



QUARTERLY  
REPORT  
(Un-audited)  
JANUARY - MARCH

2018



GROWTH IS AN EVIDENCE OF SUCCESS



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# Corporate Information

## Board of Directors

Dr. Pervez Tahir	Chairman
Mr. Naeemuddin Khan	President / CEO
Mr. Mohammad Jehanzeb Khan	Director
Mr. Hamed Yaqoob Sheikh	Director
Khawaja Farooq Saeed	Director
Mr. Saeed Anwar	Director
Dr. Umar Saif	Director
Syed Maratib Ali	Director
Mr. Mohammed Afzaal Bhatti	Director
Dr. Muhammad Amjad Saqib	Director
Mr. Raza Saeed	Secretary to the Board

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## Central Audit Committee (CAC)

Khawaja Farooq Saeed	Chairman
Mr. Mohammed Afzaal Bhatti	Member
Mr. Saeed Anwar	Member

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## Board Risk Management Committee (BRMC)

Syed Maratib Ali	Chairman
Mr. Saeed Anwar	Member
Khawaja Farooq Saeed	Director

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## Human Resource & Remuneration Committee (HR&RC)

Mr. Mohammad Jehanzeb Khan	Chairman
Syed Maratib Ali	Member
Mr. Mohammed Afzaal Bhatti	Member
Mr. Naeemuddin Khan	Ex-officio Member

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## Auditors

EY Ford Rhodes, Chartered Accountants

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## Registered Office

BOP Tower, 10-B, Block-E-II,  
Main Boulevard, Gulberg-III, Lahore.  
Telephones: +92 - 042-35783700-10  
Fax No. +92 - 042 - 35783975  
UAN: 111-200-100

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## Website

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

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## Registrar

M/s. Corplink (Pvt) Limited  
Wings Arcade, 1-K, Commercial,  
Model Town, Lahore.  
Telephones: +92 42 35916714, 35916719, 35839182  
Fax No. +92 042 35869037



# Directors' Report

Quarterly Financial Statements – March 31, 2018

On behalf of the Board of Directors, I am pleased to present Un-audited Condensed Interim Financial Statements of The Bank of Punjab for the three months ended March 31, 2018.

As per recently issued Monetary Policy Statement of SBP, Agriculture sector is projected to post positive growth for the second consecutive year. Industrial sector has managed demand pressures through improved utilization of existing capacity and continuing additions in installed capacity. Consequently, Large Scale Manufacturing posted a growth of 6.3 percent during Jul-Jan FY18 as compared to 3.6 percent during the corresponding period in FY17. Cumulative private sector credit (PSC) flows reached PKR 354 billion during Jul-Feb FY18 as compared to PKR 338 billion during same period in FY17.

Given the favorable economic outlook, growth in PSC credit is expected to maintain its momentum throughout FY18 and well into FY19 reaping more benefits for economy. During Jul-Feb FY18, exports growth has reached 12.2 percent as compared to the decline of 0.8 percent in the same period last year. The SBP Policy Rate, was increased from 5.75% to 6.00% in January'2018 and was maintained at same level in Monetary Policy Statement of March'2018.

## Financial Highlights:

Rs. in Million

Profit before taxation	3,008.8
Taxation	1,068.6
Profit after taxation	1,940.2
Earnings per share (Rupees)	0.73

During 1st quarter 2018, Bank's Net Interest Margin significantly improved to Rs. 4,673 million as against Rs. 3,278 million for corresponding period last year thereby registering a rise of 43%. Non Mark-up/Interest Income and Non Mark-up/Interest Expenses remained at Rs. 917 million and Rs. 2,761 million, respectively. Accordingly, the Bank was able to post a pre-tax profit of Rs. 3,009 million as against Rs. 2,401 million for corresponding period last year thereby registering a rise of 25%. The Earnings per Share remained at Rs. 0.73.

As on March 31, 2018, the Deposits increased to Rs. 569.6 billion as against Rs. 556.3 billion as of December 31, 2017, while Total Assets increased to Rs. 655.3 billion as against Rs. 649.5 billion as on December 31, 2017. Investments and Gross Advances stood at Rs. 213.3 billion and Rs. 357.2 billion, respectively. The Tier-I Equity also improved to Rs. 28.8 billion as against Rs. 26.8 billion as on December 31, 2017.

As explained in Note 1.2 to the financial statements, State Bank of Pakistan has allowed the Bank relaxation in Capital Adequacy Ratio (CAR) requirement till June 30, 2018. The CAR as on March 31, 2018 has improved to 10.53% as against 9.73% as on December 31, 2017. Subsequent to period ended March 31, 2018, the Bank has successfully raised Rs. 4.3 billion as Tier-II Capital through issuance of rated and unlisted privately placed term finance certificates to attain level of CAR as prescribed by SBP. Accordingly, the adjusted level of CAR as of March 31, 2018 stood at 11.42%. Besides, the Bank now also stands fully compliant with provisioning requirements under Prudential Regulations of SBP.

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+". Further, the Bank now has a nationwide network of 540 online branches, including 6 sub-branches, and the Bank has planned to further expand its outreach during the year and the branch network would reach at 576 as on December 31, 2018.

I am thankful to our valued customers and shareholders for their continuous support and trust and assure that the Bank would continue its efforts to further accelerate the current growth trends. I wish to extend my gratitude to the Government of the Punjab and the State Bank of Pakistan for their support and guidance. I also appreciate Bank's management and staff for their contribution towards progress and prosperity of the Bank.

For and on behalf of the Board

**Dr. Pervez Tahir**  
Chairman

## ڈائریکٹرز کا جائزہ

دی بینک آف پنجاب سہ ماہی حسابات 31 مارچ 2018:

یہ بات میرے لیے باعث مسرت ہے کہ میں دی بینک آف پنجاب کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2018 کو اختتام پذیر ہونے والی سہ ماہی کے غیر آڈٹ شدہ حسابات پیش کر رہا ہوں۔

سٹیٹ بینک آف پاکستان کی حالیہ زری پالیسی بیان کے مطابق اندازہ ہے کہ شعبہ زراعت مسلسل دوسرے برس مثبت نمود کھائے گا۔ موجودہ استعداد کے بہتر استعمال اور تھیب شدہ استعداد میں مسلسل اضافے کے ذریعے صنعتی شعبے نے طلبی دباؤ کو قابو میں رکھا ہے۔ بڑے پیمانے کی ایشیا سازی (ایس ایس ایم) نے جولائی تا جنوری مالی سال 2018ء کے دوران 6.3 فیصد کی نمودورج کی جبکہ مالی سال 2017ء کی اسی مدت میں 3.6 فیصد نمود ہوئی تھی۔ جولائی تا فروری مالی سال 18ء کے دوران نجی شعبے کا مجموعی قرض 354 ارب روپے تک پہنچ گیا جبکہ مالی سال 17ء کی اسی مدت میں 338 ارب روپے تھا۔ سازگار معاشی منظر نامے کے پیش نظر توقع ہے کہ نجی شعبے کے قرضے کی نمو پورے مالی سال 18ء کے دوران اور مالی سال 19ء میں بھی کافی عمر سے اپنی رفتار قائم رکھے گی جس سے ملکی معیشت مزید استفادہ حاصل کرے گی۔ جولائی تا فروری مالی سال 18ء کے دوران برآمدات کی نمو 12.2 فیصد تک پہنچ گئی ہے جبکہ پچھلے سال اسی مدت میں 0.8 فیصد کی ہوئی تھی۔ جنوری 2018ء میں سٹیٹ بینک آف پاکستان نے پالیسی ریٹ 5.75 فیصد سے بڑھا کر 6.00 فیصد کر دیا تھا جو کہ مارچ 2018ء کی زری پالیسی میں 6.00 فیصد پر برقرار رکھا گیا ہے۔

مالیاتی نتائج	روپیہ ملین میں
قبل از ٹیکس منافع	3,008.8
ٹیکس	1,068.6
بعد از ٹیکس منافع	1,940.2
فی شخص منافع (روپیہ)	0.73

سال 2018ء کی پہلی سہ ماہی کے دوران بینک کا نیٹ انٹرنسٹ مارجن 43 فیصد کے شاندار اضافے کے ساتھ 4,673 ملین روپے تک پہنچ گیا جو کہ گزشتہ سال کی اسی مدت کے دوران 3,278 ملین روپے تھا۔ جبکہ نان مارک اپ/ انٹرنسٹ آمدن اور نان مارک اپ/ انٹرنسٹ اخراجات بالترتیب 917 ملین روپے اور 2,761 ملین روپے رہے۔ اس طرح بینک نے 25 فیصد اضافے کے ساتھ 3,009 ملین روپے کا قبل از ٹیکس منافع کمایا جو کہ گزشتہ سال کی اسی مدت کے دوران 2,401 ملین روپے تھا اور بینک کی فی شخص آمدن 0.73 روپے رہی۔

31 مارچ 2018ء کو بینک کے ڈیپازٹس بڑھ کر 569.6 ارب روپے پر پہنچ گئے جو کہ 31 دسمبر 2017ء کو 556.3 ارب روپے کی سطح پر تھے۔ اسی طرح بینک کے اثاثہ جات بڑھ کر 655.3 ارب روپے ہو گئے جو کہ 31 دسمبر 2017ء کو 649.5 ارب روپے کی سطح پر تھے۔ بینک کی سرمایہ کاری اور قرضہ جات بالترتیب 213.3 ارب روپے اور 357.2 ارب روپے کی سطح پر رہے۔ بینک کی ٹیڈن ایکویٹی بہتر ہوتے ہوئے 28.8 ارب روپے ہو گئی جو کہ 31 دسمبر 2017ء کو 26.8 ارب روپے تھی۔

جبکہ مالی حسابات کے نوٹ نمبر 1.2 میں بیان کیا گیا ہے سٹیٹ بینک آف پاکستان نے بینک کو 30 جون 2018ء تک کپٹیل ایڈیکویسی ریٹو (CAR) کی مطلوبہ سطح پر رعایت دی ہے۔ 31 مارچ 2018ء کو بینک کی CAR بہتر ہو کر 10.53 فیصد ہو گئی جو کہ 31 دسمبر 2017ء کو 9.73 فیصد کی سطح پر تھی۔ 31 مارچ 2018ء کے بعد بینک نے 4.3 ارب روپے کے PPTFCs کے ذریعے ٹیڈن ٹو کپٹیل میں اضافہ کیا ہے جس سے سٹیٹ بینک آف پاکستان کی مقرر کردہ CAR کی سطح حاصل کرنے میں مدد ملے گی۔ اس طرح 31 مارچ 2018ء کو بینک کی ایڈجسٹڈ CAR 11.42 فیصد کی سطح پر تھی۔ بینک اس وقت سٹیٹ بینک آف پاکستان کی پروڈنشل ریگولیشن کے تحت غیر فعال قرضہ جات پر پروویژن کی مطلوبہ سطح پوری کر چکا ہے۔

پاکستان کریڈٹ ریٹنگ ایجنسی نے بینک کو طویل مدت ریٹنگ "AA" دی ہے جبکہ مختصر مدت کے لیے "A1+" کی ریٹنگ بلند ترین سطح پر ہے۔ علاوہ ازیں بینک کی شاخوں کی مجموعی تعداد 540 ہو گئی ہے اور رواں سال بینک کی مزید شاخیں کھولی جائیں گی جس کے بعد 31 دسمبر 2018ء کو بینک کا براؤنچ نیٹ ورک 576 برانچوں تک پہنچ جائے گا۔

اپنے معزز صارفین اور حصص داران کے تعاون اور اعتماد کا شکر یہ ادا کرتے ہوئے اس بات کا یقین دلاتا ہوں کہ بینک کی انتظامیہ ترقی کی موجودہ رفتار کو مزید تیز کرنے کے لیے اپنی کاوشیں جاری رکھے گی۔ میں حکومت پنجاب اور سٹیٹ بینک آف پاکستان کے مسلسل تعاون اور معاونت کا تہہ دل سے شکر گزار ہوں۔ میں بینک کے تمام ملازمین کی انتھک محنت کا معترف ہوں جس کی وجہ سے بینک نے قابل ذکر کارکردگی کا مظاہرہ کیا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈاکٹر پرویز طاہر  
چیئرمین



**Unconsolidated Condensed Interim  
Financial Information**  
for the period ended March 31, 2018



# Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2018

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
		Rupees in '000'	
<b>ASSETS</b>			
Cash and balances with treasury banks		40,722,118	42,477,950
Balances with other banks		3,134,058	6,077,383
Lendings to financial institutions	6	48,927,076	24,570,850
Investments - net	7	213,276,078	242,506,452
Advances - net	8	311,369,169	295,751,721
Operating fixed assets	9	8,465,137	8,518,887
Deferred tax assets - net		10,524,004	10,724,523
Other assets - net		18,878,779	18,919,285
		655,296,419	649,547,051
<b>LIABILITIES</b>			
Bills payable		3,401,397	3,365,325
Borrowings	10	28,957,989	38,949,362
Deposits and other accounts	11	569,599,889	556,281,156
Sub-ordinated loans		4,499,000	4,499,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		-	-
Other liabilities		17,251,794	16,720,448
		623,710,069	619,815,291
<b>NET ASSETS</b>		31,586,350	29,731,760
<b>REPRESENTED BY</b>			
Share capital	12	26,436,924	26,436,924
Reserves		3,214,673	3,214,673
Accumulated losses		(826,976)	(2,806,439)
		28,824,621	26,845,158
Surplus on revaluation of assets - net of tax	13	2,761,729	2,886,602
		31,586,350	29,731,760
Contingencies and commitments	14		

The annexed notes from 1 to 21 and Annexure - I form an integral part of this unconsolidated condensed interim financial information.

Chief Financial Officer

President

Director





# Unconsolidated Condensed Interim Profit and Loss Account

## For the Three Months Ended March 31, 2018 (Un-audited)

	Three Months Ended	
	March 31, 2018	March 31, 2017
	Rupees in '000'	
<b>Mark-up / return / interest earned</b>	9,692,410	7,641,912
Mark-up / return / interest expensed	5,018,917	4,364,239
Net mark-up / return / interest income	4,673,493	3,277,673
Reversal of provision against non-performing loans and advances - net	(178,765)	(442,842)
Reversal of provision for diminution in the value of investments - net	-	(9,226)
Bad debts written off directly	-	-
	(178,765)	(452,068)
Net mark-up / return / interest income after provisions	4,852,258	3,729,741
<b>NON MARK-UP / INTEREST INCOME</b>		
Fee, commission and brokerage income	271,633	238,510
Dividend income	20,183	30,724
Income from dealing in foreign currencies	69,929	19,014
Gain on sale and redemption of securities - net	26,363	114,697
Unrealized loss on revaluation of investments classified as held for trading	(315)	(969)
Other income	529,410	522,547
Total non-markup / interest income	917,203	924,523
	5,769,461	4,654,264
<b>NON MARK-UP / INTEREST EXPENSES</b>		
Administrative expenses	2,734,932	2,249,379
Provision against other assets	25,705	4,243
Other charges	-	35
Total non-markup / interest expenses	2,760,637	2,253,657
	3,008,824	2,400,607
Extra ordinary / unusual items	-	-
<b>PROFIT BEFORE TAXATION</b>	3,008,824	2,400,607
Taxation - Current	821,926	630,889
- Prior years	-	-
- Deferred	246,646	207,891
	1,068,572	838,780
<b>PROFIT AFTER TAXATION</b>	1,940,252	1,561,827
<b>Earnings per share - basic and diluted (Rupees) - Note 15</b>	0.73	1.00

The annexed notes from 1 to 21 and Annexure - I form an integral part of this unconsolidated condensed interim financial information.

Chief Financial Officer

President

Director



# Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Three Months Ended March 31, 2018 (Un-audited)

	Three Months Ended	
	March 31, 2018	March 31, 2017
	Rupees in '000'	
<b>Profit after taxation for the period</b>	1,940,252	1,561,827
<b>Other comprehensive income:</b>		
<b>Items that will not to be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement loss on defined benefit obligations - net of tax	-	-
<b>Comprehensive income transferred to equity</b>	1,940,252	1,561,827
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Change in deficit on revaluation of investments - net of tax	(85,662)	75,671
<b>Total comprehensive income for the period</b>	1,854,590	1,637,498

The annexed notes from 1 to 21 and Annexure - I form an integral part of this unconsolidated condensed interim financial information.

Chief Financial Officer

President

Director



## Unconsolidated Condensed Interim Cash Flow Statement For the Three Months Ended March 31, 2018 (Un-audited)

	Three Months Ended	
	March 31, 2018	March 31, 2017
	Rupees in '000'	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,008,824	2,400,607
Less: Dividend income	(20,183)	(30,724)
	2,988,641	2,369,883
Adjustments for:		
Depreciation on property and equipment	224,322	203,335
Depreciation on non banking assets acquired in satisfaction of claims	19,344	21,814
Depreciation on ijarah assets under IFAS - 2	107,520	29,520
Amortization on intangible assets	8,194	6,099
Amortization of premium on debt securities	173,043	206,302
Unrealized loss on revaluation of investments classified as held for trading	315	969
Reversal of provision against non-performing loans and advances - net	(178,765)	(442,842)
Provision for diminution in the value of investments - net	-	(9,226)
Provision for employees compensated absences	2,465	6,719
Provision for gratuity	26,902	19,654
Provision against other assets	25,705	4,243
Net profit / (loss) on sale of property and equipment	4,116	(679)
Gain on sale and redemption of securities - net	(26,363)	(114,697)
	386,798	(68,789)
	3,375,439	2,301,094
(Increase) / Decrease in operating assets:		
Lendings to financial institutions	(29,159,549)	4,610,133
Net investments in held for trading securities	11,092,702	1,339,551
Advances - net	(15,546,203)	(9,532,698)
Other assets - net	370,993	128,558
	(33,242,057)	(3,454,456)
Increase / (Decrease) in operating liabilities:		
Bills payable	36,072	(410,087)
Borrowings	(10,038,897)	(1,915,652)
Deposits and other accounts	13,318,733	6,600,052
Other liabilities	501,979	566,914
	3,817,887	4,841,227
	(26,048,731)	3,687,865
Income tax paid	(1,202,127)	(115,618)
<b>Net cash (used in) / flow from operating activities</b>	<b>(27,250,858)</b>	<b>3,572,247</b>

**Three Months Ended**  
**March 31,**      **March 31,**  
**2018**              **2017**

**Rupees in '000'**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net investments in available for sale securities	17,858,890	(9,321,286)
Dividends received	24,848	20,819
Investments in operating fixed assets	(214,413)	(244,647)
Sale proceeds of property and equipment disposed-off	31,529	81,177
<b>Net cash flow from / (used in) investing activities</b>	<b>17,700,854</b>	<b>(9,463,937)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

<b>Net decrease in cash and cash equivalents</b>	<b>(9,550,004)</b>	<b>(5,891,690)</b>
Cash and cash equivalents at beginning of the period	53,299,968	39,437,081
Cash and cash equivalents at end of the period	43,749,964	33,545,391

**Cash and cash equivalents:**

Cash and balances with treasury banks	40,722,118	30,166,082
Balances with other banks	3,134,058	3,598,084
Overdrawn nostro accounts	(106,212)	(218,775)
	<b>43,749,964</b>	<b>33,545,391</b>

The annexed notes from 1 to 21 and Annexure - I form an integral part of this unconsolidated condensed interim financial information.

Chief Financial Officer

President

Director



# Unconsolidated Condensed Interim Statement of Changes in Equity

## For the Three Months Ended March 31, 2018 (Un-audited)

	Rupees in '000'						
	Share capital	Discount on issue of shares	Share deposit money	Statutory reserve	Share premium	Capital Reserve	Revenue Reserve
						Unappropriated profit / (accumulated losses)	Total
<b>Balance as at January 1, 2017</b>	15,551,132	(263,159)	7,000,000	1,262,791	37,882	658,938	24,247,585
Profit after taxation for the three months ended March 31, 2017	-	-	-	-	-	1,561,927	1,561,927
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the three months ended March 31, 2017	-	-	-	-	-	1,561,927	1,561,927
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	12,921	12,921
Transfer from surplus on revaluation of fixed assets to unappropriated profit on disposal	-	-	-	-	-	68,246	68,246
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	597	597
<b>Balance as at March 31, 2017</b>	15,551,132	(263,159)	7,000,000	1,262,791	37,882	2,302,529	25,891,176
Loss after taxation for the nine months ended December 31, 2017	-	-	-	-	-	(4,883,882)	(4,883,882)
Other comprehensive loss	-	-	-	-	-	(82,051)	(82,051)
Total comprehensive loss for the nine months ended December 31, 2017	-	-	-	-	-	(4,965,933)	(4,965,933)
Transfer from surplus on revaluation of fixed assets to accumulated loss - net of tax	-	-	-	-	-	38,373	38,373
Transfer from surplus on revaluation of fixed assets to accumulated loss on disposal	-	-	-	-	-	40,432	40,432
Transfer from surplus on revaluation of non banking assets to accumulated loss on disposal	-	-	-	-	-	7,592	7,592
Transfer from surplus on revaluation of non banking assets to accumulated loss - net of tax	-	-	-	-	-	1,749	1,749
<b>Transactions with owners, recorded directly in equity:</b>							
Issuance of right shares at premium	10,885,792	-	(7,000,000)	-	2,177,158	-	6,062,950
Right shares issue cost	10,885,792	-	(7,000,000)	-	2,177,158	(231,181)	(231,181)
<b>Balance as at December 31, 2017</b>	26,436,924	(263,159)	-	1,262,791	2,215,040	(2,806,439)	26,845,158
Profit after taxation for the three months ended March 31, 2018	-	-	-	-	-	1,940,252	1,940,252
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the three months ended March 31, 2018	-	-	-	-	-	1,940,252	1,940,252
Transfer from surplus on revaluation of fixed assets to accumulated loss - net of tax	-	-	-	-	-	11,917	11,917
Transfer from surplus on revaluation of fixed assets to accumulated loss on disposal	-	-	-	-	-	26,789	26,789
Transfer from surplus on revaluation of non banking assets to accumulated loss on disposal	-	-	-	-	-	(590)	(590)
Transfer from surplus on revaluation of non banking assets to accumulated loss - net of tax	-	-	-	-	-	1,095	1,095
<b>Balance as at March 31, 2018</b>	26,436,924	(263,159)	-	1,262,791	2,215,040	(826,976)	28,824,621

The annexed notes from 1 to 21 and Annexure - I form an integral part of this unconsolidated condensed interim financial information.

Chief Financial Officer

President

Director

# Notes to the Unconsolidated Condensed Interim Financial Information

## For the Three Months Ended March 31, 2018 (Un-audited)

### 1. STATUS AND NATURE OF BUSINESS

- 1.1** The Bank of Punjab (the Bank) was constituted 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-2, Main Boulevard, Gulberg III, Lahore. The Bank has 540 branches including 06 sub branches and 64 Islamic banking branches (2017: 536 branches including 06 sub branches and 64 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir at the period end. The Bank is listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb).
- 1.2** As on March 31, 2018, paid-up capital (net of losses) amounted to Rs. 25,609,948 thousand and the Bank stands compliant with SBP's minimum capital requirement of Rs. 10,000,000 thousand. However, the Bank's Capital Adequacy Ratio (CAR) is less than the applicable requirements. The Management has prepared a capital management plan, including issuance of Tier-II capital, for compliance with minimum prescribed level of CAR till June 30, 2018. Accordingly, the SBP, on the basis of capital management plan, has granted the Bank relaxation from the applicable CAR till June 30, 2018.


Under the arrangements agreed between GOPb, SBP and the Bank, the GOPb vide two LOCs has undertaken to inject necessary funds to make good the capital shortfall to the satisfaction of SBP up to a maximum aggregate amount of Rs. 14,150,000 thousand (net of tax @ 35%) within a period of 90 days after close of the year ending December 31, 2018 if the Bank fails to make provision of Rs. 21,770,000 thousand or if there is a shortfall in meeting the prevailing regulatory capital requirements as a result of the said provisioning. In addition, in terms of aforesaid LOCs, the GOPb being majority shareholder and sponsor of the Bank, has also extended its commitment to support and assist the Bank in ensuring that it remains compliant with the regulatory requirements at all times. However, the Bank has made 100% provisioning against exposures covered under LOCs in year 2017.

Subsequent to period ended March 31, 2018, the Bank, in pursuance of achieving the capital management plan, has successfully raised Rs. 4,300,000 thousand as Tier-II capital through issuance of rated and unlisted privately placed term finance certificates. Further, keeping in view the targeted growth and projections for the year, the Management is confident to meet applicable requirements of CAR by June 30, 2018.

### 2. STATEMENT OF COMPLIANCE

- 2.1** This unconsolidated condensed interim financial information has been prepared in accordance with the directives issued by the SBP, requirements of The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962, the Companies Act, 2017 and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the provisions of 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 standards, the requirements of the said directives, the Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 take precedence.



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- 2.2** SBP as per BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and International Accounting Standard (IAS) 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS – 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these Standards have not been considered in the preparation of these unconsolidated financial statements.
- 2.3** IFRS 8, 'Operating Segments' is effective for the Bank's accounting period beginning on or after January 1, 2009. All banking companies in Pakistan are required to prepare their annual financial statements in line with the format prescribed under BSD Circular No. 4 dated February 17, 2006, 'Revised Forms of Annual Financial Statements', effective from the accounting year ended December 31, 2006. The management of the Bank believes that as the SBP has defined the segment categorization in the above mentioned circular, the SBP requirements prevail over the requirements specified in IFRS 8. Accordingly, segment information disclosed in these unconsolidated financial statements is based on the requirements laid down by the SBP.
- 2.4** The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard - 3 for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS). The standard will result in certain new disclosures in these unconsolidated financial statements of the Bank.
- 2.5** This unconsolidated condensed interim financial information is separate financial information of the Bank in which the investment in subsidiary 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 financial statements of the Group are being issued separately.
- 2.6** In accordance with the directives of the Government of Pakistan regarding the conversion of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the Banks from their customers and immediate resale to them at appropriate marked-up price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.
- 2.7** The financial results of Islamic Banking business have been consolidated in these unconsolidated condensed interim financial information for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in Annexure-I to these unconsolidated condensed interim financial information.

### **3. BASIS OF MEASUREMENT**

These unconsolidated 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 certain staff retirement benefits at present value.

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The accounting policies, underlying estimates and judgments and methods of computation followed in the preparation of this unconsolidated condensed interim financial information are consistent with those applied in the preparation of annual financial statements of the Bank for the year ended December 31, 2017, except for the following:

##### Surplus on revaluation of fixed assets – net of deferred tax

Upto December 31, 2017, surplus / (deficit) on revaluation of fixed assets were being measured under the repealed Companies Ordinance, 1984. The surplus arising on the revaluation is credited to the surplus on revaluation of fixed assets account. Any deficit arising on subsequent revaluation of fixed assets is adjusted against the balance in the surplus account. With effect from January 1, 2018 the Bank has revised its accounting policy in respect of measurement of 'surplus / (deficit) on revaluation of fixed assets' which are now accounted for in accordance with Companies Act, 2017. The revaluation is measured on individual assets where the surplus is taken to the surplus on revaluation of fixed assets account. The deficit on revaluation of the asset is charged to profit and loss account after netting of any surplus already recorded on that asset. The management of the Bank believes that the impact of change in policy is not material, therefore no adjustments are being taken.

#### 5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual financial statements of the Bank for the year ended December 31, 2017.

	Note	(Un-audited) March 31, 2018 Rupees in '000'	(Audited) December 31, 2017
<b>6. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lending		-	4,803,323
Reverse repurchase agreement lendings	6.1	35,760,076	9,510,527
Placements	6.2	12,400,000	9,490,000
Sukuk Bai muajjal	6.3	767,000	767,000
		48,927,076	24,570,850





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

	(Un-audited) March 31, 2018			(Audited) December 31, 2017		
	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	19,210,076	-	19,210,076	8,650,527	-	8,650,527
Pakistan investment bonds	16,550,000	-	16,550,000	860,000	-	860,000
	35,760,076	-	35,760,076	9,510,527	-	9,510,527

Market value of securities held as collateral as at March 31, 2018 amounted to Rs. 36,290,105 thousand (December 31, 2017: Rs. 9,526,431 thousand). These carry mark-up at the rate of 5.70% to 6.50% per annum (December 31, 2017: 5.90% to 6.25% per annum).

6.2 These carry profit at rates ranging from 5.73% to 6.50% per annum (2017: 5.60 to 6.25% per annum) with maturities upto 28-May-2018.

6.3 These carry profit rates ranging from 5.65% to 5.75% per annum (2017: 5.65% to 5.75% per annum) with maturities upto 25-June-2018.

## 7. INVESTMENTS - NET

	Note	(Un-audited) March 31, 2018			(Audited) December 31, 2017		
		Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
		R u p e e s i n ' 0 0 0 '					
<b>Held for trading securities:</b>							
Market treasury bills		21,217,459	-	21,217,459	32,310,448	-	32,310,448
<b>Available for sale securities:</b>							
Market treasury bills		159,034,848	9,836,428	168,871,276	142,725,994	20,712,635	163,438,629
Pakistan investment bonds		11,366,330	-	11,366,330	34,733,700	-	34,733,700
Ordinary shares / certificates of listed companies and modarabas		1,568,277	-	1,568,277	1,823,940	-	1,823,940
Preference shares of listed companies		340,451	-	340,451	340,451	-	340,451
Preference shares of unlisted companies		81,358	-	81,358	71,406	-	71,406
Ordinary shares of unlisted company		25,000	-	25,000	25,000	-	25,000
Government of Pakistan ijara sukuk		5,024,947	-	5,024,947	5,031,226	-	5,031,226
Listed term finance certificates		1,231,286	-	1,231,286	1,330,918	-	1,330,918
Unlisted term finance certificates / sukuks/ commercial papers		6,492,397	-	6,492,397	6,211,152	-	6,211,152
		185,164,894	9,836,428	195,001,322	192,293,787	20,712,635	213,006,422
<b>Held to maturity securities:</b>							
Pakistan investment bonds	7.1	251,707	-	251,707	252,178	-	252,178
WAPDA bonds		400	-	400	400	-	400
		252,107	-	252,107	252,578	-	252,578
<b>Subsidiary:</b>							
Punjab modaraba services (private) limited		164,945	-	164,945	164,945	-	164,945
<b>Total investments at cost</b>		206,799,405	9,836,428	216,635,833	225,021,758	20,712,635	245,734,393
Provision for diminution in the value of investment - net		(3,145,347)	-	(3,145,347)	(3,145,347)	-	(3,145,347)
<b>Investments net of provisions</b>		203,654,058	9,836,428	213,490,486	221,876,411	20,712,635	242,589,046
Deficit on revaluation of available for sale securities		(200,854)	(13,239)	(214,093)	(82,728)	421	(82,307)
Deficit on revaluation of held for trading securities		(315)	-	(315)	(287)	-	(287)
<b>Total investments at carrying value</b>		203,452,889	9,823,189	213,276,078	221,793,396	20,713,056	242,506,452

7.1 Market value of held to maturity investments is Rs. 255,391 thousand (December 31, 2017: Rs. 258,323 thousand).

	Note	(Un-audited) March 31, 2018 Rupees in '000'	(Audited) December 31, 2017
<b>8. ADVANCES - NET</b>			
Loans, cash credits, running finances, etc. - In Pakistan		278,684,280	278,644,944
Net investment in finance lease - In Pakistan		35,362,121	35,158,851
Net book value of assets in ijarah under IFAS 2 - In Pakistan		809,543	848,684
Islamic financing and related assets		12,889,613	10,987,660
Bills discounted and purchased (excluding treasury bills)			
-Payable in Pakistan		27,985,208	14,560,960
-Payable outside Pakistan		1,443,222	1,534,316
		29,428,430	16,095,276
Advances - gross		357,173,987	341,735,415
Provision for non-performing loans and advances :			
-Specific	8.1	(45,516,711)	(45,558,411)
-General	8.2	(288,107)	(425,283)
		(45,804,818)	(45,983,694)
Advances - net of provision		311,369,169	295,751,721

**8.1** Advances include Rs. 50,555,046 thousand (December 31, 2017: Rs. 50,950,992 thousand) which have been placed under non-performing status as on March 31, 2018 as detailed below:

Category of classification	March 31, 2018 (Un-audited)				
	Domestic	Overseas	Total	Provision Required	Provision Held
Rupees in '000'					
Other assets especially mentioned	161,179	-	161,179	6,572	6,572
Substandard	201,102	-	201,102	44,662	44,662
Doubtful	7,255,259	-	7,255,259	3,645,966	3,645,966
Loss	42,937,506	-	42,937,506	41,819,511	41,819,511
	50,555,046	-	50,555,046	45,516,711	45,516,711
December 31, 2017 (Audited)					
Category of classification	Domestic	Overseas	Total	Provision Required	Provision Held
Rupees in '000'					
Other assets especially mentioned	81,533	-	81,533	2,895	2,895
Substandard	285,447	-	285,447	54,330	54,330
Doubtful	7,540,694	-	7,540,694	3,546,630	3,546,630
Loss	43,043,318	-	43,043,318	41,954,556	41,954,556
	50,950,992	-	50,950,992	45,558,411	45,558,411



8.2 General provision represents provision against consumer and SME financing portfolio as required by the prudential regulations issued by the SBP.

8.3 The bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 date October 21,2011. This has resulted in decrease in provision against non-performing advances by Rs. 1,193,590 thousand (2017: Rs. 1,577,082 thousand). The FSV benefit availed is not available for cash or stock dividend.

## 9. OPERATING FIXED ASSETS

During the period, additions to / disposals (at cost) from operating fixed assets amounted to Rs. 214,414 thousand (March 31, 2017: Rs. 244,647 thousand) and Rs. 58,133 thousand (March 31, 2017: Rs. 95,550 thousand), respectively.

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in '000'	
<b>10. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from SBP:		
-Export refinance (ERF)	12,482,532	12,089,724
-Long term financing facility (LTFF)	6,301,616	4,991,566
-Finance facility for storage of agricultural produce (FFSAP)	14,788	15,954
-Finance facility for renewable energy performance platform (REPP)	416,229	241,746
Repurchase agreement borrowings	-	994,298
Call borrowings	-	19,558,533
	19,215,165	37,891,821
<b>Unsecured</b>		
Call borrowings	9,636,612	998,853
Overdrawn nostro accounts	106,212	58,688
	28,957,989	38,949,362

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in '000'	
<b>11. DEPOSITS AND OTHER ACCOUNTS</b>		
<b>Customers</b>		
Fixed deposits	167,347,185	157,236,983
Savings deposits	256,989,072	238,205,713
Current accounts - non - remunerative	123,298,261	139,494,000
Sundry deposits, margin accounts, etc.	17,579,339	15,546,838
	565,213,857	550,483,534
<b>Financial Institutions</b>		
Remunerative deposits	2,182,893	3,038,191
Non-remunerative deposits	2,203,139	2,759,431
	4,386,032	5,797,622
	569,599,889	556,281,156

### 11.1 Particulars of deposits

In local currency	561,378,970	548,989,834
In foreign currencies	8,220,919	7,291,322
	569,599,889	556,281,156

## 12. SHARE CAPITAL

### 12.1 Authorized capital

	(Un-audited) March 31, 2018 (No. of shares)	(Audited) December 31, 2017		(Un-audited) March 31, 2018 Rupees in '000'	(Audited) December 31, 2017 Rupees in '000'
5,000,000,000	5,000,000,000		Ordinary or 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 rupees ten each.

### 12.2 Issued, subscribed and paid up capital

	(Un-audited) March 31, 2018 (No. of shares)	(Audited) December 31, 2017		(Un-audited) March 31, 2018 Rupees in '000'	(Audited) December 31, 2017 Rupees in '000'
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
509,464,036	509,464,036		Issued as bonus shares	5,094,641	5,094,641
2,643,692,380	2,643,692,380			26,436,924	26,436,924

### 12.3 GoPb held 57.47% shares in the Bank as at March 31, 2018 (December 31, 2017: 57.47 %).



	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in '000'	
<b>13. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>		
Surplus on revaluation of operating fixed assets	1,964,625	2,003,331
Surplus on non banking assets acquired in satisfaction of claims	936,265	936,770
Surplus on revaluation of available for sale securities	(139,161)	(53,499)
	2,761,729	2,886,602

#### 14. CONTINGENCIES AND COMMITMENTS

##### 14.1 Direct credit substitutes

These include general guarantees of indebtedness, bank acceptance guarantees and standby letters of credit serving as financial guarantees for loans and securities issued in favor of:

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in '000'	
Government	253,435	120,367
Financial institutions	-	-
Others	5,546,061	8,069,727
	5,799,496	8,190,094

##### 14.2 Transaction related contingent liabilities

These include performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions issued in favor of:

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in '000'	
Government	483,052	556,507
Financial institutions	5,679,096	5,446,540
Others	40,039,123	40,457,849
	46,201,271	46,460,896

##### 14.3 Trade related contingent liabilities

Government	17,227,649	13,791,214
Financial institutions	-	-
Others	35,319,810	31,686,608
	52,547,459	45,477,822

	Note	(Un-audited) March 31, 2018 Rupees in '000'	(Audited) December 31, 2017
<b>14.4 Other contingencies</b>			
Claims against the Bank not acknowledged as debts	14.4.1	23,932,625	28,621,792

**14.4.1** The amount 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. Up till 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.

#### **14.5 Income tax related contingency**

For the tax years 2010, 2011 & 2012 Income Tax Department has amended the assessment orders on the issues of separate taxation of dividend income against which the Bank had filed appeals before the Commissioner Inland Revenue Appeals (CIR(A)). CIR(A) provided relief to the Bank on issue of separate taxation of dividend income. Now, the tax department has filed appeal against the decision of CIR(A) with the Appellate Tribunal Inland Revenue (ATIR). The expected tax liability in respect of aforesaid tax years amounts to Rs. 162,772 thousand. The management of the Bank, as per the opinion of its tax consultant, is confident that the decision for the aforementioned tax years will be decided in Bank's favour.

#### **14.6 Commitments to extend credit**

The Bank makes commitments to extend credit in the normal course of business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

		(Un-audited) March 31, 2018 Rupees in '000'	(Audited) December 31, 2017
<b>14.7 Commitments in respect of forward exchange contracts</b>			
Purchase		10,488,276	10,067,323
Sale		7,375,807	7,846,230
		17,864,083	17,913,553
<b>14.8 Commitments for the acquisition of operating fixed assets</b>			
		175,886	225,051



(Un-audited)  
Three Months Ended  
March 31,      March 31,  
2018              2017

Rupees in '000'

**15. EARNINGS PER SHARE - BASIC AND DILUTED**

Profit after taxation (Rupees in thousand)	1,940,252	1,561,827
Weighted average number of ordinary shares (thousand)	2,643,692	1,555,113
Earnings per share - basic and diluted (Rupees)	0.73	1.00

**16. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES**

The segment analysis with respect to business activity is as follows:-

	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Agency Services	Total
	Rupees in '000'					
<b>Three Months Ended March 31, 2018 (Un-audited)</b>						
Total income	4,070,410	1,026,118	5,290,455	170,718	51,912	10,609,613
Total expenses	211,447	893,949	6,495,393	-	-	7,600,789
Inter segment transfer revenue / (cost)	(1,966,629)	254,325	1,712,304	-	-	-
Income taxes	-	-	-	-	-	1,068,572
Net income / (loss)	1,892,334	386,494	507,366	170,718	51,912	1,940,252
Segment assets (gross)	307,565,635	49,823,908	334,732,936	-	-	692,122,479
Segment non performing advances / investments	3,145,348	1,959,043	48,596,002	-	-	53,700,393
Segment specific provision required	3,145,348	1,935,727	43,869,090	-	-	48,950,165
Segment liabilities	35,758,094	83,455,861	504,496,114	-	-	623,710,069
Segment return on net assets (ROA) (%)	6.25%	9.65%	8.87%	-	-	-
Segment cost of funds (%)	5.99%	5.67%	5.57%	-	-	-

<b>Three Months Ended March 31, 2017 (Un-audited)</b>						
Total income	3,399,906	1,031,438	3,929,829	150,236	55,026	8,566,435
Total expenses	339,828	928,130	4,897,870	-	-	6,165,828
Inter segment transfer revenue / (cost)	(1,627,988)	241,126	1,386,862	-	-	-
Income taxes	-	-	-	-	-	838,780
Net income / (loss)	1,432,090	344,434	418,821	150,236	55,026	1,561,827
Segment assets (gross)	248,699,896	48,346,302	280,831,418	-	-	577,877,616
Segment non performing advances / investments	3,099,814	2,213,990	52,514,966	-	-	57,828,770
Segment specific provision required	3,052,427	1,660,546	29,350,761	-	-	34,063,734
Segment liabilities	27,553,209	77,723,991	417,083,998	-	-	522,361,198
Segment return on net assets (ROA) (%)	6.80%	9.96%	8.52%	-	-	-
Segment cost of funds (%)	5.95%	5.81%	5.77%	-	-	-



## 17. RELATED PARTY TRANSACTIONS

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

	March 31, 2018 (Un-audited)				December 31, 2017 (Audited)			
	Key management personnel	Subsidiary company and managed modaraba	Employee funds	Others	Key management personnel	Subsidiary company and managed modaraba	Employee funds	Others
	Rupees in '000'				Rupees in '000'			
<b>Advances</b>								
Opening balance	182,129	1,199,047	-	-	114,850	1,078,614	-	-
Loans granted during the period	24,609	210,035	-	-	148,720	850,263	-	-
Repayments received during the period	(29,883)	(238,487)	-	-	(81,441)	(729,830)	-	-
Closing balance	176,855	1,170,595	-	-	182,129	1,199,047	-	-
<b>Deposits</b>								
Opening balance	24,414	98,198	2,770,528	256,060	28,730	56,238	2,459,349	51,488
Placements made during the period	94,294	236,953	112,761	8,450,918	516,407	1,143,576	633,557	22,813,261
Withdrawals during the period	(95,679)	(314,863)	(105,546)	(8,505,575)	(520,723)	(1,101,616)	(322,378)	(22,608,689)
Closing balance	23,029	20,288	2,777,743	201,403	24,414	98,198	2,770,528	256,060
Investment at cost	-	164,945	-	-	-	164,945	-	-
<b>Placements</b>	-	400,000	-	-	-	400,000	-	-
Lease liability	-	-	-	-	-	-	-	-

	March 31, 2018 (Un-audited)				March 31, 2017 (Un-audited)			
	Key management personnel	Subsidiary company and managed modaraba	Employee funds	Others	Key management personnel	Subsidiary company and managed modaraba	Employee funds	Others
	Rupees in '000'				Rupees in '000'			
<b>Transactions during the period :</b>								
Mark-up/return earned	2,203	23,700	-	-	1,421	21,469	-	-
Mark-up/interest expensed	401	-	39,413	2,745	254	-	34,027	527
Contribution to employees funds	-	-	36,420	-	-	-	32,142	-
Commission expense	-	340	-	-	-	-	-	-

**17.1** 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.

**17.2** 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.



As at Statement of Financial Position date the loans and advances, deposits and contingencies relating to GoPb and its related entities amounted to Rs. 42,234,245 thousand (December 31, 2017: Rs. 44,641,720 thousand), Rs. 311,459,011 thousand (December 31, 2017: Rs. 289,679,475 thousand) and Rs. 33,882,280 thousand (December 31, 2017: Rs. 25,792,141 thousand) respectively. Further, during the period, the Bank has incurred markup expense of Rs. 31,671 thousand (March 31, 2017: Rs. 30,822 thousand) on subordinated loan of Rs. 2,000,000 thousand received from GoPb in year 2014.

**(Un-audited)**  
**March 31,**  
**2018**  
**Rupees in '000'**

## 18. CAPITAL ADEQUACY RATIO

Total eligible capital	27,912,163
Total risk weighted assets	264,951,579
CAR (%)	10.53%

Subsequent to period ended March 31, 2018, the Bank, in pursuance of achieving the required level of capital adequacy ratio, has successfully raised Rs. 4,300,000 thousand as Tier-II capital through issuance of rated and unlisted privately placed term finance certificates.

## 19. RISK MANAGEMENT

### 19.1 Liquidity Coverage Ratio

High quality liquid assets	253,023,828
Net cash outflows	216,854,927
Liquidity Coverage ratio (%)	116.68%

### 19.2 Net Stable Funding Ratio

Available stable funding	385,799,212
Required stable funding	312,763,962
Net Stable Funding Ratio (%)	123.00%

## 20. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was authorized for issuance on April 25, 2018 by the Board of Directors of the Bank.

## 21. GENERAL

**21.1** The corresponding figures have been restated, where necessary, for the purpose of comparison. However, no significant reclassification has been made during the period.

**21.2** Figures have been rounded off to the nearest thousand.

Chief Financial Officer

President

Director

## Islamic Banking Business - Statement of Financial Position As at March 31, 2018

The Bank is operating 68 Islamic banking branches and 02 sub Islamic banking branches at close of March 31, 2018 (December 31, 2017: 64 branches and 02 sub Islamic banking branches).

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
Rupees in '000'			
<b>ASSETS</b>			
Cash and balances with treasury banks		2,240,354	2,543,172
Balance with other banks		147,961	2,219,672
Due from financial institutions		12,767,000	9,857,000
Investments		7,924,054	7,628,201
Islamic financing and related services - net	A	13,636,659	11,773,847
Operating fixed assets		297,267	288,794
Deferred tax assets		-	-
Other assets		493,726	530,863
<b>TOTAL ASSETS</b>		<b>37,507,021</b>	<b>34,841,549</b>
<b>LIABILITIES</b>			
Bills payable		207,805	188,315
Due to financial institutions		-	-
Deposit and other accounts			
- Current accounts		7,644,202	8,215,697
- Saving accounts		22,929,203	23,955,632
- Term deposits		717,603	726,746
- Others		309,743	51,248
- Deposits from financial institutions - remunerative		103,294	62,186
- Deposits from financial institutions - non - remunerative		3,892	55
Due to head office		3,578,272	-
Other liabilities		446,949	169,405
		35,940,963	33,369,284
<b>NET ASSETS</b>		<b>1,566,058</b>	<b>1,472,265</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		1,000,000	1,000,000
Reserves		4,264	1,959
Unappropriated profit		526,896	420,873
		1,531,160	1,422,832
Surplus on revaluation of assets		34,898	49,433
		1,566,058	1,472,265
Remuneration to Shariah Advisor / Board		555	4,684



		(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Note	Rupees in '000'	
<b>CHARITY FUND</b>			
Opening balance		1,125	533
Additions during the period		7	1,125
Payments / utilization during the period		-	(533)
Closing balance		1,132	1,125
<b>A. Islamic financing and related assets</b>			
Islamic mode of financing	A.1	13,636,659	11,773,847
<b>A.1 Islamic mode of financing</b>			
Financing / Investments / Receivables			
Running Musharakah		2,820,000	2,074,000
Murabaha		1,233,386	1,010,989
Diminishing musharaka		5,903,445	5,235,730
Istisna		2,932,783	2,662,770
Ijarah		747,045	790,358
		13,636,659	11,773,847

## Islamic Banking Business - Profit and Loss Account

For the Three Months Ended March 31, 2018 (Un-audited)

	March 31, 2018	March 31, 2017
	Rupees in '000'	
<b>Profit / Return earned on financing, investment and placements</b>	627,783	381,773
<b>Return on deposits and other dues expensed</b>	244,614	129,735
<b>Net spread earned</b>	383,169	252,038
Provision against non-performing advances	-	-
Provision against consumer financings	-	-
Provision for diminution in the value of investments	-	-
Bad debts written off directly	-	-
	-	-
Income after provisions	383,169	252,038
<b>Other income</b>		
Fee, commission and brokerage income	4,771	7,617
Dividend income	-	-
Income from dealing in foreign currencies	(89)	29
Gain on sale and redemption of securities	-	-
Unrealized (loss) / gain on revaluation of investments classified as held for trading	-	-
Other income	11,597	8,884
Total other income	16,279	16,530
	399,448	268,568
<b>Other expenses</b>		
Administrative expenses	293,425	190,926
Other provisions/write offs/reversals	-	-
Other charges	-	-
Total other expenses	293,425	190,926
	106,023	77,642
Extra ordinary / unusual items	-	-
<b>PROFIT BEFORE TAXATION</b>	106,023	77,642





**Consolidated Condensed Interim  
Financial Statements**  
for the period ended March 31, 2018  
(The Bank of Punjab & Its Subsidiaries)



# Consolidated Condensed Interim Statement of Financial Position As at March 31, 2018

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
		Rupees in '000'	
<b>ASSETS</b>			
Cash and balances with treasury banks		40,722,251	42,478,209
Balances with other banks		3,168,166	6,116,297
Lendings to financial institutions	6	48,527,076	24,170,850
Investments - net	7	213,257,590	242,487,965
Advances - net	8	311,470,491	295,841,425
Operating fixed assets	9	8,478,900	8,533,033
Deferred tax assets - net		10,586,418	10,786,284
Other assets - net		19,304,625	19,295,379
		655,515,517	649,709,442
<b>LIABILITIES</b>			
Bills payable		3,401,397	3,365,325
Borrowings	10	28,957,989	38,949,362
Deposits and other accounts	11	569,568,979	556,191,873
Sub-ordinated loans		4,499,000	4,499,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		-	-
Other liabilities		17,391,241	16,864,004
		623,818,606	619,869,564
<b>NET ASSETS</b>		31,696,911	29,839,878
<b>REPRESENTED BY</b>			
Share capital	12	26,436,924	26,436,924
Reserves		3,296,781	3,296,781
Accumulated losses		(1,055,659)	(3,034,749)
		28,678,046	26,698,956
Non-controlling interest		257,136	254,320
		28,935,182	26,953,276
Surplus on revaluation of assets - net of tax	13	2,761,729	2,886,602
		31,696,911	29,839,878
Contingencies and commitments	14		

The annexed notes from 1 to 21 and Annexure - I form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

President

Director





# Consolidated Condensed Interim Profit and Loss Account For the Three Months Ended March 31, 2018 (Un-audited)

	Three Months Ended March 31, 2018	March 31, 2017 Restated
	Rupees in '000'	
<b>Mark-up / return / interest earned</b>	9,705,750	7,666,997
<b>Mark-up / return / interest expensed</b>	5,018,917	4,368,974
Net mark-up / return / interest income	4,686,833	3,298,023
Reversal of provision against non-performing loans and advances - net	(182,243)	(441,246)
Reversal of provision for diminution in the value of investments - net	-	(2,938)
Bad debts written off directly	-	-
	(182,243)	(444,184)
Net mark-up / return / interest income after provisions	4,869,076	3,742,207
<b>NON MARK-UP / INTEREST INCOME</b>		
Fee, commission and brokerage income	272,954	238,510
Dividend income	20,183	30,724
Income from dealing in foreign currencies	69,929	19,014
Gain on sale and redemption of securities - net	26,363	114,697
Unrealized loss on revaluation of investments classified as held for trading	(315)	(969)
Other income	533,694	529,695
Total non-markup / interest income	922,808	931,671
	5,791,884	4,673,878
<b>NON MARK-UP / INTEREST EXPENSES</b>		
Administrative expenses	2,754,618	2,268,115
Provision against other assets	25,705	4,243
Other charges	-	35
Total non-markup / interest expenses	2,780,323	2,272,393
	3,011,561	2,401,485
Extra ordinary / unusual items	-	-
<b>PROFIT BEFORE TAXATION</b>	3,011,561	2,401,485
Taxation - Current	822,220	627,687
- Prior years	-	-
- Deferred	246,646	207,891
	1,068,866	835,578
<b>PROFIT AFTER TAXATION</b>	1,942,695	1,565,907
<b>PROFIT ATTRIBUTABLE TO</b>		
Equity Holders of the parent	1,939,879	1,558,602
Non-controlling interest	2,816	7,305
	1,942,695	1,565,907
<b>Earnings per share - basic and diluted (Rupees) - Note 15</b>	0.73	1.00

The annexed notes from 1 to 21 and Annexure - I form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

President

Director

## Consolidated Condensed Interim Statement of Comprehensive Income For the Three Months Ended March 31, 2018 (Un-audited)

	Three Months Ended	
	March 31, 2018	March 31, 2017 Restated
	Rupees in '000'	
<b>Profit after taxation for the period</b>	1,942,695	1,565,907
<b>Other comprehensive income:</b>		
<b>Items that will not to be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement loss on defined benefit obligations - net of tax	-	-
<b>Comprehensive income transferred to equity</b>	1,942,695	1,565,907
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Change in deficit on revaluation of investments - net of tax	(85,662)	75,671
<b>Total comprehensive income for the period</b>	1,857,033	1,641,578

The annexed notes from 1 to 21 and Annexure - I form an integral part of this consolidated condensed interim financial information.

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
President

\_\_\_\_\_  
Director



## Consolidated Condensed Interim Cash Flow Statement For the Three Months Ended March 31, 2018 (Un-audited)

	Three Months Ended March 31, 2018	March 31, 2017 Restated
	Rupees in '000'	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,011,561	2,401,485
Less: Dividend income	(20,183)	(30,724)
	2,991,378	2,370,761
Adjustments for:		
Depreciation on property and equipment	224,322	203,335
Depreciation on non banking assets acquired in satisfaction of claims	19,344	21,814
Depreciation on ijarah assets under IFAS - 2	107,520	61,798
Amortization on intangible assets	8,194	6,099
Amortization of premium on debt securities	173,043	206,302
Unrealized loss on revaluation of investments classified as held for trading	315	969
Reversal of provision against non-performing loans and advances - net	(182,243)	(441,246)
Provision for diminution in the value of investments - net	-	(2,938)
Provision for employees compensated absences	2,465	6,719
Provision for gratuity	26,902	19,654
Provision against other assets	25,705	4,243
Net profit / (loss) on sale of property and equipment	4,116	(679)
Gain on sale and redemption of securities - net	(26,363)	(114,697)
	383,320	(28,627)
	3,374,698	2,342,134
(Increase) / Decrease in operating assets:		
Lendings to financial institutions	(29,159,549)	4,610,133
Net investments in held for trading securities	11,092,702	1,339,758
Advances - net	(15,554,343)	(9,877,485)
Other assets - net	321,241	414,284
	(33,299,949)	(3,513,310)
Increase / (Decrease) in operating liabilities:		
Bills payable	36,072	(410,087)
Borrowings	(10,038,897)	(1,915,652)
Deposits and other accounts	13,377,106	6,600,052
Other liabilities	497,870	559,701
	3,872,151	4,834,014
	(26,053,100)	3,662,838
Income tax paid	(1,202,421)	(115,618)
<b>Net cash (used in) / flow from operating activities</b>	<b>(27,255,521)</b>	<b>3,547,220</b>

	<b>Three Months Ended</b> <b>March 31,</b> <b>2018</b>	<b>March 31,</b> <b>2017</b> <b>Restated</b> <b>Rupees in '000'</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments in available for sale securities	17,858,891	(9,335,433)
Dividends received	24,848	20,819
Investments in operating fixed assets	(214,030)	(235,559)
Sale proceeds of property and equipment disposed-off	31,553	81,177
<b>Net cash flow from / (used in) investing activities</b>	<b>17,701,262</b>	<b>(9,468,996)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to non-controlling interests	(677)	-
<b>Net cash flow used in financing activities</b>	<b>(677)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(9,554,936)</b>	<b>(5,921,776)</b>
Cash and cash equivalents at beginning of the period	53,339,141	39,437,220
Cash and cash equivalents at end of the period	43,784,205	33,515,444
<b>Cash and cash equivalents:</b>		
Cash and balances with treasury banks	40,722,251	30,166,159
Balances with other banks	3,168,166	3,568,060
Overdrawn nostro accounts	(106,212)	(218,775)
	43,784,205	33,515,444

The annexed notes from 1 to 21 and Annexure - I form an integral part of this consolidated condensed interim financial information.

Chief Financial Officer

President

Director



# Consolidated Condensed Interim Statement of Changes in Equity

## For the Three Months Ended March 31, 2018 (Un-audited)

	Share capital	Discount on issue of shares	Share deposit money	Statutory reserve	Share premium	Capital Reserve	Revenue Reserve	Unappropriated profit / (accumulated losses)	Non-controlling interest	Total
<b>Rupees in '000'</b>										
<b>Balance as at January 1, 2017 - Restated</b>	15,551,132	(263,158)	7,000,000	1,342,715	37,882		541,108		151,395	24,361,074
Profit after taxation for the three months ended March 31, 2017	-	-	-	-	-	-	1,561,827	-	-	1,561,827
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the three months ended March 31, 2017 - Restated	-	-	-	-	-	-	1,561,827	-	-	1,561,827
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	12,921	-	-	12,921
Transfer from surplus on revaluation of fixed assets to unappropriated profit on disposal	-	-	-	-	-	-	68,246	-	-	68,246
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	597	-	-	597
<b>Balance as at March 31, 2017</b>	15,551,132	(263,158)	7,000,000	1,342,715	37,882		2,184,699		151,395	26,004,685
Loss after taxation for the nine months ended December 31, 2017	-	-	-	-	-	-	(4,945,632)	-	66,729	(4,878,903)
Other comprehensive loss	-	-	-	-	-	-	(82,051)	-	-	(82,051)
Total comprehensive loss for the nine months ended December 31, 2017	-	-	-	-	-	-	(5,027,683)	-	66,729	(4,960,954)
Transfer from surplus on revaluation of fixed assets to accumulated loss - net of tax	-	-	-	-	-	-	38,373	-	-	38,373
Transfer from surplus on revaluation of fixed assets to accumulated loss on disposal	-	-	-	-	-	-	40,432	-	-	40,432
Transfer from surplus on revaluation of non-banking assets to accumulated loss on disposal	-	-	-	-	-	-	7,592	-	-	7,592
Transfer from surplus on revaluation of non-banking assets to accumulated loss - net of tax	-	-	-	-	-	-	1,749	-	-	1,749
Dividend received	-	-	-	-	-	-	-	-	(10,350)	(10,350)
Transfer to statutory reserve	-	-	-	2,184	-	-	(2,184)	-	-	-
Transfer to non-controlling interest on acquisition	-	-	-	-	-	-	(46,546)	-	46,546	-
<b>Transactions with owners, recorded directly in equity:</b>	10,885,792	-	(7,000,000)	-	2,177,158		(231,181)		-	6,062,950
Issuance of right shares at premium	-	-	-	-	-	-	(231,181)		-	(231,181)
Right shares issue cost	-	-	(7,000,000)	-	-		(231,181)		-	(7,231,181)
<b>Balance as at December 31, 2017</b>	10,885,792	-	(7,000,000)	-	2,177,158		(231,181)		-	5,831,769
Profit after taxation for the three months ended March 31, 2018	26,436,924	(263,158)	-	1,344,899	2,215,040		(3,034,749)		254,320	28,935,276
Other comprehensive income	-	-	-	-	-	-	1,942,695		-	1,942,695
Total comprehensive income for the three months ended March 31, 2018	-	-	-	-	-	-	1,942,695		-	1,942,695
Transfer from surplus on revaluation of fixed assets to accumulated loss - net of tax	-	-	-	-	-	-	11,917	-	-	11,917
Transfer from surplus on revaluation of fixed assets to accumulated loss on disposal	-	-	-	-	-	-	26,789	-	-	26,789
Transfer from surplus on revaluation of non-banking assets to accumulated loss on disposal	-	-	-	-	-	-	(590)	-	-	(590)
Transfer from surplus on revaluation of non-banking assets to accumulated loss - net of tax	-	-	-	-	-	-	1,095	-	-	1,095
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Dividend received	-	-	-	-	-	-	(2,816)		2,816	-
<b>Balance as at March 31, 2018</b>	26,436,924	(263,158)	-	1,344,899	2,215,040		(1,065,659)		257,136	28,935,182

The annexed notes from 1 to 21 and Annexure - I form an integral part of this consolidated condensed interim financial information.

**Chief Financial Officer**

**President**

**Director**

# Notes to the Consolidated Condensed Interim Financial Information

For the Three Months Ended March 31, 2018 (Un-audited)

## 1. STATUS AND NATURE OF BUSINESS

1.1 The Group consists of:

### Holding Company

The Bank of Punjab

### Subsidiary Companies

	% age of holding-2017	% age of holding-2016
Punjab Management Service (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
Punjab Capital Securities (Private) Limited	39.16%	-

The subsidiary company of the Group, Punjab Modaraba Service (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 holding company. The Group is principally engaged in commercial banking, modaraba management, leasing, brokerage, etc. Brief profile of the holding company and subsidiaries is as follows:

### Holding Company

The Holding Company was constituted 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-2, Main Boulevard, Gulberg III, Lahore. The Bank has 536 branches including 06 sub branches and 64 islamic banking branches (2016: 453 branches including 03 sub branch and 48 islamic banking branches) in Pakistan and Azad Jammu and Kashmir at the year end. The Bank is listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb).

### Punjab Modaraba Service (Private) Limited

Punjab Modaraba Services (Private) Limited (the management Company) 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 (the 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), a company incorporated in Pakistan.

### Punjab Capital Securities (Private) Limited

The Punjab Capital Securities (Private) Limited ("the Company") is registered under the Companies Ordinance, 1984 as company limited by shares from the 29th day of November 2016. The Company is mainly engaged in business of brokerage services, portfolio management and consultancy services.

1.2 As on March 31, 2018, paid-up capital (net of losses) amounted to Rs. 25,609,948 thousand and the Bank stands compliant with SBP's minimum capital requirement of Rs. 10,000,000 thousand. However, the Bank's Capital Adequacy Ratio (CAR) is less than the applicable requirements. The Management has prepared a capital management plan, including issuance of Tier-II capital, for compliance with minimum prescribed level of CAR till June 30, 2018. Accordingly, the SBP, on the basis of capital management plan, has granted the Bank relaxation from the applicable CAR till June 30, 2018.



Under the arrangements agreed between GOPb, SBP and the Bank, the GOPb vide two LOCs has undertaken to inject necessary funds to make good the capital shortfall to the satisfaction of SBP up to a maximum aggregate amount of Rs. 14,150,000 thousand (net of tax @ 35%) within a period of 90 days after close of the year ending December 31, 2018 if the Bank fails to make provision of Rs. 21,770,000 thousand or if there is a shortfall in meeting the prevailing regulatory capital requirements as a result of the said provisioning. In addition, in terms of aforesaid LOCs, the GOPb being majority shareholder and sponsor of the Bank, has also extended its commitment to support and assist the Bank in ensuring that it remains compliant with the regulatory requirements at all times. However, the Bank has made 100% provisioning against exposures covered under LOCs in year 2017.

Subsequent to period ended March 31, 2018, the Bank, in pursuance of achieving the capital management plan, has successfully raised Rs. 4,300,000 thousand as Tier-II capital through issuance of rated and unlisted privately placed term finance certificates. Further, keeping in view the targeted growth and projections for the next year, the Management is confident to meet applicable requirements of CAR by June 30, 2018.

## **2. STATEMENT OF COMPLIANCE**

- 2.1** This consolidated condensed interim financial information has been prepared in accordance with the directives issued by the SBP, requirements of The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962, the Companies Act, 2017 and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board and Islamic Financial Accounting standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the provisions of 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 standards, the requirements of the said directives, the Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 take precedence.
- 2.2** SBP as per BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and International Accounting Standard (IAS) 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS – 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these Standards have not been considered in the preparation of this consolidated condensed interim financial information.
- 2.3** IFRS 8, 'Operating Segments' is effective for the Bank's accounting period beginning on or after January 1, 2009. All banking companies in Pakistan are required to prepare their annual financial statements in line with the format prescribed under BSD Circular No. 4 dated February 17, 2006, 'Revised Forms of Annual Financial Statements', effective from the accounting year ended December 31, 2006. The management of the Bank believes that as the SBP has defined the segment categorization in the above mentioned circular, the SBP requirements prevail over the requirements specified in IFRS 8. Accordingly, segment information disclosed in this consolidated condensed interim financial information is based on the requirements laid down by the SBP.
- 2.4** The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard - 3 for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS). The standard will result in certain new disclosures in this consolidated condensed interim financial information of the Bank.
- 2.5** In accordance with the directives of the Government of Pakistan regarding the conversion of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the Banks from their customers and immediate resale to them at appropriate marked-up price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in this consolidated condensed interim financial information as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

2.6 The financial results of Islamic Banking business have been consolidated in this consolidated condensed interim financial information for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in Annexure-I to this consolidated condensed interim financial information.

### 3. BASIS OF MEASUREMENT

This consolidated financial information 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 certain staff retirement benefits at present value.

This consolidated condensed financial information is presented in Pak Rupees, which is the Bank's functional and presentation currency.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The accounting policies, underlying estimates and judgments and methods of computation followed in the preparation of this consolidated condensed interim financial information are consistent with those applied in the preparation of annual financial statements of the Bank for the year ended December 31, 2017, except for the following:

#### Surplus on revaluation of fixed assets – net of deferred tax

Upto December 31, 2017, surplus / (deficit) on revaluation of fixed assets were being measured under the repealed Companies Ordinance, 1984. The surplus arising on the revaluation is credited to the surplus on revaluation of fixed assets account. Any deficit arising on subsequent revaluation of operating fixed assets is adjusted against the balance in the surplus account. With effect from January 1, 2018 the Bank has revised its accounting policy in respect of measurement of 'surplus / (deficit) on revaluation of operating fixed assets' which are now accounted for in accordance with Companies Act, 2017. The revaluation is measured on individual assets where the surplus is taken to the surplus on revaluation of operating fixed assets account. The deficit on revaluation of the asset is charged to profit and loss account after netting of any surplus already recorded on that asset. The management of the Bank believes that the impact of change in policy is not material, therefore no adjustments are being taken.

### 5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual financial statements of the Bank for the year ended December 31, 2017.

	Note	(Un-audited) March 31, 2018 Rupees in '000'	(Audited) December 31, 2017
<b>6. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lending		-	4,803,323
Reverse repurchase agreement lendings	6.1	35,760,076	9,510,527
Placements	6.2	12,000,000	9,090,000
Sukuk Bai muajjal	6.3	767,000	767,000
		48,527,076	24,170,850





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

	(Un-audited) March 31, 2018			(Audited) December 31, 2017		
	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	19,210,076	-	19,210,076	8,650,527	-	8,650,527
Pakistan investment bonds	16,550,000	-	16,550,000	860,000	-	860,000
	35,760,076	-	35,760,076	9,510,527	-	9,510,527

Market value of securities held as collateral as at March 31, 2018 amounted to Rs. 36,290,105 thousand (December 31, 2017: Rs. 9,526,431 thousand). These carry mark-up at the rate of 5.70% to 6.50% per annum (December 31, 2017: 5.90% to 6.25% per annum).

6.2 These carry profit at rates ranging from 5.73% to 6.50% per annum (2017: 5.60 to 6.25% per annum) with maturities upto 28-May-2018.

6.3 These carry profit rates ranging from 5.65% to 5.75% per annum (2017: 5.65% to 5.75% per annum) with maturities upto 25-June-2018.

## 7. INVESTMENTS - NET

	Note	(Un-audited) March 31, 2018			(Audited) December 31, 2017		
		Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
		R u p e e s i n ' 0 0 0 '					
<b>Held for trading securities:</b>							
Market treasury bills		21,217,459	-	21,217,459	32,310,448	-	32,310,448
<b>Available for sale securities:</b>							
Market treasury bills		159,034,848	9,836,428	168,871,276	142,725,994	20,712,635	163,438,629
Pakistan investment bonds		11,366,330	-	11,366,330	34,733,700	-	34,733,700
Ordinary shares / certificates of listed companies and modarabas		1,568,277	-	1,568,277	1,823,940	-	1,823,940
Preference shares of listed companies		340,451	-	340,451	340,451	-	340,451
Preference shares of unlisted companies		81,358	-	81,358	71,406	-	71,406
Ordinary shares of unlisted company		39,892	-	39,892	39,892	-	39,892
Government of Pakistan ijrah sukuk		5,024,947	-	5,024,947	5,031,226	-	5,031,226
Listed term finance certificates		1,231,286	-	1,231,286	1,330,918	-	1,330,918
Unlisted term finance certificates / sukuks/ commercial papers		6,492,397	-	6,492,397	6,211,152	-	6,211,152
		185,179,786	9,836,428	195,016,214	192,308,679	20,712,635	213,021,314
<b>Held to maturity securities:</b>							
Pakistan investment bonds	7.1	251,707	-	251,707	252,178	-	252,178
WAPDA bonds		400	-	400	400	-	400
		252,107	-	252,107	252,578	-	252,578
<b>Subsidiary:</b>							
Punjab modaraba services (private) limited		-	-	-	-	-	-
<b>Total investments at cost</b>		206,649,352	9,836,428	216,485,780	224,871,705	20,712,635	245,584,340
Provision for diminution in the value of investment - net		(3,014,149)	-	(3,014,149)	(3,014,148)	-	(3,014,148)
<b>Investments net of provisions</b>		203,635,203	9,836,428	213,471,631	221,857,557	20,712,635	242,570,192
(Deficit) / surplus on revaluation of available for sale securities		(200,854)	(13,239)	(214,093)	(82,728)	421	(82,307)
Deficit on revaluation of held for trading securities		52	-	52	80	-	80
<b>Total investments at carrying value</b>		203,434,401	9,823,189	213,257,590	221,774,909	20,713,056	242,487,965

7.1 Market value of held to maturity investments is Rs. 255,391 thousand (December 31, 2017: Rs. 258,323 thousand).

	Note	(Un-audited) March 31, 2018 Rupees in '000'	(Audited) December 31, 2017
<b>8. ADVANCES - NET</b>			
Loans, cash credits, running finances, etc. - In Pakistan		278,638,071	278,600,994
Net investment in finance lease - In Pakistan		35,362,121	35,158,851
Net book value of assets in ijarah under IFAS 2 - In Pakistan		809,543	997,822
Islamic financing and related assets		13,037,144	11,225,299
Bills discounted and purchased (excluding treasury bills)			
-Payable in Pakistan		27,985,208	14,560,960
-Payable outside Pakistan		1,443,222	1,534,316
		29,428,430	16,095,276
Advances - gross		357,275,309	342,078,242
Provision for non-performing loans and advances :			
-Specific	8.1	(45,516,711)	(45,811,534)
-General	8.2	(288,107)	(425,283)
		(45,804,818)	(46,236,817)
Advances - net of provision		311,470,491	295,841,425

**8.1** Advances include Rs. 50,555,046 thousand (December 31, 2017: Rs. 50,950,992 thousand) which have been placed under non-performing status as on March 31, 2018 as detailed below:

Category of classification	March 31, 2018 (Un-audited)				
	Domestic	Overseas	Total	Provision Required	Provision Held
Rupees in '000'					
Other assets especially mentioned	161,179	-	161,179	6,572	6,572
Substandard	201,102	-	201,102	44,662	44,662
Doubtful	7,255,259	-	7,255,259	3,645,966	3,645,966
Loss	42,937,506	-	42,937,506	41,819,511	41,819,511
	50,555,046	-	50,555,046	45,516,711	45,516,711
December 31, 2017 (Audited)					
	Domestic	Overseas	Total	Provision Required	Provision Held
Rupees in '000'					
Other assets especially mentioned	81,533	-	81,533	2,895	2,895
Substandard	285,447	-	285,447	54,330	54,330
Doubtful	7,540,694	-	7,540,694	3,546,630	3,546,630
Loss	43,043,318	-	43,043,318	41,954,556	41,954,556
	50,950,992	-	50,950,992	45,558,411	45,558,411



8.2 General provision represents provision against consumer and SME financing portfolio as required by the prudential regulations issued by the SBP.

8.3 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. 1,193,590 thousand (2017: Rs. 1,577,082 thousand). The FSV benefit availed is not available for cash or stock dividend.

## 9. OPERATING FIXED ASSETS

During the period, additions to / disposals (at cost) from operating fixed assets amounted to Rs. 214,414 thousand (March 31, 2017: Rs. 244,647 thousand) and Rs. 58,133 thousand (March 31, 2017: Rs. 95,550 thousand), respectively.

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in '000'	
<b>10. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from SBP:		
-Export refinance (ERF)	12,482,532	12,089,724
-Long term financing facility (LTFF)	6,301,616	4,991,566
-Finance facility for storage of agricultural produce (FFSAP)	14,788	15,954
-Finance facility for renewable energy performance platform (REPP)	416,229	241,746
Repurchase agreement borrowings	-	994,298
Call borrowings	-	19,558,533
	19,215,165	37,891,821
<b>Unsecured</b>		
Call borrowings	9,636,612	998,853
Overdrawn nostro accounts	106,212	58,688
	28,957,989	38,949,362

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in '000'	
<b>11. DEPOSITS AND OTHER ACCOUNTS</b>		
<b>Customers</b>		
Fixed deposits	167,347,185	157,236,983
Savings deposits	256,989,072	238,185,040
Current accounts - non - remunerative	123,267,351	139,425,390
Sundry deposits, margin accounts, etc.	17,579,339	15,546,838
	565,182,947	550,394,251
<b>Financial Institutions</b>		
Remunerative deposits	2,182,893	3,038,191
Non-remunerative deposits	2,203,139	2,759,431
	4,386,032	5,797,622
	569,568,979	556,191,873

### 11.1 Particulars of deposits

In local currency	561,348,060	548,989,834
In foreign currencies	8,220,919	7,291,322
	569,568,979	556,281,156

## 12. SHARE CAPITAL

### 12.1 Authorized capital

	(Un-audited) March 31, 2018 (No. of shares)	(Audited) December 31, 2017		(Un-audited) March 31, 2018 Rupees in '000'	(Audited) December 31, 2017 Rupees in '000'
5,000,000,000	5,000,000,000	5,000,000,000	Ordinary or 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 rupees ten each.

### 12.2 Issued, subscribed and paid up capital

	(Un-audited) March 31, 2018 (No. of shares)	(Audited) December 31, 2017		(Un-audited) March 31, 2018 Rupees in '000'	(Audited) December 31, 2017 Rupees in '000'
1,607,912,555	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	526,315,789	Ordinary shares of Rs. 10/- each issued at discount	5,263,158	5,263,158
509,464,036	509,464,036	509,464,036	Issued as bonus shares	5,094,641	5,094,641
2,643,692,380	2,643,692,380	2,643,692,380		26,436,924	26,436,924

### 12.3 GoPb held 57.47% shares in the Bank as at March 31, 2018 (December 31, 2017: 57.47 %).



	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in '000'	
<b>13. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>		
Surplus on revaluation of operating fixed assets	1,964,625	2,003,331
Surplus on non banking assets acquired in satisfaction of claims	936,265	936,770
Surplus on revaluation of available for sale securities	(139,161)	(53,499)
	2,761,729	2,886,602

#### 14. CONTINGENCIES AND COMMITMENTS

##### 14.1 Direct credit substitutes

These include general guarantees of indebtedness, bank acceptance guarantees and standby letters of credit serving as financial guarantees for loans and securities issued in favor of:

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in '000'	
Government	253,435	120,367
Financial institutions	-	-
Others	5,546,061	8,069,727
	5,799,496	8,190,094

##### 14.2 Transaction related contingent liabilities

These include performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions issued in favor of:

	(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Rupees in '000'	
Government	483,052	556,507
Financial institutions	5,679,096	5,446,540
Others	40,039,123	40,457,849
	46,201,271	46,460,896

##### 14.3 Trade related contingent liabilities

Government	17,227,649	13,791,214
Financial institutions	-	-
Others	35,319,810	31,686,608
	52,547,459	45,477,822

	Note	(Un-audited) March 31, 2018 Rupees in '000'	(Audited) December 31, 2017
<b>14.4 Other contingencies</b>			
Claims against the Bank not acknowledged as debts	14.4.1	23,932,625	28,621,792

**14.4.1** The amount 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. Up till 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.

#### **14.5 Income tax related contingency**

For the tax years 2010, 2011 & 2012 Income Tax Department has amended the assessment orders on the issues of separate taxation of dividend income against which the Bank had filed appeals before the Commissioner Inland Revenue Appeals (CIR(A)). CIR(A) provided relief to the Bank on issue of separate taxation of dividend income. Now, the tax department has filed appeal against the decision of CIR(A) with the Appellate Tribunal Inland Revenue (ATIR). The expected tax liability in respect of aforesaid tax years amounts to Rs. 162,772 thousand. The management of the Bank, as per the opinion of its tax consultant, is confident that the decision for the aforementioned tax years will be decided in Bank's favour.

#### **14.6 Commitments to extend credit**

The Bank makes commitments to extend credit in the normal course of business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

		(Un-audited) March 31, 2018 Rupees in '000'	(Audited) December 31, 2017
<b>14.7 Commitments in respect of forward exchange contracts</b>			
Purchase		10,488,276	10,067,323
Sale		7,375,807	7,846,230
		17,864,083	17,913,553
<b>14.8 Commitments for the acquisition of operating fixed assets</b>			
		175,886	225,051



(Un-audited)  
Three Months Ended  
March 31,      March 31,  
2018              2017  
Restated  
Rupees in '000'

<b>15. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit after taxation (Rupees in thousand)	1,942,695	1,558,602
Weighted average number of ordinary shares (thousand)	2,643,692	1,555,113
Earnings per share - basic and diluted (Rupees)	0.73	1.00

**16. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES**

The segment analysis with respect to business activity is as follows:-

	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Agency Services	Total
	Rupees in '000'					
<b>Three Months Ended March 31, 2018 (Un-audited)</b>						
Total income	4,070,410	1,026,118	5,308,079	170,718	53,233	10,628,558
Total expenses	211,447	893,949	6,511,601	-	-	7,616,997
Inter segment transfer revenue / (cost)	(1,966,629)	254,325	1,712,304	-	-	-
Income taxes	-	-	-	-	-	1,068,866
Net income	1,892,334	386,494	508,782	170,718	53,233	1,942,695
Segment assets (gross)	307,565,635	49,823,908	334,332,209	-	-	691,721,752
Segment non performing advances / investments	3,014,150	1,959,043	48,596,002	-	-	53,569,195
Segment specific provision required	3,014,150	1,935,727	43,869,090	-	-	48,818,967
Segment liabilities	35,758,094	83,455,861	504,604,651	-	-	623,818,606
Segment return on net assets (ROA) (%)	6.25%	9.65%	8.87%			
Segment cost of funds (%)	5.99%	5.67%	5.57%			
<b>Three Months Ended March 31, 2017 (Un-audited) - Restated</b>						
Total income	3,399,906	1,031,438	3,962,062	150,236	55,026	8,598,668
Total expenses	346,116	928,130	4,922,937	-	-	6,197,183
Inter segment transfer revenue / (cost)	(1,627,988)	241,126	1,386,862	-	-	-
Income taxes	-	-	-	-	-	835,578
Net income	1,425,802	344,434	425,987	150,236	55,026	1,565,907
Segment assets (gross)	248,699,896	48,346,302	281,047,646	-	-	578,093,844
Segment non performing advances / investments	3,099,814	2,213,990	52,514,966	-	-	57,828,770
Segment specific provision required	3,052,427	1,660,546	29,350,761	-	-	34,063,734
Segment liabilities	27,553,209	77,723,991	417,195,949	-	-	522,473,149
Segment return on net assets (ROA) (%)	6.80%	9.96%	8.52%			
Segment cost of funds (%)	5.95%	5.81%	5.77%			

## 17. RELATED PARTY TRANSACTIONS

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

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Key management personnel Rupees in '000'	Employee funds	Others	Key management personnel Rupees in '000'	Employee funds	Others
<b>Advances</b>						
Opening balance	189,636	-	-	121,393	-	-
Loans granted during the period	24,609	-	-	150,219	-	-
Repayments received during the period	(30,278)	-	-	(81,976)	-	-
Closing balance	183,967	-	-	189,636	-	-
<b>Deposits</b>						
Opening balance	24,423	2,770,528	256,060	28,730	2,459,349	51,488
Placements made during the period	94,294	112,761	8,450,918	518,986	633,557	22,813,261
Withdrawals during the period	(95,679)	(105,546)	(8,505,575)	(523,293)	(322,378)	(22,608,689)
Closing balance	23,038	2,777,743	201,403	24,423	2,770,528	256,060

	March 31, 2018 (Un-audited)			March 31, 2017 (Un-audited)		
	Key management personnel Rupees in '000'	Employee funds	Others	Key management personnel Rupees in '000'	Employee funds	Others
<b>Transactions during the period :</b>						
Mark-up/return earned	2,581	-	-	1,494	-	-
Mark-up/interest expensed	401	39,413	2,745	254	34,027	527
Contribution to employees funds	-	36,420	-	-	32,142	-

**17.1** 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.

**17.2** 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.

As at Statement of Financial Position date the loans and advances, deposits and contingencies relating to GoPb and its related entities amounted to Rs. 42,234,245 thousand (December 31, 2017: Rs. 44,641,720 thousand), Rs. 311,459,011 thousand (December 31, 2017: Rs. 289,679,475 thousand) and Rs. 33,882,280 thousand (December 31, 2017: Rs. 25,792,141 thousand) respectively. Further, during the period, the Bank has incurred markup expense of Rs. 31,671 thousand (March 31, 2017: Rs. 30,822 thousand) on subordinated loan of Rs. 2,000,000 thousand received from GoPb in year 2014.





(Un-audited)  
March 31,  
2018  
Rupees in '000'

## 18. CAPITAL ADEQUACY RATIO

Total eligible capital	27,912,163
Total risk weighted assets	264,951,579
CAR (%)	10.53%

Subsequent to period ended March 31, 2018, the Bank, in pursuance of achieving the required level of capital adequacy ratio, has successfully raised Rs. 4,300,000 thousand as Tier-II capital through issuance of rated and unlisted privately placed term finance certificates.

## 19. RISK MANAGEMENT

### 19.1 Liquidity Coverage Ratio

High quality liquid assets	253,023,828
Net cash outflows	216,854,927
Liquidity Coverage ratio (%)	116.68%

### 19.2 Net Stable Funding Ratio

Available stable funding	385,799,212
Required stable funding	312,763,962
Net Stable Funding Ratio (%)	123.00%

## 20. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorized for issuance on April 25, 2018 by the Board of Directors of the Bank.

## 21. GENERAL

21.1 The corresponding figures have been restated, where necessary, for the purpose of comparison. However, no significant reclassification has been made during the period.

21.2 Figures have been rounded off to the nearest thousand.

Chief Financial Officer

President

Director

## Islamic Banking Business - Statement of Financial Position As at March 31, 2018

The Bank is operating 68 Islamic banking branches and 02 sub Islamic banking branches at close of March 31, 2018 (December 31, 2017: 64 branches and 02 sub Islamic banking branches).

	Note	(Un-audited) March 31, 2018	(Audited) December 31, 2017
Rupees in '000'			
<b>ASSETS</b>			
Cash and balances with treasury banks		2,240,354	2,543,172
Balance with other banks		147,961	2,219,672
Due from financial institutions		12,767,000	9,857,000
Investments		7,924,054	7,628,201
Islamic financing and related services - net	A	13,636,659	11,773,847
Operating fixed assets		297,267	288,794
Deferred tax assets		-	-
Other assets		493,726	530,863
<b>TOTAL ASSETS</b>		<b>37,507,021</b>	<b>34,841,549</b>
<b>LIABILITIES</b>			
Bills payable		207,805	188,315
Due to financial institutions		-	-
Deposit and other accounts			
- Current accounts		7,644,202	8,215,697
- Saving accounts		22,929,203	23,955,632
- Term deposits		717,603	726,746
- Others		309,743	51,248
- Deposits from financial institutions - remunerative		103,294	62,186
- Deposits from financial institutions - non - remunerative		3,892	55
Due to head office		3,578,272	-
Other liabilities		446,949	169,405
		35,940,963	33,369,284
<b>NET ASSETS</b>		<b>1,566,058</b>	<b>1,472,265</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		1,000,000	1,000,000
Reserves		4,264	1,959
Unappropriated profit		526,896	420,873
		1,531,160	1,422,832
Surplus on revaluation of assets		34,898	49,433
		1,566,058	1,472,265
Remuneration to Shariah Advisor / Board		555	4,684



		(Un-audited) March 31, 2018	(Audited) December 31, 2017
	Note	Rupees in '000'	
<b>CHARITY FUND</b>			
Opening balance		1,125	533
Additions during the period		7	1,125
Payments / utilization during the period		-	(533)
Closing balance		1,132	1,125
<b>A. Islamic financing and related assets</b>			
Islamic mode of financing	A.1	13,636,659	11,773,847
<b>A.1 Islamic mode of financing</b>			
Financing / Investments / Receivables			
Running Musharakah		2,820,000	2,074,000
Murabaha		1,233,386	1,010,989
Diminishing musharaka		5,903,445	5,235,730
Istisna		2,932,783	2,662,770
Ijarah		747,045	790,358
		13,636,659	11,773,847

## Islamic Banking Business - Profit and Loss Account

For the Period Ended March 31, 2018 (Un-audited)

	March 31, 2018	March 31, 2017
	Rupees in '000'	
<b>Profit / Return earned on financing, investment and placements</b>	627,783	381,773
<b>Return on deposits and other dues expensed</b>	244,614	129,735
<b>Net spread earned</b>	383,169	252,038
Provision against non-performing advances	-	-
Provision against consumer financings	-	-
Provision for diminution in the value of investments	-	-
Bad debts written off directly	-	-
	-	-
Income after provisions	383,169	252,038
<b>Other income</b>		
Fee, commission and brokerage income	4,771	7,617
Dividend income	-	-
Income from dealing in foreign currencies	(89)	29
Gain on sale and redemption of securities	-	-
Unrealized (loss) / gain on revaluation of investments classified as held for trading	-	-
Other income	11,597	8,884
Total other income	16,279	16,530
	399,448	268,568
<b>Other expenses</b>		
Administrative expenses	293,425	190,926
Other provisions/write offs/reversals	-	-
Other charges	-	-
Total other expenses	293,425	190,926
	106,023	77,642
Extra ordinary / unusual items	-	-
<b>PROFIT BEFORE TAXATION</b>	106,023	77,642





THE BANK OF PUNJAB

*Passion Reborn*

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