cash equivalents:</b>			
Cash and balances with treasury banks	7	89,398,846	78,138,896
Balances with other banks	8	1,837,958	3,210,862
Overdrawn nostro accounts		(1,107,105)	(6,975)
		90,129,699	81,342,783

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

 Chief Financial Officer	 President	 Chairman	 Director	 Director
--	--	---	---	---

# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2023 (Un-audited)

## 1. STATUS AND NATURE OF BUSINESS

The Bank of Punjab (the Bank) was constituted in Pakistan pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 780 branches including 16 sub branches and 140 Islamic banking branches (December 31, 2022: 780 branches including 16 sub branches and 140 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank also has 63 Islamic banking windows (December 31, 2022: 40) The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ with stable outlook and short term rating of A1+ to the Bank.

## 2. BASIS OF PRESENTATION

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

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

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

### 2.1 Statement of compliance

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

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

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

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

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

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

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

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

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

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

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



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

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

### 3. BASIS OF MEASUREMENT

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

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

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

### 6. FINANCIAL RISK MANAGEMENT

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

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
<b>7. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand:			
Local currency		19,957,228	26,710,371
Foreign currencies		2,105,997	1,491,640
		22,063,225	28,202,011
With SBP in:			
Local currency current account		52,466,331	38,888,327
Foreign currency current account		2,611,226	1,797,861
Foreign currency deposit accounts		6,051,028	3,734,458
		61,128,585	44,420,646
With National Bank of Pakistan in:			
Local currency current account		6,049,279	519,449
Prize bonds		157,757	60,990
		89,398,846	73,203,096
<b>8. BALANCES WITH OTHER BANKS</b>			
In Pakistan:			
Current accounts		39,377	69,188
Deposit accounts		1,589	1,710
		40,966	70,898
Outside Pakistan:			
Current accounts		1,023,864	2,233,769
Deposit accounts		773,128	2,509,787
		1,796,992	4,743,556
		1,837,958	4,814,454
<b>9. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Repurchase agreement lendings (Reverse Repo)	9.2	14,000,000	52,244,342
Placements	9.3	1,985,000	17,575,000
		15,985,000	69,819,342
<b>9.1 Particulars of lendings</b>			
In local currency		15,985,000	69,819,342
In foreign currencies		-	-
		15,985,000	69,819,342

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

	(Un-audited) September 30, 2023			(Audited) December 31, 2022		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	R u p e e s i n ' 0 0 0 '					
Market treasury bills	-	-	-	52,244,342	-	52,244,342
Pakistan investment bonds	14,000,000	-	14,000,000	-	-	-
	14,000,000	-	14,000,000	52,244,342	-	52,244,342

Market value of securities held as collateral as at September 30, 2023 amounted to Rs. 9,735,782 thousand (December 31, 2022: Rs. 52,351,059 thousand). These carry mark-up at 21.95% per annum (December 31, 2022: 16.00% to 16.40% per annum).

9.3 These carry profit rate of 18.61% per annum (December 31, 2022: 14.65% to 16.20% per annum) with maturities up to August 31, 2026.

## 10. INVESTMENTS - NET

### 10.1 Investments by type:

	Note	(Un-audited) September 30, 2023				(Audited) December 31, 2022			
		Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
		R u p e e s i n ' 0 0 0 '							
<b>Held-for-trading securities</b>									
Federal government securities	10.1.1	10,044,014	-	11,438	10,055,452	6,048,429	-	(1,471)	6,046,958
Ordinary shares		-	-	-	-	383,064	-	(62,038)	321,026
		10,044,014	-	11,438	10,055,452	6,431,493	-	(63,509)	6,367,984
<b>Available-for-sale securities</b>									
Federal government securities	10.1.1 & 10.2	1,003,237,744	-	(8,857,847)	994,379,897	624,597,694	-	(12,526,946)	612,070,748
Shares		10,057,008	(2,088,070)	(646,727)	7,322,211	11,148,229	(2,156,597)	(1,144,246)	7,847,386
Mutual fund & investment trust units		2,628,680	-	17,735	2,646,415	2,628,680	-	6,458	2,635,138
Non government debt securities		15,898,582	(2,601,335)	(6,380)	13,290,867	14,936,247	(2,441,149)	(53,276)	12,441,822
Foreign securities		11,957	-	-	11,957	11,957	-	-	11,957
		1,031,833,971	(4,689,405)	(9,493,219)	1,017,651,347	553,322,807	(4,597,746)	(13,718,010)	535,007,051
<b>Held-to-maturity securities</b>									
Federal government securities	10.1.1 & 10.4	98,106,436	-	-	98,106,436	96,883,601	-	-	96,883,601
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		98,106,836	(400)	-	98,106,436	96,884,001	(400)	-	96,883,601
<b>Subsidiaries</b>	10.1.3	275,432	(164,945)	-	110,487	164,945	(164,945)	-	-
<b>Total investments</b>		1,140,260,253	(4,854,750)	(9,481,781)	1,125,923,722	656,803,246	(4,763,091)	(13,781,519)	638,258,636

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

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

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		R u p e e s i n ' 0 0 0 '	
<b>10.1.3 Investment in subsidiaries</b>			
Punjab Modaraba Services (Private) Limited		164,945	164,945
Punjab Capital Securities (Private) Limited	10.1.4	110,487	-
		275,432	164,945
Provision for diminution held against Punjab Modaraba Services (Private) Limited		(164,945)	(164,945)
<b>Closing balance</b>		110,487	-

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

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
<b>10.2 Investments given as collateral - at cost / amortised cost</b>			
Market treasury bills		-	1,380,412
Pakistan investment bonds		572,124,822	506,634
		572,124,822	1,887,046
<b>10.3 Provision for diminution in value of investments</b>			
<b>10.3.1 Movement in provision for diminution in value of investments</b>			
Opening balance		4,763,091	4,110,937
Charge / (reversals):			
Charge for the period / year		943,086	1,462,220
Reversals for the period / year		(126,418)	(84,414)
	32	816,668	1,377,806
Reversal on disposal during the period / year		(725,009)	(725,652)
Closing balance		4,854,750	4,763,091

**10.3.2 Particulars of provision against debt securities**

Category of classification	(Un-audited) September 30, 2023		(Audited) December 31, 2022	
	NPI	Provision	NPI	Provision
Rupees in '000'				
<b>Domestic</b>				
Loss	2,601,735	2,601,735	2,441,549	2,441,549
<b>Total</b>	2,601,735	2,601,735	2,441,549	2,441,549

- 10.4 Market value of held to maturity investments amounted to Rs. 79,854,708 thousand (December 31, 2022: Rs. 87,756,050 thousand).

**11. ADVANCES - NET**

	Performing		Non Performing		Total	
	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Rupees in '000'						
Loans, cash credits, running finances, etc. Net book value of assets in ijarah under IFAS 2 - In Pakistan	747,648,961	496,499,192	47,435,205	48,468,065	795,084,166	544,967,257
Islamic financing and related assets	2,033,424	2,272,312	32,625	189,245	2,066,049	2,461,557
Bills discounted and purchased	83,497,538	52,397,637	3,101,510	2,886,934	86,599,048	55,284,571
	25,116,580	31,645,333	17,221	17,221	25,133,801	31,662,554
Advances - gross	858,296,503	582,814,474	50,586,561	51,561,465	908,883,064	634,375,939
Provision against advances:						
- Specific	-	-	(43,541,871)	(44,179,521)	(43,541,871)	(44,179,521)
- General	(626,408)	(614,979)	-	-	(626,408)	(614,979)
	(626,408)	(614,979)	(43,541,871)	(44,179,521)	(44,168,279)	(44,794,500)
Advances - net of provision	857,670,095	582,199,495	7,044,690	7,381,944	864,714,785	589,581,439

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
<b>11.1 Particulars of advances (gross)</b>		
In local currency	902,125,852	628,970,208
In foreign currencies	6,757,212	5,405,731
	<b>908,883,064</b>	<b>634,375,939</b>

11.2 Advances include Rs. 50,586,561 thousand (December 31, 2022: Rs. 51,561,465 thousand) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited) September 30, 2023		(Audited) December 31, 2022	
	Non performing loans	Provision	Non performing loans	Provision
	Rupees in '000'			
<b>Domestic</b>				
Other assets especially mentioned	472,951	11,349	258,462	5,390
Substandard	713,437	102,171	2,394,414	109,910
Doubtful	4,148,675	1,277,277	2,872,452	982,934
Loss	45,251,498	42,151,074	46,036,137	43,081,287
<b>Total</b>	<b>50,586,561</b>	<b>43,541,871</b>	<b>51,561,465</b>	<b>44,179,521</b>

11.3 Particulars of provision against advances

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000'					
Opening balance	44,179,521	614,979	44,794,500	46,702,829	3,054,945	49,757,774
Charge for the period / year	1,470,984	11,429	1,482,413	1,427,397	60,034	1,487,431
Reversals for the period / year	(2,108,634)	-	(2,108,634)	(3,950,705)	(2,500,000)	(6,450,705)
Amounts written off	(637,650)	11,429	(626,221)	(2,523,308)	(2,439,966)	(4,963,274)
Closing balance	43,541,871	626,408	44,168,279	44,179,521	614,979	44,794,500

11.3.1 Particulars of provision against advances with respect to currencies

In local currency	43,541,871	626,408	44,168,279	44,179,521	614,979	44,794,500
In foreign currencies	-	-	-	-	-	-
	<b>43,541,871</b>	<b>626,408</b>	<b>44,168,279</b>	<b>44,179,521</b>	<b>614,979</b>	<b>44,794,500</b>

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

11.3.3 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 3,200,628 thousand (December 31, 2022: Rs 3,115,010 thousand). The FSV benefit availed is not available for cash or stock dividend.

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
<b>12. FIXED ASSETS</b>			
Capital work-in-progress	12.1	695,838	980,802
Right of use assets		11,952,906	12,102,160
Property and equipment		18,784,632	17,256,328
		31,433,376	30,339,290
<b>12.1 Capital work-in-progress</b>			
Civil works		695,838	980,802
		(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
Rupees in '000'			
<b>12.2 Additions to fixed assets</b>			
The following additions / transfers have been made to fixed assets during the period:			
<b>Capital work-in-progress</b>		(284,964)	739,473
<b>Property and equipment:</b>			
Building on freehold land		68,061	3,844,430
Furniture and fixtures		252,980	166,827
Electrical and office equipments		401,474	307,488
Computer equipments		885,243	597,063
Lease hold improvements		1,191,735	485,671
Vehicles		103,350	188,944
		2,902,843	5,590,423
		2,617,879	6,329,896
<b>12.3 Addition to right of use assets</b>		1,200,636	2,973,239
<b>12.4 Termination of right of use assets</b>		109,842	85,854
<b>12.5 Disposal of property and equipment:</b>			
The net book value of property and equipment disposed off during the period is as follows:			
Furniture and fixtures		3,786	1,793
Electrical and office equipments		4,181	2,646
Computer equipments		338	314
Vehicles		-	-
		8,305	4,753

Gross carrying amount / cost of vehicles disposed off during the period was Rs. 31,731 thousand. (September 30, 2022: Rs. 49,802 thousand).

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
<b>13. INTANGIBLE ASSETS</b>		
Capital work-in-progress	508,199	370,152
Softwares	1,384,542	1,397,835
	1,892,741	1,767,987

	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
	Rupees in '000'	
<b>13.1 Additions to intangible assets</b>		
The following additions have been made to intangible assets during the period:		
Intangible in progress	138,047	(82,203)
Intangible assets purchased	153,535	800,832
	291,582	718,629

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
<b>14. DEFERRED TAX ASSETS - NET</b>		
Deductible temporary differences on:		
Deficit on revaluation of investments	4,651,677	5,898,745
Right of use assets -net	1,499,988	967,786
Workers Welfare Fund	542,140	424,296
Provision against advances	8,897,598	9,894,016
	15,591,403	17,184,843
Taxable temporary differences on:		
Surplus on revaluation of property and equipment	(2,243,573)	(2,045,558)
Accelerated tax depreciation	(738,874)	(500,433)
Surplus on revaluation of non banking assets	(88,898)	(84,335)
	(3,071,345)	(2,630,326)
	12,520,058	14,554,517

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
<b>15. OTHER ASSETS - NET</b>			
Income / mark-up accrued in local currency		87,496,602	35,599,543
Income / mark-up accrued in foreign currency		5,641	2,639
Advances, deposits, advance rent and other prepayments		1,771,703	1,292,514
Non-banking assets acquired in satisfaction of claims		2,021,167	2,533,555
Acceptances	21	18,636,517	17,268,248
Branch adjustment account		-	27,811
Stock of stationery		500,756	279,117
Suspense account		113,007	51,416
Zakat recoverable from National Investment Trust Limited (NITL)		36,790	36,790
Unrealized gain on revaluation of foreign bills and trade loans		-	105,884
Claims receivable against fraud and forgeries		398,647	246,077
Auto Teller Machine and Point of Sale receivable - net		356,955	200,131
IBFT receivable		938,877	389,268
Pakistan Remittance Initiative rebate settlement		493,342	147,823
Receivable against sale of shares		690,623	124,292
Others		1,093,588	706,618
		114,554,215	59,011,726
Less: Provision held against other assets	15.1	(749,224)	(635,017)
Other assets (net of provision)		113,804,991	58,376,709
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	1,025,142	1,174,666
Other assets - total		114,830,133	59,551,375
<b>15.1 Provision held against other assets</b>			
Advances, deposits, advance rent & other prepayments		35,723	35,723
Non banking assets acquired in satisfaction of claims		30,876	30,876
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries	15.1.2	333,618	219,411
Others		312,217	312,217
	15.1.1	749,224	635,017
<b>15.1.1 Movement in provision held against other assets</b>			
Opening balance		635,017	1,914,474
Charge for the period / (year)		120,334	33,619
Reversals during the period / (year)		(2,560)	(1,307,908)
		117,774	(1,274,289)
Amount written off		(3,567)	(5,168)
Closing balance		749,224	635,017

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



	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
<b>16. CONTINGENT ASSETS</b>		
Contingent assets	Nil	Nil
<b>17. BILLS PAYABLE</b>		
In Pakistan	8,204,744	6,323,641
Outside Pakistan	-	-
	8,204,744	6,323,641
<b>18. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from SBP under:		
Export refinance scheme (ERF)	28,937,871	31,180,373
Long term financing facility (LTFF)	11,961,230	13,668,052
Finance facility for storage of agricultural produce (FFSAP)	194,993	224,873
Finance facility for renewable energy performance platform (REPP)	6,448,808	6,693,669
Refinancing facility for payment of salaries and wages	-	969,351
Refinancing facility for combating COVID-19	889,941	1,042,632
Refinancing facility for working capital of small and medium enterprises	64,891	69,000
Finance facility for temporary relief refinance scheme (TERF)	19,731,909	19,889,392
Finance facility for women entrepreneurs	1,000	1,300
Finance Islamic facility for saaf rozgar reimbursement credit	3,286,917	3,840,524
Finance facility for shamsi tawanai consumer	45,692	50,981
Refinancing facility for modernization of small and medium enterprises (SMEs)	148,145	175,343
	71,711,397	77,805,490
Repurchase agreement borrowings	550,229,544	1,379,807
Borrowing from Pakistan Mortgage Refinance Company Limited	1,523,133	1,634,915
<b>Total secured</b>	623,464,074	80,820,212
<b>Unsecured</b>		
Overdrawn nostro accounts	1,107,105	-
	624,571,179	80,820,212

## 19. DEPOSITS AND OTHER ACCOUNTS

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
<b>Rupees in '000'</b>						
<b>Customers:</b>						
Current deposits	215,184,032	7,060,578	222,244,610	207,308,574	4,661,424	211,969,998
Savings deposits	605,661,864	5,105,653	610,767,517	553,914,328	3,861,179	557,775,507
Term deposits	461,941,582	37,719,561	499,661,143	361,810,847	25,430,470	387,241,317
Others	23,514,832	-	23,514,832	24,170,731	-	24,170,731
	1,306,302,310	49,885,792	1,356,188,102	1,147,204,480	33,953,073	1,181,157,553
<b>Financial institutions:</b>						
Current deposits	1,679,893	876,379	2,556,272	2,481,448	1,375,936	3,857,384
Savings deposits	32,593,085	4,953	32,598,038	20,629,277	3,785	20,633,062
Term deposits	1,470,000	-	1,470,000	21,643,000	-	21,643,000
Others	34,372	-	34,372	48,491	-	48,491
	35,777,350	881,332	36,658,682	44,802,216	1,379,721	46,181,937
	1,342,079,660	50,767,124	1,392,846,784	1,192,006,696	35,332,794	1,227,339,490

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
<b>Rupees in '000'</b>			
<b>20. SUBORDINATED DEBTS</b>			
Subordinated perpetual term finance certificates - ADT I	20.1	8,017,500	8,017,500
Advance subscription money - subordinated perpetual term finance certificates - ADT I 2nd Issue	20.2	3,900,000	-
Privately placed term finance certificates - I	20.3	-	2,494,000
Privately placed term finance certificates - II	20.4	4,291,400	4,292,260
Privately placed term finance certificates - III	20.5	7,000,000	2,400,000
Advance subscription money - privately placed term finance certificates - IV	20.6	6,285,000	-
		29,493,900	17,203,760

### 20.1 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, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 8,017,500 thousand
Issue date:	June 20, 2022
Maturity date:	Perpetual
Rating:	"AA-" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	Perpetual
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.
Profit rate:	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	Not applicable.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.

Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

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

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

## 20.3 Privately placed term finance certificates - I

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

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

#### 20.4 Privately placed term finance certificates - II

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

Issue amount:	Rs. 4,300,000 thousand
Issue date:	April 23, 2018
Maturity date:	April 23, 2028
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

#### 20.5 Privately placed term finance certificates - III

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

Issue amount:	Rs. 7,000,000 thousand
Issue date:	April 17, 2023
Maturity date:	April 17, 2033
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).

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

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

Prior to close of period ended September 30, 2023, the Bank received Rs. 6,285,000 thousand under formal investor agreement from potential investors as advance subscription money against rated, privately placed / listed, unsecured and subordinated debt instrument in the nature of Tier II capital term finance certificates. The instrument will be unsecured and subordinated as to payment of principal and profit to other indebtedness of the Bank, including deposits, but will rank pari passu with other Tier II instruments and superior to Additional Tier I instruments. The instrument will be structured to redeem 0.36% of the issue amount during the first 9 years after the issue date and the remaining issue amount of 99.64% in two (2) equal semi - annual installments of 49.82% each in the last year. The advance subscription money carries mark-up at rate of 6 month KIBOR plus spread of 125 bps per annum.

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
<b>21. OTHER LIABILITIES - NET</b>			
Mark-up / return / interest payable in local currency		64,664,613	29,550,942
Mark-up / return / interest payable in foreign currency		1,592,272	644,270
Lease key money		14,741,103	13,384,899
Provision for taxation (provisions less payments)		473,401	3,220,400
Sundry creditors and accrued expenses		1,617,639	1,509,474
Acceptances	15	18,636,517	17,268,248
Mark-up payable on subordinated debts		2,541,681	206,610
Unclaimed dividends		2,586	2,586
Branch adjustment account	15	69,198	-
Unrealized loss on revaluation of foreign bills and trade loans	15	178,691	-
Payable to gratuity fund		334,169	171,152
Gratuity payable to key management personnel		12,190	12,190
Payable to charity fund		384	195
Provision against off-balance sheet obligations	21.2	43,983	43,983
Provision for employees compensated absences		170,309	153,884
Mark to market loss on forward foreign exchange contracts - net		2,918,132	112,585
Taxes / zakat / import fee payable		2,757,871	1,770,460
Lease liability against right of use assets		15,014,108	14,352,825
Workers' Welfare Fund	21.1	1,391,368	1,271,693
Others		2,539,827	1,474,624
		129,700,042	85,151,020

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

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

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

## 22. SHARE CAPITAL - NET

### 22.1 Authorized capital

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

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

### 22.2 Issued, subscribed and paid up capital

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

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

	Note	(Un-audited) September 30, 2023 Rupees in '000'	(Audited) December 31, 2022
<b>23. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX</b>			
Surplus / (deficit) on revaluation of:			
- Available for sale securities	10.1	(9,493,219)	(13,718,010)
- Property and equipment		6,272,670	6,451,062
- Non-banking assets acquired in satisfaction of claims	15	1,025,142	1,174,666
		(2,195,407)	(6,092,282)
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		4,651,677	5,898,745
- Property and equipment		(2,243,573)	(2,045,558)
- Non-banking assets acquired in satisfaction of claims		(88,898)	(84,335)
		2,319,206	3,768,852
		123,799	(2,323,430)
<b>24. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	24.1	125,438,747	99,484,058
Commitments	24.2	457,658,373	401,862,159
Other contingent liabilities	24.3	291,951	291,951
		583,389,071	501,638,168
<b>24.1 Guarantees:</b>			
Financial guarantees		31,495,793	22,805,891
Performance guarantees		23,813,854	22,031,727
Other guarantees		70,129,100	54,646,440
		125,438,747	99,484,058
<b>24.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		181,303,986	170,302,819
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	259,232,037	198,951,177
- forward lending	24.2.2	16,896,323	32,465,327
Commitments for acquisition of:			
- fixed assets		84,889	23,097
- intangible assets		141,138	119,739
		457,658,373	401,862,159
<b>24.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		144,140,033	105,509,624
Sale		115,092,004	93,441,553
		259,232,037	198,951,177

	Note	(Un-audited) September 30, 2023 Rupees in '000'	(Audited) December 31, 2022
<b>24.2.2 Commitments in respect of forward lending</b>			
Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.2.1	16,896,323	32,465,327

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

	Note	(Un-audited) September 30, 2023 Rupees in '000'	(Audited) December 31, 2022
<b>24.3 Other contingent liabilities</b>	24.3.1	291,951	291,951

**24.3.1** For tax years 2014 - 2022, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans.

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

#### 24.4 Claims against the Bank not acknowledged as debts

An amount of Rs. 46,243,295 thousand (December 31, 2022: Rs. 51,158,973 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

		(Un-audited) September 30, 2023 Rupees in '000'	(Un-audited) September 30, 2022
<b>25. MARK-UP / RETURN / INTEREST EARNED</b>			
On loans and advances		105,675,408	45,314,905
On investments:			
Available for sale securities		102,483,440	39,047,196
Held for trading securities		2,884,700	676,549
Held to maturity securities		8,727,468	7,737,922
On lendings to financial institutions:			
Repurchase agreement lendings (Reverse Repo)		2,717,014	847,136
Call money lendings		8,951	42,758
Placements		1,095,749	640,027
On balances with banks		352,517	235,911
		223,945,247	94,542,404



	Note	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
		Rupees in '000'	
<b>26. MARK-UP / RETURN / INTEREST EXPENSED</b>			
Deposits and other accounts		133,302,892	60,779,578
Borrowings:			
Securities sold under repurchase agreements		53,754,246	7,391,636
Call borrowings		64,862	9,420
Borrowing from Pakistan Mortgage Refinance Company Limited		81,276	109,763
SBP refinance borrowings		3,415,524	1,114,896
Other borrowings		-	8,607
Subordinated debts:			
Mark-up on subordinated perpetual term finance certificates		1,642,805	543,995
Mark-up on privately placed term finance certificates		2,187,367	674,272
Mark-up on lease liability against right of use assets		1,404,255	1,032,029
		195,853,227	71,664,196
<b>27. FEE AND COMMISSION INCOME</b>			
Branch banking customer fees		285,716	283,567
Consumer finance related fees		392,621	279,526
Card related fees		889,090	877,894
Credit related fees		665,335	793,188
Investment banking fees		314,010	368,555
Branchless banking fees		91,261	141,798
Commission on trade		1,033,032	787,739
Commission on guarantees		335,501	314,022
Commission on cash management		226,637	196,628
Commission on remittances including home remittances		315,810	333,231
Commission on bancassurance		170,884	77,947
Commission on wheat financing		1,259,096	189,655
SMS banking income		488,266	357,132
		6,467,259	5,000,882
<b>28. GAIN / (LOSS) ON SECURITIES - NET</b>			
Realized gain / (loss) on sale of securities - net	28.1	324,830	(772,657)
Unrealized gain / (loss) - held for trading		11,438	(39,140)
		336,268	(811,797)
<b>28.1 Realized gain / (loss) on sale of securities - net:</b>			
Federal government securities		5,660	(676,345)
Shares		319,170	(96,312)
		324,830	(772,657)
<b>29. OTHER INCOME - NET</b>			
Gain on sale of property and equipment - net		7,604	63,445
Gain on sale of non banking assets - net		1,841,632	114,420
Gain on termination of lease liability against right of use assets		127,167	9,378
Notice pay on resignations		26,169	20,287
		2,002,572	207,530

	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
Note	Rupees in '000'	
<b>30. OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	13,843,094	10,878,449
<b>Property expense:</b>		
Rent and taxes	29,625	18,892
Insurance	11,333	7,660
Utilities cost	1,082,851	831,732
Security	6,988	816
Repair and maintenance including janitorial charges	87,097	63,755
Depreciation	562,230	552,381
Depreciation on right of use assets	1,240,046	912,907
	3,020,170	2,388,143
<b>Information technology expenses:</b>		
Software maintenance	929,037	423,168
Hardware maintenance	52,054	51,895
Depreciation on computer equipment	374,317	309,680
Amortization on intangible assets	166,828	190,072
Network charges	352,001	325,017
	1,874,237	1,299,832
<b>Other operating expenses:</b>		
Directors' fees and allowances	23,558	42,754
Fees and allowances to shariah board	7,005	6,860
Legal and professional charges	173,289	157,286
Subscription charges	30,879	29,839
Outsourced staff services costs	573,834	416,380
Travelling and conveyance	1,626,456	1,141,232
NIFT clearing charges	77,625	53,421
Depreciation	429,687	315,389
Depreciation on non banking assets acquired in satisfaction of claims	16,760	27,182
Depreciation on ijarah assets under IFAS - 2	135,573	97,376
Training and development	111,026	125,102
Postage and courier charges	198,788	169,714
Credit card charges	12,048	823
Stationery and printing	361,131	222,246
Marketing, advertisement and publicity	633,180	545,636
Donations	30.1	15,000
Auditors remuneration	4,868	2,843
Insurance	216,346	191,424
Deposit protection fee	435,771	381,961
Repair and maintenance	439,827	292,090
Entertainment expenses	211,394	145,652
Fuel for generator	226,927	180,726
Commission and brokerage	213,912	247,566
Bank charges	36,089	33,454
SMS banking charges	321,928	51,457
ATM charges including mastercard charges	1,152,737	289,456
Cash remittance charges	509,845	274,931
Branch license fee	20,142	16,664
CNIC verification / ECIB charges	237,024	149,204
Participation and arrangement fee against TFCs	77,864	21,619
Miscellaneous expenses	224,881	204,485
	8,740,394	5,849,772
	27,477,895	20,416,196

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

	Note	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
		Rupees in '000'	
<b>31. OTHER CHARGES</b>			
Penalties imposed by SBP		8,806	34,556
<b>32. PROVISIONS / (REVERSAL OF PROVISIONS) AND WRITE OFFS - NET</b>			
Provision for diminution in value of investments	10.3.1	816,668	1,134,990
Reversal of provision against advances	11.3	(626,221)	(3,860,822)
Provision / (reversal of provision) against other assets - net	15.1.1	117,774	(1,239,022)
Provision against off balance sheet obligations		-	109,541
		308,221	(3,855,313)
<b>33. TAXATION - NET</b>			
Current	33.1	2,465,694	5,217,869
Prior years		-	(13,283)
Deferred		493,848	(356,148)
		2,959,542	4,848,438

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

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

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

		(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
		Rupees in '000'	
<b>34. BASIC EARNINGS PER SHARE</b>			
Profit after taxation for the period (Rs in '000')		5,983,772	7,598,033
			(Restated)
Weighted average number of ordinary shares (No.)		3,271,569,319	3,271,569,319
Basic earnings per share - Rs.		1.83	2.32

**35. DILUTED EARNINGS PER SHARE**

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

**36. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, is determined on the

basis of the break-up value of these investments as per their latest available audited financial statements.

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

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

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

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

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

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

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

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

## 36.2 Fair value of financial assets

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

September 30, 2023 (Un-audited)					
Carrying value/ Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
<b>On balance sheet financial instruments</b>					
<b>Financial assets measured at fair value:</b>					
Government securities	1,004,435,349	-	1,004,435,349	-	1,004,435,349
Shares	7,322,211	7,300,951	21,260	-	7,322,211
Non-Government debt securities	8,993,097	-	8,993,097	-	8,993,097
Mutual fund & investment trust units	2,646,415	-	2,646,415	-	2,646,415
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	110,487	-	-	110,487	110,487
<b>Financial assets disclosed but not measured at fair value:</b>					
Government securities	98,106,436	-	79,854,708	-	79,854,708
Unlisted term finance certificates / sukuks	4,297,770	-	4,297,770	-	4,297,770
<b>Off balance sheet financial instruments:</b>					
Forward purchase of foreign exchange contracts	137,843,799	-	137,843,799	-	137,843,799
Forward sale of foreign exchange contracts	111,713,902	-	111,713,902	-	111,713,902
December 31, 2022 (Audited)					
Carrying value/ Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
<b>On balance sheet financial instruments</b>					
<b>Financial assets measured at fair value :</b>					
Government securities	518,117,706	-	518,117,706	-	518,117,706
Shares	8,168,412	8,148,885	19,527	-	8,168,412
Non-Government debt securities	8,856,478	-	8,856,478	-	8,856,478
Mutual funds & investment trust units	2,635,138	-	2,635,138	-	2,635,138
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	-	-	-	-	-
<b>Financial assets disclosed but not measured at fair value:</b>					
Government securities	96,883,601	-	87,756,050	-	87,756,050
Unlisted term finance certificates / sukuks / commercial paper	3,585,344	-	3,585,344	-	3,585,344
<b>Off balance sheet financial instruments:</b>					
Forward purchase of foreign exchange contracts	105,808,826	-	105,808,826	-	105,808,826
Forward sale of foreign exchange contracts	93,853,340	-	93,853,340	-	93,853,340

### 36.3 Fair value of non financial assets

September 30, 2023 (Un-audited)					
	Carrying value/ Notional Value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
<b>Non Financial assets measured at fair value :</b>					
Property and equipment (land & building)	12,100,489	-	12,100,489	-	12,100,489
Non banking assets acquired in satisfaction of claims	3,015,433	-	3,015,433	-	3,015,433
December 31, 2022 (Audited)					
	Carrying value/ Notional Value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
<b>Non Financial assets measured at fair value :</b>					
Property and equipment (land & building)	12,400,348	-	12,400,348	-	12,400,348
Non banking assets acquired in satisfaction of claims	3,677,345	-	3,677,345	-	3,677,345

## 37. SEGMENT INFORMATION

### 37.1 Segment details with respect to business activities

September 30, 2023 (Un-audited)							
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
<b>Profit &amp; loss</b>							
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 (cost) / 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 provisions and tax	10,102,137	17,906,070	23,429,056	(15,088,952)	3,592,996	(30,689,772)	9,251,535
Provisions	(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
<b>Balance sheet</b>							
Cash and bank balances	-	285,605	25,907,890	56,388,687	8,654,622	-	91,236,804
Investments - net	2,988,789	-	-	1,090,245,756	32,689,177	-	1,125,923,722
Net inter segment lending	-	650,305,941	368,784,623	-	-	70,223,692	1,089,314,256
Lendings to financial institutions	-	-	-	14,000,000	1,985,000	-	15,985,000
Advances - performing	630,274,861	543,881	121,119,833	-	85,530,963	20,200,557	867,670,095
- non-performing - net	3,752,176	-	1,922,195	-	1,370,319	-	7,044,690
Others	63,919,561	35,528	8,883,885	29,962,915	12,944,280	44,930,139	160,676,308
Total assets	700,935,387	651,170,955	526,618,426	1,190,597,358	143,174,361	135,354,388	3,347,850,875
Borrowings	70,177,810	-	1,523,133	551,336,649	1,533,587	-	624,571,179
Subordinated debts	-	-	-	-	-	29,493,900	29,493,900
Deposits and other accounts	186,920,106	626,114,647	477,770,890	-	102,041,141	-	1,392,846,784
Net inter segment borrowing	427,015,800	-	-	639,260,709	23,037,747	-	1,089,314,256
Others	16,821,671	25,056,308	47,324,403	-	7,423,454	41,278,950	137,904,786
Total liabilities	700,935,387	651,170,955	526,618,426	1,190,597,358	134,035,929	70,772,850	3,274,130,905
Equity	-	-	-	-	-	73,719,970	73,719,970
Total equity & liabilities	-	-	-	-	-	-	3,347,850,875
Contingencies & commitments	307,193,193	-	116,987	259,232,037	16,328,876	517,978	583,389,071

September 30, 2022 (Un-audited)							
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
<b>Profit &amp; loss</b>							
Net mark-up / return / profit	32,544,204	11,173	8,086,407	46,440,731	7,027,151	432,738	94,542,404
Inter segment revenue - net	(16,327,913)	43,444,125	27,535,923	(46,330,790)	(295,874)	(8,025,471)	-
Non mark-up / return / interest income	1,896,061	1,163,170	781,255	1,523,721	148,931	861,195	6,374,333
<b>Total income</b>	<b>18,112,352</b>	<b>44,618,468</b>	<b>36,403,585</b>	<b>1,633,662</b>	<b>6,880,208</b>	<b>(6,731,538)</b>	<b>100,916,737</b>
Segment total expenses	9,522,772	35,785,500	22,700,020	7,687,811	5,286,440	11,343,036	92,325,579
Profit before provisions and tax	8,589,580	8,832,968	13,703,565	(6,054,149)	1,593,768	(18,074,574)	8,591,158
Provisions	(3,871,277)	-	(98,557)	1,136,990	244,183	(1,265,652)	(3,855,313)
<b>Profit / (loss) before tax</b>	<b>12,460,857</b>	<b>8,832,968</b>	<b>13,802,122</b>	<b>(7,190,139)</b>	<b>1,349,585</b>	<b>(16,808,922)</b>	<b>12,446,471</b>
December 31, 2022 (Audited)							
<b>Balance sheet</b>							
Cash and bank balances	-	147,504	26,232,485	42,779,915	8,857,646	-	78,017,550
Investments - net	2,877,025	-	-	602,990,890	32,390,721	-	638,258,636
Net inter segment lending	-	540,008,370	323,530,294	-	2,723,384	27,952,943	894,214,991
Lendings to financial institutions	-	-	-	52,244,342	17,575,000	-	69,819,342
Advances - performing	396,470,662	123,805	115,139,152	-	54,669,949	15,795,927	582,199,495
- non-performing	4,585,725	-	1,296,104	-	1,477,233	22,882	7,381,944
Others	32,434,475	6,016	6,943,631	12,742,007	8,088,570	45,998,470	106,213,169
<b>Total assets</b>	<b>436,367,887</b>	<b>540,285,695</b>	<b>473,141,666</b>	<b>710,757,154</b>	<b>125,782,503</b>	<b>89,770,222</b>	<b>2,376,105,127</b>
Borrowings	76,278,779	-	1,634,915	1,379,807	1,526,711	-	80,820,212
Subordinated debts	-	-	-	-	-	17,203,760	17,203,760
Deposits and other accounts	149,447,000	512,781,868	453,463,859	-	111,646,763	-	1,227,339,490
Net inter segment borrowing	185,440,527	-	-	708,774,464	-	-	894,214,991
Others	25,201,581	27,503,827	18,042,892	602,883	6,570,925	13,552,553	91,474,661
<b>Total liabilities</b>	<b>436,367,887</b>	<b>540,285,695</b>	<b>473,141,666</b>	<b>710,757,154</b>	<b>119,744,399</b>	<b>30,756,313</b>	<b>2,311,053,114</b>
Equity							65,052,013
Total equity & liabilities							2,376,105,127
<b>Contingencies &amp; commitments</b>	<b>282,863,157</b>	<b>-</b>	<b>1,103,084</b>	<b>198,951,177</b>	<b>18,285,963</b>	<b>434,787</b>	<b>501,638,168</b>

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

### 38. RELATED PARTY TRANSACTIONS

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

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

	September 30, 2023 (Un-audited)					December 31, 2022 (Audited)				
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties
	Rupees in '000'					Rupees in '000'				
<b>Lendings to financial institutions :</b>										
Opening balance	-	-	1,825,000	-	-	-	-	1,600,000	-	-
Addition during the period / year	-	-	6,585,000	-	-	-	-	7,775,000	-	-
Repaid during the period / year	-	-	6,425,000	-	-	-	-	7,550,000	-	-
Closing balance	-	-	1,985,000	-	-	-	-	1,825,000	-	-
<b>Investments (gross)</b>	-	-	275,432	-	-	-	-	164,945	-	-
Provision for diminution in value of investments	-	-	164,945	-	-	-	-	164,945	-	-
<b>Advances (gross):</b>										
Opening balance	-	362,721	-	-	-	-	269,016	132,431	-	1,318,019
Addition during the period / year	-	181,472	-	-	-	-	250,149	156,395	-	804,387
Repaid during the period / year	-	100,939	-	-	-	-	156,444	288,826	-	2,122,406
Closing balance	-	443,254	-	-	-	-	362,721	-	-	-
<b>Contingencies (non funded exposure)</b>	-	-	-	-	49,822	-	-	-	-	49,822
<b>Other assets - advance deposits and prepayments</b>	-	66	100,000	-	-	-	8,992	100,000	-	-
<b>Other assets - markup receivable</b>	-	19,679	34,102	-	-	-	16,726	28,097	-	-
<b>Right of use assets</b>	-	-	-	-	63,717	-	-	-	-	67,036
<b>Lease liability against right of use assets</b>	-	-	-	-	14,703	-	-	-	-	13,302
<b>Deposits and other accounts:</b>										
Opening balance	239	30,825	40,067	1,036,847	26,391	902	26,795	36,387	374,772	1,558,999
Received during the period / year	63,092	993,511	2,151,432	5,666,669	255,437	7,764	833,334	2,518,801	3,805,306	70,813,694
Withdrawn during the period / year	51,316	912,448	2,176,459	3,327,389	189,442	8,427	829,304	2,515,121	3,143,231	72,346,302
Closing balance	12,015	111,888	15,040	3,376,127	92,386	239	30,825	40,067	1,036,847	26,391
Other liabilities - markup payable	149	1,716	101	-	321	8	108	259	-	-
Other liabilities - sundry creditors & accrued expenses	-	-	1,295	-	-	-	-	124	-	-

	September 30, 2023 (Un-audited)					September 30, 2022 (Un-audited)				
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties
<b>Income:</b>										
Mark-up / return / interest earned	-	15,713	264,967	-	-	-	12,814	153,635	-	5,678
Fee and commission income	-	1,237	-	-	-	-	-	-	-	8,470
<b>Expense:</b>										
Mark-up / return / interest expensed	896	333	3,727	245,244	3,604	30	199	963	65,122	156,653
Depreciation on right of use assets	-	-	-	-	3,319	-	-	-	-	2,889
Mark-up on lease liability against right of use assets	-	-	-	-	1,401	-	-	-	-	2,413
Compensation expense	-	447,509	-	-	-	-	460,854	-	-	-
Commission expense	-	-	6,012	-	-	-	-	3,539	-	-
Directors fee and allowances	23,558	-	-	-	-	42,754	-	-	-	-

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

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

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
Advances	314,284,400	52,906,885
Deposits and other accounts	634,629,901	549,974,639
Acceptances	71,929	71,929
Contingencies and commitments	28,484,162	31,495,126
Mark-up receivable	32,406,692	5,188,460
Mark-up payable	24,642,392	19,952,701



	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
	Rupees in '000'	
Mark-up earned	35,469,775	5,792,450
Mark-up expensed	71,792,100	38,279,989
Income on contingencies and commitments	138,876	160,665
<b>38.3</b>	The Bank made contribution of Rs. 369,738 thousand (September 30, 2022: Rs. 275,733 thousand) to employees provident fund during the period.	
<b>38.4</b>	First Punjab Modaraba and Punjab Modaraba Services (Pvt) Limited are using premises owned by The Bank of Punjab free of cost.	
<b>38.5</b>	During the period, the Bank converted its short term placements to the extent of Rs. 1,985,000 thousand with First Punjab Modaraba Limited, being managed by Punjab Modaraba Services (Private) Limited, into long term placement for a period of 03 years, including Rs. 500,000 thousand for capital support under Modaraba Companies and Modaraba (Floatation & Control) Ordinance, 1980. These placements attract attributable PKISRV profit rate plus 10 bps.	
<b>38.6</b>	Advances to employees as at September 30, 2023, other than key management personnel, amounted to Rs. 22,715,542 thousand (December 31, 2022: Rs. 17,649,987 thousand) with markup receivable of Rs. 773,101 thousand (December 31, 2022: Rs.634,330 thousand) and markup income of Rs.708,506 thousand (September 30, 2022: Rs. 445,473 thousand) and fee & commission income of Rs. 15,646 thousand. 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, 2023 stood at Rs. 87,746 thousand (December 31, 2022: Rs. 58,282 thousand).	
<b>38.7</b>	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.	
<b>38.8</b>	During the period, the Bank acquired 100% shares of Punjab Capital Securities (Private) Limited from First Punjab Modaraba, as explained in note 10.1.4 of these unconsolidated condensed interim financial statements.	

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
<b>39. CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>			
<b>Minimum Capital Requirement (MCR):</b>			
Paid-up capital including share premium (net of losses)		34,667,575	31,693,421
<b>Capital Adequacy Ratio (CAR):</b>			
Eligible Common Equity Tier 1 (CET 1) Capital		65,460,010	53,858,265
Eligible Additional Tier 1 (ADT 1) Capital		11,917,500	8,017,500
Total Eligible Tier 1 Capital		77,377,510	61,875,765
Eligible Tier 2 Capital		16,197,823	6,396,254
Total Eligible Capital (Tier 1 + Tier 2)		93,575,333	68,272,019
<b>Risk Weighted Assets (RWAs):</b>			
Credit risk		459,903,120	430,945,557
Market risk		17,392,498	19,124,408
Operational risk		70,680,644	70,680,644
Total		547,976,262	520,750,609
Common equity tier I capital adequacy ratio		11.95%	10.34%
Tier I CAR (%)		14.12%	11.88%
Total CAR (%)		17.08%	13.11%
<b>39.1 Leverage Ratio (LR):</b>			
Eligible Tier-I Capital		77,377,510	61,875,765
Total exposures		2,596,606,553	1,787,497,376
LR (%)	39.1.1	2.98%	3.46%
<b>39.1.1</b> The SBP vide letter No. BPRD/BA&CP/620/447350/23, dated April 03, 2023, allowed the Bank relaxation from the applicability of leverage ratio requirement of 3% till December 31, 2023, subject to the condition that Bank's leverage ratio shall not fall below 2.5%.			
<b>39.2</b> The SBP vide letter No. SBHOK-BPRD-BACPD-BOP-503677, dated July 14, 2023, allowed the Bank to include advance subscription money of Rs. 3,900,000 thousand and Rs. 4,285,000 thousand against ADT - I and Tier - II respectively, as of June 30, 2023, for CAR and LR purposes. Had the advance subscription money of Rs. 3,900,000 thousand and Rs. 4,285,000 thousand not been taken, the CAR, LR and NSFR would stand at 15.58%, 2.84% and 105.27% respectively.			

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
<b>39.3 Liquidity Coverage Ratio (LCR):</b>		
Total high quality liquid assets	533,225,300	646,611,725
Total net cash outflow	514,460,327	469,412,209
LCR (%)	103.65%	137.75%
<b>39.4 Net Stable Funding Ratio (NSFR):</b>		
Total available stable funding	974,088,000	838,164,000
Total required stable funding	917,576,000	683,105,000
NSFR (%)	106.16%	122.70%

#### 40. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the September 30, 2023, the Bank is operating 140 Islamic banking branches (December 31, 2022: 140 Islamic banking branches) and 63 Islamic banking windows (December 31, 2022: 40).

## STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
<b>ASSETS</b>			
Cash and balances with treasury banks		8,291,240	8,122,079
Balances with other banks		363,382	735,567
Due from financial institutions	40.1	1,985,000	17,575,000
Investments - net	40.2	32,689,177	32,390,721
Islamic financing and related assets - net	40.3	86,901,282	56,147,182
Fixed assets		3,255,596	3,209,170
Intangible assets		9,791	6,298
Due from head office		-	2,723,384
Other assets		9,678,893	4,873,102
<b>Total assets</b>		<b>143,174,361</b>	<b>125,782,503</b>
<b>LIABILITIES</b>			
Bills payable		584,998	647,861
Due to financial institutions		1,533,587	1,526,711
Deposits and other accounts	40.4	102,041,141	111,646,763
Due to head office		23,037,747	-
Subordinated debt		-	-
Other liabilities		6,838,456	5,923,064
		<b>134,035,929</b>	<b>119,744,399</b>
<b>NET ASSETS</b>		<b>9,138,432</b>	<b>6,038,104</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		2,000,000	2,000,000
Reserves		64,572	26,464
Deficit on revaluation of assets		(995,041)	(629,134)
Unappropriated profit	40.5	8,068,901	4,640,774
		<b>9,138,432</b>	<b>6,038,104</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	40.6		

# ISLAMIC BANKING BUSINESS

## PROFIT AND LOSS ACCOUNT (UN-AUDITED)

### FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

		Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
	Note	Rupees in '000'			
Profit / return earned	40.7	6,255,851	2,728,254	15,234,944	7,027,151
Profit / return expensed	40.8	3,720,258	1,332,381	9,316,550	3,613,584
Net profit / return		2,535,593	1,395,873	5,918,394	3,413,567
Fee and commission income		115,137	56,072	294,230	162,321
Dividend income		-	-	-	-
Foreign exchange (loss) / income		(3,474)	(8,997)	(167)	(16,975)
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net		22	-	33	-
Other income		1,752	(2,901)	4,743	3,585
		113,437	44,174	298,839	148,931
Total income		2,649,030	1,440,047	6,217,233	3,562,498
Operating expenses		858,935	673,285	2,624,220	1,968,730
Workers' welfare funds		-	-	-	-
Other charges		17	-	17	-
		858,952	673,285	2,624,237	1,968,730
Profit before provisions		1,790,078	766,762	3,592,996	1,593,768
Provisions and write offs - net		12,328	15,245	164,869	244,183
Profit before taxation		1,777,750	751,517	3,428,127	1,349,585
Taxation	40.9	-	-	-	-
Profit after taxation		1,777,750	751,517	3,428,127	1,349,585

#### 40.1 DUE FROM FINANCIAL INSTITUTIONS

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Secured	1,985,000	-	1,985,000	17,575,000	-	17,575,000

#### 40.2 INVESTMENTS - NET

Investments by segment:	(Un-audited) September 30, 2023				(Audited) December 31, 2022			
	Cost / Amortized cost	Provision for diminution	Deficit	Carrying value	Cost / Amortized cost	Provision for diminution	Deficit	Carrying value
	Rupees in '000'							
Federal government securities:								
-Ijarah sukuk	21,220,252	-	(1,083,788)	20,136,464	21,243,759	-	(669,504)	20,574,255
-Naya Pakistan Certificates (Roshan Digital)	786,598	-	-	786,598	682,588	-	-	682,588
	22,006,850	-	(1,083,788)	20,923,062	21,926,347	-	(669,504)	21,256,843
Non government debt securities :								
-Listed	8,346,159	-	(5,559)	8,340,600	8,393,936	-	(53,935)	8,340,001
-Unlisted	3,425,515	-	-	3,425,515	2,793,877	-	-	2,793,877
	11,771,674	-	(5,559)	11,766,115	11,187,813	-	(53,935)	11,133,878
Total investments	33,778,524	-	(1,089,347)	32,689,177	33,114,160	-	(723,439)	32,390,721

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
<b>40.3 ISLAMIC FINANCING AND RELATED ASSETS</b>		
Ijarah	2,066,049	2,461,557
Murabaha	2,021,443	4,870,837
Musharaka	40,839,460	14,045,205
Diminishing musharaka	29,912,308	27,325,666
Payment against documents	55,304	55,304
Waqala	3,975,886	3,203,972
Istisna	6,344,765	5,209,531
Musawamah	3,106,826	574,056
Tijarah	343,056	-
Gross islamic financing and related assets	88,665,097	57,746,128
Less: provision against islamic financings		
- Specific	1,763,815	1,598,946
- General	-	-
	1,763,815	1,598,946
Islamic financing and related assets - net of provision	86,901,282	56,147,182

#### 40.4 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
<b>Customers :</b>						
Current deposits	17,329,842	479,023	17,808,865	16,598,382	513,205	17,111,587
Savings deposits	67,645,601	419,239	68,064,840	55,880,913	289,392	56,170,305
Term deposits	10,061,907	188,824	10,250,731	15,066,050	-	15,066,050
Others	1,335,171	-	1,335,171	1,499,138	-	1,499,138
	96,372,521	1,087,086	97,459,607	89,044,483	802,597	89,847,080
<b>Financial institutions:</b>						
Current deposits	16,619	7,006	23,625	100,316	71,130	171,446
Savings deposits	4,557,594	236	4,557,830	2,753,014	223	2,753,237
Term deposits	-	-	-	18,875,000	-	18,875,000
Others	79	-	79	-	-	-
	4,574,292	7,242	4,581,534	21,728,330	71,353	21,799,683
	100,946,813	1,094,328	102,041,141	110,772,813	873,950	111,646,763

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

#### 40.5 UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS

Opening balance	4,640,774	2,550,132
Add: Islamic banking profit for the period / year	3,428,127	2,090,642
Closing balance	8,068,901	4,640,774

#### 40.6 CONTINGENCIES AND COMMITMENTS

<b>Guarantees:</b>		
Financial guarantees	18,200	43,200
Performance guarantees	1,108,763	926,842
Other guarantees	1,165,700	1,079,924
	2,292,663	2,049,966
<b>Commitments:</b>		
Documentary credits and short-term trade-related transactions - letters of credit	5,630,862	4,822,785
Commitments in respect of forward lending	8,405,351	11,413,212
	14,036,213	16,235,997

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

#### 40.7 PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT

Profit earned on:		
Financing	10,446,468	4,453,091
Investments	4,042,417	2,124,351
Placements	746,049	268,531
Deposits with financial institutions	10	181,178
	15,234,944	7,027,151

	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
	Rupees in '000'	
<b>40.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED</b>		
Deposits and other accounts	8,124,483	3,119,349
Markup on lease liability against right of use assets	264,926	189,953
Markup on borrowings from SBP	20,002	8,409
Profit on deposits from conventional head office	907,139	295,873
	9,316,550	3,613,584

**40.9** The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 1,134,367 thousand (September 30, 2022: Rs. 525,663 thousand).

**40.10** During the period, following pool has been created:

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

The main characteristics of the pool are as under:

i) Profit sharing ratio between Mudarib and Rab-ul-mal is 10:90 for SP-XXXIX and SP-XXXX, 40:60 for USD Special Pool-2 and 30:70 for EURO Special Pool-1.

ii) Profit equalization reserve upto 2% of net income will be created, if needed.

iii) Investment risk reserve upto 1% of distributable profit of depositors will be created, if needed.

#### **41. DATE OF AUTHORIZATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorized for issue on October 28, 2023 by the Board of Directors of the Bank.

#### **42. GENERAL**

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

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



Chief Financial Officer



President



Chairman



Director



Director







**Consolidated Condensed Interim  
FINANCIAL  
STATEMENTS**  
For the nine months ended September 30, 2023  
(The Bank of Punjab & Its Subsidiaries)

# Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2023

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
<b>ASSETS</b>			
Cash and balances with treasury banks	7	89,399,927	73,203,963
Balances with other banks	8	1,849,226	4,842,758
Lendings to financial institutions	9	14,414,000	68,194,342
Investments - net	10	1,125,830,403	638,276,903
Advances - net	11	865,960,035	590,934,509
Fixed assets	12	31,439,640	30,344,086
Intangible assets	13	1,901,105	1,776,940
Deferred tax assets - net	14	12,626,061	14,584,059
Other assets - net	15	115,214,266	59,840,459
		2,258,634,663	1,481,998,019
<b>LIABILITIES</b>			
Bills payable	17	8,204,744	6,323,641
Borrowings	18	624,571,179	80,820,212
Deposits and other accounts	19	1,392,831,744	1,227,299,424
Liabilities against assets subject to finance lease		-	-
Subordinated debts	20	29,493,900	17,203,760
Deferred tax liabilities		-	-
Other liabilities - net	21	129,917,127	85,387,012
		2,185,018,694	1,417,034,049
<b>NET ASSETS</b>		73,615,969	64,963,970
<b>REPRESENTED BY</b>			
Share capital - net	22	32,452,535	29,478,381
Reserves		13,964,052	12,769,424
Non-controlling interest		748,875	627,811
Surplus / (deficit) on revaluation of assets - net of tax	23	123,799	(2,323,430)
Unappropriated profit		26,326,708	24,411,784
		73,615,969	64,963,970
<b>CONTINGENCIES AND COMMITMENTS</b>	24		

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



Chief Financial Officer



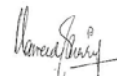
President



Chairman



Director



Director

# Consolidated Condensed Interim Profit and Loss Account

For the Nine Months Ended September 30, 2023 (Un-audited)

	Note	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Rupees in '000'					
Mark-up / return / interest earned	25	97,151,088	35,681,003	223,983,989	94,618,446
Mark-up / return / interest expensed	26	86,448,875	28,649,217	195,849,587	71,664,463
Net mark-up / interest income		10,702,213	7,031,786	28,134,402	22,953,983
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	27	1,922,359	1,657,767	6,487,736	5,061,681
Dividend income		90,979	167,972	336,848	389,521
Foreign exchange (loss) / income		(1,153,551)	903,623	(377,056)	1,589,421
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities - net	28	296,527	49,214	336,268	(811,797)
Other income - net	29	1,869,803	9,322	2,003,572	207,762
Total non-markup / interest income		3,026,117	2,787,898	8,787,368	6,436,588
Total income		13,728,330	9,819,684	36,921,770	29,390,571
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	30	8,861,600	6,598,536	27,616,408	20,569,116
Workers' welfare fund		50,709	63,560	119,675	210,631
Other charges	31	176	762	8,806	34,556
Total non-markup / interest expenses		8,912,485	6,662,858	27,744,889	20,814,303
Profit before provisions		4,815,845	3,156,826	9,176,881	8,576,268
(Reversal of provisions) / provisions and write offs - net	32	(186,726)	(914,434)	296,217	(3,854,897)
Extra ordinary / unusual items		-	-	-	-
<b>PROFIT BEFORE TAXATION</b>		5,002,571	4,071,260	8,880,664	12,431,165
Taxation - net	33	2,490,074	1,908,782	2,912,850	4,849,096
<b>PROFIT AFTER TAXATION</b>		2,512,497	2,162,478	5,967,814	7,582,069
Equity holders of the Bank		2,467,876	2,131,498	5,808,011	7,493,539
Non controlling interest		44,621	30,980	159,803	88,530
		2,512,497	2,162,478	5,967,814	7,582,069
<b>Basic earnings per share - Rupees</b>	34	0.75	(Restated) 0.65	1.78	(Restated) 2.29
<b>Diluted earnings per share - Rupees</b>	35	0.75	0.65	1.78	2.29

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

 Chief Financial Officer	 President	 Chairman	 Director	 Director
--	--	---	---	---

# Consolidated Condensed Interim Statement of Comprehensive Income

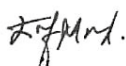
For the Nine Months Ended September 30, 2023 (Un-audited)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
	Rupees in '000'			
Profit after taxation for the period	2,512,497	2,162,478	5,967,814	7,582,069
<b>Other comprehensive (loss) / income for the period:</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in deficit on revaluation of investments - net of tax	4,041,169	5,295,649	2,977,723	1,402,430
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurement gain / loss on defined benefit obligations	-	-	-	-
Movement in surplus on revaluation of fixed / non-banking assets - net of tax	-	-	(297,195)	574,026
	-	-	(297,195)	574,026
<b>Total comprehensive income for the period</b>	<b>6,553,666</b>	<b>7,458,127</b>	<b>8,648,342</b>	<b>9,558,525</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Bank	7,469,576	7,427,147	8,488,539	9,469,995
Non controlling interest	44,621	30,980	159,803	88,530
	<b>7,514,197</b>	<b>7,458,127</b>	<b>8,648,342</b>	<b>9,558,525</b>

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



Chief Financial Officer



President



Chairman



Director



Director

# Consolidated Condensed Interim Statement of Changes in Equity

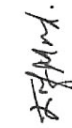
For the Nine Months Ended September 30, 2023 (Un-audited)

	Share capital	Discount on issue of shares	Share capital - net	Share premium	Reserve for issuance of bonus shares	Statutory reserve	Investments	Fixed / non banking assets	Unappropriated profit	Non-controlling interest	Total
	Rupees in '000.										
<b>Balance as on January 01, 2022 - audited</b>	26,173,766	(263,158)	26,173,766	2,215,040	-	8,387,543	(6,446,164)	5,077,454	18,915,186	887,579	54,910,404
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	1,402,430	574,026	7,493,539	-	7,592,089
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	1,976,456
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	-	1,402,430	574,026	7,493,539	-	887,579
Transfer to statutory reserve during the period	-	-	-	-	-	1,519,607	-	(87,357)	(1,519,607)	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(3,969)	87,357	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(3,969)	87,357	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(39,487)	41,272	-	1,785
<b>Transactions with owners recognized directly in equity:</b>											
Final stock dividend - December 31, 2021 declared subsequent to year end at 12.5% per share	3,304,615	-	3,304,615	-	(3,304,615)	-	-	-	(3,304,615)	-	-
Issuance of bonus shares during the period	3,304,615	-	3,304,615	-	(3,304,615)	-	-	-	(3,304,615)	-	-
<b>Balance as on September 30, 2022 - un-audited</b>	29,741,539	(263,158)	29,741,539	2,215,040	-	9,907,150	(5,043,734)	5,520,647	21,717,121	676,109	64,470,714
Profit after taxation for the three months ended December 31, 2022	-	-	-	-	-	-	(2,775,531)	12,800	3,134,865	(48,298)	3,086,367
Other comprehensive (loss) / income	-	-	-	-	-	-	-	-	169,420	-	(2,593,311)
Total comprehensive (loss) / income for the three months ended December 31, 2022	-	-	-	-	-	-	(2,775,531)	12,800	3,304,285	(48,298)	483,256
Transfer to statutory reserve during the period	-	-	-	-	-	647,234	-	(647,234)	-	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(96,303)	36,303	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(1,309)	1,309	-	-
<b>Balance as on December 31, 2022 - audited</b>	29,741,539	(263,158)	29,741,539	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	-	-	-	-	-	-	2,977,723	(297,195)	5,808,011	159,803	5,967,814
Other comprehensive income / (loss)	-	-	-	-	-	-	-	(297,195)	-	-	(2,680,528)
Total comprehensive income / (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	2,977,723	(297,195)	5,808,011	159,803	8,688,542
Transfer to statutory reserve during the period	-	-	-	-	-	1,194,628	-	(90,980)	(1,194,628)	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(90,980)	90,980	(68,739)	-
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
<b>Transactions with owners recognized directly in equity:</b>											
Final stock dividend - December 31, 2022 declared subsequent to year end at 10% per share	2,974,154	-	2,974,154	-	(2,974,154)	-	-	-	(2,974,154)	-	-
Issuance of bonus shares during the period	2,974,154	-	2,974,154	-	(2,974,154)	-	-	-	(2,974,154)	-	-
<b>Balance as on September 30, 2023 - un-audited</b>	32,715,693	(263,158)	32,452,535	2,215,040	-	11,749,012	(4,841,542)	4,965,341	26,326,708	749,875	73,615,969

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



Chief Financial Officer



President



Chairman



Director



Director

# Consolidated Condensed Interim Cash Flow Statement

For the Nine Months Ended September 30, 2023 (Un-audited)

	Note	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
		Rupees in '000'	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		8,880,664	12,431,165
Less: Dividend income		(336,848)	(389,521)
		8,543,816	12,041,644
Adjustments:			
Depreciation on fixed assets	30	1,367,564	1,178,613
Depreciation on non banking assets acquired in satisfaction of claims	30	16,760	27,182
Depreciation on ijarah assets under IFAS - 2	30	204,736	189,942
Depreciation on right of use assets	30	1,240,046	912,907
Amortization on intangible assets	30	167,327	190,072
Amortization of discount on debt securities - net		(6,068,715)	(3,343,628)
Mark-up on lease liability against right of use assets	26	1,404,255	1,032,029
Unrealized (gain) / loss on revaluation of investments classified as held for trading	28	(11,438)	39,140
(Reversal of provisions) / Provisions and write-offs - net	32	296,217	(3,854,897)
Workers' welfare fund		119,675	210,631
Gain on termination of lease liability against right of use assets	29	(127,167)	(9,378)
Gain on sale of property and equipment - net	29	(8,604)	(63,677)
Gain on sale of non banking assets - net	29	(1,841,632)	(114,420)
Realized (gain) / loss on sale of securities - net	28	(324,830)	772,657
Provision for employees compensated absences		17,507	9,030
Provision for gratuity		334,169	255,024
		(3,214,130)	(2,568,773)
		5,329,686	9,472,871
(Increase) / decrease in operating assets:			
Lendings to financial institutions		53,780,342	21,327,011
Held for trading securities		(3,617,088)	31,683,439
Advances - net		(274,592,037)	(64,602,797)
Others assets - net		(56,149,423)	(14,813,349)
		(280,578,206)	(26,405,696)
Increase / (decrease) in operating liabilities:			
Bills payable		1,881,103	(2,660,606)
Borrowings from financial institutions		542,643,862	41,285,989
Deposits		165,532,320	37,551,544
Other liabilities (excluding taxation - net and gratuity fund)		46,315,632	15,515,432
		756,372,917	91,692,359
Payment made to gratuity fund		(171,152)	(268,144)
Income tax paid		(5,213,759)	(3,810,121)
		(5,384,911)	(4,078,265)
<b>Net cash flow generated from operating activities</b>		<b>475,739,486</b>	<b>70,681,269</b>

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

For the Nine Months Ended September 30, 2023 (Un-audited)

		Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
	Note	Rupees in '000'	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in available for sale securities		(474,123,306)	(39,065,007)
Net investments in held to maturity securities		-	(34,041,392)
Dividends received		333,253	382,411
Investments in operating fixed assets		(2,620,677)	(2,486,661)
Investments in intangible assets		(291,492)	(720,342)
Proceeds from sale of fixed assets		16,909	68,430
Proceeds from sale of non banking assets acquired in satisfaction of claims		2,486,784	731,323
<b>Net cash flow used in investing activities</b>		<b>(474,198,529)</b>	<b>(75,131,238)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of subordinated debts		(2,494,860)	(1,360)
Subscription received - subordinated perpetual term finance certificates		-	7,017,500
Advance subscription received - subordinated perpetual term finance certificates ADT-I 2nd issue	20.2	3,900,000	-
Subscription received - privately placed term finance certificates - III		4,600,000	-
Advance subscription received - privately placed term finance certificates - IV	20.6	6,285,000	-
Payment of lease liability against right of use assets		(1,706,599)	(1,314,208)
<b>Net cash flow from financing activities</b>		<b>10,583,541</b>	<b>5,701,932</b>
<b>Increase in cash and cash equivalents</b>		<b>12,124,498</b>	<b>1,251,963</b>
Cash and cash equivalents at beginning of the period		78,017,550	80,177,594
Cash and cash equivalents at end of the period		90,142,048	81,429,557
<b>Cash and cash equivalents:</b>			
Cash and balances with treasury banks	7	89,399,927	78,139,137
Balances with other banks	8	1,849,226	3,297,395
Overdrawn nostro accounts		(1,107,105)	(6,975)
		90,142,048	81,429,557

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

 Chief Financial Officer	 President	 Chairman	 Director	 Director
--	--	---	---	---



# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2023 (Un-audited)

## 1. STATUS AND NATURE OF BUSINESS

The Bank of Punjab Group ("the Group") comprises of The Bank of Punjab ("the Bank") ("BOP") ("the Parent"), Punjab Modaraba services (Private) Limited ("PMSL") (the Management Company), First Punjab Modaraba ("FPM") ("the Modaraba"), Punjab Capital Securities (Private) Limited ("PCSL") (100% owned by First Punjab Modaraba). For the purpose of these financial statements, The Bank of Punjab and consolidated subsidiaries are referred to as the Group.

### 1.1 Parent

The Bank of Punjab

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

The subsidiary company of the Group, Punjab Modaraba services (Private) Limited exercises control over First Punjab Modaraba, as its management company and also has a direct economic interest in it. Further, Punjab Capital Securities (Private) Limited is a 100% subsidiary of FPM. The Group has consolidated the financial statements of the modaraba and PCSL as the ultimate parent. The Group is principally engaged in commercial banking, modaraba management, leasing, brokerage, etc. Brief profile of the Bank and subsidiaries is as follows:

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

#### Punjab Modaraba Services (Private) Limited

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

#### First Punjab Modaraba

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

#### Punjab Capital Securities (Private) Limited

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

## 1.2 Basis of Consolidation

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

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

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

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

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

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

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

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

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

## 2. BASIS OF PRESENTATION

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

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

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

### 2.1 Statement of compliance

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

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

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

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

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

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

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

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

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

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

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

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

As per SBP's BPRD Circular Letter No. 07 dated April 13, 2023, the applicability of IFRS 9 in Pakistan has been deferred to accounting periods beginning on or after January 1, 2024. Accordingly, these consolidated condensed interim financial statements have been prepared in accordance with the existing prudential regime.

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

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

**3. BASIS OF MEASUREMENT**

**3.1** These consolidated condensed interim financial statements have been prepared under the historical cost convention except for revaluation of freehold land and buildings on freehold land,

revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments and commitments in respect of forward exchange contracts at fair value and lease liability against right of use asset and certain staff retirement benefits at present value. Right of use assets which are initially measured at an amount equal to the corresponding lease liability against right of use assets and depreciated over the respective lease terms.

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

#### 6. FINANCIAL RISK MANAGEMENT

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

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
<b>7. CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand:		
Local currency	19,958,165	26,710,456
Foreign currencies	2,105,997	1,491,640
	22,064,162	28,202,096
With SBP in:		
Local currency current account	52,466,475	38,889,109
Foreign currency current account	2,611,226	1,797,861
Foreign currency deposit accounts	6,051,028	3,734,458
	61,128,729	44,421,428
With National Bank of Pakistan in:		
Local currency current accounts	6,049,279	519,449
Prize bonds	157,757	60,990
	89,399,927	73,203,963

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
<b>8. BALANCES WITH OTHER BANKS</b>			
In Pakistan:			
Current accounts		50,110	94,452
Deposit accounts		2,124	4,750
		52,234	99,202
Outside Pakistan:			
Current accounts		1,023,864	2,233,769
Deposit accounts		773,128	2,509,787
		1,796,992	4,743,556
		1,849,226	4,842,758
<b>9. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Repurchase agreement lendings (Reverse Repo)	9.2	14,000,000	52,244,342
Placements	9.3	414,000	15,950,000
		14,414,000	68,194,342
<b>9.1 Particulars of lendings</b>			
In local currency		14,414,000	68,194,342
In foreign currencies		-	-
		14,414,000	68,194,342

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

	(Un-audited) September 30, 2023			(Audited) December 31, 2022		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
Rupees in '000'						
Market treasury bills	-	-	-	52,244,342	-	52,244,342
Pakistan investment bonds	14,000,000	-	14,000,000	-	-	-
	14,000,000	-	14,000,000	52,244,342	-	52,244,342

Market value of securities held as collateral as at September 30, 2023 amounted to Rs. 9,735,782 thousand (December 31, 2022: Rs. 52,351,059 thousand). These carry mark-up at 21.95% per annum (December 31, 2022: 16.00% to 16.40% per annum).

- 9.3 These carry profit rate ranging from 21.25% to 24.15% per annum (December 31, 2022: 14.65% to 16.20% per annum) with maturities up to September 25, 2024.

## 10. INVESTMENTS - NET

### 10.1 Investments by type:

	Note	(Un-audited) September 30, 2023				(Audited) December 31, 2022			
		Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
R u p e e s i n ' 0 0 0 '									
<b>Held-for-trading securities</b>									
Federal government securities	10.1.1	10,044,014	-	11,438	10,055,452	6,048,429	-	(1,471)	6,046,958
Ordinary shares		-	-	-	-	383,064	-	(62,038)	321,026
		10,044,014	-	11,438	10,055,452	6,431,493	-	(63,509)	6,367,984
<b>Available-for-sale securities</b>									
Federal government securities	10.1.1 & 10.2	1,003,237,744	-	(8,857,847)	994,379,897	524,597,694	-	(12,526,946)	512,070,748
Shares		10,074,176	(2,088,070)	(646,727)	7,339,379	11,166,496	(2,156,597)	(1,144,246)	7,865,653
Mutual fund & investment trust units		2,628,680	-	17,735	2,646,415	2,628,680	-	6,458	2,635,138
Non government debt securities		15,898,582	(2,601,335)	(6,380)	13,290,867	14,936,247	(2,441,149)	(53,276)	12,441,822
Foreign securities		11,957	-	-	11,957	11,957	-	-	11,957
		1,031,851,139	(4,689,405)	(9,493,219)	1,017,668,515	553,341,074	(4,597,746)	(13,718,010)	535,025,318
<b>Held-to-maturity securities</b>									
Federal government securities	10.1.1 & 10.4	98,106,836	(400)	-	98,106,436	96,883,601	-	-	96,883,601
WAPDA bonds		-	-	-	-	400	(400)	-	-
		98,106,836	(400)	-	98,106,436	96,884,001	(400)	-	96,883,601
<b>Total investments</b>		<b>1,140,001,989</b>	<b>(4,689,805)</b>	<b>(9,481,781)</b>	<b>1,125,830,403</b>	<b>656,656,568</b>	<b>(4,598,146)</b>	<b>(13,781,519)</b>	<b>638,276,903</b>

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

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

	Note	(Un-audited)	(Audited)
		September 30, 2023	December 31, 2022
R u p e e s i n ' 0 0 0 '			
<b>10.2 Investments given as collateral - at cost / amortised cost</b>			
Market treasury bills		-	1,380,412
Pakistan investment bonds		572,124,822	506,634
		572,124,822	1,887,046
<b>10.3 Provision for diminution in value of investments</b>			
<b>10.3.1 Movement in provision for diminution in value of investments</b>			
Opening balance		4,598,146	3,945,992
Charge / (reversals):			
Charge for the period / year		940,793	1,462,220
Reversals for the period / year		(124,125)	(84,414)
	32	816,668	1,377,806
Reversal on disposal during the period / year		(725,009)	(725,652)
Closing balance		4,689,805	4,598,146

### 10.3.2 Particulars of provision against debt securities

Category of classification	(Un-audited) September 30, 2023		(Audited) December 31, 2022	
	NPI	Provision	NPI	Provision
	Rupees in '000'			
<b>Domestic</b>				
Loss	2,601,335	2,601,335	2,441,549	2,441,549
<b>Total</b>	<b>2,601,335</b>	<b>2,601,335</b>	<b>2,441,549</b>	<b>2,441,549</b>

10.4 Market value of held to maturity investments amounted to Rs. 79,854,708 thousand (December 31, 2022: Rs. 87,756,050 thousand).

### 11. ADVANCES - NET

	Performing		Non Performing		Total	
	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Rupees in '000'					
Loans, cash credits, running finances, etc. Net book value of assets in ijarah under IFAS 2 - In Pakistan	748,894,211	497,749,289	47,674,752	48,826,533	796,568,963	546,575,822
Islamic financing and related assets	2,033,424	2,272,312	32,625	189,245	2,066,049	2,461,557
Bills discounted and purchased	83,497,538	52,397,637	3,101,510	2,886,934	86,599,048	55,284,571
	25,116,580	31,645,333	17,221	17,221	25,133,801	31,662,554
<b>Advances - gross</b>	<b>859,541,753</b>	<b>584,064,571</b>	<b>50,826,108</b>	<b>51,919,933</b>	<b>910,367,861</b>	<b>635,984,504</b>
Provision against advances:						
- Specific	-	-	(43,781,418)	(44,435,016)	(43,781,418)	(44,435,016)
- General	(626,408)	(614,979)	-	-	(626,408)	(614,979)
	(626,408)	(614,979)	(43,781,418)	(44,435,016)	(44,407,826)	(45,049,995)
<b>Advances - net of provision</b>	<b>858,915,345</b>	<b>583,449,592</b>	<b>7,044,690</b>	<b>7,484,917</b>	<b>865,960,035</b>	<b>590,934,509</b>

Particulars of advances (gross)	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		Rupees in '000'
In local currency	903,610,649	630,578,773
In foreign currencies	6,757,212	5,405,731
	<b>910,367,861</b>	<b>635,984,504</b>

11.2 Advances include Rs. 50,586,561 thousand (December 31, 2022: Rs. 51,919,933 thousand) which have been placed under non-performing status as detailed below:



Category of classification	(Un-audited) September 30, 2023		(Audited) December 31, 2022	
	Non performing loans	Provision	Non performing loans	Provision
Rupees in '000'				
<b>Domestic</b>				
Other assets especially mentioned	472,951	11,349	342,812	5,390
Substandard	713,437	102,171	2,394,414	109,910
Doubtful	4,148,675	1,277,277	2,891,075	992,245
Loss	45,251,498	42,151,074	46,291,632	43,327,471
<b>Total</b>	<b>50,586,561</b>	<b>43,541,871</b>	<b>51,919,933</b>	<b>44,435,016</b>

### 11.3 Particulars of provision against advances

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
Rupees in '000'						
Opening balance	44,435,016	614,979	45,049,995	46,959,797	3,054,945	50,014,742
Charge for the period / year	1,470,984	11,429	1,482,413	1,427,397	60,034	1,487,431
Reversals for the period / year	(2,108,634)	-	(2,108,634)	(3,952,178)	(2,500,000)	(6,452,178)
Amounts written off	(637,650)	11,429	(626,221)	(2,524,781)	(2,439,966)	(4,964,747)
Closing balance	43,797,366	626,408	44,423,774	44,435,016	614,979	45,049,995

#### 11.3.1 Particulars of provision against advances with respect to currencies

In local currency	43,797,366	626,408	44,423,774	44,435,016	614,979	45,049,995
In foreign currencies	-	-	-	-	-	-
	43,797,366	626,408	44,423,774	44,435,016	614,979	45,049,995

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

11.3.3 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 3,200,628 thousand (December 31, 2022: Rs 3,115,010 thousand). The FSV benefit availed is not available for cash or stock dividend.

	Note	(Un-audited)	(Audited)
		September 30, 2023	December 31, 2022
Rupees in '000'			
<b>12. FIXED ASSETS</b>			
Capital work-in-progress	12.1	695,838	980,802
Right of use assets		11,952,906	12,102,160
Property and equipment		18,790,896	17,261,124
		<b>31,439,640</b>	<b>30,344,086</b>
<b>12.1 Capital work-in-progress</b>			
Civil works		695,838	980,802

	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
	Rupees in '000'	
<b>12.2 Additions to fixed assets</b>		
The following additions / transfers have been made to fixed assets during the period:		
<b>Capital work-in-progress</b>	(284,964)	739,473
<b>Property and equipment:</b>		
Building on freehold land	68,061	3,844,430
Furniture and fixtures	255,778	167,233
Electrical and office equipments	401,474	308,270
Computer equipments	885,243	597,070
Lease hold improvements	1,191,735	485,671
Vehicles	103,350	188,944
	2,905,641	5,591,618
	2,620,677	6,331,091
<b>12.3 Addition to right of use assets</b>	1,200,636	2,973,239
<b>12.4 Termination of right of use assets</b>	109,842	85,854
<b>12.5 Disposal of property and equipment:</b>		
The net book value of property and equipment disposed off during the period is as follows:		
Furniture and fixtures	3,786	1,793
Electrical and office equipments	4,181	2,646
Computer equipments	338	314
Vehicles	-	-
	8,305	4,753

Gross carrying amount / cost of vehicles disposed off during the period was Rs. 31,731 thousand. (September 30, 2022: Rs. 49,802 thousand).

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
<b>13. INTANGIBLE ASSETS</b>		
Capital work-in-progress	508,199	370,152
Softwares	1,392,906	1,406,788
	1,901,105	1,776,940

	Note	(Un-audited) September 30, 2023 Rupees in '000'	(Un-audited) September 30, 2022
<b>13.1 Additions to intangible assets</b>			
The following additions have been made to intangible assets during the period:			
Intangible in progress		138,047	(82,203)
Intangible assets purchased		153,445	802,545
		291,492	720,342
		(Un-audited) September 30, 2023 Rupees in '000'	(Audited) December 31, 2022
<b>14. DEFERRED TAX ASSETS - NET</b>			
Deductible temporary differences on:			
Deficit on revaluation of investments		4,651,677	5,898,745
Right of use assets -net		1,499,988	967,786
Workers Welfare Fund		542,140	424,296
Provision against advances		8,897,598	9,894,016
Business losses in subsidiary		106,635	29,555
		15,698,038	17,214,398
Taxable temporary differences on:			
Surplus on revaluation of property and equipment		(2,243,573)	(2,045,558)
Accelerated tax depreciation		(739,506)	(500,446)
Surplus on revaluation of non banking assets		(88,898)	(84,335)
		(3,071,977)	(2,630,339)
		12,626,061	14,584,059
<b>15. OTHER ASSETS - NET</b>			
Income / mark-up accrued in local currency		87,711,250	35,908,260
Income / mark-up accrued in foreign currency		5,641	2,639
Advances, deposits, advance rent and other prepayments		2,015,710	1,359,139
Non-banking assets acquired in satisfaction of claims		2,021,167	2,533,555
Acceptances	21	18,636,517	17,268,248
Branch adjustment account		-	27,811
Stock of stationery		500,756	279,117
Suspense account		113,007	51,416
Zakat recoverable from National Investment Trust Limited (NITL)		36,790	36,790
Unrealized gain on revaluation of foreign bills and trade loans		-	105,884
Claims receivable against fraud and forgeries		398,647	246,077
Auto Teller Machine and Point of Sale receivable - net		356,955	200,131
IBFT receivable		938,877	389,268
Pakistan Remittance Initiative rebate settlement		493,342	147,823
Receivable against sale of shares		690,623	124,292
Others		1,151,297	772,509
		115,070,579	59,452,959
Less: Provision held against other assets	15.1	(881,455)	(787,166)
Other assets (net of provision)		114,189,124	58,665,793
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	1,025,142	1,174,666
Other assets - total		115,214,266	59,840,459

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
<b>15.1</b>	<b>Provision held against other assets</b>		
	Advances, deposits, advance rent & other prepayments	35,723	35,723
	Non banking assets acquired in satisfaction of claims	30,876	30,876
	Zakat recoverable from NITL	36,790	36,790
	Fraud and forgeries	15.1.2	333,618
	Others	444,448	464,366
		15.1.1	881,455
			787,166
<b>15.1.1</b>	<b>Movement in provision held against other assets</b>		
	Opening balance	787,166	1,914,474
	Charge for the period / (year)	120,334	33,619
	Reversals during the period / (year)	(2,560)	(1,307,908)
		117,774	(1,274,289)
	Amount written off	(3,567)	(5,168)
	Other adjustment	(19,918)	152,149
	Closing balance	881,455	787,166

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

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
<b>16.</b>	<b>CONTINGENT ASSETS</b>		
	Contingent assets	Nil	Nil
<b>17.</b>	<b>BILLS PAYABLE</b>		
	In Pakistan	8,204,744	6,323,641
	Outside Pakistan	-	-
		8,204,744	6,323,641

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

**18. BORROWINGS**

**Secured**

Borrowings from SBP under:

Export refinance scheme (ERF)	28,937,871	31,180,373
Long term financing facility (LTFF)	11,961,230	13,668,052
Finance facility for storage of agricultural produce (FFSAP)	194,993	224,873
Finance facility for renewable energy performance platform (REPP)	6,448,808	6,693,669
Refinancing facility for payment of salaries and wages	-	969,351
Refinancing facility for combating COVID-19	889,941	1,042,632
Refinancing facility for working capital of small and medium enterprises	64,891	69,000
Finance facility for temporary relief refinance scheme (TERF)	19,731,909	19,889,392
Finance facility for women entrepreneurs	1,000	1,300
Finance Islamic facility for saaf rozgar reimbursement credit	3,286,917	3,840,524
Finance facility for shamsi tawanai consumer	45,692	50,981
Refinancing facility for modernization of small and medium enterprises (SMEs)	148,145	175,343

71,711,397      77,805,490

Repurchase agreement borrowings      550,229,544      1,379,807

Borrowing from Pakistan Mortgage Refinance Company Limited      1,523,133      1,634,915

**Total secured**      623,464,074      80,820,212

**Unsecured**

Overdrawn nostro accounts      1,107,105      -

624,571,179      80,820,212

**19. DEPOSITS AND OTHER ACCOUNTS**

September 30, 2023 (Un-audited)

December 31, 2022 (Audited)

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
<b>R u p e e s   i n   ' 0 0 0 '</b>						
<b>Customers:</b>						
Current deposits	215,168,992	7,060,578	222,229,570	207,308,574	4,661,424	211,969,998
Savings deposits	605,661,864	5,105,653	610,767,517	553,914,328	3,861,179	557,775,507
Term deposits	461,941,582	37,719,561	499,661,143	361,810,847	25,430,470	387,241,317
Others	23,514,832	-	23,514,832	24,170,731	-	24,170,731
	1,306,287,270	49,885,792	1,356,173,062	1,147,204,480	33,953,073	1,181,157,553
<b>Financial institutions:</b>						
Current deposits	1,679,893	876,379	2,556,272	2,479,212	1,375,936	3,855,148
Savings deposits	32,593,085	4,953	32,598,038	20,595,447	3,785	20,599,232
Term deposits	1,470,000	-	1,470,000	21,639,000	-	21,639,000
Others	34,372	-	34,372	48,491	-	48,491
	35,777,350	881,332	36,658,682	44,762,150	1,379,721	46,141,871
	1,342,064,620	50,767,124	1,392,831,744	1,191,966,630	35,332,794	1,227,299,424

	Note	(Un-audited) September 30, 2023 Rupees in '000'	(Audited) December 31, 2022
<b>20. SUBORDINATED DEBTS</b>			
Subordinated perpetual term finance certificates - ADT I	20.1	8,017,500	8,017,500
Advance subscription money - subordinated perpetual term finance certificates - ADT I 2nd Issue	20.2	3,900,000	-
Privately placed term finance certificates - I	20.3	-	2,494,000
Privately placed term finance certificates - II	20.4	4,291,400	4,292,260
Privately placed term finance certificates - III	20.5	7,000,000	2,400,000
Advance subscription money - privately placed term finance certificates - IV	20.6	6,285,000	-
		<b>29,493,900</b>	<b>17,203,760</b>

### 20.1 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, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

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

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

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

### 20.3 Privately placed term finance certificates - I

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

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

### 20.4 Privately placed term finance certificates - II

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

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

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

## 20.5 Privately placed term finance certificates - III

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

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

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

Prior to close of period ended September 30, 2023, the Bank received Rs. 6,285,000 thousand under formal investor agreement from potential investors as advance subscription money against rated, privately placed / listed, unsecured and subordinated debt instrument in the nature of Tier II capital term finance certificates. The instrument will be unsecured and subordinated as to payment of principal and profit to other indebtedness of the Bank, including deposits, but will rank pari passu with other Tier II instruments and superior to Additional Tier I instruments. The instrument will be



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

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
<b>21. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		64,689,213	29,650,291
Mark-up / return / interest payable in foreign currency		1,592,272	644,270
Lease key money		14,741,103	13,384,899
Provision for taxation (provisions less payments)		473,401	3,220,400
Sundry creditors and accrued expenses		1,806,224	1,642,463
Acceptances	15	18,636,517	17,268,248
Mark-up payable on subordinated debts		2,541,681	206,610
Unclaimed dividends		2,586	2,586
Branch adjustment account	15	69,198	-
Unrealized loss on revaluation of foreign bills and trade loans	15	178,691	-
Payable to gratuity fund		334,169	171,152
Gratuity payable to key management personnel		12,190	12,190
Payable to charity fund		384	195
Provision against off-balance sheet obligations	21.2	43,983	43,983
Provision for employees compensated absences		170,309	153,884
Mark to market loss on forward foreign exchange contracts - net		2,918,132	112,585
Taxes / zakat / import fee payable		2,757,871	1,770,460
Lease liability against right of use assets		15,014,108	14,352,825
Workers' Welfare Fund	21.1	1,391,368	1,271,693
Others		2,543,727	1,478,278
		129,917,127	85,387,012

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

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

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

## 22. SHARE CAPITAL - NET

### 22.1 Authorized capital

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

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

### 22.2 Issued, subscribed and paid up capital

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

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

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
<b>23. SURPLUS ON REVALUATION OF ASSETS</b>			
<b>- NET OF TAX</b>			
Surplus / (deficit) on revaluation of:			
- Available for sale securities	10.1	(9,493,219)	(13,718,010)
- Property and equipment		6,272,670	6,451,062
- Non-banking assets acquired in satisfaction of claims	15	1,025,142	1,174,666
		(2,195,407)	(6,092,282)
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		4,651,677	5,898,745
- Property and equipment		(2,243,573)	(2,045,558)
- Non-banking assets acquired in satisfaction of claims		(88,898)	(84,335)
		2,319,206	3,768,852
		123,799	(2,323,430)

	Note	(Un-audited) September 30, 2023 Rupees in '000'	(Audited) December 31, 2022
<b>24. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	24.1	125,438,747	99,484,058
Commitments	24.2	457,658,373	401,862,159
Other contingent liabilities	24.3	291,951	291,951
		583,389,071	501,638,168
<b>24.1 Guarantees:</b>			
Financial guarantees		31,495,793	22,805,891
Performance guarantees		23,813,854	22,031,727
Other guarantees		70,129,100	54,646,440
		125,438,747	99,484,058
<b>24.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		181,303,986	170,302,819
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	259,232,037	198,951,177
- forward lending	24.2.2	16,896,323	32,465,327
Commitments for acquisition of:			
- fixed assets		84,889	23,097
- intangible assets		141,138	119,739
		457,658,373	401,862,159
<b>24.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		144,140,033	105,509,624
Sale		115,092,004	93,441,553
		259,232,037	198,951,177
<b>24.2.2 Commitments in respect of forward lending</b>			
Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.2.1	16,896,323	32,465,327
<b>23.2.2.1</b>			
These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.			
	Note	(Un-audited) September 30, 2023 Rupees in '000'	(Audited) December 31, 2022
<b>24.3 Other contingent liabilities</b>	24.3.1	291,951	291,951

**24.3.1** For tax years 2014 - 2022, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans.

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

**24.4 Claims against the Bank not acknowledged as debts**

An amount of Rs. 46,243,295 thousand (December 31, 2022: Rs. 51,158,973 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
	Rupees in '000'	
<b>25. MARK-UP / RETURN / INTEREST EARNED</b>		
On loans and advances	105,714,150	45,390,896
On investments:		
Available for sale securities	102,483,440	39,047,196
Held for trading securities	2,884,700	676,549
Held to maturity securities	8,727,468	7,737,922
On lendings to financial institutions:		
Repurchase agreement lendings (Reverse Repo)	2,717,014	847,136
Call money lendings	8,951	42,758
Placements	1,095,749	640,027
On balances with banks	352,517	235,962
	<b>223,983,989</b>	<b>94,618,446</b>
<b>26. MARK-UP / RETURN / INTEREST EXPENSED</b>		
Deposits and other accounts	133,299,252	60,779,845
Borrowings:		
Securities sold under repurchase agreements	53,754,246	7,391,636
Call borrowings	64,862	9,420
Borrowing from Pakistan Mortgage Refinance Company Limited	81,276	109,763
SBP refinance borrowings	3,415,524	1,114,896
Other borrowings	-	8,607
Subordinated debts:		
Mark-up on subordinated perpetual term finance certificates	1,642,805	543,995
Mark-up on privately placed term finance certificates	2,187,367	674,272
Mark-up on lease liability against right of use assets	1,404,255	1,032,029
	<b>195,849,587</b>	<b>71,664,463</b>

	Note	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
		Rupees in '000'	
<b>27. FEE AND COMMISSION INCOME</b>			
Branch banking customer fees		285,716	283,567
Consumer finance related fees		413,098	294,334
Card related fees		889,090	877,894
Credit related fees		665,335	793,188
Investment banking fees		314,010	368,555
Branchless banking fees		91,261	141,798
Commission on trade		1,033,032	833,730
Commission on guarantees		335,501	314,022
Commission on cash management		226,637	196,628
Commission on remittances including home remittances		315,810	333,231
Commission on bancassurance		170,884	77,947
Commission on wheat financing		1,259,096	189,655
SMS banking income		488,266	357,132
		<b>6,487,736</b>	<b>5,061,681</b>
<b>28. GAIN / (LOSS) ON SECURITIES - NET</b>			
Realized gain / (loss) on sale of securities - net	28.1	324,830	(772,657)
Unrealized gain / (loss) - held for trading		11,438	(39,140)
		<b>336,268</b>	<b>(811,797)</b>
<b>28.1 Realized gain / (loss) on sale of securities - net:</b>			
Federal government securities		5,660	(676,345)
Shares		319,170	(96,312)
		<b>324,830</b>	<b>(772,657)</b>
<b>29. OTHER INCOME - NET</b>			
Gain on sale of property and equipment - net		8,604	63,677
Gain on sale of non banking assets - net		1,841,632	114,420
Gain on termination of lease liability against right of use assets		127,167	9,378
Notice pay on resignations		26,169	20,287
		<b>2,003,572</b>	<b>207,762</b>

	Note	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
		Rupees in '000'	
<b>30. OPERATING EXPENSES</b>			
<b>Total compensation expense</b>		13,891,504	10,918,454
<b>Property expense:</b>			
Rent and taxes		30,588	19,533
Insurance		11,333	7,660
Utilities cost		1,085,508	833,923
Security		6,988	816
Repair and maintenance including janitorial charges		87,097	65,463
Depreciation		562,230	552,381
Depreciation on right of use assets		1,240,046	912,907
		3,023,790	2,392,683
<b>Information technology expenses:</b>			
Software maintenance		929,037	423,168
Hardware maintenance		52,054	51,895
Depreciation on computer equipment		374,317	309,680
Amortization on intangible assets		167,327	190,072
Network charges		352,001	325,017
		1,874,736	1,299,832
<b>Other operating expenses:</b>			
Directors' fees and allowances		23,558	43,079
Fees and allowances to shariah board		7,005	7,310
Legal and professional charges		174,220	159,281
Subscription charges		35,412	33,375
Outsourced staff services costs		573,834	416,380
Travelling and conveyance		1,627,607	1,142,065
NIFT clearing charges		77,625	53,421
Depreciation		431,017	316,552
Depreciation on non banking assets acquired in satisfaction of claims		16,760	27,182
Depreciation on ijarah assets under IFAS - 2		204,736	189,942
Training and development		111,026	125,102
Postage and courier charges		199,971	170,294
Credit card charges		12,048	823
Stationery and printing		362,352	223,232
Marketing, advertisement and publicity		633,499	548,422
Donations	30.1	-	15,000
Auditors remuneration		4,868	2,843
Insurance		220,225	193,164
Deposit protection fee		435,771	381,961
Repair and maintenance		441,330	292,090
Entertainment expenses		212,558	146,418
Fuel for generator		226,927	180,726
Commission and brokerage		213,912	247,566
Bank charges		36,089	33,454
SMS banking charges		321,928	51,457
ATM charges including mastercard charges		1,152,737	289,456
Cash remittance charges		509,845	274,931
Branch license fee		20,142	16,664
CNIC verification / ECIB charges		237,024	149,204
Participation and arrangement fee against TFCs		77,864	21,619
Miscellaneous expenses		224,488	205,134
		8,826,378	5,958,147
		27,616,408	20,569,116

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

	Note	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
Rupees in '000'			
<b>31. OTHER CHARGES</b>			
Penalties imposed by SBP		8,806	34,556
<b>32. PROVISIONS / (REVERSAL OF PROVISIONS) AND WRITE OFFS - NET</b>			
Provision for diminution in value of investments	10.3.1	816,668	1,134,990
Reversal of provision against advances	11.3	(638,225)	(3,860,406)
Provision / (reversal of provision) against other assets - net	15.1.1	117,774	(1,239,022)
Provision against off balance sheet obligations		-	109,541
		296,217	(3,854,897)
<b>33. TAXATION - NET</b>			
Current	33.1	2,466,760	5,218,527
Prior years		-	(13,283)
Deferred		446,090	(356,148)
		2,912,850	4,849,096

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

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

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

		(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
Rupees in '000'			
<b>34. BASIC EARNINGS PER SHARE</b>			
Profit after taxation for the period (Rs in '000')		5,808,011	7,493,539
			(Restated)
Weighted average number of ordinary shares (No.).		3,271,569,319	3,271,569,319
Basic earnings per share - Rs.		1.78	2.29

**35. DILUTED EARNINGS PER SHARE**

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

## 36. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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



## 36.2 Fair value of financial assets

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

September 30, 2023 (Un-audited)					
	Carrying value / Notional Value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
<b>On balance sheet financial instruments</b>					
<b>Financial assets measured at fair value:</b>					
Government securities	1,004,435,349	-	1,004,435,349	-	1,004,435,349
Shares	7,339,379	7,300,951	38,428	-	7,339,379
Non-Government debt securities	8,993,097	-	8,993,097	-	8,993,097
Mutual fund & investment trust units	2,646,415	-	2,646,415	-	2,646,415
Foreign securities	11,957	-	-	11,957	11,957
<b>Financial assets disclosed but not measured at fair value:</b>					
Government securities	98,106,436	-	79,854,708	-	79,854,708
Unlisted term finance certificates / sukus	4,297,770	-	4,297,770	-	4,297,770
<b>Off balance sheet financial instruments:</b>					
Forward purchase of foreign exchange contracts	137,843,799	-	137,843,799	-	137,843,799
Forward sale of foreign exchange contracts	111,713,902	-	111,713,902	-	111,713,902
December 31, 2022 (Audited)					
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
<b>On balance sheet financial instruments</b>					
<b>Financial assets measured at fair value :</b>					
Government securities	518,117,706	-	518,117,706	-	518,117,706
Shares	8,186,679	8,144,182	42,497	-	8,186,679
Non-Government debt securities	8,856,478	-	8,856,478	-	8,856,478
Mutual funds & investment trust units	2,635,138	-	2,635,138	-	2,635,138
Foreign securities	11,957	-	-	11,957	11,957
<b>Financial assets disclosed but not measured at fair value:</b>					
Government securities	96,883,601	-	87,756,050	-	87,756,050
Unlisted term finance certificates / sukus / commercial paper	3,585,344	-	3,585,344	-	3,585,344
<b>Off balance sheet financial instruments:</b>					
Forward purchase of foreign exchange contracts	105,808,826	-	105,808,826	-	105,808,826
Forward sale of foreign exchange contracts	93,853,340	-	93,853,340	-	93,853,340

### 36.3 Fair value of non financial assets

September 30, 2023 (Un-audited)					
	Carrying value/ Notional Value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
<b>Non Financial assets measured at fair value :</b>					
Property and equipment (land & building)	12,100,489	-	12,100,489	-	12,100,489
Non banking assets acquired in satisfaction of claims	3,015,433	-	3,015,433	-	3,015,433
December 31, 2022 (Audited)					
	Carrying value / Notional Value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
<b>Non Financial assets measured at fair value :</b>					
Property and equipment (land & building)	12,400,348	-	12,400,348	-	12,400,348
Non banking assets acquired in satisfaction of claims	3,677,345	-	3,677,345	-	3,677,345

## 37. SEGMENT INFORMATION

### 37.1 Segment details with respect to business activities

September 30, 2023 (Un-audited)							
	Corporate and investment banking	Card and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
<b>Profit &amp; loss</b>							
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 (cost) / 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
<b>Total income</b>	<b>36,587,191</b>	<b>89,729,751</b>	<b>66,418,124</b>	<b>39,066,696</b>	<b>14,626,644</b>	<b>(13,657,049)</b>	<b>232,771,357</b>
<b>Segment total expenses</b>	<b>26,559,708</b>	<b>71,823,681</b>	<b>42,989,068</b>	<b>54,155,648</b>	<b>11,033,648</b>	<b>17,032,723</b>	<b>223,594,476</b>
Profit before provisions and tax	10,027,483	17,906,070	23,429,056	(15,088,952)	3,592,996	(30,689,772)	9,176,881
Provisions	(788,186)	-	26,345	818,168	164,869	75,021	296,217
<b>Profit / (loss) before tax</b>	<b>10,815,669</b>	<b>17,906,070</b>	<b>23,402,711</b>	<b>(15,907,120)</b>	<b>3,428,127</b>	<b>(30,764,793)</b>	<b>8,880,684</b>
<b>Balance sheet</b>							
Cash and bank balances	-	285,605	25,920,239	56,388,687	8,654,622	-	91,249,153
Investments - net	2,895,470	-	-	1,090,245,756	32,689,177	-	1,125,830,403
Net inter segment lending	-	650,305,941	368,784,623	-	-	70,223,692	1,089,314,256
Lendings to financial institutions	-	-	-	12,429,000	1,985,000	-	14,414,000
Advances - performing	631,520,111	543,881	121,119,833	-	85,530,963	20,200,557	858,915,345
Advances - non-performing - net	3,752,176	-	1,922,195	-	1,370,319	-	7,044,690
Others	64,424,325	35,528	8,883,885	29,962,915	12,944,280	44,930,139	161,181,072
<b>Total assets</b>	<b>702,592,082</b>	<b>651,170,955</b>	<b>526,630,775</b>	<b>1,189,026,358</b>	<b>143,174,361</b>	<b>135,354,388</b>	<b>3,347,948,919</b>
Borrowings	70,177,810	-	1,523,133	551,336,649	1,533,587	-	624,571,179
Subordinated debts	-	-	-	-	-	29,493,900	29,493,900
Deposits and other accounts	186,905,066	626,114,647	477,770,890	-	102,041,141	-	1,392,831,744
Net inter segment borrowing	427,015,800	-	-	639,260,709	23,037,747	-	1,089,314,256
Others	17,038,756	25,056,308	47,324,403	-	7,423,454	41,278,950	138,121,871
<b>Total liabilities</b>	<b>701,137,432</b>	<b>651,170,955</b>	<b>526,618,426</b>	<b>1,190,597,358</b>	<b>134,035,929</b>	<b>70,772,850</b>	<b>3,274,332,950</b>
Equity	-	-	-	-	-	-	73,615,969
<b>Total equity &amp; liabilities</b>							<b>3,347,948,919</b>
<b>Contingencies &amp; commitments</b>	<b>307,193,193</b>	<b>-</b>	<b>116,987</b>	<b>259,232,037</b>	<b>16,328,876</b>	<b>517,978</b>	<b>583,389,071</b>

September 30, 2022 (Un-audited)

	Corporate and investment banking	Card and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
<b>Profit &amp; loss</b>							
Net mark-up / return / profit	32,620,246	11,173	8,086,407	46,440,731	7,027,151	432,738	94,618,446
Inter segment revenue - net	(16,327,913)	43,444,125	27,535,923	(46,330,790)	(295,874)	(8,025,471)	-
Non mark-up / return / interest income	1,958,316	1,163,170	781,255	1,523,721	148,931	861,195	6,436,598
Total income	18,250,649	44,618,468	36,403,585	1,633,662	6,880,208	(6,731,538)	101,055,034
Segment total expenses	9,675,959	35,785,500	22,700,020	7,687,811	5,286,440	11,343,036	92,478,766
Profit before provisions and tax	8,574,690	8,832,968	13,703,565	(6,054,149)	1,593,768	(18,074,574)	8,576,268
Provisions	(3,870,861)	-	(98,557)	1,135,990	244,183	(1,265,652)	(3,854,897)
Profit / (loss) before tax	12,445,551	8,832,968	13,802,122	(7,190,139)	1,349,585	(16,808,922)	12,431,165

December 31, 2022 (Audited)

<b>Balance sheet</b>							
Cash and bank balances	-	147,504	26,261,656	42,779,915	8,857,646	-	78,046,721
Investments - net	2,895,292	-	-	602,990,890	32,390,721	-	638,276,903
Net inter segment lending	-	540,008,370	323,461,057	-	2,723,384	27,864,900	894,057,711
Lendings to financial institutions	-	-	-	50,619,342	17,575,000	-	68,194,342
Advances - performing	397,720,759	123,805	115,139,152	-	54,669,949	15,795,927	583,449,592
Advances - non-performing	4,688,698	-	1,296,104	-	1,477,233	22,882	7,484,917
Others	32,766,850	6,016	6,943,631	12,742,007	8,088,570	45,998,470	106,545,544
<b>Total assets</b>	438,071,599	540,285,695	473,101,600	709,132,154	125,782,503	89,682,179	2,376,055,730
Borrowings	76,278,779	-	1,634,915	1,379,807	1,526,711	-	80,820,212
Subordinated debts	-	-	-	-	-	17,203,760	17,203,760
Deposits and other accounts	149,447,000	512,781,868	453,423,793	-	111,646,763	-	1,227,299,424
Net inter segment borrowing	186,908,247	-	-	707,149,464	-	-	894,057,711
Others	25,437,573	27,503,827	18,042,892	602,883	6,570,925	13,552,553	91,710,653
<b>Total liabilities</b>	438,071,599	540,285,695	473,101,600	709,132,154	119,744,399	30,756,313	2,311,091,760
Equity							64,963,970
<b>Total equity &amp; liabilities</b>							2,376,055,730
<b>Contingencies &amp; commitments</b>	282,863,157	-	1,103,084	198,951,177	18,285,963	434,787	501,638,168

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

### 38. RELATED PARTY TRANSACTIONS

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

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

	September 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Directors	Key management personnel	Employee funds	Others related parties	Directors	Key management personnel	Employee funds	Others related parties
	Rupees in '000'				Rupees in '000'			
<b>Advances (gross):</b>								
Opening balance	-	368,701	-	-	-	276,599	-	1,318,019
Addition during the period / year	-	182,472	-	-	-	250,149	-	804,387
Repaid during the period / year	-	102,633	-	-	-	158,047	-	2,122,406
Closing balance	-	448,540	-	-	-	368,701	-	-
<b>Contingencies (non funded exposure)</b>	-	-	-	-	-	-	-	49,822
<b>Other assets - advance deposits and prepayments</b>	-	66	-	-	-	8,992	-	-
<b>Other assets - markup receivable</b>	-	19,778	-	-	-	16,761	-	-
<b>Right of use assets</b>	-	-	-	63,717	-	-	-	67,036
<b>Lease liability against right of use assets</b>	-	-	-	14,703	-	-	-	13,302
<b>Deposits and other accounts:</b>								
Opening balance	239	32,751	1,036,847	26,391	902	28,390	374,772	1,558,999
Received during the period / year	63,092	1,005,831	5,666,669	255,437	7,764	850,875	3,805,306	70,813,694
Withdrawn during the period / year	51,316	926,606	3,327,389	189,442	8,427	846,514	3,143,231	72,346,302
Closing balance	12,015	111,976	3,376,127	92,386	239	32,751	1,036,847	26,391
<b>Other liabilities - markup payable</b>	149	1,720	-	321	8	124	-	-
<b>Other liabilities - sundry creditors &amp; accrued expenses</b>	-	-	-	-	-	-	-	-

	September 30, 2023 (Un-audited)				September 30, 2022 (Un-audited)			
	Directors	Key management personnel	Employee funds	Others related parties	Directors	Key management personnel	Employee funds	Others related parties
	Rupees in '000'				Rupees in '000'			
<b>Income :</b>								
Mark-up / return / interest earned	-	16,493	-	-	-	13,398	-	5,678
Fee and commission income	-	1,237	-	-	-	-	-	8,470
<b>Expense:</b>								
Mark-up / return / interest expensed	896	349	245,244	3,604	30	234	65,122	156,653
Depreciation on right of use assets	-	-	-	3,319	-	-	-	2,889
Mark-up on lease liability against right of use assets	-	-	-	1,401	-	-	-	2,413
Compensation expense	-	461,678	-	-	-	471,393	-	-
Directors fee and allowances	23,558	-	-	-	43,079	-	-	-

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

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

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Rupees in '000'		
Advances	314,284,400	52,906,885
Deposits and other accounts	634,629,901	549,974,639
Acceptances	71,929	71,929
Contingencies and commitments	28,484,162	31,495,126
Mark-up receivable	32,406,692	5,188,460
Mark-up payable	24,642,392	19,952,701
	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
Rupees in '000'		
Mark-up earned	35,469,775	5,792,450
Mark-up expensed	71,792,100	38,279,989
Income on contingencies and commitments	138,876	160,665

**38.3** The Bank made contribution of Rs. 369,738 thousand (September 30, 2022: Rs. 275,733 thousand) to employees provident fund during the period.

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

**38.5** Advances to employees as at September 30, 2023, other than key management personnel, amounted to Rs. 22,715,542 thousand (December 31, 2022: Rs. 17,649,987 thousand) with markup receivable of Rs. 773,101 thousand (December 31, 2022: Rs. 634,330 thousand) and markup income of Rs. 708,506 thousand (September 30, 2022: Rs. 445,473 thousand) and fee & commission income of Rs. 15,646 thousand. 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, 2023 stood at Rs. 87,746 thousand (December 31, 2022: Rs. 58,282 thousand).

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

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
<b>39. CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>			
<b>Minimum Capital Requirement (MCR):</b>			
Paid-up capital including share premium (net of losses)		34,667,575	31,693,421
<b>Capital Adequacy Ratio (CAR):</b>			
Eligible Common Equity Tier 1 (CET 1) Capital		65,230,401	53,722,311
Eligible Additional Tier 1 (ADT 1) Capital		11,917,500	8,017,500
Total Eligible Tier 1 Capital		77,147,901	61,739,811
Eligible Tier 2 Capital		16,197,823	6,396,254
Total Eligible Capital (Tier 1 + Tier 2)		93,345,724	68,136,065
Credit risk		461,235,816	432,338,314
Market risk		17,426,834	19,160,942
Operational risk		70,922,353	70,922,353
Total		549,585,003	522,421,609
Common equity tier I capital adequacy ratio		11.87%	10.28%
Tier I CAR (%)		14.04%	11.82%
Total CAR (%)		16.98%	13.04%
<b>39.1 Leverage Ratio (LR):</b>			
Eligible Tier-I Capital		77,147,901	61,739,811
Total exposures		2,596,598,079	1,787,557,305
LR (%)	39.1.1	2.97%	3.45%
<b>39.1.1</b>	The SBP vide letter No. BPRD/BA&CP/620/447350/23, dated April 03, 2023, allowed the Bank relaxation from the applicability of leverage ratio requirement of 3% till December 31, 2023, subject to the condition that Bank's leverage ratio shall not fall below 2.5%.		
<b>39.2</b>	The SBP vide letter No. SBHOK-BPRD-BACPD-BOP-503677, dated July 14, 2023, allowed the Bank to include advance subscription money of Rs. 3,900,000 thousand and Rs. 4,285,000 thousand against ADT - I and Tier - II respectively, as of June 30, 2023, for CAR and LR purposes. Had the advance subscription money of Rs. 3,900,000 thousand and Rs. 4,285,000 thousand not been taken, the CAR, LR and NSFR would stand at 15.50%, 2.82% and 105.27% respectively.		
		(Un-audited) September 30, 2023	(Audited) December 31, 2022
		Rupees in '000'	
<b>39.3 Liquidity Coverage Ratio (LCR):</b>			
Total high quality liquid assets		533,225,300	646,611,725
Total net cash outflow		514,460,327	469,412,209
LCR (%)		103.65%	137.75%
<b>39.4 Net Stable Funding Ratio (NSFR):</b>			
Total available stable funding		974,088,000	838,164,000
Total required stable funding		917,576,000	683,105,000
NSFR (%)		106.16%	122.70%

#### 40. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the September 30, 2023, the Bank is operating 140 Islamic banking branches (December 31, 2022: 140 Islamic banking branches) and 63 Islamic banking windows (December 31, 2022: 40).

## STATEMENT OF FINANCIAL POSITION

As at September 30, 2023

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Rupees in '000'			
<b>ASSETS</b>			
Cash and balances with treasury banks		8,291,240	8,122,079
Balances with other banks		363,382	735,567
Due from financial institutions	40.1	1,985,000	17,575,000
Investments - net	40.2	32,689,177	32,390,721
Islamic financing and related assets - net	40.3	86,901,282	56,147,182
Fixed assets		3,255,596	3,209,170
Intangible assets		9,791	6,298
Due from head office		-	2,723,384
Other assets		9,678,893	4,873,102
<b>Total assets</b>		<b>143,174,361</b>	<b>125,782,503</b>
<b>LIABILITIES</b>			
Bills payable		584,998	647,861
Due to financial institutions		1,533,587	1,526,711
Deposits and other accounts	40.4	102,041,141	111,646,763
Due to head office		23,037,747	-
Subordinated debt		-	-
Other liabilities		6,838,456	5,923,064
		134,035,929	119,744,399
<b>NET ASSETS</b>		<b>9,138,432</b>	<b>6,038,104</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		2,000,000	2,000,000
Reserves		64,572	26,464
Deficit on revaluation of assets		(995,041)	(629,134)
Unappropriated profit	40.5	8,068,901	4,640,774
		9,138,432	6,038,104
<b>CONTINGENCIES AND COMMITMENTS</b>	40.6		

# ISLAMIC BANKING BUSINESS

## Profit and Loss Account

### For the Nine Months Ended September 30, 2023 (Un-audited)

	Note	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
		Rupees in '000'			
Profit / return earned	40.7	6,255,851	2,728,254	15,234,944	7,027,151
Profit / return expensed	40.8	3,720,258	1,332,381	9,316,550	3,613,584
Net profit / return		2,535,593	1,395,873	5,918,394	3,413,567
Fee and commission income		115,137	56,072	294,230	162,321
Dividend income		-	-	-	-
Foreign exchange (loss) / income		(3,474)	(8,997)	(167)	(16,975)
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net		22	-	33	-
Other income		1,752	(2,901)	4,743	3,585
		113,437	44,174	298,839	148,931
Total income		2,649,030	1,440,047	6,217,233	3,562,498
Operating expenses		858,935	673,285	2,624,220	1,968,730
Workers' welfare fund		-	-	-	-
Other charges		17	-	17	-
		858,952	673,285	2,624,237	1,968,730
Profit before provisions		1,790,078	766,762	3,592,996	1,593,768
Provisions and write offs - net		12,328	15,245	164,869	244,183
Profit before taxation		1,777,750	751,517	3,428,127	1,349,585
Taxation	40.9	-	-	-	-
Profit after taxation		1,777,750	751,517	3,428,127	1,349,585



## 40.1 DUE FROM FINANCIAL INSTITUTIONS

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Placements	1,985,000	-	1,985,000	17,575,000	-	17,575,000

## 40.2 INVESTMENTS - NET

### Investments by segment:

	(Un-audited) September 30, 2023				(Audited) December 31, 2022			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	Rupees in '000'				Rupees in '000'			
Federal government securities:								
-Ijarah sukuk	21,220,252	-	(1,083,788)	20,136,464	21,243,759	-	(669,504)	20,574,255
-Naya Pakistan Certificates (Roshan Digital)	786,598	-	-	786,598	682,588	-	-	682,588
	22,006,850	-	(1,083,788)	20,923,062	21,926,347	-	(669,504)	21,256,843
Non government debt securities :								
-Listed	8,346,159	-	(5,559)	8,340,600	8,393,936	-	(53,935)	8,340,001
-Unlisted	3,425,515	-	-	3,425,515	2,793,877	-	-	2,793,877
	11,771,674	-	(5,559)	11,766,115	11,187,813	-	(53,935)	11,133,878
Total investments	33,778,524	-	(1,089,347)	32,689,177	33,114,160	-	(723,439)	32,390,721

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

## 40.3 ISLAMIC FINANCING AND RELATED ASSETS

Ijarah	2,066,049	2,461,557
Murabaha	2,021,443	4,870,837
Musharaka	40,839,460	14,045,205
Diminishing musharaka	29,912,308	27,325,666
Payment against documents	55,304	55,304
Waqala	3,975,886	3,203,972
Istisna	6,344,765	5,209,531
Musawamah	3,106,826	574,056
Tijarah	343,056	-
Gross islamic financing and related assets	88,665,097	57,746,128
Less: provision against islamic financings		
- Specific	1,763,815	1,598,946
- General	-	-
	1,763,815	1,598,946
Islamic financing and related assets - net of provision	86,901,282	56,147,182

#### 40.4 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
<b>Customers :</b>						
Current deposits	17,329,842	479,023	17,808,865	16,598,382	513,205	17,111,587
Savings deposits	67,645,601	419,239	68,064,840	55,880,913	289,392	56,170,305
Term deposits	10,061,907	188,824	10,250,731	15,066,050	-	15,066,050
Others	1,335,171	-	1,335,171	1,499,138	-	1,499,138
	96,372,521	1,087,086	97,459,607	89,044,483	802,597	89,847,080
<b>Financial institutions:</b>						
Current deposits	16,619	7,006	23,625	100,316	71,130	171,446
Savings deposits	4,557,584	236	4,557,830	2,753,014	223	2,753,237
Term deposits	-	-	-	18,875,000	-	18,875,000
Others	79	-	79	-	-	-
	4,574,292	7,242	4,581,534	21,728,330	71,353	21,799,683
	100,946,813	1,094,328	102,041,141	110,772,813	873,950	111,646,763

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Rupees in '000'	
<b>40.5 UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS</b>		
Opening balance	4,640,774	2,550,132
Add: Islamic banking profit for the period / year	3,428,127	2,090,642
Closing balance	8,068,901	4,640,774
<b>40.6 CONTINGENCIES AND COMMITMENTS</b>		
<b>Guarantees:</b>		
Financial guarantees	18,200	43,200
Performance guarantees	1,108,763	926,842
Other guarantees	1,165,700	1,079,924
	2,292,663	2,049,966
<b>Commitments:</b>		
Documentary credits and short-term trade-related transactions - letters of credit	5,630,862	4,822,785
Commitments in respect of forward lending	8,405,351	11,413,212
	14,036,213	16,235,997

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

40.7 PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
Profit earned on:			
Financing		10,446,468	4,453,091
Investments		4,042,417	2,124,351
Placements		746,049	268,531
Deposits with financial institutions		10	181,178
		15,234,944	7,027,151
40.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED			
Deposits and other accounts		8,124,483	3,119,349
Markup on lease liability against right of use assets		264,926	189,953
Markup on borrowings from SBP		20,002	8,409
Profit on deposits from conventional head office		907,139	295,873
		9,316,550	3,613,584

40.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 1,134,367 thousand (September 30, 2022: Rs. 525,663 thousand).

40.10 During the period, following pool has been created:

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

The main characteristics of the pool are as under:

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

#### 41. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on October 28, 2023 by the Board of Directors of the Bank.

#### 42. GENERAL

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

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



Chief Financial Officer



President



Chairman



Director



Director





# BOP

THE BANK OF PUNJAB



"Lahore Qalandar won PSL 2022"  
BOP is the Official Partner of LD



"Best Digital Channel/Platform Implementation and Best Project Implementation"  
Awarded by InfoTech & EOP at the Global FinTech Innovation Awards 2022



"Top Performing Bank for FIMC"  
by IMF of Pakistan 2021



"Corporate Finance House of the Year"  
by CIA Society Pakistan 2022



"Best Corporate Report Award for the Year 2021 in the sector 'Banking', Institute of Chartered Accountants of Pakistan



"Pakistan's Best Bank for CSR"  
by Ashrafkhan 2022



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



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



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



"Number one Bank Awarded by JP Morgan against highest Straight Through Processing Rate of 92.2% achieved against euro payments processed in the year 2021"



"Fastest Credit Card Launch Across MENA"  
Awarded by ICCA in EDGE 2022



"Power deal of the year"  
by The Asset Trade & Award 2021



"Best Corporate Report Award of the year 2021"

10-B, E-II, Main Boulevard, Gulberg III, Lahore  
www.bop.com.pk | 111 267 200