



HALF YEARLY REPORT 2019

(Un-audited)
JANUARY - JUNE



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Corporate Information

Board of Directors

Dr. Pervez Tahir	Chairman
Mr. Khalid S. Tirmizey	Acting President / CEO
Mr. Mohammad Jehanzeb Khan	Director
Mr. Muhammad Abdullah Khan Sumbal	Director
Khawaja Farooq Saeed	Director
Mr. Saeed Anwar	Director
Dr. Muhammad Amjad Saqib	Director
Mr. Raza Saeed	Secretary to the Board

Central Audit Committee (CAC)

Khawaja Farooq Saeed	Chairman
Mr. Saeed Anwar	Member

Board Risk Management Committee (BRMC)

Mr. Mohammad Jehanzeb Khan	Chairman
Mr. Saeed Anwar	Member
Dr. Muhammad Amjad Saqib	Member

Human Resource & Remuneration Committee (HR&RC)

Khawaja Farooq Saeed	Chairman
Mr. Mohammad Jehanzeb Khan	Member
Dr. Muhammad Amjad Saqib	Member

Research Development & Islamic Banking Committee

Dr. Muhammad Amjad Saqib	Chairman
Dr. Pervez Tahir	Member
Khawaja Farooq Saeed	Member
Mr. Khalid S. Tirmizey	Member

Auditors

EY Ford Rhodes, Chartered Accountants

Registered Office

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

Registrar

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

Website

www.bop.com.pk

Directors' Review

Half Yearly Financial Statements – June 30, 2019

On behalf of the Board of Directors, I am pleased to present Un-audited Condensed Interim Financial Statements of The Bank of Punjab for the six months period ended June 30, 2019.

The Government of Pakistan has passed FY20 budget that seeks to credibly improve fiscal sustainability by focusing on revenue measures to widen the tax base. Adjustments in utility prices and other measures in the budget are expected to lead to a one-time increase in prices in the first half of FY20. On the other hand, the government has also committed to cease borrowing from the State Bank that would qualitatively improve the inflation outlook. The outlook for external financing has further strengthened with the disbursement of the first tranche associated with the IMF Extended Fund Facility, activation of the Saudi oil facility, and other commitments of support from multilateral and bilateral partners. The current account deficit has also continued to fall suggesting that external pressures continue to decline. On the other hand, the depreciation in the exchange rate has added to inflationary pressures but exchange rate is now stabilizing. Business confidence is returning.

During 1st half of year 2019, the Bank has maintained its growth trends. The financial results for the half year ended June 30, 2019 well and truly portray a bright picture:

Financial Highlights:	Rs. in Million
Profit before taxation	6,927
Taxation	2,918
Profit after taxation	4,009
Earnings per share (Rupees)	1.52

During 1st Half of year 2019, Bank's Net Interest Margin significantly improved to Rs. 13,084 million as against Rs. 9,187 million for the corresponding period last year, thereby registering a rise of 42%. Non Mark-up/Interest Income and Non Mark-up/Interest Expenses remained at Rs. 1,838 million and Rs. 6,960 million, respectively. Accordingly, the Bank was able to post a pre-tax profit of Rs. 6,927 million as against Rs. 6,149 million for corresponding period last year thereby registering a rise of 13%. The Earnings per Share improved to Rs. 1.52 as against Rs. 1.43 for corresponding period last year.

As on June 30, 2019, the Deposits stood at Rs. 665.2 billion, while Total Assets stood at Rs. 802.2 billion. Investments and Gross Advances stood at Rs. 302.5 billion and Rs. 425.4 billion, respectively. The Tier-1 Equity stood at Rs. 36.5 billion as on June 30, 2019.

As on June 30, 2019, the Bank stands compliant with the Capital Adequacy Ratio (CAR) requirement prescribed by SBP. The CAR improved to 13.40% as against 13.17% as on December 31, 2018.

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 has planned to expand its outreach during the year. The Bank currently has a network of 587 online branches, including 76 Taqwa Islamic Banking Branches, strategically located across the country. Further, the Bank has a vast network of 537 ATMs providing 24/7 banking services to the customers

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

For and on behalf of the Board

Dr. Pervez Tahir
Chairman

ڈائریکٹرز کا جائزہ

ڈی بینک آف پنجاب ششماہی حسابات 30 جون 2019ء

یہ بات میرے لیے باعث مسرت ہے کہ میں دی بینک آف پنجاب کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2019ء کو اختتام پذیر ہونے والی ششماہی کے غیر آڈٹ شدہ حسابات پیش کر رہا ہوں۔

حکومت پاکستان نے مالی سال 2020ء کا بجٹ منظور کیا ہے جس میں محاصل کو بڑھانے کے اقدامات کے ذریعے ٹیکس ٹیس کو وسیع کرتے ہوئے مالیاتی پائیداری کو معتبر انداز میں بہتر بنانے کی کوشش کی گئی ہے۔ توقع ہے کہ یوٹیلٹی کی قیمتوں اور بجٹ کے دیگر اقدامات سے مالی سال 20ء کی پہلی ششماہی میں قیمتوں میں ایک بار خاصا اضافہ ہوگا۔ دوسری طرف حکومت نے اسٹیٹ بینک سے قرض لینے کا سلسلہ بھی ختم کرنے کا عزم کیا ہے جس سے مہنگائی کے منظر نامے میں معیاری بہتری آئے گی۔ آئی ایم ایف کی توسیعی فنڈ سہولت کے تحت پہلی قسط کی موصولی، تیل کی سعودی سہولت کے بروئے کار آنے اور کثیر طرفہ دو طرفہ شراکت داروں کی جانب سے امداد کے دیگر وعدوں کے نتیجے میں بیرونی مالکاری کا منظر نامہ مزید مضبوط ہوا ہے۔ جاری کھاتے کا خسارہ مسلسل گھٹ رہا ہے جس سے یہ ظاہر ہوتا ہے کہ بیرونی دباؤ میں کمی آتی جا رہی ہے۔ دوسری جانب شرح مبادلہ میں کمی سے مہنگائی کا دباؤ بڑھا ہے لیکن اب شرح مبادلہ میں استحکام آ رہا ہے اور کاروباری اعتماد بحال ہو رہا ہے۔

بینک نے اپنی ترقی کا سفر جاری رکھا جو کہ مالیاتی نتائج سے ظاہر ہوتا ہے۔

مالیاتی نتائج	روپیہ ملین میں
قبل از ٹیکس منافع	6,927
ٹیکس	2,918
بعد از ٹیکس منافع	4,009
فی حصص منافع (روپیہ)	1.52

سال 2019ء کی پہلی ششماہی کے دوران بینک کا نیٹ انٹرسٹ مارجن 42 فیصد کے شاندار اضافہ کے ساتھ 13,084 ملین روپے تک پہنچ گیا جو کہ پچھلے سال کی اسی مدت کے دوران 9,187 ملین روپے تھا جبکہ نان مارک اپ/ انٹرسٹ آمدن اور نان مارک اپ/ انٹرسٹ اخراجات بالترتیب 1,838 ملین روپے اور 6,960 ملین روپے رہے۔ اس طرح بینک نے 13 فیصد اضافہ کے ساتھ 6,927 ملین روپے کا قبل از ٹیکس منافع کمایا جو کہ پچھلے سال کی اسی مدت کے دوران 6,149 ملین روپے تھا۔ بینک کی فی حصص آمدن 1.52 روپے رہی۔ 30 جون 2019ء کو بینک ڈیپازٹس 665.2 ارب روپے تھے جبکہ کل اثاثہ جات 802.2 ارب روپے رہے۔ سرمایہ کاری اور قرضہ جات بالترتیب 302.5 ارب روپے اور 425.4 ارب روپے رہے۔ 30 جون 2019ء کو بینک کی ٹیرون ایکویٹی 36.5 ارب روپے رہی۔ 30 جون 2019ء کو بینک، اسٹیٹ بینک کی مقرر کردہ کپیٹل ایڈیکویسی ریشو کی مطلوبہ شرح حاصل کر چکا ہے۔ بینک کی کپیٹل ایڈیکویسی ریشو بہتر ہو کر 13.40 فیصد ہو گئی جبکہ 31 دسمبر 2018ء کو 13.17 فیصد تھی۔

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۔ بینک نے اپنے برانچ نیٹ ورک میں مزید توسیع کا فیصلہ کیا ہے۔ اس وقت بینک کی 587 آن لائن برانچز بشمول 76 تقویٰ اسلامک بینکنگ برانچز ملک بھر میں موجود ہیں۔ اس کے علاوہ ایزین بینک کا دستچ 537 اے ٹی ایم کا نیٹ ورک صارفین کو خدمات فراہم کر رہا ہے۔

میں اپنے معزز صارفین اور حصص داران کا شکریہ ادا کرتے ہوئے اس بات کا یقین دلاتا ہوں کہ ترقی کی موجودہ رفتار کو مزید تیز کیا جائے گا۔ میں حکومت پنجاب، اسٹٹ بینک آف پاکستان کے مسلسل تعاون اور معاونت کا تہ دل سے شکر گزار ہوں۔ میں بینک کی انتظامیہ اور تمام ملازمین کی انتھک محنت کا معترف ہوں جس کی وجہ سے بینک نے قابل ذکر کارکردگی کا مظاہرہ کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈاکٹر پرویز طاہر
چیئرمین

**EY****Building a better
working world**

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of The Bank of Punjab

Report on review of unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of The Bank of Punjab (the Bank) as at 30 June 2019, and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim cash flow statement and notes to the unconsolidated condensed interim financial statements for the six month period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matters

The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the three month period ended 30 June 2019 and 30 June 2018 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended 30 June 2019.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Farooq Hameed.

EY Ford Rhodes
Chartered Accountants
Lahore: August 23, 2019



**Unconsolidated Condensed Interim
Financial Information**
for the period ended June 30, 2019

Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2019

	Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks	7	54,574,947	43,589,007
Balances with other banks	8	11,022,377	5,802,312
Lendings to financial institutions	9	28,203,503	27,843,153
Investments - net	10	274,320,715	210,071,483
Advances - net	11	380,679,464	381,877,256
Fixed assets	12	13,833,021	8,787,928
Intangible assets	13	858,170	891,489
Deferred tax assets - net	14	8,057,982	7,965,267
Other assets - net	15	30,689,986	27,551,697
		802,240,165	714,379,592
LIABILITIES			
Bills payable	17	4,154,644	3,577,677
Borrowings	18	49,852,926	41,793,201
Deposits and other accounts	19	665,164,462	595,581,962
Liabilities against assets subject to finance lease		-	-
Subordinated debts	20	8,795,780	8,797,140
Deferred tax liabilities		-	-
Other liabilities	21	35,293,736	26,909,321
		763,261,548	676,659,301
NET ASSETS		38,978,617	37,720,291
REPRESENTED BY			
Share capital - net		26,173,766	26,173,766
Reserves		4,990,570	4,990,570
Surplus on revaluation of assets - net of tax	22	2,457,205	3,260,312
Unappropriated profit		5,357,076	3,295,643
		38,978,617	37,720,291

CONTINGENCIES AND COMMITMENTS

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

Chief Financial Officer

President

Director

Unconsolidated Condensed Interim Profit and Loss Account For the Six Months Ended June 30, 2019 (Un-audited)

		Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
	Note	Rupees in '000'			
Mark-up / return / interest earned	24	18,031,462	10,619,490	34,118,455	20,405,914
Mark-up / return / interest expensed	25	11,463,595	6,108,248	21,034,761	11,219,133
Net mark-up / interest income		6,567,867	4,511,242	13,083,694	9,186,781
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	907,834	839,622	1,675,016	1,606,412
Dividend income		29,616	15,179	57,821	35,362
Foreign exchange income		33,451	56,914	30,761	124,720
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities - net	27	19,928	(7,877)	33,918	18,171
Other income - net	28	35,147	9,934	40,058	44,264
Total non-markup / interest income		1,025,976	913,772	1,837,574	1,828,929
Total income		7,593,843	5,425,014	14,921,268	11,015,710
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	29	3,455,717	3,115,935	6,957,802	5,850,867
Workers welfare fund		-	-	-	-
Other charges	30	1,642	-	2,663	-
Total non-markup / interest expenses		3,457,359	3,115,935	6,960,465	5,850,867
Profit before provisions		4,136,484	2,309,079	7,960,803	5,164,843
Provisions / (reversals) and write offs - net	31	783,751	(831,588)	1,033,913	(984,648)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		3,352,733	3,140,667	6,926,890	6,149,491
Taxation - net	32	1,309,157	1,296,515	2,917,827	2,365,087
PROFIT AFTER TAXATION		2,043,576	1,844,152	4,009,063	3,784,404
Basic earnings per share - Rupees	33	0.78	0.70	1.52	1.43
Diluted earnings per share - Rupees	34	0.78	0.70	1.52	1.43

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

Chief Financial Officer

President

Director

Unconsolidated Condensed Interim Statement of Comprehensive Income For the Six Months Ended June 30, 2019 (Un-audited)

	Three Months Ended June 30, 2019	Restated Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Restated Six Months Ended June 30, 2018
	Rupees in '000'			
Profit after taxation for the period	2,043,576	1,844,152	4,009,063	3,784,404
Other comprehensive income:				
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement loss on defined benefit obligations	-	-	-	-
Movement in surplus on revaluation of fixed / non-banking assets - net of tax	-	-	-	-
	-	-	-	-
	2,043,576	1,844,152	4,009,063	3,784,404
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of investments - net of tax	(752,363)	3,852	(767,968)	(81,810)
Total comprehensive income for the period	1,291,213	1,848,004	3,241,095	3,702,594

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

Chief Financial Officer

President

Director

Unconsolidated Condensed Interim Statement of Changes in Equity

For the Six Months Ended June 30, 2019 (Un-audited)

	Share capital	Discount on issue of shares	Share capital - net	Share premium	Statutory reserve	Investments	Fixed / non banking assets	Unappropriated profit / (accumulated loss)	Total
	Rupees in '000'								
Balance as on January 01, 2018 - as restated	26,436,924	(263,158)	26,173,766	2,215,040	1,262,791	(53,499)	2,940,101	(2,806,639)	29,731,760
Profit after taxation for the six months ended June 30, 2018	-	-	-	-	-	(81,810)	-	3,784,404	3,784,404
Other comprehensive loss	-	-	-	-	-	(81,810)	-	-	(81,810)
Total comprehensive income for the six months ended June 30, 2018	-	-	-	-	-	(81,810)	-	3,784,404	3,702,594
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(22,942)	22,942	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(2,052)	2,052	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	(77,594)	119,375	41,781
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	(3,978)	4,357	379
Balance as on June 30, 2018 - as restated	26,436,924	(263,158)	26,173,766	2,215,040	1,262,791	(135,309)	2,833,535	1,126,691	33,476,514
Profit after taxation for the six months ended December 31, 2018	-	-	-	-	-	123,940	509,790	3,779,289	3,779,289
Other comprehensive income / (loss)	-	-	-	-	-	123,940	-	(172,131)	460,989
Total comprehensive income for the six months ended December 31, 2018	-	-	-	-	-	123,940	509,790	3,606,558	4,240,288
Transfer to statutory reserve	-	-	-	-	1,512,739	-	-	(1,512,739)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(22,710)	22,710	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(1,388)	1,388	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	(47,546)	51,035	3,489
Balance as on December 31, 2018	26,436,924	(263,158)	26,173,766	2,215,040	2,775,530	(11,369)	3,271,681	3,295,643	37,720,291
Profit after taxation for the six months ended June 30, 2019	-	-	-	-	-	(767,988)	-	4,009,063	4,009,063
Other comprehensive loss	-	-	-	-	-	(767,988)	-	-	(767,988)
Total comprehensive income for the six months ended June 30, 2019	-	-	-	-	-	(767,988)	-	4,009,063	3,241,075
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(21,520)	21,520	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(8,536)	8,536	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	(5,083)	5,083	-
Transactions with owners recognized directly in equity :	-	-	-	-	-	-	-	(1,982,769)	(1,982,769)
Final cash dividend - December 31, 2018 declared subsequent to year end at 7.5% per share	-	-	-	-	-	-	-	(1,982,769)	(1,982,769)
Balance as on June 30, 2019	26,436,924	(263,158)	26,173,766	2,215,040	2,775,530	(779,337)	3,236,542	5,357,076	38,978,617

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

Chief Financial Officer

President

Director

Unconsolidated Condensed Interim Cash Flow Statement For the Six Months Ended June 30, 2019 (Un-audited)

	Note	Six Months Ended June 30, 2019	June 30, 2018
		Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		6,926,890	6,149,491
Less: Dividend income		(57,821)	(35,362)
		6,869,069	6,114,129
Adjustments:			
Depreciation on fixed assets	29	515,262	449,375
Depreciation on non banking assets acquired in satisfaction of claims	29	37,052	38,339
Depreciation on ijarah assets under IFAS - 2	29	151,036	193,552
Depreciation on right of use assets	29	367,927	-
Amortization on intangible assets	29	84,878	26,276
Amortization of (discount) / premium on debt securities - net		(433,391)	342,414
Mark-up on lease liability against right of use assets		329,336	-
Unrealized loss on revaluation of investments classified as held for trading	27	10,230	5,040
Provision / (reversal) and writeoffs - net	31	1,033,913	(984,648)
(Gain) / loss on sale of fixed assets - net	28	(34,108)	419
Gain on sale of non banking assets - net		(67)	(36,335)
Gain on securities - net	27	(33,918)	(18,171)
Provision for employees compensated absences		5,231	4,930
Provision for gratuity		57,399	53,804
		2,090,780	74,995
		8,959,849	6,189,124
(Increase) / Decrease in operating assets:			
Lendings to financial institutions		(360,350)	1,602,512
Held for trading securities		314,862	13,380,376
Advances - net		191,795	(62,550,623)
Others assets - net		(4,145,009)	(584,024)
		(3,998,702)	(48,151,759)
Increase / (Decrease) in operating liabilities:			
Bills Payable		576,967	252,495
Borrowings from financial institutions		8,148,103	(5,267,970)
Deposits		69,582,500	36,438,873
Other liabilities		2,470,193	2,075,268
		80,777,763	33,498,666
Income tax paid		(1,749,546)	(2,178,334)
Net cash flow from / (used in) operating activities		83,989,364	(10,642,303)

	Six Months Ended	
	June 30, 2019	June 30, 2018
	Rupees in '000'	
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(45,795,718)	7,937,936
Net investments in held to maturity securities	(19,606,306)	-
Dividends received	51,040	46,510
Investments in fixed assets	(427,536)	(619,225)
Investments in intangible assets	(51,559)	(212,616)
Proceeds from sale of fixed assets	34,854	141,673
Proceeds from sale of non banking assets	63,612	233,551
Net cash (used in) / flow from investing activities	(65,731,613)	7,527,829
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of subordinated debts	(1,360)	(500)
Dividend paid	(1,962,008)	-
Issuance of privately placed term finance certificates - II	-	4,300,000
Net cash (used in) / flow from financing activities	(1,963,368)	4,299,500
Increase in cash and cash equivalents	16,294,383	1,185,026
Cash and cash equivalents at beginning of the period	49,180,556	53,299,968
Cash and cash equivalents at end of the period	65,474,939	54,484,994
Cash and cash equivalents :		
Cash and balances with treasury banks	54,574,947	47,833,984
Balances with other banks	11,022,377	6,663,866
Overdrawn nostro accounts	(122,385)	(12,856)
	65,474,939	54,484,994

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

Chief Financial Officer

President

Director

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Six Months Ended June 30, 2019 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

The Bank of Punjab (the Bank) was constituted in Pakistan pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 587 branches including 14 sub branches and 74 Islamic banking branches (December 31, 2018: 576 branches including 13 sub branches and 72 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).

2. BASIS OF PRESENTATION

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 condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

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

The financial results of Islamic Banking business have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in note 39 of these unconsolidated condensed interim financial statements.

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.1.2 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on SBP BPRD Circular Letter No. 05 of 2019 and IAS 34 "Interim Financial Reporting". Accordingly, these unconsolidated condensed interim financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements of the Bank for the year ended December 31, 2018.

SBP through its BPRD Circular No. 5 dated March 22, 2019 has amended the format of quarterly and half yearly financial statements of banks. All banks are directed to prepare their quarterly financial statements on the revised format effective from accounting year starting from January 1, 2019. Accordingly, the Bank has prepared these unconsolidated condensed interim financial statements on the new format prescribed by the SBP.

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

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

2.1.5 New accounting standards/ amendments and IFRS interpretations that are effective for the current period:

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

During the period, IFRS 16 - Leases, became effective from January 01, 2019, the impact of adoption of this standard is disclosed in note 4.1 to these unconsolidated condensed interim financial statements.

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

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

The SECP, through SRO 229(I)/2019 dated February 14, 2019, has notified that IFRS 9, Financial Instruments, is applicable for accounting periods ending on or after June 30, 2019. However, based on the guidance received from the SBP, the requirements of IFRS 9 have not been considered in preparation of these unconsolidated condensed interim financial statements.

Standard or Interpretations

Effective date (accounting periods beginning on or after)

IFRS 3	Amendments to IFRS 3 (Definition of a Business)	January 01, 2020
IAS 1 & 8	Amendments to IAS 1 and IAS 8 (Definition of Material)	January 01, 2020

Effective date (accounting periods ending on or after)

IFRS 9	Financial Instruments : Classification and Measurement	June 30, 2019
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3. BASIS OF MEASUREMENT

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual unconsolidated financial statements of the Bank for the year ended December 31, 2018, except for the following :

4.1 Impact of IFRS 16 - Leases

During the period, IFRS 16 - Leases became applicable to the Banks. IFRS 16 replaces IAS 17- Leases, existing interpretations and guidance on accounting for leases. IFRS 16 introduces an on-balance sheet lease accounting model for leases entered by the lessee. A lessee recognizes a right of use assets representing its right of using the underlying assets and a corresponding lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as either finance or operating leases.

The Bank has adopted IFRS 16 from January 1, 2019 thereby recognizing right of use assets and lease liability , in respect of leased properties, there-against on January 01, 2019 using modified retrospective restatement approach, as permitted under the specific transitional provisions in the standard, and has not restated comparatives for the corresponding reporting period of 2018. Previously, these leases were accounted for as operating leases.

As at January 01, 2019, these liabilities were initially measured at the present value of the remaining lease payments discounted using Bank's incremental weighted average borrowing rate of 14.33% per annum. The lease liability is subsequently measured at amortized cost using the effective interest rate method. The associated right of use assets were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognized in the unconsolidated financial statements of financial position immediately before the date of initial application.

The right of use assets recognized subsequent to the adoption are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right of use assets are depreciated over the lease term using a straight line basis as it closely reflects the expected pattern of consumption of future economic benefits. The right of use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liability.

The effect of this change in accounting policy is as follows:

	June 30, 2019	January 1, 2019
	Rupees in '000'	
Impact on unconsolidated condensed interim statement of financial position:		
Increase in fixed assets - right of use assets	5,133,568	5,169,679
Decrease in advances, deposits, advance rent and other prepayments	(83,881)	(187,014)
Increase in other assets - advance taxation	65,980	-
Net increase in total assets	5,115,667	4,982,665
Increase in other liabilities - lease liability against right of use assets	5,218,866	4,982,665
Net increase/(decrease) in net assets	(103,199)	-

	January 01 – June 30, 2019
	Rupees in '000'
Increase in mark-up/interest expensed	329,336
Increase/(Decrease) in operating expenses:	
Amortization on right of use assets	367,927
Rent expense	(528,084)
Decrease in profit before tax	169,179
Decrease in taxation	65,980
Decrease in profit after taxation	103,199

Decrease in earnings per share for the six months ended June 30, 2019 is 0.04 per share.

While applying IFRS 16, the Bank has used the following practical expedients, as permitted by the standard, and significant judgements:

- Use of a single discount rate for leases with similar characteristics; and
- Lease term as the non-cancellable term of the Lease, together with any periods covered by an option to extend the Lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the Lease, if it is reasonably certain not to be exercised.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting judgments and key estimates adopted in preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual unconsolidated financial statements of the Bank for the year ended December 31, 2018 except for judgements and estimates as explained in note 4.1 to these unconsolidated condensed interim financial statements.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual unconsolidated financial statements of the Bank for the year ended December 31, 2018.

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
7. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		12,090,159	8,558,512
Foreign currencies		1,519,139	1,567,982
		13,609,298	10,126,494
With SBP in :			
Local currency current accounts		24,899,868	19,249,466
Foreign currency current accounts		473,755	431,861
Foreign currency deposit accounts		1,493,943	1,283,551
		26,867,566	20,964,878
With National Bank of Pakistan in :			
Local currency current account		11,605,112	12,451,416
Prize bonds		2,492,971	46,219
		54,574,947	43,589,007
8. BALANCES WITH OTHER BANKS			
In Pakistan :			
Current accounts		7,375,923	3,747,534
Deposit accounts		1,674,167	1,517,470
		9,050,090	5,265,004
Outside Pakistan :			
Current accounts		483,060	435,886
Deposit accounts		1,489,227	101,422
		1,972,287	537,308
		11,022,377	5,802,312
9. LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	9.2	23,401,545	22,093,153
Bai muajjal receivable from SBP		511,958	-
Placements	9.3	4,290,000	5,750,000
		28,203,503	27,843,153
9.1 Particulars of lending			
In local currency		28,203,503	27,843,153
In foreign currencies		-	-
		28,203,503	27,843,153

9.2 Securities held as collateral against lendings to financial institutions

	(Un-audited) June 30, 2019			(Audited) December 31, 2018		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	Rupees in '000'					
Market treasury bills	22,855,300	-	22,855,300	-	-	-
Pakistan investment bonds	546,245	-	546,245	22,093,153	-	22,093,153
	23,401,545	-	23,401,545	22,093,153	-	22,093,153

Market value of securities held as collateral as at June 30, 2019 amounted to Rs. 23,426,267 thousand (December 31, 2018: Rs. 21,350,630 thousand). These carry mark-up at rate ranging from 12.35% to 12.75% per annum (December 31, 2018: 10.00% to 10.50% per annum) with maturities upto July 23, 2019.

9.3 These carry profit rates ranging from 9.00% to 12.75% per annum (December 31, 2018: 9.00% to 9.80% per annum) with maturities upto August 26, 2019.

10. INVESTMENTS - NET

10.1 Investments by type:

	Note	(Un-audited) June 30, 2019				(Audited) December 31, 2018			
		Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
		Rupees in '000'							
Held-for-trading securities									
Federal government securities	10.1.1	24,769,895	-	(10,230)	24,759,665	25,075,868	-	(1,892)	25,073,976
Ordinary shares		-	-	-	-	12,630	-	(1,849)	10,781
		24,769,895	-	(10,230)	24,759,665	25,088,498	-	(3,741)	25,084,757
Available-for-sale securities									
Federal government securities	10.1.1 & 10.2	221,911,941	-	(1,091,761)	220,820,180	177,736,092	-	(44,199)	177,691,893
Shares and certificates		2,616,856	(1,123,089)	(109,284)	1,384,483	2,122,045	(1,024,880)	24,614	1,121,779
Non government debt securities		9,697,073	(2,235,125)	2,065	7,464,013	8,119,488	(2,236,623)	2,094	5,884,959
Foreign securities		4,019	-	-	4,019	4,019	-	-	4,019
		234,229,889	(3,358,214)	(1,198,980)	229,672,695	187,981,644	(3,261,503)	(17,491)	184,702,650
Held-to-maturity securities									
Federal government securities	10.1.1 & 10.4	19,856,306	-	-	19,856,306	250,329	-	-	250,329
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		19,856,706	(400)	-	19,856,306	250,729	(400)	-	250,329
Subsidiaries		164,945	(132,896)	-	32,049	164,945	(131,198)	-	33,747
Total investments		279,021,435	(3,491,510)	(1,209,210)	274,320,715	213,485,816	(3,393,101)	(21,232)	210,071,483

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

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

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
10.2 Investments given as collateral		
Market treasury bills	25,253,187	19,829,188
10.3 Provision for diminution in value of investments		
10.3.1 Opening balance	3,393,101	3,145,347
Charge / reversals :		
Charge for the period / year	115,018	247,754
Reversals for the period / year	(1,498)	-
	113,520	247,754
Reversal on disposal during the period / year	(15,111)	-
Closing balance	3,491,510	3,393,101

10.3.2 Particulars of provision against debt securities

Category of classification	(Un-audited) June 30, 2019		(Audited) December 31, 2018	
	NPI	Provision	NPI	Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	2,235,525	2,235,525	2,237,023	2,237,023
Total	2,235,525	2,235,525	2,237,023	2,237,023

10.4 Market value of held to maturity investments amounted to Rs. 19,240,920 thousand (December 31, 2018: Rs. 248,902 thousand).

11. ADVANCES - NET

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2019	(Audited) December 31, 2018	(Un-audited) June 30, 2019	(Audited) December 31, 2018	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'					
Loans, cash credits, running finances, etc.	325,958,174	324,864,552	48,970,241	49,076,188	374,928,415	373,940,740
Net book value of assets in ijarah under IFAS 2 - In Pakistan	384,605	337,920	216,404	215,000	601,009	552,920
Islamic financing and related assets	22,890,385	19,584,952	86,840	76,882	22,977,225	19,661,834
Bills discounted and purchased	26,889,361	31,583,488	16,992	16,992	26,906,353	31,600,480
Advances - gross	376,122,525	376,370,912	49,290,477	49,385,062	425,413,002	425,755,974
Provision against advances:						
- Specific	-	-	(44,349,711)	(43,530,419)	(44,349,711)	(43,530,419)
- General	(383,827)	(348,299)	-	-	(383,827)	(348,299)
	(383,827)	(348,299)	(44,349,711)	(43,530,419)	(44,733,538)	(43,878,718)
Advances - net of provision	375,738,698	376,022,613	4,940,766	5,854,643	380,679,464	381,877,256

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
11.1 Particulars of advances (gross)		
In local currency	425,280,835	425,610,828
In foreign currencies	132,167	145,146
	425,413,002	425,755,974

11.2 Advances include Rs. 49,290,477 thousand (December 31, 2018: Rs. 49,385,062 thousand) which have been placed under non-performing status as detailed below:

	(Un-audited) June 30, 2019		(Audited) December 31, 2018	
	Non performing loans	Provision	Non performing loans	Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	205,777	13,929	52,234	801
Substandard	579,436	103,521	351,004	65,741
Doubtful	7,781,073	4,587,867	9,722,789	5,247,064
Loss	40,724,191	39,644,394	39,259,035	38,216,813
Total	49,290,477	44,349,711	49,385,062	43,530,419

11.3 Particulars of provision against advances

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000'					
Opening balance	43,530,419	348,299	43,878,718	45,558,411	425,283	45,983,694
Charge for the period / year	2,404,487	35,528	2,440,015	2,350,848	-	2,350,848
Reversals for the period / year	(1,585,054)		(1,585,054)	(4,372,439)	(76,984)	(4,449,423)
	819,433	35,528	854,961	(2,021,591)	(76,984)	(2,098,575)
Amounts written off	(141)	-	(141)	(6,401)	-	(6,401)
Closing balance	44,349,711	383,827	44,733,538	43,530,419	348,299	43,878,718

11.3.1 Particulars of provision against advances with respect to currencies

In local currency	44,349,711	383,827	44,733,538	43,530,419	348,299	43,878,718
In foreign currencies	-	-	-	-	-	-
	44,349,711	383,827	44,733,538	43,530,419	348,299	43,878,718

11.3.2 General provision represents provision against consumer financing portfolio as required by Prudential Regulations issued by the SBP.

11.3.3 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 1,372,927 thousand (December 31, 2018: Rs 1,186,127 thousand). The FSV benefit availed is not available for cash or stock dividend.

11.3.4 Exposure amounting to Rs. 2,524,603 thousand relating to certain facilities of Power Holding (Pvt.) Limited, which is a government guaranteed loan, has not been classified as non-performing, pursuant to a relaxation given by SBP in this respect. The relaxation is valid upto June 30, 2019.

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
12. FIXED ASSETS			
Capital work-in-progress		126,349	231,947
Right of use assets	4.1	5,133,568	-
Property and equipment		8,573,104	8,555,981
		13,833,021	8,787,928
12.1 Capital work-in-progress			
Civil works		95,839	201,487
Equipment		30,510	30,460
		126,349	231,947
		(Un-audited) June 30, 2019 Rupees in '000'	(Un-audited) June 30, 2018
12.2 Additions to fixed assets			
The following additions / (transfers) have been made to fixed assets during the period:			
Capital work-in-progress		(105,598)	295,943
Right of use assets		5,501,495	-
Property and equipment :			
Freehold land		-	8,466
Building on freehold land		93,519	495,507
Furniture and fixture		20,712	23,303
Office equipment		123,486	132,018
Computer equipment		67,458	108,429
Lease hold improvements		214,128	49,151
Vehicles		13,831	1,915
		533,134	818,789
		5,929,031	1,114,732
12.3 Disposal of property and equipment:			
The net book value of property and equipment disposed off during the period is as follows:			
Building on freehold land		-	140,471
Furniture and fixture		281	603
Office equipment		465	542
Computer equipment		-	476
Vehicles		-	-
		746	142,092

Gross carrying amount of vehicles disposed off during the period was Rs. 40,704 thousand (June 30, 2018: nil).

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
13. INTANGIBLE ASSETS		
Intangible in progress	155,582	129,279
Softwares	702,588	762,210
	858,170	891,489

	(Un-audited) June 30, 2019	(Un-audited) June 30, 2018
	Rupees in '000'	
13.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Intangible in progress	26,303	105,144
Intangible assets purchased during the period	25,256	107,472
	51,559	212,616

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
14. DEFERRED TAX ASSETS - NET		
Deductible temporary differences on :		
Deficit on revaluation of investments	419,643	6,122
Provision against advances, off balance sheet etc.	8,565,450	8,926,570
	8,985,093	8,932,692
Taxable temporary differences on :		
Surplus on revaluation of fixed assets	(451,905)	(463,493)
Accelerated tax depreciation	(295,952)	(320,081)
Surplus on revaluation of non banking assets	(179,254)	(183,851)
	(927,111)	(967,425)
	8,057,982	7,965,267

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
15. OTHER ASSETS - NET			
Income / mark-up accrued in local currency		13,045,951	8,629,336
Income / mark-up accrued in foreign currency		963	1,961
Profit paid in advance on pehlay munafa scheme		3,580	8,027
Advances, deposits, advance rent and other prepayments		451,125	881,805
Advance taxation (payments less provisions)		2,782,766	3,630,240
Non-banking assets acquired in satisfaction of claims		7,385,423	7,467,804
Acceptances		4,752,056	4,888,386
Branch adjustment account		211,757	180,704
Mark to market gain on forward foreign exchange contracts		442,007	146,431
Stock of stationery		151,746	108,048
Suspense account		6,771	5,044
Zakat recoverable from NITL		36,790	36,790
Unrealized gain on revaluation of foreign bills and trade loans		133,587	78,013
Fraud and forgeries		172,525	121,806
Unearned income on sale of sukuk on bai-muajjal basis		880,133	1,044,888
Others		823,921	829,881
		31,281,101	28,059,164
Less: Provision held against other assets	15.1	(2,117,712)	(2,052,280)
Other assets (net of provision)		29,163,389	26,006,884
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		1,526,597	1,544,813
Other assets - total		30,689,986	27,551,697
15.1 Provision held against other assets			
Advances, deposits, advance rent & other prepayments		35,723	35,723
Non banking assets acquired in satisfaction of claims		1,575,670	1,575,670
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries		165,196	101,364
Others		304,333	302,733
		2,117,712	2,052,280
16. CONTINGENT ASSETS			
Contingent assets		Nil	Nil

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
17. BILLS PAYABLE		
In Pakistan	4,154,644	3,577,677
Outside Pakistan	-	-
	4,154,644	3,577,677
18. BORROWINGS		
Secured		
Borrowings from SBP under:		
Export refinance scheme (ERF)	15,245,623	13,451,606
Long term financing facility (LTFF)	7,135,047	6,219,303
Finance facility for storage of agricultural produce (FFSAP)	44,478	25,991
Finance facility for renewable energy performance platform (REPP)	1,060,310	1,025,036
	23,485,458	20,721,936
Repurchase agreement borrowings	-	2,497,905
Call borrowings	24,644,562	17,251,702
Total secured	48,130,020	40,471,543
Unsecured		
Overdrawn nostro accounts	122,385	210,763
Foreign placement	1,600,521	1,110,895
Total unsecured	1,722,906	1,321,658
	49,852,926	41,793,201

19. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
Customers:						
Current deposits	134,946,954	2,979,260	137,926,214	119,614,715	2,343,451	121,958,166
Savings deposits	303,514,406	2,767,639	306,282,045	253,500,729	2,413,949	255,914,678
Term deposits	187,868,728	3,481,055	191,349,783	181,788,000	3,496,387	185,284,387
Others	22,607,107	-	22,607,107	25,541,626	-	25,541,626
	648,937,195	9,227,954	658,165,149	580,425,070	8,253,787	588,678,857
Financial institutions:						
Current deposits	3,603,982	346,637	3,950,619	3,610,496	188,548	3,799,044
Savings deposits	2,082,659	212	2,082,871	2,186,683	186	2,186,869
Term deposits	730,000	-	730,000	755,000	-	755,000
Others	235,823	-	235,823	162,192	-	162,192
	6,652,464	346,849	6,999,313	6,714,371	188,734	6,903,105
	655,589,659	9,574,803	665,164,462	587,139,441	8,442,521	595,581,962

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Note	Rupees in '000'	
20. SUBORDINATED DEBTS			
Loan from GoPb	20.1	2,000,000	2,000,000
Privately placed term finance certificates - I	20.2	2,497,500	2,498,000
Privately placed term finance certificates - II	20.3	4,298,280	4,299,140
		8,795,780	8,797,140

20.1 Loan from GoPb

The GoPb extended loan of Rs. 2,000,000 thousand to support capital structure of the Bank for the purpose of the regulatory capital requirement. The loan is unsecured and sub-ordinated to all other indebtedness including deposits. The salient features of the loan are as follows:

Tenor:	07 Years.
Issue date	December 31, 2014
Maturity date	December 30, 2021
Rating	Unrated
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Average SBP discount rate. (Average shall be calculated on daily basis)
Conversion option:	May be converted, subject to consent of the parties and necessary regulatory approvals, after a period of five years into ordinary shares at the rate of Rs. 15 per share.
Repayment:	Bullet repayment after lapse of 07 years.
Call / Put option:	Callable after a period of 05 years. However no put option is available to GoPb.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV as declared by the SBP.

20.2 Privately placed term finance certificates - I

The Bank has issued rated, unsecured and subordinated term finance certificates under section 120 of the Companies Ordinance, 1984, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date; and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013; with each TFC having a face value of PKR 100,000 or multiples thereof.

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

20.3 Privately placed term finance certificates - II

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

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

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

	Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
		Rupees in '000'	
21. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		10,571,263	7,260,038
Mark-up / return / interest payable in foreign currency		61,349	44,506
Lease key money		12,258,816	11,567,270
Sundry creditors and accrued expenses		667,788	999,519
Acceptances		4,752,056	4,888,386
Mark-up payable on subordinated debts		109,265	97,913
Unclaimed dividends		2,590	2,599
Dividend payable		20,761	-
Payable to gratuity fund		57,390	287,512
Gratuity payable to key management personnel		40,027	100,403
Payable to charity fund		-	114
Provision against off-balance sheet obligations	21.1	62,183	62,183
Provision for employees compensated absences		106,222	102,294
Taxes / zakat / import fee payable		224,324	193,646
Lease liability against right of use assets	4.1	5,218,866	-
Deferred income on sale of sukuk on bai - muajjal basis		880,133	1,044,888
Others		260,703	258,050
		35,293,736	26,909,321
21.1 Provision against off-balance sheet obligations		62,183	62,183

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

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
22. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (deficit) on revaluation of :			
- Available for sale securities	10.1	(1,198,980)	(17,491)
- Fixed assets		2,341,104	2,374,212
- Non-banking assets acquired in satisfaction of claims	15	1,526,597	1,544,813
		2,668,721	3,901,534
Deferred tax on (surplus) / deficit on revaluation of :			
- Available for sale securities		419,643	6,122
- Fixed assets		(451,905)	(463,493)
- Non-banking assets acquired in satisfaction of claims		(179,254)	(183,851)
		(211,516)	(641,222)
		2,457,205	3,260,312
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	56,242,580	52,561,155
Commitments	23.2	121,199,053	91,782,505
Other contingent liabilities	23.3	8,975	1,464,824
		177,450,608	145,808,484
23.1 Guarantees:			
Financial guarantees		18,659,993	18,743,220
Performance guarantees		17,415,383	18,257,988
Other guarantees		20,167,204	15,559,947
		56,242,580	52,561,155
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		57,512,169	44,778,499
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	51,155,903	22,172,986
- forward lending	23.2.2	12,423,948	14,675,323
- operating leases	23.2.3	-	9,937,311
Commitments for acquisition of:			
- fixed assets		67,442	56,437
- intangible assets		39,591	161,949
		121,199,053	91,782,505
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		27,634,708	13,420,469
Sale		23,521,195	8,752,517
		51,155,903	22,172,986

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
23.2.2 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	12,423,948	14,675,323

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

		(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
23.2.3 Commitments in respect of operating leases			
Not later than one year		-	878,342
Later than one year and not later than five years		-	3,357,036
Later than five years		-	5,701,933
		-	9,937,311

23.3 Other contingent liabilities		8,975	1,464,824
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23.3.1 For the tax year 2007, the Income Tax Department concluded proceedings under section 161/205 and created a default of Rs. 8,975 thousand. The Bank filed appeal before CIR (A), however the same was not allowed. Now, the Bank has filled appeal against the said order of CIR (A) with ATIR. The expected tax liability for the said year amounts to Rs. 8,975 thousand. However, the management of the Bank, as per opinion of its tax consultant, is confident that the decision for the aforementioned tax year will be decided in Bank's favor.

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
23.4 Claims against the Bank not acknowledged as debts	23.4.1	56,195,082	57,231,157

23.4.1 The amounts involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to our recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Un-audited) June 30, 2018
24. MARK-UP / RETURN / INTEREST EARNED			
a) On loans and advances		21,201,465	12,383,681
b) On investments:			
Available for sale securities		9,365,702	6,404,456
Held for trading securities		1,134,167	870,934
Held to maturity securities		573,139	10,309
c) On lendings to financial institutions:			
Securities purchased under resale agreements		1,553,197	352,523
Call lending		2,062	24,394
Letters of placement		229,076	345,138
d) On balances with banks		59,647	14,479
		34,118,455	20,405,914
25. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits and other accounts		18,993,734	10,155,873
Borrowings:			
Securities sold under repurchase agreements		244,194	103,261
Foreign placements		27,525	-
Call borrowings		714,923	536,944
SBP refinance borrowing		219,855	197,347
Subordinated debts:			
Mark-up on subordinated loan from GoPb		112,055	65,014
Mark-up on privately placed term finance certificates		393,139	160,694
Mark-up on lease liability against right of use assets		329,336	-
		21,034,761	11,219,133
26. FEE AND COMMISSION INCOME			
Branch banking customer fees		306,925	309,946
Consumer finance related fees		117,262	133,198
Card related fees		249,870	179,030
Credit related fees		231,862	275,428
Branchless banking fees		44,010	903
Commission on trade		262,204	274,781
Commission on guarantees		122,052	152,445
Commission on cash management		50,178	26,220
Commission on remittances including home remittances		122,597	117,445
Commission on bancassurance		45,512	72,878
Commission on wheat financing		1,257	1,066
SMS banking income		121,287	63,072
		1,675,016	1,606,412
27. GAIN ON SECURITIES - NET			
Realized gain on sale of securities - net	27.1	44,148	23,211
Unrealized loss - held for trading		(10,230)	(5,040)
		33,918	18,171

	(Un-audited) June 30, 2019	(Un-audited) June 30, 2018
	Rupees in '000'	
27.1 Realized gain on sale of securities - net:		
Federal Government	6,312	(6,716)
Shares and certificates	28,579	31,122
Term finance certificates	9,257	(1,195)
	44,148	23,211
28. OTHER INCOME - NET		
Rent on property	1,169	2,346
Gain / (loss) on sale of fixed assets - net	34,108	(419)
Gain on sale of non banking assets - net	67	36,335
Notice pay on resignations	4,714	6,002
	40,058	44,264
29. OPERATING EXPENSES		
Total compensation expense	3,657,766	2,918,545
Property expense:		
Rent and taxes	32,422	452,224
Insurance	9,486	6,861
Utilities cost	241,870	196,961
Security	644	766
Repair and maintenance including janitorial charges	8,747	10,875
Depreciation	265,567	221,386
Depreciation on right of use assets	367,927	-
Others	2,851	-
	929,514	889,073
Information technology expenses:		
Software maintenance	163,578	79,348
Hardware maintenance	48,627	54,544
Depreciation on computer equipment	110,775	106,154
Amortization on intangible assets	84,878	26,276
Network charges	117,018	144,427
	524,876	410,749
Other operating expenses:		
Directors' fees and allowances	4,505	1,900
Fees and allowances to shariah board	2,335	1,305
Legal and professional charges	45,580	99,201
Subscription charges	9,142	8,221
Outsourced staff services costs	125,786	148,111
Travelling and conveyance	263,942	220,089
NIFT clearing charges	28,096	27,072
Depreciation	138,920	121,835
Depreciation on non banking assets	37,052	38,339
Depreciation on ijarah assets	151,036	193,552
Training and development	7,748	6,992
Postage and courier charges	57,470	57,485
Stationery and printing	107,399	88,052

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Un-audited) June 30, 2018
Marketing, advertisement and publicity		45,748	77,570
Donations	29.1	1,000	-
Insurance		63,755	44,569
Deposit protection fee		168,688	-
Repair and maintenance		79,441	61,585
Entertainment expenses		47,466	46,194
Fuel for generator		47,958	42,415
Commission and brokerage		68,652	60,303
Bank charges		44,109	38,543
SMS banking charges		13,825	12,998
ATM charges including ATM maintenance charges		67,446	32,219
Cash remittance charges		93,632	99,931
Branch license fee		12,855	12,219
CNIC verification / ECIB charges		19,929	16,992
Miscellaneous expenses		92,131	74,808
		1,845,646	1,632,500
		6,957,802	5,850,867

29.1 This represents donation paid to Institute of Business Administration in accordance with the approval of Board of Directors of the Bank.

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Un-audited) June 30, 2018
30. OTHER CHARGES			
Penalties imposed by SBP		2,663	-
31. PROVISIONS AND WRITE OFFS - NET			
Provisions for diminution in value of investments	10.3.1	113,520	14,298
Provisions / (reversal) against advances	11.3	854,961	(1,040,302)
Provision against other assets - net	15.1	65,432	41,356
		1,033,913	(984,648)
32. TAXATION			
Current	32.1	2,346,672	1,374,801
Prior years	32.2	250,348	-
Deferred		320,807	990,286
		2,917,827	2,365,087

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

- 32.2** The Finance supplementary (second Amendment) Act, 2019 has levied super tax @ 4% on taxable income for the tax year 2018 (accounting year 2017) retrospectively . Accordingly, in addition to the current tax charge of super tax, provision amounting to Rs 250,348 thousand also made for tax year 2018 (accounting year 2017) in these unconsolidated condensed interim financial statements.

	(Un-audited) June 30, 2019	(Un-audited) June 30, 2018
	Rupees in '000'	
33. BASIC EARNINGS PER SHARE		
Profit after taxation for the period (Rs in '000')	4,009,063	3,784,404
Weighted average number of ordinary shares (No.)	2,643,692,380	2,643,692,380
Basic earnings per share (Rs).	1.52	1.43

34. DILUTED EARNINGS PER SHARE

There is no dilution effect on basic earnings per share.

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

June 30, 2019 (Un-audited)					
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	245,579,845	-	245,579,845	-	245,579,845
Shares and certificates	1,303,125	1,287,135	-	15,990	1,303,125
Non-Government debt securities	2,070,214	-	2,070,214	-	2,070,214
Foreign securities	4,019	-	-	4,019	4,019
Subsidiary company	32,049	-	-	32,049	32,049
Financial assets disclosed but not measured at fair value :					
Government securities	19,856,306	-	19,240,920	-	19,240,920
Financial liabilities measured at fair value:					
Payable to gratuity fund	97,417	-	97,417	-	97,417
Provision for employees compensated absences	106,222	-	106,222	-	106,222
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	29,556,388	-	29,556,388	-	29,556,388
Forward sale of foreign exchange contracts	25,000,868	-	25,000,868	-	25,000,868

December 31, 2018 (Audited)					
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value :					
Government securities	202,765,869	-	202,765,869	-	202,765,869
Shares and certificates	1,051,202	1,035,212	-	15,990	1,051,202
Non-Government debt securities	852,320	-	852,320	-	852,320
Foreign securities	4,019	-	-	4,019	4,019
Subsidiary Company	33,747	-	-	33,747	33,747
Financial assets disclosed but not measured at fair value :					
Government securities	250,329	-	248,902	-	248,902
Financial liabilities measured at fair value:					
Payable to gratuity fund	287,512	-	287,512	-	287,512
Provision for employees compensated absences	102,294	-	102,294	-	102,294
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	13,823,439	-	13,823,439	-	13,823,439
Forward sale of foreign exchange contracts	9,009,056	-	9,009,056	-	9,009,056

35.2 Fair value of non financial assets

June 30, 2019 (Un-audited)					
Fair value					
	Carrying value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
Non Financial assets measured at fair value :					
Fixed assets (land & building)	5,915,002	-	5,915,002	-	5,915,002
Non banking assets acquired in satisfaction of claims	7,336,350	-	7,336,350	-	7,336,350
December 31, 2018 (Audited)					
Fair value					
	Carrying value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
Non Financial assets measured at fair value :					
Fixed assets (land & building)	5,912,918	-	5,912,918	-	5,912,918
Non banking assets acquired in satisfaction of claims	7,436,947	-	7,436,947	-	7,436,947

36. SEGMENT INFORMATION

36.1 Segment details with respect to business activities

(Un-audited) June 30, 2019							
	Wholesale	Retail	Consumer & agri	Treasury	Islamic	Others	Total
Rupees in '000'							
Profit & loss							
Net mark-up / return / profit	17,003,535	700,271	2,169,812	12,068,895	2,066,196	109,746	34,118,455
Inter segment revenue - net	(14,301,103)	23,776,809	(1,516,069)	(10,542,853)	(7,993)	2,591,209	-
Non mark-up / return / interest income	684,751	227,315	75,304	675,783	39,576	134,845	1,837,574
Total income	3,387,183	24,704,395	729,047	2,201,825	2,097,779	2,835,800	35,956,029
Segment direct expenses	1,600,968	22,742,494	281,172	1,142,210	1,567,823	660,559	27,995,226
Inter segment expense allocation	-	-	-	-	-	-	-
Total expenses	1,600,968	22,742,494	281,172	1,142,210	1,567,823	660,559	27,995,226
Provisions	556,146	225,435	72,437	113,520	13,506	52,869	1,033,913
Profit / (loss) before tax	1,230,069	1,736,466	375,438	946,095	516,450	2,122,372	6,926,890
Balance sheet							
Cash & bank balances	10,478,893	28,790,411	-	20,410,302	5,917,718	-	65,597,324
Investments - net	2,687,851	-	-	262,985,168	8,647,696	-	274,320,715
Net inter segment lending	-	550,758,052	-	-	2,990,660	54,468,484	608,217,196
Lendings to financial institutions	-	-	-	23,801,545	4,401,958	-	28,203,503
Advances - performing	297,003,328	12,177,016	39,795,179	-	23,274,907	3,488,184	375,738,614
- non-performing - net	4,083,122	418,433	361,767	-	70,694	6,834	4,940,850
Others	12,845,899	5,048,343	1,196,521	3,944,716	3,213,137	27,190,543	53,439,159
Total assets	327,099,093	597,192,255	41,353,467	311,141,731	48,516,770	85,154,045	1,410,457,361
Borrowings	23,380,210	105,248	-	26,367,468	-	-	49,852,926
Subordinated debts	-	-	-	-	-	8,795,780	8,795,780
Deposits & other accounts	39,502,029	581,695,347	1,034,565	10,109	42,820,508	101,904	665,164,462
Net inter segment borrowing	294,603,550	-	28,830,578	284,783,068	-	-	608,217,196
Others	8,797,476	15,593,559	12,331,409	195,204	2,799,720	(268,988)	39,448,380
Total liabilities	366,283,265	597,394,154	42,196,552	311,355,849	45,620,228	8,628,696	1,371,478,744
Equity	(39,184,172)	(201,899)	(843,085)	(214,117)	2,896,542	76,525,348	38,978,617
Total equity & liabilities	327,099,093	597,192,255	41,353,467	311,141,732	48,516,770	85,154,044	1,410,457,361
Contingencies & commitments							
	122,808,310	731,245	-	51,155,903	2,639,142	116,008	177,450,608

(Un-audited) June 30, 2018							
	Wholesale	Retail	Consumer & Agri	Treasury	Islamic	Others	Total
Rupees in '000'							
Profit & loss							
Net mark-up / return / profit	9,651,729	178,546	1,799,652	7,395,702	1,278,421	101,864	20,405,914
Inter segment revenue - net	(8,340,338)	15,778,447	(964,418)	(6,191,916)	(35,474)	(246,301)	-
Non mark-up / return / interest income	713,083	377,461	99,367	526,463	32,157	80,398	1,828,929
Total income	2,024,474	16,334,454	934,601	1,730,249	1,275,104	(64,039)	22,234,843
Segment direct expenses	1,197,183	13,582,661	219,475	772,065	1,042,236	256,380	17,070,000
Inter segment expense allocation	-	-	-	-	-	-	-
Total expenses	1,197,183	13,582,661	219,475	772,065	1,042,236	256,380	17,070,000
Provisions	(370,726)	(558,287)	(219,597)	14,298	103,916	45,750	(984,648)
Profit / (loss) before tax	1,198,019	3,310,080	934,723	943,886	128,952	(366,169)	6,149,491
(Audited) December 31, 2018							
Balance sheet							
Cash & bank balances	7,331,424	22,778,391	-	14,885,330	4,396,174	-	49,391,319
Investments - net	1,299,368	-	-	199,172,955	9,599,160	-	210,071,483
Net inter segment lending	-	498,991,218	-	-	-	49,898,663	548,889,881
Lendings to financial institutions	-	-	-	22,493,153	5,350,000	-	27,843,153
Advances - performing	302,205,740	11,840,351	39,641,148	-	19,922,874	2,412,499	376,022,612
- non-performing	5,255,890	291,565	199,217	-	72,752	35,220	5,854,644
Others	11,302,445	1,793,055	1,398,214	500,819	2,039,876	28,161,972	45,196,381
Total assets	327,394,867	535,694,580	41,238,579	237,052,257	41,380,836	80,508,354	1,263,269,473
Borrowings	20,616,688	105,248	-	21,071,265	-	-	41,793,201
Subordinated debts	-	-	-	-	-	8,797,140	8,797,140
Deposits & other accounts	29,800,663	528,081,227	1,062,397	10,109	36,501,111	126,455	595,581,962
Net inter segment borrowing	305,080,375	-	28,190,518	214,631,140	987,848	-	548,889,881
Others	7,593,106	8,671,896	11,665,892	83,333	1,500,040	972,731	30,486,998
Total liabilities	363,090,832	536,858,371	40,918,807	235,795,847	38,988,999	9,896,326	1,225,549,182
Equity	(35,695,965)	(1,163,791)	319,772	1,256,410	2,391,837	70,612,028	37,720,291
Total equity & liabilities	327,394,867	535,694,580	41,238,579	237,052,257	41,380,836	80,508,354	1,263,269,473
Contingencies & commitments	108,373,498	10,482,058	-	22,172,986	3,096,732	1,683,210	145,808,484

37. RELATED PARTY TRANSACTIONS

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

	June 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Key management personnel	Subsidiary company and managed modaraba	Employee funds	Other related parties	Key management personnel	Subsidiary company and managed modaraba	Employee funds	Other related parties
Rupees in '000'								
Lendings to financial institutions :								
Opening balance	-	400,000	-	-	-	400,000	-	-
Addition during the period	-	800,000	-	-	-	1,600,000	-	-
Repaid during the period	-	800,000	-	-	-	1,600,000	-	-
Closing balance	-	400,000	-	-	-	400,000	-	-
Investments (gross) :								
Provision for diminution in value of investments	-	164,945	-	-	-	164,945	-	-
	-	132,896	-	-	-	131,198	-	-

	June 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Key management personnel	Subsidiary company and managed modaraba	Employee funds	Other related parties	Key management personnel	Subsidiary company and managed modaraba	Employee funds	Other related parties
	Rupees in '000'				Rupees in '000'			
Advances :								
Opening balance	197,801	1,287,780	-	-	182,129	1,199,047	-	-
Addition during the period	93,177	551,555	-	-	90,341	1,132,228	-	-
Repaid during the period	104,335	567,030	-	-	74,669	1,043,495	-	-
Closing balance	186,643	1,272,305	-	-	197,801	1,287,780	-	-
Provision held against advances	-	53,683	-	-	-	46,199	-	-
Advance Rent	-	-	-	-	-	-	-	67,317
Right of use asset	-	-	-	94,397	-	-	-	-
Lease liability against right of use asset	-	-	-	34,279	-	-	-	-
Deposits and other accounts :								
Opening balance	37,682	19,999	2,398,389	7,753	24,414	98,198	2,770,528	2,396
Received during the period	303,171	638,362	694,982	61,611	553,084	1,236,350	791,508	156,480
Withdrawn during the period	306,865	655,080	162,811	50,645	539,816	1,314,549	1,163,647	151,123
Closing balance	33,988	3,281	2,930,560	18,719	37,682	19,999	2,398,389	7,753

	June 30, 2019 (Un-audited)				June 30, 2018 (Un-audited)			
	Rupees in '000'				Rupees in '000'			
Income :								
Mark-up / return / interest earned	5,102	92,114	-	-	4,227	49,323	-	-
Net gain on sale of fixed assets	-	-	-	-	-	-	-	6,505
Mark-up on lease liability against right of use asset	-	-	-	2,203	-	-	-	-
Expense :								
Mark-up / return / interest paid	817	-	130,129	740	490	-	76,772	100
Depreciation on right of use asset	-	-	-	2,531	-	-	-	-
Compensation expense	164,968	-	-	-	182,262	-	-	-
Commission expense	-	36	-	-	-	363	-	-
Provision :								
Reversal / (Charge) of provision - investment	-	1,698	-	-	-	-	-	-
Reversal / (Charge) of provision - advances	-	7,484	-	-	-	-	-	-

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

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

As at Statement of Financial Position date the loans and advances, deposits and contingencies relating to GoPb and its related entities amounted to Rs. 56,078,740 thousand (December 31, 2018: Rs. 55,256,269 thousand), Rs. 356,471,445 thousand (December 31, 2018: Rs. 306,110,933 thousand) and Rs. 33,200,739 thousand (December 31, 2018: Rs. 30,682,028 thousand) respectively. Further, during the period, the Bank has incurred markup expense of Rs. 112,055 thousand (June 30, 2018: Rs. 65,014 thousand) on subordinated debt of Rs. 2,000,000 thousand received from GoPb in year 2014.

37.3 The Bank made contribution of Rs. 85,914 thousand (June 2018: Rs. 66,101 thousand) to employees provident fund during the period.

37.4 Subsidiary company and managed modaraba are provided with office space within the premises.

37.5 Advances to employees as at June 30, 2019, other than key management personnel, amounts to Rs. 5,193,589 thousand (December 31, 2018: Rs. 3,914,070 thousand).

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	28,388,806	28,388,806
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	31,103,280	28,930,901
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	31,103,280	28,930,901
Eligible Tier 2 Capital	9,085,840	9,731,042
Total Eligible Capital (Tier 1 + Tier 2)	40,189,120	38,661,943
Risk Weighted Assets (RWAs):		
Credit risk	260,808,542	255,252,014
Market risk	3,233,141	2,335,178
Operational risk	35,907,591	35,907,591
Total	299,949,274	293,494,783
Common equity tier I capital adequacy ratio	10.37%	9.86%
Tier I CAR (%)	10.37%	9.86%
Total CAR (%)	13.40%	13.17%
38.1 Leverage Ratio (LR):		
Eligible Tier-I Capital	31,103,280	28,930,901
Total exposures	984,873,913	851,906,956
LR (%)	3.16%	3.40%
38.2 Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	335,801,112	272,221,864
Total net cash outflow	239,564,562	203,539,146
LCR (%)	140.17%	133.74%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	457,508,448	417,010,019
Total required stable funding	376,197,210	371,740,462
NSFR (%)	121.61%	112.18%

39. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the June 30, 2019, the Bank is operating 74 Islamic banking branches and 02 sub Islamic banking branches (December 31, 2018: 72 Islamic banking branches and 02 sub Islamic banking branches).

STATEMENT OF FINANCIAL POSITION

As At June 30, 2019

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
ASSETS			
Cash and balances with treasury banks		3,874,443	2,753,286
Balances with other banks		2,043,275	1,642,888
Due from financial institutions	39.1	4,401,958	5,350,000
Investments - net	39.2	8,647,696	9,599,160
Islamic financing and related assets - net	39.3	23,345,601	19,995,626
Fixed assets		1,259,251	309,063
Due from head office		2,990,660	-
Other assets		1,953,886	1,730,813
Total assets		48,516,770	41,380,836
LIABILITIES			
Bills payable		287,106	209,762
Due to financial institutions		-	-
Deposits and other accounts	39.4	42,820,508	36,501,111
Due to head office		-	187,187
Subordinated debt		-	-
Other liabilities		2,512,614	2,085,897
		45,620,228	38,983,957
NET ASSETS		2,896,542	2,396,879
REPRESENTED BY			
Islamic banking fund		1,500,000	1,500,000
Reserves		16,940	7,313
(Deficit) / surplus on revaluation of assets		(6,042)	20,372
Unappropriated profit	39.5	1,385,644	869,194
		2,896,542	2,396,879
CONTINGENCIES AND COMMITMENTS	39.6		

ISLAMIC BANKING BUSINESS

Profit and Loss Account

For the Six Months Ended June 30, 2019 (Un-audited)

	Note	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
		Rupees in '000'			
Profit / return earned	39.7	1,093,398	650,638	2,066,196	1,278,421
Profit / return expensed	39.8	488,842	214,165	886,064	458,779
Net profit / return		604,556	436,473	1,180,132	819,642
Fee and commission income		18,428	15,751	37,809	32,082
Dividend income		-	-	-	-
Foreign exchange income		753	140	839	51
Income / (loss) from derivatives		-	-	-	-
Loss on securities		-	-	(634)	-
Other income		(6)	(13)	1,562	24
		19,175	15,878	39,576	32,157
Total income		623,731	452,351	1,219,708	851,799
Other expenses					
Operating expenses		343,625	325,506	689,057	618,931
Workers welfare fund		-	-	-	-
Other charges		10	-	695	-
		343,635	325,506	689,752	618,931
Profit before provisions		280,096	126,845	529,956	232,868
Provisions against advances - net		15,098	103,916	13,506	103,916
Profit before taxation		264,998	22,929	516,450	128,952

39.1 DUE FROM FINANCIAL INSTITUTIONS

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Placements	3,890,000	-	3,890,000	5,350,000	-	5,350,000
Bai muajjal receivable from SBP	511,958	-	511,958	-	-	-
	4,401,958	-	4,401,958	5,350,000	-	5,350,000

39.2 INVESTMENTS - NET

Investments by segment:

	(Un-audited) June 30, 2019				(Audited) December 31, 2018			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	Rupees in '000'							
Federal government securities:								
-Ijarah sukuku	1,500,000	-	(58,500)	1,441,500	2,623,602	-	(32,086)	2,591,516
-Sale of sukuku- bai muajjal	2,756,196	-	-	2,756,196	2,756,196	-	-	2,756,196
	4,256,196	-	(58,500)	4,197,696	5,379,798	-	(32,086)	5,347,712
Non government debt securities								
-Unlisted	4,450,000	-	-	4,450,000	4,251,448	-	-	4,251,448
Total investments	8,706,196	-	(58,500)	8,647,696	9,631,246	-	(32,086)	9,599,160

(Un-audited)
June 30,
2019
Rupees in '000'

(Audited)
December 31,
2018

39.3 ISLAMIC FINANCING AND RELATED ASSETS

Ijarah	601,009	552,920
Murabaha	1,151,370	1,004,602
Musharaka	11,547,782	8,340,625
Diminishing musharaka	6,940,798	7,630,222
Istisna	3,337,275	2,686,385
Gross islamic financing and related assets	23,578,234	20,214,754
Less: provision against islamic financings		
- Specific	232,633	219,128
- General	-	-
	232,633	219,128
Islamic financing and related assets - net of provision	23,345,601	19,995,626

39.4 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
Customers :						
Current deposits	9,156,949	302,311	9,459,260	7,797,340	119,378	7,916,718
Savings deposits	31,096,130	74,056	31,170,186	26,557,886	7,704	26,565,590
Term deposits	741,555	-	741,555	771,556	-	771,556
Others	1,202,592	-	1,202,592	1,031,913	-	1,031,913
	42,197,226	376,367	42,573,593	36,158,695	127,082	36,285,777
Financial institutions :						
Current deposits	122,236	-	122,236	100,024	-	100,024
Savings deposits	124,679	-	124,679	115,310	-	115,310
	246,915	-	246,915	215,334	-	215,334
	42,444,141	376,367	42,820,508	36,374,029	127,082	36,501,111

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
Rupees in '000'		
39.5 UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS		
Opening balance	869,194	420,873
Islamic banking profit for the period	516,450	448,321
Closing balance	1,385,644	869,194
39.6 CONTINGENCIES AND COMMITMENTS		
-Guarantees	1,499,180	1,420,734
-Commitments	1,139,962	2,981,746
	2,639,142	4,402,480

	(Un-audited) June 30, 2019	(Un-audited) June 30, 2018
Rupees in '000'		
39.7 PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
Profit earned on:		
Financing	1,336,866	697,108
Investments	512,521	248,799
Placements	206,774	332,384
Deposits with financial institutions	10,035	130
	2,066,196	1,278,421
39.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits and other accounts	821,645	423,305
Markup on lease liability against right-of-use asset	56,426	-
Profit on deposits from conventional head office	7,993	35,474
	886,064	458,779

39.9 There has been no material change in the existing islamic pools. Further, no new pool has been established in islamic banking operations of the Bank during the Six months ended June 30, 2019.

40. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 23, 2019 by the Board of Directors of the Bank.

41. GENERAL

41.1 Figures have been rounded off to the nearest thousand rupees.

41.2 Under BPRD circular letter No. 05 of 2019 dated March 22, 2019 comparative information has been reclassified, rearranged in these unconsolidated condensed interim financial statements. However, no other significant reclassifications have been made.

Chief Financial Officer

President

Director



**Consolidated Condensed Interim
Financial Statements**
for the period ended June 30, 2019
(The Bank of Punjab & Its Subsidiaries)

Consolidated Condensed Interim Statement of Financial Position As at June 30, 2019

	Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks	7	54,574,949	43,589,610
Balances with other banks	8	11,075,037	5,837,962
Lendings to financial institutions	9	27,803,503	27,443,153
Investments - net	10	274,303,558	210,052,628
Advances - net	11	380,958,876	382,109,763
Fixed assets	12	13,837,825	8,793,191
Intangible assets	13	864,936	897,990
Deferred tax assets - net	14	8,119,816	8,027,104
Other assets - net	15	31,110,228	27,965,012
		802,648,728	714,716,413
LIABILITIES			
Bills payable	17	4,154,644	3,577,677
Borrowings	18	49,898,445	41,801,240
Deposits and other accounts	19	665,161,181	595,561,963
Liabilities against assets subject to finance lease		-	-
Subordinated debts	20	8,795,780	8,797,140
Deferred tax liabilities		-	-
Other liabilities	21	35,499,627	27,102,649
		763,509,677	676,840,669
NET ASSETS		39,139,051	37,875,744
REPRESENTED BY			
Share capital - net		26,173,766	26,173,766
Reserves		5,074,930	5,074,930
Surplus on revaluation of assets - net of tax	22	2,457,205	3,260,312
Non controlling interest		384,106	328,052
Unappropriated profit		5,049,044	3,038,684
		39,139,051	37,875,744

CONTINGENCIES AND COMMITMENTS

23

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

Chief Financial Officer

President

Director

Consolidated Condensed Interim Profit and Loss Account

For the Six Months Ended June 30, 2019 (Un-audited)

	Note	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Rupees in '000'					
Mark-up / return / interest earned	24	18,053,448	10,639,756	34,161,810	20,439,520
Mark-up / return / interest expensed	25	11,463,829	6,108,663	21,033,787	11,219,548
Net mark-up / interest income		6,589,619	4,531,093	13,128,023	9,219,972
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	913,166	849,202	1,687,554	1,617,313
Dividend income		29,616	15,179	57,821	35,362
Foreign exchange income		33,451	56,914	30,761	124,720
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities - net	27	19,928	(7,877)	33,918	18,171
Other income - net	28	37,698	5,480	43,752	44,094
Total non-markup / interest income		1,033,859	918,898	1,853,806	1,839,660
Total income		7,623,478	5,449,991	14,981,829	11,059,632
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	29	3,492,993	3,140,482	7,025,982	5,895,100
Workers welfare fund		-	-	-	-
Other charges	30	1,642	-	2,663	-
Total non-markup / interest expenses		3,494,635	3,140,482	7,028,645	5,895,100
Profit before provisions		4,128,843	2,309,509	7,953,184	5,164,532
Provisions / (reversals) and write offs - net	31	774,738	(895,125)	1,020,731	(1,051,663)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		3,354,105	3,204,634	6,932,453	6,216,195
Taxation - net	32	1,309,191	1,297,169	2,918,409	2,366,035
PROFIT AFTER TAXATION		2,044,914	1,907,465	4,014,044	3,850,160
Basic earnings per share - Rupees	33	0.78	0.73	1.52	1.46
Diluted earnings per share - Rupees	34	0.78	0.73	1.52	1.46
PROFIT ATTRIBUTABLE TO :					
Equity holders of the parent		2,016,387	1,898,622	3,957,990	3,838,501
Non-controlling interest		28,527	8,843	56,054	11,659
		2,044,914	1,907,465	4,014,044	3,850,160

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

Chief Financial Officer

President

Director

Consolidated Condensed Interim Statement of Comprehensive Income For the Six Months Ended June 30, 2019 (Un-audited)

	Three Months Ended June 30, 2019	Restated Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Restated Six Months Ended June 30, 2018
	Rupees in '000'			
Profit after taxation for the period	2,044,914	1,907,465	4,014,044	3,850,160
Other comprehensive income:				
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement loss on defined benefit obligations	-	-	-	-
Movement in surplus on revaluation of fixed / non-banking assets - net of tax	-	-	-	-
	-	-	-	-
	2,044,914	1,907,465	4,014,044	3,850,160
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of investments - net of tax	(752,363)	3,852	(767,968)	(81,810)
Total comprehensive income for the period	1,292,551	1,911,317	3,246,076	3,768,350

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

Chief Financial Officer

President

Director

Consolidated Condensed Interim Statement of Changes in Equity

For the Six Months Ended June 30, 2019 (Un-audited)

	Rupees in '000'							Total		
	Share capital	Discount on issue of shares	Share capital - net	Share premium	Statutory reserve	Investments	Fixed / non banking assets		Unappropriated profit / (accumulated loss)	Non-controlling interest
Balance as on January 01, 2018 - as restated	26,436,924	(263,159)	26,173,766	2,215,040	1,344,899	(53,498)	2,940,101	(3,034,749)	254,320	29,839,878
Profit after taxation for the six months ended June 30, 2018	-	-	-	-	-	-	-	-	11,659	3,850,160
Other comprehensive loss	-	-	-	-	-	(81,810)	-	3,838,501	-	(81,810)
Total comprehensive income for the six months ended June 30, 2018	-	-	-	-	-	(81,810)	-	3,838,501	11,659	3,768,350
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(22,942)	22,942	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(2,052)	2,052	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	(77,594)	119,375	-	41,781
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	(3,978)	4,357	-	379
Balance as on June 30, 2018 - as restated	26,436,924	(263,159)	26,173,766	2,215,040	1,344,899	(135,309)	2,833,535	952,478	265,979	33,650,988
Profit after taxation for the six months ended December 31, 2018	-	-	-	-	-	-	-	3,698,795	72,423	3,771,218
Other comprehensive income / (loss)	-	-	-	-	-	123,940	509,790	(172,731)	-	460,999
Total comprehensive income for the six months ended December 31, 2018	-	-	-	-	-	123,940	509,790	3,526,064	72,423	4,232,217
Transfer to statutory reserve	-	-	-	-	1,514,991	-	-	(1,514,991)	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(22,710)	22,710	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(1,388)	1,388	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	(47,546)	51,035	(10,350)	3,489
Final dividend for the year ended June 30, 2018 at Rs .5 per certificate by subsidiary	-	-	-	-	-	-	-	-	-	(10,350)
Balance as on December 31, 2018	26,436,924	(263,159)	26,173,766	2,215,040	2,859,890	(11,368)	3,271,681	3,038,684	328,052	37,875,744
Profit after taxation for the six months ended June 30, 2019	-	-	-	-	-	-	-	3,957,990	56,054	4,014,044
Other comprehensive loss	-	-	-	-	-	(767,968)	-	3,957,990	-	(767,968)
Total comprehensive income for the six months ended June 30, 2019	-	-	-	-	-	(767,968)	-	3,957,990	56,054	3,246,076
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(21,520)	21,520	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(8,536)	8,536	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	(5,083)	5,083	-	-
Transactions with owners recognized directly in equity :	-	-	-	-	-	-	-	(1,982,769)	-	(1,982,769)
Final cash dividend - December 31, 2018 declared subsequent to year end at 7.5% per share	-	-	-	-	-	-	-	(1,982,769)	-	(1,982,769)
Balance as on June 30, 2019	26,436,924	(263,159)	26,173,766	2,215,040	2,859,890	(779,337)	3,236,542	5,049,044	384,106	39,139,051

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

Chief Financial Officer

President

Director

Consolidated Condensed Interim Cash Flow Statement For the Six Months Ended June 30, 2019 (Un-audited)

		Six Months Ended	
	Note	June 30, 2019	June 30, 2018
		Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		6,932,453	6,216,195
Less: Dividend income		(57,821)	(35,362)
		6,874,632	6,180,833
Adjustments:			
Depreciation on fixed assets	29	515,842	450,086
Depreciation on non banking assets acquired in satisfaction of claims	29	37,052	38,339
Depreciation on ijarah assets under IFAS - 2	29	187,456	211,487
Depreciation on right of use assets	29	367,927	-
Amortization on intangible assets	29	84,878	26,276
Amortization of (discount) / premium on debt securities - net		(433,391)	342,414
Mark-up on lease liability against right of use assets		329,336	-
Provision / (reversal) and writeoffs - net	31	1,020,731	(1,051,663)
(Gain) / loss on sale of fixed assets - net	28	(37,802)	(732)
Gain on sale of non banking assets - net		(67)	(36,335)
Gain on securities - net	27	(33,918)	(18,171)
Provision for employees compensated absences		5,231	4,930
Provision for gratuity		57,399	53,804
		2,100,674	20,435
		8,975,306	6,201,268
(Increase) / Decrease in operating assets:			
Lendings to financial institutions		(360,350)	1,602,512
Held for trading securities		325,092	13,365,484
Advances - net		119,954	(62,890,449)
Others assets - net		(4,155,266)	(322,339)
		(4,070,570)	(48,244,792)
Increase / (Decrease) in operating liabilities:			
Bills Payable		576,967	252,495
Borrowings from financial institutions		8,185,583	(5,268,139)
Deposits		69,599,218	36,497,878
Other liabilities		2,482,756	2,088,603
		80,844,524	33,570,837
Income tax paid		(1,746,794)	(2,179,282)
Net cash flow from / (used in) operating activities		84,002,466	(10,651,969)

	Six Months Ended	
	June 30, 2019	June 30, 2018
	Rupees in '000'	
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(45,795,718)	7,957,870
Net investments in held to maturity securities	(19,606,306)	-
Dividends received	51,040	46,510
Investments in fixed assets	(427,657)	(620,518)
Investments in intangible assets	(51,824)	(212,616)
Proceeds from sale of fixed assets	38,547	142,764
Proceeds from sale of non banking assets	63,612	233,551
Net cash (used in) / flow from investing activities	(65,728,306)	7,547,561
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of subordinated debts	(1,360)	(500)
Dividend paid	(1,962,008)	-
Dividend paid to non-controlling interest	-	(677)
Issuance of privately placed term finance certificates - II	-	4,300,000
Net cash (used in) / flow from financing activities	(1,963,368)	4,298,823
Increase in cash and cash equivalents	16,310,792	1,194,415
Cash and cash equivalents at beginning of the period	49,216,809	53,339,141
Cash and cash equivalents at end of the period	65,527,601	54,533,556
Cash and cash equivalents :		
Cash and balances with treasury banks	54,574,949	47,833,984
Balances with other banks	11,075,037	6,712,428
Overdrawn nostro accounts	(122,385)	(12,856)
	65,527,601	54,533,556

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

Chief Financial Officer

President

Director

Notes to the Consolidated Condensed Interim Financial Statements

For the Six Months Ended June 30, 2019 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

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

1.1 The Group consists of:

Parent

The Bank of Punjab

Subsidiary Companies

	% age of holding-2019	% age of holding-2018
Punjab Modaraba Service (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
Punjab Capital Securities (Private) Limited	39.16%	39.16%

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

The Bank of Punjab (the Bank) was constituted in Pakistan pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 587 branches including 14 sub branches and 74 Islamic banking branches (December 31, 2018: 576 branches including 13 sub branches and 72 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).

Punjab Modaraba Service (Private) Limited

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

First Punjab Modaraba

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

Punjab Capital Securities (Private) Limited

Punjab Capital Securities (Private) Limited is registered under the Companies Ordinance, 1984 as company limited by shares from the 29th day of November 2016. PCSL is mainly engaged in

business of brokerage services, portfolio management and consultancy services. The registered office of the company is situated at Room No 319, 3rd Floor, LSE Building, Lahore. The Company is wholly-owned subsidiary of First Punjab Modaraba.

1.2 Basis of Consolidation

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

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

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

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

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

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

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

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

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

2 BASIS OF PRESENTATION

These consolidated condensed interim financial statements are the consolidated financial statements of the Group in which investments in subsidiaries is accounted for on the basis of acquisition method. Standalone financial statements of the Group and its subsidiaries are prepared separately.

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 consolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

The financial results of Islamic Banking business have been consolidated in these consolidated financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in note 39 of these consolidated condensed interim financial statements.

2.1 Statement of compliance

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

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

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

2.1.2 The disclosures made in these consolidated condensed interim financial statements have been limited based on SBP BPRD circular letter No. 05 of 2019 and IAS 34 "Interim Financial Reporting". Accordingly, these consolidated condensed interim financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read

in conjunction with the consolidated financial statements of the Bank for the year ended December 31, 2018.

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

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

2.1.5 New accounting standards/ amendments and IFRS interpretations that are effective for the current period:

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

During the period, IFRS 16 - Leases, became effective from January 01, 2019, the impact of adoption of this standard is disclosed in note 4.1 to these consolidated condensed interim financial statements.

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

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

The SECP, through SRO 229(I)/2019 dated February 14, 2019, has notified that IFRS 9, Financial Instruments, is applicable for accounting periods ending on or after June 30, 2019. However, based on the guidance received from the SBP, the requirements of IFRS 9 have not been considered in preparation of these consolidated condensed interim financial statements.

Standard or Interpretations

Effective date (accounting periods beginning on or after)

IFRS 3	Amendments to IFRS 3 (Definition of a Business)	January 01, 2020
IAS 1 & 8	Amendments to IAS 1 and IAS 8 (Definition of Material)	January 01, 2020

Effective date (accounting periods ending on or after)

IFRS 9	Financial Instruments : Classification and Measurement	June 30, 2019
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3. BASIS OF MEASUREMENT

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Group for the year ended December 31, 2018.

4.1 Impact of IFRS 16 - Leases

During the period, IFRS 16 - Leases became applicable. IFRS 16 replaces IAS 17 - Leases, existing interpretations and guidance on accounting for leases. IFRS 16 introduces an on-balance sheet lease accounting model for leases entered by the lessee. A lessee recognizes a right of use asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as either finance or operating leases.

The Group has adopted IFRS 16 from January 1, 2019 thereby recognizing right of use assets and lease liability there-against on January 01, 2019 using modified retrospective restatement approach, as permitted under the specific transitional provisions in the standard, and has not restated comparatives for the corresponding reporting period of 2018. Previously, these leases were accounted for as operating leases.

As at January 01, 2019, these liabilities were initially measured at the present value of the remaining lease payments discounted using Group's incremental weighted average borrowing rate of 14.33% per annum. The lease liability is subsequently measured at amortized cost using the effective interest rate method. The associated right of use assets were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognized in the consolidated financial statements of financial position immediately before the date of initial application.

The right of use assets recognized subsequent to the adoption are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right of use assets are amortized over the lease term using a straight line basis as it closely reflects the expected pattern of consumption of future economic benefits. The right of use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liability.

The effect of this change in accounting policy is as follows:

	June 30, 2019	January 1, 2019
	Rupees in '000'	
Impact on Consolidated condensed interim statement of financial position:		
Increase in fixed assets - right of use assets	5,133,568	5,688,509
Decrease in advances, deposits, advance rent and other prepayments	(83,881)	(187,014)
Increase in other assets - advance taxation	65,980	-
Net increase in total assets	5,115,667	5,501,495
Increase in other liabilities - lease liability against right of use assets	5,218,866	5,501,495
Net increase/(decrease) in net assets	(103,199)	-

	January 01 – June 30, 2019	
	Rupees in '000'	
Increase in mark-up/interest expensed		329,336
Increase/(Decrease) in operating expenses:		
Amortization on right of use assets		367,927
Rent expense		(528,084)
Decrease in profit before tax		169,179
Decrease in taxation		65,980
Decrease in profit after taxation		103,199

Decrease in earnings per share for the six months ended June 30, 2019 is 0.04 per share.

While applying IFRS 16, the Group has used the following practical expedients, as permitted by the standard, and significant judgements:

- Use of a single discount rate for leases with similar characteristics;
- Lease term as the non-cancellable term of the Lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the Lease, if it is reasonably certain not to be exercised.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting judgments and key estimates adopted in preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Group for the year ended December 31, 2018 except for note 4.1 to these consolidated condensed interim financial statements.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual consolidated financial statements of the Group for the year ended December 31, 2018.

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
7. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		12,090,161	8,558,995
Foreign currencies		1,519,139	1,567,982
		13,609,300	10,126,977
With SBP in :			
Local currency current accounts		24,899,868	19,249,586
Foreign currency current accounts		473,755	431,861
Foreign currency deposit accounts		1,493,943	1,283,551
		26,867,566	20,964,998
With National Bank of Pakistan in :			
Local currency current account		11,605,112	12,451,416
Prize bonds		2,492,971	46,219
		54,574,947	43,589,610
8. BALANCES WITH OTHER BANKS			
In Pakistan :			
Current accounts		7,405,479	3,759,621
Deposit accounts		1,697,271	1,541,033
		9,102,750	5,300,654
Outside Pakistan :			
Current accounts		483,060	435,886
Deposit accounts		1,489,227	101,422
		1,972,287	537,308
		11,075,037	5,837,962
9. LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	9.2	23,401,545	22,093,153
Bai muajjal receivable from SBP		511,958	-
Placements	9.3	3,890,000	5,350,000
		27,803,503	27,443,153
9.1 Particulars of lending			
In local currency		28,203,503	27,843,153
In foreign currencies		-	-
		28,203,503	27,843,153

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

	(Un-audited) June 30, 2019			(Audited) December 31, 2018		
	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	22,855,300	-	22,855,300	-	-	-
Pakistan investment bonds	546,245	-	546,245	22,093,153	-	22,093,153
	23,401,545	-	23,401,545	22,093,153	-	22,093,153

Market value of securities held as collateral as at June 30, 2019 amounted to Rs. 23,426,267 thousand (December 31, 2018: Rs. 21,350,630 thousand). These carry mark-up at rate ranging from 12.35% to 12.75% per annum (December 31, 2018: 10.00% to 10.50% per annum) with maturities upto July 23, 2019.

9.3 These carry profit rates ranging from 9.00% to 12.75% per annum (December 31, 2018: 9.00% to 9.80% per annum) with maturities upto August 26, 2019.

10. INVESTMENTS - NET

10.1 Investments by type:

	Note	(Un-audited) June 30, 2019				(Audited) December 31, 2018			
		Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
		R u p e e s i n ' 0 0 0 '							
Held-for-trading securities									
Federal government securities	10.1.1	24,769,895	-	(10,230)	24,759,665	25,075,868	-	(1,892)	25,073,976
Ordinary shares		-	-	-	-	12,630	-	(1,849)	10,781
		24,769,895	-	(10,230)	24,759,665	25,088,498	-	(3,741)	25,084,757
Available-for-sale securities									
Federal government securities	10.1.1 & 10.2	221,911,941	-	(1,091,761)	220,820,180	177,736,092	-	(44,199)	177,691,893
Shares and certificates		2,631,748	(1,123,089)	(109,284)	1,399,375	2,136,937	(1,024,880)	24,614	1,136,671
Non government debt securities		9,697,073	(2,235,125)	2,065	7,464,013	8,119,488	(2,236,623)	2,094	5,884,959
Foreign securities		4,019	-	-	4,019	4,019	-	-	4,019
		234,244,781	(3,358,214)	(1,198,980)	229,687,587	187,996,536	(3,261,503)	(17,491)	184,717,542
Held-to-maturity securities									
Federal government securities	10.1.1 & 10.4	19,856,306	-	-	19,856,306	250,329	-	-	250,329
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		19,856,706	(400)	-	19,856,306	250,729	(400)	-	250,329
Total investments		278,871,382	(3,358,614)	(1,209,210)	274,303,558	213,335,763	(3,261,903)	(21,232)	210,052,628

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

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

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
10.2 Investments given as collateral		
Market treasury bills	25,253,187	19,829,188
10.3 Provision for diminution in value of investments		
10.3.1 Opening balance	3,261,903	3,014,149
Charge / reversals :		
Charge for the period	113,320	247,754
Reversals for the period	(1,498)	-
	111,822	247,754
Reversal on disposal during the period	(15,111)	-
Closing balance	3,358,614	3,261,903

10.3.2 Particulars of provision against debt securities

Category of classification	(Un-audited) June 30, 2019		(Audited) December 31, 2018	
	NPI	Provision	NPI	Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	2,235,525	2,235,525	2,237,023	2,237,023
Total	2,235,525	2,235,525	2,237,023	2,237,023

10.4 Market value of held to maturity investments amounted to Rs. 19,240,920 thousand (December 31, 2018: Rs. 248,902 thousand).

11. ADVANCES - NET

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2019	(Audited) December 31, 2018	(Un-audited) June 30, 2019	(Audited) December 31, 2018	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'					
Loans, cash credits, running finances, etc.	326,223,493	324,935,141	49,206,421	49,471,677	375,429,914	374,406,818
Net book value of assets in ijarah under IFAS 2 - In Pakistan	384,605	337,920	216,404	215,000	601,009	552,920
Islamic financing and related assets	22,890,385	19,584,952	86,840	76,882	22,977,225	19,661,834
Bills discounted and purchased	26,889,361	31,583,488	16,992	16,992	26,906,353	31,600,480
Advances - gross	376,387,844	376,441,501	49,526,657	49,780,551	425,914,501	426,222,052
Provision against advances:						
- Specific	-	-	(44,571,798)	(43,763,990)	(44,571,798)	(43,763,990)
- General	(383,827)	(348,299)	-	-	(383,827)	(348,299)
	(383,827)	(348,299)	(44,571,798)	(43,763,990)	(44,955,625)	(44,112,289)
Advances - net of provision	376,004,017	376,093,202	4,954,859	6,016,561	380,958,876	382,109,763

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
11.1 Particulars of advances (gross)		
In local currency	425,782,334	426,076,906
In foreign currencies	132,167	145,146
	425,914,501	426,222,052

11.2 Advances include Rs. 49,526,657 thousand (December 31, 2018: Rs. 49,780,551 thousand) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) June 30, 2019		(Audited) December 31, 2018	
	Non performing loans	Provision	Non performing loans	Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	205,777	13,929	52,234	801
Substandard	579,436	103,521	351,004	65,741
Doubtful	7,781,073	4,587,867	9,722,789	5,247,064
Loss	40,960,371	39,866,481	39,654,524	38,450,384
Total	49,526,657	44,571,798	49,780,551	43,763,990

11.3 Particulars of provision against advances

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000'					
Opening balance	43,763,990	348,299	44,112,289	45,842,665	425,283	46,267,948
Charge for the period	2,404,487	35,528	2,440,015	2,364,557	-	2,364,557
Reversals for the period	(1,596,538)		(1,596,538)	(4,436,831)	(76,984)	(4,513,815)
	807,949	35,528	843,477	(2,072,274)	(76,984)	(2,149,258)
Amounts written off	(141)	-	(141)	(6,401)	-	(6,401)
Closing balance	44,571,798	383,827	44,955,625	43,763,990	348,299	44,112,289

11.3.1 Particulars of provision against advances with respect to currencies

In local currency	44,571,798	383,827	44,955,625	43,763,990	348,299	44,112,289
In foreign currencies	-	-	-	-	-	-
	44,571,798	383,827	44,955,625	43,763,990	348,299	44,112,289

11.3.2 General provision represents provision against consumer financing portfolio as required by Prudential Regulations issued by the SBP.

11.3.3 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 1,372,927 thousand (December 31, 2018: Rs 1,186,127 thousand). The FSV benefit availed is not available for cash or stock dividend.

11.3.4 Exposure amounting to Rs. 2,524,603 thousand relating to certain facilities of Power Holding (Pvt.) Limited, which is a government guaranteed loan, has not been classified as non-performing, pursuant to a relaxation given by SBP in this respect. The relaxation is valid upto June 30, 2019.

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
12. FIXED ASSETS		
Capital work-in-progress	126,349	231,947
Right of use assets	5,133,568	-
Property and equipment	8,577,908	8,561,244
	13,837,825	8,793,191
12.1 Capital work-in-progress		
Civil works	95,839	201,487
Equipment	30,510	30,460
	126,349	231,947
	(Un-audited) June 30, 2019	(Un-audited) June 30, 2018
	Rupees in '000'	
12.2 Additions to fixed assets		
The following additions / (transfers) have been made to fixed assets during the period:		
Capital work-in-progress	(105,598)	295,943
Right of use assets	5,501,495	-
Property and equipment :		
Freehold land	-	8,466
Building on freehold land	93,519	495,507
Furniture and fixture	20,712	37,654
Office equipment	123,486	132,018
Computer equipment	67,458	108,429
Lease hold improvements	214,128	49,151
Vehicles	13,831	1,915
	533,134	833,140
	5,929,031	1,129,083
12.3 Disposal of property and equipment:		
The net book value of property and equipment disposed off during the period is as follows:		
Building on freehold land	-	140,471
Furniture and fixture	281	603
Office equipment	465	542
Computer equipment	-	476
Vehicles	-	-
	746	142,092

Gross carrying amount of vehicles disposed off during the period was Rs. 40,704 thousand (June 30, 2018: nil)

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
13. INTANGIBLE ASSETS		
Intangible in progress	155,582	129,279
Softwares	709,354	768,711
	864,936	897,990

	(Un-audited) June 30, 2019	(Un-audited) June 30, 2018
	Rupees in '000'	
13.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Intangible in progress	26,303	105,144
Intangible assets purchased during the period	25,521	107,472
	51,824	212,616

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
14. DEFERRED TAX ASSETS - NET		
Deductible temporary differences on :		
Deficit on revaluation of investments	419,643	6,122
Business loss, tax credits, etc.	61,834	61,834
Provision against advances, off balance sheet etc.	8,565,450	8,926,570
	9,046,927	8,994,526
Taxable temporary differences on :		
Surplus on revaluation of fixed assets	(451,905)	(463,493)
Accelerated tax depreciation	(295,952)	(320,078)
Surplus on revaluation of non banking assets	(179,254)	(183,851)
	(927,111)	(967,422)
	8,119,816	8,027,104

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
15. OTHER ASSETS - NET			
Income / mark-up accrued in local currency		13,045,951	8,896,935
Income / mark-up accrued in foreign currency		963	1,961
Profit paid in advance on pehlay munafa scheme		3,580	8,027
Advances, deposits, advance rent and other prepayments		577,563	816,682
Advance taxation (payments less provisions)		2,782,766	3,633,574
Non-banking assets acquired in satisfaction of claims		7,385,423	7,467,804
Acceptances		4,752,056	4,888,386
Branch adjustment account		211,757	180,704
Mark to market gain on forward foreign exchange contracts		442,007	146,431
Stock of stationery		151,746	108,048
Suspense account		6,771	1,710
Zakat recoverable from NITL		36,790	36,790
Unrealized gain on revaluation of foreign bills and trade loans		133,587	78,013
Fraud and forgeries		172,525	121,806
Unearned income on sale of sukuk on bai-muajjal basis		880,133	1,044,888
Others		1,272,957	1,195,952
		31,856,575	28,627,711
Less: Provision held against other assets	15.1	(2,272,944)	(2,207,512)
Other assets (net of provision)		29,583,631	26,420,199
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		1,526,597	1,544,813
Other assets - total		31,110,228	27,965,012
15.1 Provision held against other assets			
Advances, deposits, advance rent & other prepayments		35,723	35,723
Non banking assets acquired in satisfaction of claims		1,575,670	1,575,670
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries		165,196	101,364
Others		459,565	457,965
		2,272,944	2,207,512
16. CONTINGENT ASSETS			
Contingent assets		Nil	Nil

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
17. BILLS PAYABLE		
In Pakistan	4,154,644	3,577,677
Outside Pakistan	-	-
	4,154,644	3,577,677
18. BORROWINGS		
Secured		
Borrowings from SBP under:		
Export refinance scheme (ERF)	15,245,623	13,451,606
Long term financing facility (LTFF)	7,135,047	6,219,303
Finance facility for storage of agricultural produce (FFSAP)	44,478	25,991
Finance facility for renewable energy performance platform (REPP)	1,060,310	1,025,036
	23,485,458	20,721,936
Repurchase agreement borrowings	-	2,497,905
Call borrowings	24,644,562	17,251,702
Total secured	48,130,020	40,471,543
Unsecured		
Overdrawn nostro accounts	122,385	210,763
Redeemable capital - Musharika certificates	45,519	8,039
Foreign placement	1,600,521	1,110,895
Total unsecured	1,768,425	1,329,697
	49,898,445	41,801,240

19. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
Customers:						
Current deposits	134,946,954	2,979,260	137,926,214	119,614,715	2,343,451	121,958,166
Savings deposits	303,514,406	2,767,639	306,282,045	253,500,729	2,413,949	255,914,678
Term deposits	187,868,728	3,481,055	191,349,783	181,768,000	3,496,387	185,264,387
Others	22,607,107	-	22,607,107	25,541,626	-	25,541,626
	648,937,195	9,227,954	658,165,149	580,425,070	8,253,787	588,678,857
Financial institutions:						
Current deposits	3,600,701	346,637	3,947,338	3,610,496	188,548	3,799,044
Savings deposits	2,082,659	212	2,082,871	2,166,684	186	2,166,870
Term deposits	730,000	-	730,000	755,000	-	755,000
Others	235,823	-	235,823	162,192	-	162,192
	6,649,183	346,849	6,996,032	6,694,372	188,734	6,883,106
	655,586,378	9,574,803	665,161,181	587,119,442	8,442,521	595,561,963

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Note	Rupees in '000'	
20. SUBORDINATED DEBTS			
Loan from GoPb	20.1	2,000,000	2,000,000
Privately placed term finance certificates - I	20.2	2,497,500	2,498,000
Privately placed term finance certificates - II	20.3	4,298,280	4,299,140
		8,795,780	8,797,140

20.1 Loan from GoPb

The GoPb extended loan of Rs. 2,000,000 thousand to support capital structure of the Bank for the purpose of the regulatory capital requirement. The loan is unsecured and sub-ordinated to all other indebtedness including deposits. The salient features of the loan are as follows:

Tenor:	07 Years.
Issue date	December 31, 2014
Maturity date	December 30, 2021
Rating	Unrated
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Average SBP discount rate. (Average shall be calculated on daily basis)
Conversion option:	May be converted, subject to consent of the parties and necessary regulatory approvals, after a period of five years into ordinary shares at the rate of Rs. 15 per share.
Repayment:	Bullet repayment after lapse of 07 years.
Call / Put option:	Callable after a period of 05 years. However no put option is available to GoPb.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV as declared by the SBP.

20.2 Privately placed term finance certificates - I

The Bank has issued rated, unsecured and subordinated term finance certificates under section 120 of the Companies Ordinance, 1984, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date; and registered book entry securities in accordance with the CDC regulations, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013; with each TFC having a face value of PKR 100,000 or multiples thereof.

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

20.3 Privately placed term finance certificates - II

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

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

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

	Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
		Rupees in '000'	
21. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		10,571,263	7,234,452
Mark-up / return / interest payable in foreign currency		61,349	44,506
Lease key money		12,258,816	11,567,270
Sundry creditors and accrued expenses		873,679	999,519
Acceptances		4,752,056	4,888,386
Mark-up payable on subordinated debts		109,265	97,913
Unclaimed dividends		2,590	2,599
Dividend payable		20,761	-
Payable to gratuity fund		57,390	287,512
Gratuity payable to key management personnel		40,027	100,403
Payable to charity fund		-	114
Provision against off-balance sheet obligations	21.1	62,183	62,183
Provision for employees compensated absences		106,222	102,294
Taxes / zakat / import fee payable		224,324	193,646
Lease liability against right of use assets		5,218,866	-
Deferred income on sale of sukuk on bai - muajjal basis		880,133	1,044,888
Others		260,703	476,964
		35,499,627	27,102,649
21.1 Provision against off-balance sheet obligations		62,183	62,183

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

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
22. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (deficit) on revaluation of :			
- Available for sale securities	10.1	(1,198,980)	(17,491)
- Fixed assets		2,341,104	2,374,212
- Non-banking assets acquired in satisfaction of claims	15	1,526,597	1,544,813
		2,668,721	3,901,534
Deferred tax on (surplus) / deficit on revaluation of :			
- Available for sale securities		419,643	6,122
- Fixed assets		(451,905)	(463,493)
- Non-banking assets acquired in satisfaction of claims		(179,254)	(183,851)
		(211,516)	(641,222)
		2,457,205	3,260,312
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	56,242,580	52,717,758
Commitments	23.2	121,199,053	91,698,462
Other contingent liabilities	23.3	8,975	1,464,824
		177,450,608	145,881,044
23.1 Guarantees:			
Financial guarantees		18,659,993	18,743,220
Performance guarantees		17,415,383	18,257,988
Other guarantees		20,167,204	15,716,550
		56,242,580	52,717,758
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		57,512,169	44,621,896
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	51,155,903	22,172,986
- forward lending	23.2.2	12,423,948	14,747,883
- operating leases	23.2.3	-	9,937,311
Commitments for acquisition of:			
- fixed assets		67,442	56,437
- intangible assets		39,591	161,949
		121,199,053	91,698,462
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		27,634,708	13,420,469
Sale		23,521,195	8,752,517
		51,155,903	22,172,986

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
23.2.2 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	12,423,948	14,747,883

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

		(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
23.2.3 Commitments in respect of operating leases			
Not later than one year		-	878,342
Later than one year and not later than five years		-	3,357,036
Later than five years		-	5,701,933
		-	9,937,311

23.3 Other contingent liabilities		8,975	1,464,824
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23.3.1 For the tax year 2007, the Income Tax Department concluded proceedings under section 161/205 and created a default of Rs. 8,975 thousand. The Bank filed appeal before CIR (A), however the same was not allowed. Now, the Bank has filled appeal against the said order of CIR (A) with ATIR. The expected tax liability for the said year amounts to Rs. 8,975 thousand. However, the management of the Bank, as per opinion of its tax consultant, is confident that the decision for the aforementioned tax year will be decided in Bank's favor.

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
23.4 Claims against the Bank not acknowledged as debts	23.4.1	56,195,082	57,300,059

23.4.1 The amounts involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to our recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Un-audited) June 30, 2018
24. MARK-UP / RETURN / INTEREST EARNED			
a) On loans and advances		21,267,121	12,430,041
b) On investments:			
Available for sale securities		9,365,702	6,404,456
Held for trading securities		1,134,167	870,934
Held to maturity securities		573,139	10,309
c) On lendings to financial institutions:			
Securities purchased under resale agreements		1,553,197	352,523
Call lending		2,062	24,394
Letters of placement		206,775	332,384
d) On balances with banks		59,647	14,479
		34,161,810	20,439,520
25. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits and other accounts		18,992,760	10,156,288
Borrowings:			
Securities sold under repurchase agreements		244,194	103,261
Foreign placements		27,525	-
Call borrowings		714,923	536,944
SBP refinance borrowing		219,855	197,347
Subordinated debts:			
Mark-up on subordinated loan from GoPb		112,055	65,014
Mark-up on privately placed term finance certificates		393,139	160,694
Mark-up on lease liability against right of use assets		329,336	-
		21,033,787	11,219,548
26. FEE AND COMMISSION INCOME			
Branch banking customer fees		311,364	310,838
Consumer finance related fees		118,179	133,198
Card related fees		249,870	179,030
Credit related fees		234,269	282,884
Branchless banking fees		44,010	903
Commission on trade		262,204	274,781
Commission on guarantees		122,052	152,445
Commission on cash management		50,178	26,220
Commission on remittances including home remittances		122,597	117,445
Commission on bancassurance		45,512	72,878
Commission on wheat financing		1,257	1,066
SMS banking income		121,287	63,072
Others		4,775	2,553
		1,687,554	1,617,313
27. GAIN ON SECURITIES - NET			
Realized gain on sale of securities - net	27.1	44,148	23,211
Unrealized loss - held for trading		(10,230)	(5,040)
		33,918	18,171

	(Un-audited) June 30, 2019	(Un-audited) June 30, 2018
	Rupees in '000'	
27.1 Realized gain on sale of securities - net:		
Federal Government	6,312	(6,716)
Shares and certificates	28,579	31,122
Term finance certificates	9,257	(1,195)
	44,148	23,211
28. OTHER INCOME - NET		
Rent on property	1,169	2,346
Gain / (loss) on sale of fixed assets - net	37,802	(732)
Gain on sale of non banking assets - net	67	36,335
Notice pay on resignations	4,714	6,145
	43,752	44,094
29. OPERATING EXPENSES		
Total compensation expense	3,679,249	2,935,599
Property expense:		
Rent and taxes	32,829	452,224
Insurance	9,486	6,861
Utilities cost	242,432	197,508
Security	644	766
Repair and maintenance including janitorial charges	8,747	10,875
Depreciation	265,567	221,386
Depreciation on right of use assets	367,927	-
Others	2,851	-
	930,483	889,620
Information technology expenses:		
Software maintenance	163,578	79,348
Hardware maintenance	48,627	54,544
Depreciation on computer equipment	110,775	106,154
Amortization on intangible assets	84,878	26,276
Network charges	117,018	144,427
	524,876	410,749
Other operating expenses:		
Directors' fees and allowances	4,505	1,900
Fees and allowances to shariah board	2,335	1,305
Legal and professional charges	46,303	100,520
Subscription charges	10,888	8,878
Outsourced staff services costs	125,786	148,111
Travelling and conveyance	265,725	220,478
NIFT clearing charges	28,096	27,072
Depreciation	139,500	122,546
Depreciation on non banking assets	37,052	38,339
Depreciation on ijarah assets	187,456	211,487
Training and development	7,748	6,992
Postage and courier charges	57,707	57,775
Stationery and printing	107,798	88,814

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Un-audited) June 30, 2018
Marketing, advertisement and publicity		45,748	77,570
Donations	29.1	1,000	-
Insurance		64,554	44,844
Deposit protection fee		168,688	-
Repair and maintenance		79,890	61,959
Entertainment expenses		48,674	47,191
Fuel for generator		47,958	42,415
Commission and brokerage		69,032	60,791
Bank charges		44,109	38,543
SMS banking charges		13,825	12,998
ATM charges including ATM maintenance charges		67,446	32,219
Cash remittance charges		93,632	99,931
Branch license fee		12,855	12,219
CNIC verification / ECIB charges		19,929	16,992
Miscellaneous expenses		93,135	77,243
		1,891,374	1,659,132
		7,025,982	5,895,100

29.1 This represents donation paid to Institute of Business Administration in accordance with the approval of Board of Directors of the Bank.

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Un-audited) June 30, 2018
30. OTHER CHARGES			
Penalties imposed by SBP		2,663	-
31. PROVISIONS AND WRITE OFFS - NET			
Provisions for diminution in value of investments	10.3.1	111,822	14,298
Provisions / (reversal) against advances	11.3	843,477	(1,107,317)
Provision against other assets - net	15.1	65,432	41,356
		1,020,731	(1,051,663)
32. TAXATION			
Current	32.1	2,347,254	1,375,749
Prior years	32.2	250,348	-
Deferred		320,807	990,286
		2,918,409	2,366,035

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

- 32.2** The Finance supplementary (second Amendment) Act, 2019 has levied super tax @ 4% on taxable income for the tax year 2018 (accounting year 2017) retrospectively . Accordingly, in addition to the current tax charge of super tax, provision amounting to Rs 250,348 thousand also made for tax year 2018 (accounting year 2017) in these consolidated condensed interim financial statements.

	(Un-audited) June 30, 2019	(Un-audited) June 30, 2018
	Rupees in '000'	
33. BASIC EARNINGS PER SHARE		
Profit after taxation for the period (Rs in '000')	4,014,044	3,850,160
Weighted average number of ordinary shares (No.)	2,643,692,380	2,643,692,380
Basic earnings per share (Rs).	1.52	1.46

34. DILUTED EARNINGS PER SHARE

There is no dilution effect on basic earnings per share.

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

June 30, 2019 (Un-audited)					
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	245,579,845	-	245,579,845	-	245,579,845
Shares and certificates	1,318,017	1,302,027	-	15,990	1,318,017
Non-Government debt securities	2,070,214	-	2,070,214	-	2,070,214
Foreign securities	4,019	-	-	4,019	4,019
Financial assets disclosed but not measured at fair value :					
Government securities	19,856,306	-	19,240,920	-	19,240,920
Financial liabilities measured at fair value:					
Payable to gratuity fund	97,417	-	97,417	-	97,417
Provision for employees compensated absences	106,222	-	106,222	-	106,222
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	29,556,388	-	29,556,388	-	29,556,388
Forward sale of foreign exchange contracts	25,000,868	-	25,000,868	-	25,000,868

December 31, 2018 (Audited)					
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value :					
Government securities	202,765,869	-	202,765,869	-	202,765,869
Shares and certificates	1,066,094	1,050,104	-	15,990	1,066,094
Non-Government debt securities	852,320	-	852,320	-	852,320
Foreign securities	4,019	-	-	4,019	4,019
Financial assets disclosed but not measured at fair value :					
Government securities	250,329	-	248,902	-	248,902
Financial liabilities measured at fair value:					
Payable to gratuity fund	287,512	-	287,512	-	287,512
Provision for employees compensated absences	102,294	-	102,294	-	102,294
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	13,823,439	-	13,823,439	-	13,823,439
Forward sale of foreign exchange contracts	9,009,056	-	9,009,056	-	9,009,056

35.2 Fair value of non financial assets

June 30, 2019 (Un-audited)					
Fair value					
	Carrying value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
Non Financial assets measured at fair value :					
Fixed assets (land & building)	5,915,002	-	5,915,002	-	5,915,002
Non banking assets acquired in satisfaction of claims	7,336,350	-	7,336,350	-	7,336,350
December 31, 2018 (Audited)					
Fair value					
	Carrying value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
Non Financial assets measured at fair value :					
Fixed assets (land & building)	5,912,918	-	5,912,918	-	5,912,918
Non banking assets acquired in satisfaction of claims	7,436,947	-	7,436,947	-	7,436,947

36. SEGMENT INFORMATION

36.1 Segment details with respect to business activities

(Un-audited) June 30, 2019							
	Wholesale	Retail	Consumer & agri	Treasury	Islamic	Others	Total
Rupees in '000'							
Profit & loss							
Net mark-up / return / profit	17,046,890	700,271	2,169,812	12,068,895	2,066,196	109,746	34,161,810
Inter segment revenue - net	(14,301,103)	23,776,809	(1,516,069)	(10,542,853)	(7,993)	2,591,209	-
Non mark-up / return / interest income	700,983	227,315	75,304	675,783	39,576	134,845	-
Total income	3,446,770	24,704,395	729,047	2,201,825	2,097,779	2,835,800	36,015,616
Segment direct expenses	1,668,174	22,742,494	281,172	1,142,210	1,567,823	660,559	28,062,432
Inter segment expense allocation	-	-	-	-	-	-	-
Total expenses	1,668,174	22,742,494	281,172	1,142,210	1,567,823	660,559	28,062,432
Provisions	542,964	225,435	72,437	113,520	13,506	52,869	1,020,731
Profit / (loss) before tax	1,235,632	1,736,466	375,438	946,095	516,450	2,122,372	6,932,453
Balance sheet							
Cash & bank balances	10,531,555	28,790,411	-	20,410,302	5,917,718	-	65,649,986
Investments - net	2,670,694	-	-	262,985,168	8,647,696	-	274,303,558
Net inter segment lending	-	550,758,052	-	-	2,990,660	54,937,558	608,686,270
Lendings to financial institutions	-	-	-	23,401,545	4,401,958	-	27,803,503
Advances - performing	297,282,740	12,177,016	39,795,179	-	23,274,907	3,488,184	376,018,026
Advances - non-performing - net	4,083,122	418,433	361,767	-	70,694	6,834	4,940,850
Others	13,339,545	5,048,343	1,196,521	3,944,716	3,213,137	27,190,543	53,932,805
Total assets	327,907,656	597,192,255	41,353,467	310,741,731	48,516,770	85,623,119	1,411,334,998
Borrowings	23,425,729	105,248	-	26,367,468	-	-	49,898,445
Subordinated debts	-	-	-	-	-	8,795,780	8,795,780
Deposits & other accounts	39,498,748	581,695,347	1,034,565	10,109	42,820,508	101,904	665,161,181
Net inter segment borrowing	294,603,550	-	28,830,578	284,783,068	-	469,074	608,686,270
Others	9,003,367	15,593,559	12,331,409	195,204	2,799,720	(268,988)	39,654,271
Total liabilities	366,531,394	597,394,154	42,196,552	311,355,849	45,620,228	9,097,770	1,372,195,947
Equity	(38,623,738)	(201,899)	(843,085)	(614,117)	2,896,542	76,525,348	39,139,051
Total equity & liabilities	327,907,656	597,192,255	41,353,467	310,741,732	48,516,770	85,623,118	1,411,334,998
Contingencies & commitments	122,808,310	731,245	-	51,155,903	2,639,142	116,008	177,450,608

(Un-audited) June 30, 2018							
	Wholesale	Retail	Consumer & Agri	Treasury	Islamic	Others	Total
Rupees in '000'							
Profit & loss							
Net mark-up / return / profit	9,685,335	178,546	1,799,652	7,395,702	1,278,421	101,864	20,439,520
Inter segment revenue - net	(8,340,338)	15,778,447	(964,418)	(6,191,916)	(35,474)	(246,301)	-
Non mark-up / return / interest income	723,814	377,461	99,367	526,463	32,157	80,398	1,839,660
Total income	2,068,811	16,334,454	934,601	1,730,249	1,275,104	(64,039)	22,279,180
Segment direct expenses	1,241,830	13,582,661	219,475	772,065	1,042,236	256,381	17,114,648
Inter segment expense allocation	-	-	-	-	-	-	-
Total expenses	1,241,830	13,582,661	219,475	772,065	1,042,236	256,381	17,114,648
Provisions	(437,743)	(558,287)	(219,597)	14,298	103,916	45,750	(1,051,663)
Profit / (loss) before tax	1,264,724	3,310,080	934,723	943,886	128,952	(366,170)	6,216,195
(Audited) December 31, 2018							
Balance sheet							
Cash & bank balances	7,362,336	22,778,391	-	14,890,671	4,396,174	-	49,427,572
Investments - net	1,299,368	-	-	199,154,100	9,599,160	-	210,052,628
Net inter segment lending	-	498,991,218	-	-	-	49,898,663	548,889,881
Lendings to financial institutions	-	-	-	22,093,153	5,350,000	-	27,443,153
Advances - performing	302,276,330	11,840,351	39,641,148	-	19,922,874	2,412,499	376,093,202
- non-performing	5,161,190	291,565	199,217	256,617	72,752	35,220	6,016,561
Others	11,302,445	1,793,055	1,398,214	987,735	2,039,876	28,161,972	45,683,297
Total assets	327,401,669	535,694,580	41,238,579	237,382,276	41,380,836	80,508,354	1,263,606,294
Borrowings	20,624,727	105,248	-	21,071,265	-	-	41,801,240
Subordinated debts	-	-	-	-	-	8,797,140	8,797,140
Deposits & other accounts	29,780,664	528,081,227	1,062,397	10,109	36,501,111	126,455	595,561,963
Net inter segment borrowing	305,080,375	-	28,190,518	214,631,140	987,848	-	548,889,881
Others	7,772,375	8,671,896	11,665,892	97,392	1,500,040	972,731	30,680,326
Total liabilities	363,258,141	536,858,371	40,918,807	235,809,906	38,988,999	9,896,326	1,225,730,550
Equity	(35,856,472)	(1,163,791)	319,772	1,572,370	2,391,837	70,612,028	37,875,744
Total equity & liabilities	327,401,669	535,694,580	41,238,579	237,382,276	41,380,836	80,508,354	1,263,606,294
Contingencies & commitments	108,446,058	10,482,058	-	22,172,986	3,096,732	1,683,210	145,881,044

37. RELATED PARTY TRANSACTIONS

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

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Key management personnel	Employee fund	Other related parties	Key management personnel	Employee funds	Other related parties
	Rupees in '000'			Rupees in '000'		
Advances:						
Opening balance	210,446	-	-	189,636	-	-
Addition during the period	99,453	-	-	98,028	-	-
Repaid during the period	107,131	-	-	77,218	-	-
Closing balance	202,768	-	-	210,446	-	-
Provision held against advances	-	-	-	-	-	-
Advance Rent	-	-	-	-	-	67,317
Right of use asset	-	-	94,397	-	-	-
Lease liability against right of use asset	-	-	34,279	-	-	-
Deposits and other accounts :						
Opening balance	38,172	2,398,389	7,753	24,423	2,770,528	2,396
Received during the period	313,108	694,982	61,611	561,535	791,508	156,480
Withdrawn during the period	317,171	162,811	50,645	547,786	1,163,647	151,123
Closing balance	34,109	2,930,560	18,719	38,172	2,398,389	7,753

	June 30, 2019 (Un-audited)			June 30, 2018 (Un-audited)		
	Key management personnel	Employee fund	Other related parties	Key management personnel	Employee funds	Other related parties
	Rupees in '000'			Rupees in '000'		
Income :						
Mark-up / return / interest earned	5,112	-	-	4,642	-	-
Net gain on sale of fixed assets	-	-	-	-	-	6,505
Mark-up on lease liability against right of use asset	-	-	2,203	-	-	-
Expense :						
Mark-up / return / interest paid	822	130,129	740	490	76,772	100
Depreciation on right of use asset	-	-	2,531	-	-	-
Compensation expense	164,968	-	-	182,262	-	-
Commission expense	-	-	-	-	-	-

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

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

As at Statement of Financial Position date the loans and advances, deposits and contingencies relating to GoPb and its related entities amounted to Rs. 56,078,740 thousand (December 31, 2018: Rs. 55,256,269 thousand), Rs. 356,471,445 thousand (December 31, 2018: Rs. 306,110,933 thousand) and Rs. 33,200,739 thousand (December 31, 2018: Rs. 30,682,028 thousand) respectively. Further, during the period, the Bank has incurred markup expense of Rs. 112,055 thousand (June 30, 2018: Rs. 65,014 thousand) on subordinated debt of Rs. 2,000,000 thousand received from GoPb in year 2014.

37.3 The Bank made contribution of Rs. 85,914 thousand (June 30, 2018: Rs. 66,101 thousand) to employees provident fund during the period.

37.4 Advances to employees as at June 30, 2019, other than key management personnel, amounts to Rs. 5,193,589 thousand (December 31, 2018: Rs. 3,914,070 thousand).

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	28,388,806	28,388,806
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	30,787,966	28,672,062
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	30,787,966	28,672,062
Eligible Tier 2 Capital	9,090,829	9,616,982
Total Eligible Capital (Tier 1 + Tier 2)	39,878,795	38,289,044
Risk Weighted Assets (RWAs):		
Credit risk	261,141,168	255,838,950
Market risk	3,387,115	2,364,970
Operational risk	36,075,151	36,075,151
Total	300,603,434	294,279,071
Common equity tier I capital adequacy ratio	10.24%	9.74%
Tier I CAR (%)	10.24%	9.74%
Total CAR (%)	13.27%	13.01%
38.1 Leverage Ratio (LR):		
Eligible Tier-I Capital	30,787,966	28,672,062
Total exposures	985,190,829	852,478,531
LR (%)	3.13%	3.36%
38.2 Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	335,801,112	272,221,864
Total net cash outflow	239,564,562	203,539,146
LCR (%)	140.17%	133.74%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	457,508,448	417,010,019
Total required stable funding	376,197,210	371,740,462
NSFR (%)	121.61%	112.18%

39. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the June 30, 2019, the Bank is operating 74 Islamic banking branches and 02 sub Islamic banking branches (December 31, 2018: 72 Islamic banking branches and 02 sub Islamic banking branches).

STATEMENT OF FINANCIAL POSITION

As At June 30, 2019

	Note	(Un-audited) June 30, 2019 Rupees in '000'	(Audited) December 31, 2018
ASSETS			
Cash and balances with treasury banks		3,874,443	2,753,286
Balances with other banks		2,043,275	1,642,888
Due from financial institutions	39.1	4,401,958	5,350,000
Investments - net	39.2	8,647,696	9,599,160
Islamic financing and related assets - net	39.3	23,345,601	19,995,626
Fixed assets		1,259,251	309,063
Due from head office		2,990,660	-
Other assets		1,953,886	1,730,813
Total assets		48,516,770	41,380,836
LIABILITIES			
Bills payable		287,106	209,762
Due to financial institutions		-	-
Deposits and other accounts	39.4	42,820,508	36,501,111
Due to head office		-	187,187
Subordinated debt		-	-
Other liabilities		2,512,614	2,085,897
		45,620,228	38,983,957
NET ASSETS		2,896,542	2,396,879
REPRESENTED BY			
Islamic banking fund		1,500,000	1,500,000
Reserves		16,940	7,313
(Deficit) / surplus on revaluation of assets		(6,042)	20,372
Unappropriated profit	39.5	1,385,644	869,194
		2,896,542	2,396,879
CONTINGENCIES AND COMMITMENTS	39.6		

ISLAMIC BANKING BUSINESS

Profit and Loss Account

For the Six Months Ended June 30, 2019 (Un-audited)

	Note	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
		Rupees in '000'			
Profit / return earned	39.7	1,093,398	650,638	2,066,196	1,278,421
Profit / return expensed	39.8	488,842	214,165	886,064	458,779
Net profit / return		604,556	436,473	1,180,132	819,642
Fee and commission income		18,428	15,751	37,809	32,082
Dividend income		-	-	-	-
Foreign exchange income		753	140	839	51
Income / (loss) from derivatives		-	-	-	-
Loss on securities		-	-	(634)	-
Other income		(6)	(13)	1,562	24
		19,175	15,878	39,576	32,157
Total income		623,731	452,351	1,219,708	851,799
Other expenses					
Operating expenses		343,625	325,506	689,057	618,931
Workers welfare fund		-	-	-	-
Other charges	10	10	-	695	-
		343,635	325,506	689,752	618,931
Profit before provisions		280,096	126,845	529,956	232,868
Provisions against advances - net		15,098	103,916	13,506	103,916
Profit before taxation		264,998	22,929	516,450	128,952

39.1 DUE FROM FINANCIAL INSTITUTIONS

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Placements	3,890,000	-	3,890,000	5,350,000	-	5,350,000
Bai muajjal receivable from SBP	511,958	-	511,958	-	-	-
	4,401,958	-	4,401,958	5,350,000	-	5,350,000

39.2 INVESTMENTS - NET

Investments by segment:	(Un-audited) June 30, 2019				(Audited) December 31, 2018			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	Rupees in '000'							
Federal government securities:								
-Ijarah sukuku	1,500,000	-	(58,500)	1,441,500	2,623,602	-	(32,086)	2,591,516
-Sale of sukuk- bai muajjal	2,756,196	-	-	2,756,196	2,756,196	-	-	2,756,196
	4,256,196	-	(58,500)	4,197,696	5,379,798	-	(32,086)	5,347,712
Non government debt securities								
-Unlisted	4,450,000	-	-	4,450,000	4,251,448	-	-	4,251,448
Total investments	8,706,196	-	(58,500)	8,647,696	9,631,246	-	(32,086)	9,599,160

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Rupees in '000'	
39.3 ISLAMIC FINANCING AND RELATED ASSETS		
Ijarah	601,009	552,920
Murabaha	1,151,370	1,004,602
Musharaka	11,547,782	8,340,625
Diminishing musharaka	6,940,798	7,630,222
Istisna	3,337,275	2,686,385
Gross islamic financing and related assets	23,578,234	20,214,754
Less: provision against islamic financings		
- Specific	232,633	219,128
- General	-	-
	232,633	219,128
Islamic financing and related assets - net of provision	23,345,601	19,995,626

39.4 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
Customers :						
Current deposits	9,156,949	302,311	9,459,260	7,797,340	119,378	7,916,718
Savings deposits	31,096,130	74,056	31,170,186	26,557,886	7,704	26,565,590
Term deposits	741,555	-	741,555	771,556	-	771,556
Others	1,202,592	-	1,202,592	1,031,913	-	1,031,913
	42,197,226	376,367	42,573,593	36,158,695	127,082	36,285,777
Financial institutions :						
Current deposits	122,236	-	122,236	100,024	-	100,024
Savings deposits	124,679	-	124,679	115,310	-	115,310
	246,915	-	246,915	215,334	-	215,334
	42,444,141	376,367	42,820,508	36,374,029	127,082	36,501,111

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
Rupees in '000'		
39.5 UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS		
Opening balance	869,194	420,873
Islamic banking profit for the period	516,450	448,321
Closing balance	1,385,644	869,194
39.6 CONTINGENCIES AND COMMITMENTS		
-Guarantees	1,499,180	1,420,734
-Commitments	1,139,962	2,981,746
	2,639,142	4,402,480

	(Un-audited) June 30, 2019	(Un-audited) June 30, 2018
Rupees in '000'		
39.7 PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
Profit earned on:		
Financing	1,336,866	697,108
Investments	512,521	248,799
Placements	206,774	332,384
Deposits with financial institutions	10,035	130
	2,066,196	1,278,421
39.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits and other accounts	821,645	423,305
Markup on lease liability against right-of-use asset	56,426	-
Profit on deposits from conventional head office	7,993	35,474
	886,064	458,779

39.9 There has been no material change in the existing islamic pools. Further, no new pool has been established in islamic banking operations of the Bank during the Six months ended June 30, 2019.

40. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on August 23, 2019 by the Board of Directors of the Bank.

41. GENERAL

41.1 Figures have been rounded off to the nearest thousand rupees.

41.2 Under BPRD circular letter No. 05 of 2019 dated March 22, 2019 comparative information has been reclassified, rearranged in these consolidated condensed interim financial statements. However, no other significant reclassifications have been made.

Chief Financial Officer

President

Director



THE BANK OF PUNJAB

Passion Reborn

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