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QUARTERLY REPORT (UN-AUDITED)
JANUARY-SEPTEMBER

2021

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Corporate Information

Board of Directors

Mr. Mohammad Jehanzeb Khan	Director
Mr. Iftikhar Ali Sahoo	Director
Dr. Muhammad Amjad Saqib	Director
Syed Ghazanfar Abbas Jilani	Director
Khawaja Farooq Saeed	Director
Mr. Saeed Anwar	Director
Mr. Zafar Masud	President & CEO

Board Audit Committee

Mr. Saeed Anwar	Chairman
Mr. Mohammad Jehanzeb Khan	Member
Mr. Iftikhar Ali Sahoo	Member
Syed Ghazanfar Abbas Jilani	Member

Risk Management, Compliance and NPL Review Committee

Khawaja Farooq Saeed	Member
Dr. Muhammad Amjad Saqib	Member
Syed Ghazanfar Abbas Jilani	Member

Human Resource, Compensation and Nomination Committee

Khawaja Farooq Saeed	Chairman
Mr. Mohammad Jehanzeb Khan	Member
Dr. Muhammad Amjad Saqib	Member
Syed Ghazanfar Abbas Jilani	Member
Mr. Iftikhar Ali Sahoo	Member

Strategy, Islamic and Priority Sector Financing Committee

Dr. Muhammad Amjad Saqib	Chairman
Mr. Saeed Anwar	Member
Mr. Iftikhar Ali Sahoo	Member

Information Technology and Communications Committee

Mr. Mohammad Jehanzeb Khan	Chairman
Mr. Saeed Anwar	Member
Khawaja Farooq Saeed	Member

Auditors

EY Ford Rhodes, Chartered Accountants

Registered Office

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

Registrar

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

Website

www.bop.com.pk

Directors' Review

Quarterly Financial Statements – September 30, 2021

On behalf of the Board of Directors, we are pleased to present Un-audited Condensed Interim Financial Statements of The Bank of Punjab for the nine months period ended on September 30, 2021.

Owing to a supportive FY22 budget and accommodative monetary policy, most high-frequency domestic demand indicators such as automobiles, POL (petroleum, oil and lubricants) sales, cement sales and electricity generation continue to depict robust growth. LSM registered strong growth of 18.5 percent (y/y) in June, before moderating in August to 2.2 percent, in line with typical seasonal patterns. The services sector is also rebounding strongly-activity across grocery stores, restaurants, and shopping centers during July and August rose to pre COVID levels. In agriculture, the decline in the area under cultivation of cotton is expected to be compensated by an increase in area for rice, maize and sugarcane. Based on these trends, growth in FY22 is now expected toward the upper end of the forecast range of 4-5 percent, notwithstanding some greater uncertainty with respect to spillovers from the evolving situation in Afghanistan.

The current account deficit rose to \$0.8 billion in July and \$1.5 billion in August, reflecting both vigorous domestic demand and high global commodity prices. While remittances remained strong, growing by 10.4 percent (y/y) during July-August and exports also performed reasonably well (averaging \$2.3 billion per month), they were outstripped by imports. In response, the rupee depreciated by 4.1 percent during the quarter. It is noted that many other currencies have also depreciated recently as expectations of tapering of cheap liquidity by the Federal Reserve have been brought forward.

Accommodative financial conditions have provided significant support to the growth recovery since the start of FY21. Following historic cuts in the policy rate and the introduction of SBP COVID related support packages, private sector credit grew by more than 11 percent during FY21, on the back of consumer loans (mainly auto finance and personal loans) followed by a broad-based expansion in credit for fixed investment and working capital loans.

During Jan-Sep 2021, the Bank has been able to maintain its growth trend as mentioned hereunder:

Financial Highlights:	Rs. in Million
Profit before taxation	12,362.032
Taxation	3,644.573
Profit after taxation	8,717.459
Earnings per share (Rupees)	3.30

During the period under review, Bank's Net Interest Margin (NIM) significantly improved to Rs. 21.91 billion as against Rs. 17.15 billion during corresponding period of year 2020, registering a growth of 28%. Similarly, Non-Markup Income, excluding Gain on Securities, increased to Rs. 4.42 billion as against Rs. 3.26 billion during corresponding period of 2020 with a rise of 36%. Accordingly, the Bank posted after tax profit of Rs. 8.72 billion as against Rs. 5.83 billion earned during Jan-Sep 2020, with a substantial growth of 50%. Earnings per Share (EPS) for Jan-Sep 2021 period also improved to Rs. 3.30 per share as against Rs. 2.20 per share for Jan-Sep 2020.

Bank's total assets as at September 30, 2021 rose to Rs. 1,121.55 billion as against Rs. 1,095.45 billion as of December 31, 2020. The Deposits of the Bank stood at Rs. 884.39 billion as against Rs. 835.07 billion as on December 31, 2020. Investments fell slightly to Rs. 544.08 billion as against Rs. 567.79 billion as on December 31, 2020. However, Gross Advances improved to Rs. 495.27 billion as against Rs. 442.76 billion as on December 31, 2020 registering a growth of 12%. Equity improved to Rs. 53.59 billion and Capital Adequacy Ratio (CAR) stood at 14.45% against regulatory requirement of 11.50%.

The Pakistan Credit Rating Agency (PACRA) has upgraded Bank's long term entity rating to "AA+" with short term rating being already at the highest rank of "A1+". The Bank currently has a network of 641 online branches, including 105 Taqwa Islamic Banking Branches and 16 sub-branches. Further, the Bank has a network of 640 ATMs providing 24/7 banking services to the customers.

The Board highly appreciates continuous support of Bank's valued customers and shareholders. The Board assures that Bank would continue to provide best services to its clients and achievement of business targets shall be ensured. The Board is pleased to extend its gratitude to the Government of the Punjab and State Bank of Pakistan for their support and guidance.

For and on behalf of the Board

PRESIDENT/CEO

DIRECTOR

ڈائریکٹرز رپورٹ

دی بینک آف پنجاب کے نو ماہی مالیاتی نتائج 30 ستمبر 2021ء

یہ بات میرے لیے باعث مسرت ہے کہ میں دی بینک آف پنجاب کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2021 کو اختتام پزیر ہونے والی نو ماہی کے غیر آڈٹ شدہ حسابات پیش کر رہا ہوں۔

مالی سال 22ء کے معاون بجٹ اور گنجائشی زری پالیسی کے ساتھ گاڑیوں، پیٹرولیم مصنوعات (پٹرولیم، تیل اور لیٹرکلیٹس) کی فروخت، سینٹ کی فروخت اور بجلی کی پیداوار جیسے زیادہ بلند تعداد والے ملکی طلب کے اظہار کے مسلسل مضبوط نمو کے عکاس ہیں۔ ایل ایس ایم نے اگست میں 2.2 فیصد معتدل ہونے سے قبل جون میں مضبوط نمبر (18.5 فیصد) درج کی، جو عام موسمی رجحانات سے ہم آہنگ ہے۔ خدمات کے شعبے میں بھی مضبوط بحالی ہو رہی ہے۔ جولائی اور اگست میں ایشیائے خورد و نوش کی دکانوں، ریسٹورانوں اور شاپنگ سینٹرز میں سرگرمیاں کوڈو سے پہلے کی سطح سے تجاوز کر گئیں۔ توقع ہے کہ زراعت میں کپاس کے زیر کاشت رقبے میں کمی کی تلافی چاول، مٹی اور گنے کے زیر کاشت رقبے میں اضافے سے ہو جائے گی۔ ان رجحانات کی بنیاد پر امید ہے کہ افغانستان میں ابھرتی ہوئی صورتحال کے اثرات کے لحاظ سے موجود انتہائی غیر یقینی کیفیت سے قطع نظر مالی سال 22ء میں نمو 4 تا 5 فیصد پیش گوئی حد میں رہے گی۔

جاری کھاتے کا خسارہ جولائی میں بڑھ کر 0.8 ارب ڈالر اور اگست میں 1.5 ارب ڈالر ہو گیا، جس سے شدید ملکی طلب اور اجناس کی بلند عالمی قیمتوں، دونوں کی عکاسی ہوتی ہے۔ ترسیلات زرا اگرچہ مستحکم رہیں اور جولائی تا اگست کے دوران 10.4 فیصد بڑھیں جبکہ برآمدات نے بھی مناسب حد تک عمدہ کارکردگی (ماہانہ اوسط 2.3 ارب ڈالر) دکھائی، تاہم درآمدات نے انہیں بے اثر کر دیا۔ اس کے جواب میں روپے کی قدر اس سہ ماہی میں 4.1 فیصد گری۔ جبکہ حال میں دوسری بہت سی کرنسیوں کی قدر بھی گری کیونکہ فیڈرل ریزرو کی طرف سے تخفیف کی توقعات سامنے آئی ہیں۔

مالی سال 21ء کے آغاز سے گنجائشی مالی حالات نے نمو کی بحالی میں اہم مدد فراہم کی ہے۔ پالیسی ریٹ میں تاریخی کمی اور کووڈ سے متعلق اسٹیٹ بینک کے اعانتی پیکیج متعارف کرانے کے بعد، مالی سال 21ء کے دوران صارفی قرضوں (بنیادی طور پر گاڑیوں اور ذاتی قرضوں) اور ان کے بعد معین سرمایہ کاری قرضوں میں وسیع البنیاد توسیع اور جاری سرمائے کے قرضوں میں اضافے کی وجہ سے سنجی شعبے کے قرضے میں 11 فیصد سے زائد اضافہ ہوا۔

جنوری تا ستمبر 2021 کے دوران 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	12,362.032
ٹیکس	3,644.573
بعد از ٹیکس منافع	8,717.459
فی حصص منافع (روپیہ)	3.30

اسی مدت کے دوران بینک کا نیٹ انرسٹ مارجن (این آئی ایم) 28 فیصد کے شاندار اضافہ کے ساتھ 21.91 ارب روپے کی سطح پر رہا جو کہ گزشتہ سال کی اسی مدت کے دوران 17.15 ارب روپے تھا۔ بینک کی نان مارک اپ/ انرسٹ آمدن (سکیورٹیز ریٹنگ کے علاوہ) 36 فیصد اضافہ کے ساتھ 4.42 ارب روپے کی سطح پر رہی جو کہ پچھلے سال کی اسی مدت کے دوران 3.26 ارب روپے کی سطح پر تھی۔ اسی طرح بینک نے 50 فیصد کے شاندار اضافے کے ساتھ 8.72 ارب روپے کا بعد از ٹیکس منافع کمایا ہے جو کہ پچھلے سال کی اسی مدت کے دوران 5.83 ارب روپے تھا۔ بینک کی فی ٹھوس آمدن 3.30 روپے رہی جو کہ گزشتہ سال کی اسی مدت کے دوران 2.20 روپے تھی۔

30 ستمبر 2021ء کو بینک کے کل اثاثہ جات 1,121.55 ارب روپے تک پہنچ گئے جو کہ 31 دسمبر 2020ء کو 1,095.45 ارب روپے تھے۔ بینک کے ڈیپازٹس 884.39 ارب روپے ہو گئے جو کہ 31 دسمبر 2020ء کو 835.07 ارب روپے تھے۔ بینک کی سرمایہ کاری 544.08 ارب روپے رہی جو کہ 31 دسمبر 2020ء کو 567.79 ارب روپے تھی۔ اسی طرح بینک کے گراس قرضہ جات 12 فیصد اضافہ کے ساتھ 495.27 ارب روپے کی سطح پر پہنچ گئے جو کہ 31 دسمبر 2020ء کو 442.76 ارب روپے تھے۔ بینک کی ایکویٹی 53.59 ارب روپے رہی جبکہ کیپیٹل ایکویٹی ریٹو 14.45 فیصد ہو گئی جس کی مطلوب شرح 11.50 فیصد ہے۔

سال 2021ء کے دوران پاکستان کریڈٹ ریٹنگ ایجنسی نے بینک کی طویل مدت ریٹنگ "AA+" کر دی ہے جبکہ مختصر مدت کے لیے "A1+" کی ریٹنگ بلند ترین سطح پر ہے۔ اس وقت بینک کی 641 آن لائن برانچز بشمول 105 تقویٰ اسلامیات بینکنگ برانچز اور 16 سب برانچز ملک بھر میں موجود ہیں۔ اس کے علاوہ بینک کا وسیع 640 اے ٹی ایم کارڈ صارفین کو خدمات فراہم کر رہا ہے۔

ہم اپنے معزز صارفین اور رخص داران کے تعاون پر مشکور ہیں اور اس بات کا یقین دلاتے ہیں کہ بینک اپنے صارفین کو اعلیٰ معیار کی خدمات مہیا کرتا رہے گا اور تمام کاروباری اہداف حاصل کرنے کو یقینی بنائے گا۔ ہم حکومت پنجاب اور اسٹیٹ بینک آف پاکستان کے مسلسل تعاون اور معاونت کا تہہ دل سے شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈائریکٹر

پریذیڈنٹ/اسی ای او

Unconsolidated Condensed Interim
**FINANCIAL
STATEMENTS**
For the nine months ended September 30, 2021



Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks	7	61,970,184	69,271,804
Balances with other banks	8	7,871,088	2,397,707
Lendings to financial institutions	9	9,792,584	16,086,867
Investments - net	10	544,084,512	567,788,623
Advances - net	11	443,818,807	391,160,612
Fixed assets	12	15,797,289	14,812,949
Intangible assets	13	960,904	688,508
Deferred tax assets - net	14	11,549,242	7,774,264
Other assets - net	15	25,701,675	25,464,682
		1,121,546,285	1,095,446,016
LIABILITIES			
Bills payable	17	5,341,831	4,168,641
Borrowings	18	127,284,959	154,841,415
Deposits and other accounts	19	884,392,929	835,067,592
Liabilities against assets subject to finance lease		-	-
Subordinated debts	20	6,790,340	6,791,700
Deferred tax liabilities		-	-
Other liabilities	21	44,150,357	42,315,157
		1,067,960,416	1,043,184,505
NET ASSETS		53,585,869	52,261,511
REPRESENTED BY			
Share capital - net		26,173,766	26,173,766
Reserves		8,029,024	8,029,024
Surplus on revaluation of assets - net of tax	22	1,125,748	5,955,359
Unappropriated profit		18,257,331	12,103,362
		53,585,869	52,261,511
CONTINGENCIES AND COMMITMENTS	23		

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

Chief Financial Officer

President

Director

Director

Unconsolidated Condensed Interim Profit and Loss Account

For the Nine Months Ended September 30, 2021 (Un-audited)

	Note	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Rupees in '000'					
Mark-up / return / interest earned	24	20,938,498	19,636,452	59,803,905	66,503,714
Mark-up / return / interest expensed	25	12,908,389	14,035,974	37,892,087	49,355,857
Net mark-up / interest income		8,030,109	5,600,478	21,911,818	17,147,857
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	1,359,272	976,472	3,851,175	2,788,075
Dividend income		106,354	27,719	211,355	92,007
Foreign exchange income		160,227	31,533	300,991	237,370
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net	27	12,559	3,534,938	1,627,531	8,300,254
Other income - net	28	17,242	99,286	52,732	144,036
Total non-markup / interest income		1,655,654	4,669,948	6,043,784	11,561,742
Total income		9,685,763	10,270,426	27,955,602	28,709,599
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	29	5,102,570	4,109,927	15,244,438	12,268,154
Workers welfare fund		83,610	107,243	251,025	268,981
Other charges	30	210	15,630	712	303,949
Total non-markup / interest expenses		5,186,390	4,232,800	15,496,175	12,841,084
Profit before provisions		4,499,373	6,037,626	12,459,427	15,868,515
(Reversal) / provisions and write offs - net	31	(493,773)	2,366,195	97,395	5,856,587
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		4,993,146	3,671,431	12,362,032	10,011,928
Taxation - net	32	1,873,196	1,493,082	3,644,573	4,184,117
PROFIT AFTER TAXATION		3,119,950	2,178,349	8,717,459	5,827,811
Basic earnings per share - Rupees	33	1.18	0.82	3.30	2.20
Diluted earnings per share - Rupees	34	1.18	0.82	3.30	2.20

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

Chief Financial Officer

President

Director

Director

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Nine Months Ended September 30, 2021 (Un-audited)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
	Rupees in '000'			
Profit after taxation for the period	3,119,950	2,178,349	8,717,459	5,827,811
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	-	-	(90,596)	(9,167)
	-	-	(90,596)	(9,167)
	3,119,950	2,178,349	8,626,863	5,818,644
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of investments - net of tax	(2,006,276)	(5,976,636)	(4,666,488)	778,997
Total comprehensive income for the period	1,113,674	(3,798,287)	3,960,375	6,597,641

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

Chief Financial Officer

President

Director

Director

Unconsolidated Condensed Interim Statement of Changes in Equity

For the Nine Months Ended September 30, 2021 (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
Balance as on January 01, 2020 - audited	26,436,924	(263,158)	26,173,766	2,215,040	4,425,236	2,226,914	3,144,293	8,497,085	46,682,334
Profit after taxation for the nine months ended September 30, 2020	-	-	-	-	-	778,997	(9,167)	5,827,811	5,827,811
Other comprehensive income / (loss)	-	-	-	-	-	778,997	(9,167)	5,827,811	789,830
Total comprehensive income / (loss) for the nine months ended September 30, 2020	-	-	-	-	-	778,997	(9,167)	5,827,811	6,597,641
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(49,903)	49,903	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(7,093)	7,093	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit on disposal	-	-	-	-	-	-	(12,139)	14,962	2,823
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	(16,118)	16,118	-
Transactions with owners recognized directly in equity:									
Final cash dividend - December 31, 2019 declared subsequent to year end at 7.5% per share	-	-	-	-	-	-	-	(1,982,769)	(1,982,769)
Balance as on September 30, 2020 - unaudited	26,436,924	(263,158)	26,173,766	2,215,040	4,425,236	3,006,911	3,049,873	12,430,203	51,300,029
Profit after taxation for the three months ended December 31, 2020	-	-	-	-	-	(71,648)	2,189	1,115,928	1,115,928
Other comprehensive (loss) / income	-	-	-	-	-	(71,648)	2,189	(87,295)	(156,744)
Total comprehensive (loss) / income for the three months ended December 31, 2020	-	-	-	-	-	(71,648)	2,189	1,028,643	959,184
Transfer to statutory reserve	-	-	-	-	1,388,748	-	-	(1,388,748)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(16,607)	16,607	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(2,332)	2,332	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	(12,027)	14,325	2,298
Balance as on December 31, 2020 - audited	26,436,924	(263,158)	26,173,766	2,215,040	5,813,984	2,934,263	3,021,086	12,103,362	52,261,511
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	(4,666,488)	(90,596)	8,717,459	8,717,459
Other comprehensive loss	-	-	-	-	-	(4,666,488)	(90,596)	(4,757,084)	(4,757,084)
Total comprehensive (loss) / income for the nine months ended September 30, 2021	-	-	-	-	-	(4,666,488)	(90,596)	8,717,459	3,960,375
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(44,564)	44,564	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(6,948)	6,948	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	(21,015)	28,690	7,675
Transactions with owners recognized directly in equity:									
Final cash dividend - December 31, 2020 declared subsequent to year end at 10% per share	-	-	-	-	-	-	-	(2,643,692)	(2,643,692)
Balance as on September 30, 2021 - unaudited	26,436,924	(263,158)	26,173,766	2,215,040	5,813,984	(1,732,225)	2,857,973	18,257,331	53,545,869

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

Chief Financial Officer

President

Director

Director

Unconsolidated Condensed Interim Cash Flow Statement

For the Nine Months Ended September 30, 2021 (Un-audited)

	Note	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
		Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		12,362,032	10,011,928
Less: Dividend income		(211,355)	(92,007)
		12,150,677	9,919,921
Adjustments:			
Depreciation on fixed assets	29	914,256	876,096
Depreciation on non banking assets acquired in satisfaction of claims	29	37,351	44,481
Depreciation on ijarah assets under IFAS - 2	29	94,998	123,416
Depreciation on right of use assets	29	724,095	645,725
Amortization on intangible assets	29	159,977	146,565
Amortization of discount on debt securities - net		(1,009,191)	(2,685,487)
Mark-up on lease liability against right of use assets	25	766,763	672,168
Unrealized loss on revaluation of investments classified as held for trading	27	14,726	23,537
Provision and write-offs - net	31	97,395	5,856,587
Gain / (loss) on termination of lease liability against right of use assets	28	(5,048)	1,453
Gain on sale of fixed assets - net	28	(311)	(103,539)
Gain on sale of non banking assets - net	28	(35,377)	(32,467)
Realized gain on sale of securities - net	27	(1,642,257)	(8,323,791)
Provision for employees compensated absences		10,487	10,424
Provision for gratuity		155,210	118,016
		283,074	(2,626,816)
		12,433,751	7,293,105
(Increase) / decrease in operating assets:			
Lendings to financial institutions		7,294,283	(2,410,229)
Held for trading securities		17,931,599	(1,796,504)
Advances - net		(52,606,162)	(709,358)
Others assets - net		(564,848)	5,727,623
		(27,945,128)	811,532
Increase / (decrease) in operating liabilities:			
Bills payable		1,173,190	662,253
Borrowings from financial institutions		(27,559,850)	80,186,169
Deposits		49,325,337	100,392,749
Other liabilities		635,539	(2,393,110)
		23,574,216	178,848,061
Income tax paid		(4,783,235)	(3,789,788)
Net cash flow from operating activities		3,279,604	183,162,910

Cash Flow Statement (Cont:)

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Rupees in '000'		
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	837,612	(180,071,279)
Dividends received	216,531	89,813
Investments in fixed assets	(1,321,642)	(694,578)
Investments in intangible assets	(432,373)	(100,963)
Proceeds from sale of fixed assets	1,901	646,667
Proceeds from sale of non banking assets	274,303	81,698
Net cash used in investing activities	(423,668)	(180,048,642)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of subordinated debts	(1,360)	(2,001,360)
Dividend paid	(2,643,692)	(1,982,769)
Payment - lease liability against right of use assets	(1,042,517)	(853,071)
Net cash used in financing activities	(3,687,569)	(4,837,200)
Decrease in cash and cash equivalents	(831,633)	(1,722,932)
Cash and cash equivalents at beginning of the period	71,667,375	63,586,009
Cash and cash equivalents at end of the period	70,835,742	61,863,077
Cash and cash equivalents:		
Cash and balances with treasury banks	61,970,184	61,230,582
Balances with other banks	7,871,088	725,597
Call money lendings	1,000,000	-
Overdrawn nostro accounts	(5,530)	(93,102)
	70,835,742	61,863,077

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

Chief Financial Officer

President

Director

Director

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2021 (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 641 branches including 16 sub branches and 105 Islamic banking branches (December 31, 2020: 636 branches including 18 sub branches and 104 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) 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 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 these unconsolidated condensed interim financial statements should be read in conjunction with the unconsolidated financial statements of the Bank for the year ended December 31, 2020.
- 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 (IIFS). 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.

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 SBP vide BPRD Circular No. 04 dated October 23, 2019 notified the effective date of IFRS 9, 'Financial Instruments' as January 01, 2021. However, the initial application date has been extended to January 01, 2022 by SBP vide BPRD Circular Letter No. 24 dated July 05, 2021. IFRS 9, 'Financial Instruments' has replaced IAS 39, 'Financial Instruments: Recognition and Measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'Expected Credit Losses' (ECL) approach rather than 'incurred credit losses' approach. The ECL has impact on all the assets of the Bank which are exposed to credit risk. Presently, the Bank calculates the impact of adoption of IFRS 9 on the financial statements on parallel run basis as advised by the SBP.

Standard or Interpretations		Effective date (accounting periods beginning on or after)
IFRS 9	Financial instruments	1 January 2022
IFRS 3	Reference to conceptual framework - Amendments	1 January 2022
IAS 16	Property, plant and equipment: Proceeds before intended use -Amendments	1 January 2022
IAS 37	Onerous contracts - costs of fulfilling a contract - Amendments	1 January 2022
AIP IFRS 1	First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	1 January 2022
AIP IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
AIP IAS 41	Agriculture – Taxation in fair value measurements	1 January 2022
IFRS 17	Insurance contracts	1 January 2023
IAS 1	Classification of liabilities as current or non-current - Amendments	1 January 2023
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture - Amendments	1 January 2023

3. BASIS OF MEASUREMENT

3.1 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention, except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments and commitments in respect of forward exchange contracts at fair value and 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, 2020.

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, 2020.

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, 2020.

The Bank has further strengthened its credit review procedures in the light of COVID-19 pandemic situation by reviewing the portfolio to identify accounts susceptible to higher risk and accordingly has created a buffer against unforeseen loan losses based on funded credit portfolio, excluding

Government guaranteed exposure and exposure secured against cash and equivalents, to mitigate any adverse impact on equity, performance and related regulatory compliance. Accordingly, general provision of Rs 4,116,231 thousand has been maintained in these unconsolidated condensed interim financial statements.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000'	
7. CASH AND BALANCES WITH TREASURY BANKS		
In hand:		
Local currency	18,511,559	17,921,687
Foreign currencies	5,039,404	4,182,816
	23,550,963	22,104,503
With SBP in:		
Local currency current accounts	28,843,955	33,648,507
Foreign currency current accounts	652,765	484,298
Foreign currency deposit accounts	1,447,890	956,624
	30,944,610	35,089,429
With National Bank of Pakistan in:		
Local currency current account	7,368,374	11,200,818
Prize bonds	106,237	877,054
	61,970,184	69,271,804
8. BALANCES WITH OTHER BANKS		
In Pakistan:		
Current accounts	425,110	404,719
Deposit accounts	1,400,888	887
	1,825,998	405,606
Outside Pakistan:		
Current accounts	1,784,170	229,657
Deposit accounts	4,260,920	1,762,444
	6,045,090	1,992,101
	7,871,088	2,397,707
9. LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	1,000,000	-
Repurchase agreement lendings (Reverse Repo)	9.2 3,782,584	7,454,867
Placements	9.3 5,010,000	8,632,000
	9,792,584	16,086,867
9.1 Particulars of lendings		
In local currency	9,792,584	16,086,867
In foreign currencies	-	-
	9,792,584	16,086,867

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

	(Un-audited) September 30, 2021			(Audited) December 31, 2020		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	Rupees in '000'					
Market treasury bills	3,434,588	-	3,434,588	4,154,867	-	4,154,867
Pakistan investment bonds	347,996	-	347,996	3,300,000	-	3,300,000
	3,782,584	-	3,782,584	7,454,867	-	7,454,867

Market value of securities held as collateral as at September 30, 2021 amounted to Rs. 3,783,903 thousand (December 31, 2020: Rs. 6,651,750 thousand). These carry mark-up at rates ranging from 7.70 % to 8.00% per annum (December 31, 2020: 6.00% to 7.30% per annum).

9.3 These carry profit rates ranging from 6.75% to 7.25% per annum (December 31, 2020: 6.40% to 7.00% per annum) with maturities upto December 21, 2021.

10. INVESTMENTS - NET

10.1 Investments by type:

	Note	(Un-audited) September 30, 2021			(Audited) December 31, 2020				
		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	1,143,051	-	(170)	1,142,881	19,146,767	-	1,630	19,148,397
Ordinary shares		75,433	-	(14,556)	60,877	-	-	-	-
		1,218,484	-	(14,726)	1,203,758	19,146,767	-	1,630	19,148,397
Available-for-sale securities									
Federal government securities	10.1.1 & 10.2	462,056,015	-	(2,209,743)	459,846,272	465,221,303	-	4,453,720	469,675,023
Shares and certificates		8,985,043	(1,444,807)	(612,145)	6,928,091	4,815,673	(1,378,194)	199,777	3,637,256
Non government debt securities		17,551,421	(2,525,563)	(17,825)	15,008,033	17,516,016	(2,536,232)	(139,247)	14,840,537
Foreign securities		11,957	-	-	11,957	4,019	-	-	4,019
		488,604,436	(3,970,370)	(2,839,713)	481,794,353	487,557,011	(3,914,426)	4,514,250	488,156,835
Held-to-maturity securities									
Federal government securities	10.1.1 & 10.4	61,086,401	-	-	61,086,401	60,483,391	-	-	60,483,391
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		61,086,801	(400)	-	61,086,401	60,483,791	(400)	-	60,483,391
Subsidiaries		164,945	(164,945)	-	-	164,945	(164,945)	-	-
Total investments		551,074,666	(4,135,715)	(2,854,439)	544,084,512	567,352,514	(4,079,771)	4,515,880	567,788,623

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) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000'	
10.2 Investments given as collateral		
Pakistan investment bonds	37,902,686	35,514,708
Market treasury bills	29,524,380	66,472,184
	67,427,066	101,986,892

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Rupees in '000'		
10.3 Provision for diminution in value of investments		
10.3.1 Opening balance	4,079,771	3,696,054
Charge / reversals:		
Charge for the period / year	228,326	516,324
Reversals for the period / year	(10,669)	(7,500)
	217,657	508,824
Reversal on disposal during the period / year	(161,713)	(125,107)
Closing balance	4,135,715	4,079,771

10.3.2 Particulars of provision against debt securities

Category of classification	(Un-audited) September 30, 2021		(Audited) December 31, 2020	
	NPI	Provision	NPI	Provision
Rupees in '000'				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	2,525,963	2,525,963	2,536,632	2,536,632
Total	2,525,963	2,525,963	2,536,632	2,536,632

10.4 Market value of held to maturity investments amounted to Rs. 67,626,213 thousand (December 31, 2020: Rs. 69,082,534 thousand).

11. ADVANCES - NET

	Performing		Non Performing		Total	
	(Un-audited) September 30, 2021	(Audited) December 31, 2020	(Un-audited) September 30, 2021	(Audited) December 31, 2020	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Rupees in '000'						
Loans, cash credits, running finances, etc.	392,734,116	340,882,450	51,245,565	54,343,717	443,979,681	395,226,167
Net book value of assets in ijarah under IFAS 2 - In Pakistan	1,748,868	1,773,841	215,000	215,000	1,963,868	1,988,841
Islamic financing and related assets	29,069,862	29,209,198	3,080,954	2,661,933	32,150,816	31,871,131
Bills discounted and purchased	17,143,100	13,643,227	28,421	30,521	17,171,521	13,673,748
Advances - gross	440,695,946	385,508,716	54,569,940	57,251,171	495,265,886	442,759,887
Provision against advances:						
- Specific	-	-	(46,803,101)	(47,850,782)	(46,803,101)	(47,850,782)
- General	(4,643,978)	(3,748,493)	-	-	(4,643,978)	(3,748,493)
	(4,643,978)	(3,748,493)	(46,803,101)	(47,850,782)	(51,447,079)	(51,599,275)
Advances - net of provision	436,051,968	381,760,223	7,766,839	9,400,389	443,818,807	391,160,612

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Rupees in '000'		
11.1 Particulars of advances (gross)		
In local currency	494,779,065	442,580,174
In foreign currencies	486,821	179,713
	495,265,886	442,759,887

- 11.2 Advances include Rs. 54,569,940 thousand (December 31, 2020: Rs. 57,251,171 thousand) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited) September 30, 2021		(Audited) December 31, 2020	
	Non performing loans	Provision	Non performing loans	Provision
Rupees in '000'				
Domestic				
Other assets especially mentioned	227,063	4,416	190,528	3,495
Substandard	3,371,578	538,848	6,286,206	1,234,491
Doubtful	10,543,562	7,394,274	8,086,336	6,149,532
Loss	40,427,737	38,865,563	42,688,101	40,463,264
Total	54,569,940	46,803,101	57,251,171	47,850,782

11.3 Particulars of provision against advances

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
Rupees in '000'						
Opening balance	47,850,782	3,748,493	51,599,275	45,119,933	412,641	45,532,574
Charge for the period / year	2,389,633	895,485	3,285,118	4,818,333	3,335,852	8,154,185
Reversals for the period / year	(3,432,449)	-	(3,432,449)	(2,087,484)	-	(2,087,484)
Amounts written off	(1,042,816)	895,485	(147,331)	2,730,849	3,335,852	6,066,701
	(4,865)	-	(4,865)	-	-	-
Closing balance	46,803,101	4,643,978	51,447,079	47,850,782	3,748,493	51,599,275

11.3.1 Particulars of provision against advances with respect to currencies

In local currency	46,738,300	4,643,978	51,382,278	47,785,981	3,748,493	51,534,474
In foreign currencies	64,801	-	64,801	64,801	-	64,801
	46,803,101	4,643,978	51,447,079	47,850,782	3,748,493	51,599,275

- 11.3.2 This includes general provision recognized during the period as explained in note 6 of these unconsolidated condensed interim financial statements and provision against advances and provision against consumer and SME financing portfolio as required by Prudential Regulations issued by the SBP.

- 11.3.3 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 2,115,752 thousand (December 31, 2020: Rs 2,996,620 thousand). The FSV benefit availed is not available for cash or stock dividend.

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		Rupees in '000'	
12. FIXED ASSETS			
Capital work-in-progress	12.1	793,685	98,500
Right of use assets		6,827,751	6,265,106
Property and equipment		8,175,853	8,449,343
		15,797,289	14,812,949
12.1 Capital work-in-progress			
Civil works		116,726	98,500
Building		676,959	-
		793,685	98,500

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	Rupees in '000'	
12.2 Additions / (transfers) to fixed assets		
The following additions / (transfers) have been made to fixed assets during the period:		
Capital work-in-progress	695,185	(61,655)
Addition to right of use assets	1,353,486	366,832
Property and equipment:		
Furniture and fixture	55,054	30,987
Office equipment	235,936	92,627
Computer equipment	145,507	332,113
Lease hold improvements	148,340	233,052
Vehicles	41,620	67,454
	626,457	756,233
	2,675,128	1,061,410
12.3 Termination of right of use assets	66,748	76,671
12.4 Disposal of property and equipment:		
The net book value of property and equipment disposed off during the period is as follows:		
Freehold land	-	440,860
Building on freehold land	-	93,858
Furniture and fixture	633	1,611
Office equipment	957	5,343
Computer equipment	-	1,456
	1,590	543,128
	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000'	
13. INTANGIBLE ASSETS		
Intangible in progress	468,887	67,644
Softwares	492,017	620,864
	960,904	688,508
	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	Rupees in '000'	
13.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Intangible in progress	401,243	67,762
Intangible assets purchased	31,130	33,201
	432,373	100,963

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		Rupees in '000'	
14. DEFERRED TAX ASSETS - NET			
Deductible temporary differences on:			
Deficit on revaluation of investments		1,107,488	-
Right of use assets		575,858	361,644
Provision against advances, off balance sheet etc.		10,942,517	10,051,802
		12,625,863	10,413,446
Taxable temporary differences on:			
Surplus on revaluation of fixed assets		(731,786)	(680,942)
Accelerated tax depreciation		(233,922)	(266,486)
Surplus on revaluation of investments		-	(1,579,987)
Surplus on revaluation of non banking assets		(110,913)	(111,767)
		(1,076,621)	(2,639,182)
		11,549,242	7,774,264
15. OTHER ASSETS - NET			
Income / mark-up accrued in local currency		13,040,927	15,302,821
Income / mark-up accrued in foreign currency		3,190	4,526
Profit paid in advance on pehlay munafa scheme		34	539
Advances, deposits, advance rent and other prepayments		623,289	432,004
Advance taxation (payments less provisions)		-	3,740
Non-banking assets acquired in satisfaction of claims		5,618,261	5,866,478
Acceptances		5,126,067	2,821,232
Branch adjustment account		-	8,751
Mark to market gain on forward foreign exchange contracts		570,730	20,250
Stock of stationery		150,808	129,902
Suspense account		18,231	7,413
Zakat recoverable from NITL		36,790	36,790
Unrealized gain on revaluation of foreign bills and trade loans		136,240	41,129
Fraud and forgeries		476,991	462,656
Unearned income on sale of sukuk on bai-muajjal basis		71,729	336,351
Others		692,952	791,096
		26,566,239	26,265,678
Less: Provision held against other assets	15.1	(2,056,829)	(2,037,220)
Other assets (net of provision)		24,509,410	24,228,458
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		1,192,265	1,236,224
Other assets - total		25,701,675	25,464,682
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		1,198,555	1,198,555
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries		478,702	459,093
Others		307,059	307,059
		2,056,829	2,037,220

		(Un-audited) September 30, 2021	(Audited) December 31, 2020				
Rupees in '000'							
16. CONTINGENT ASSETS							
Contingent assets		Nil	Nil				
17. BILLS PAYABLE							
In Pakistan		5,341,831	4,168,641				
Outside Pakistan		-	-				
		5,341,831	4,168,641				
18. BORROWINGS							
Secured							
Borrowings from SBP under:							
Export refinance scheme (ERF)		24,540,028	22,609,115				
Long term financing facility (LTFF)		11,002,791	11,250,709				
Finance facility for storage of agricultural produce (FFSAP)		194,938	69,523				
Finance facility for renewable energy performance platform (REPP)		5,037,412	1,859,306				
Refinancing facility for payment of salaries and wages		11,206,470	16,242,813				
Combating COVID-19		602,744	123,005				
Finance Islamic facility for working capital financing of SE & ME		3,000	-				
Finance Facility for temporary relief refinance scheme (TERF)		7,583,051	-				
Finance Facility for women entrepreneurs		8,588	-				
Refinancing facility for modernization of small and medium enterprises (SMES)		109,981	119,299				
		60,289,003	52,273,770				
Repurchase agreement borrowings		-	37,430,967				
Call borrowings		65,144,960	64,672,133				
Borrowing from Pakistan Mortgage Refinance Company Limited		1,845,466	462,409				
Total secured		127,279,429	154,839,279				
Unsecured							
Overdrawn nostro accounts		5,530	2,136				
		127,284,959	154,841,415				
19. DEPOSITS AND OTHER ACCOUNTS							
		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)				
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'							
Customers:							
Current deposits	150,684,506	3,454,635	154,139,141	144,971,825	3,099,131	148,070,956	
Savings deposits	440,676,919	3,063,939	443,740,858	388,946,529	2,635,237	391,581,766	
Term deposits	251,360,209	5,471,975	256,832,184	265,567,945	3,594,396	269,162,341	
Others	19,627,749	-	19,627,749	19,012,007	-	19,012,007	
	862,349,383	11,990,549	874,339,932	818,498,306	9,328,764	827,827,070	
Financial institutions:							
Current deposits	3,480,250	881,213	4,361,463	2,690,764	821,999	3,512,763	
Savings deposits	3,715,137	3,315	3,718,452	2,746,932	7,427	2,754,359	
Term deposits	1,342,125	-	1,342,125	889,875	-	889,875	
Others	630,957	-	630,957	83,525	-	83,525	
	9,168,469	884,528	10,052,997	6,411,096	829,426	7,240,522	
	871,517,852	12,875,077	884,392,929	824,909,402	10,158,190	835,067,592	

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		Rupees in '000'	
20. SUBORDINATED DEBTS			
Privately placed term finance certificates - I	20.1	2,495,500	2,496,000
Privately placed term finance certificates - II	20.2	4,294,840	4,295,700
		6,790,340	6,791,700

20.1 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.

20.2 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) September 30, 2021 Rupees in '000'	(Audited) December 31, 2020
21. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		13,978,338	15,775,068
Mark-up / return / interest payable in foreign currency		28,414	63,615
Lease key money		11,347,368	12,025,862
Provision for taxation (provisions less payments)		28,028	-
Sundry creditors and accrued expenses		1,197,358	1,492,807
Acceptances		5,126,067	2,821,232
Mark-up payable on subordinated debts		229,155	75,781
Unclaimed dividends		2,586	2,588
Branch adjustment account		142,107	-
Payable to gratuity fund		155,210	261,774
Provision against off-balance sheet obligations	21.1	62,183	62,183
Provision for employees compensated absences		132,075	123,506
Taxes / zakat / import fee payable		1,612,427	526,978
Lease liability against right of use assets		8,304,310	7,298,374
Deferred income on sale of sukuk on bai - muajjal basis		71,729	336,351
Workers welfare fund		870,868	619,843
IBFT payable		210,504	298,024
Others		651,630	531,171
		44,150,357	42,315,157
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) September 30, 2021 Rupees in '000'	(Audited) December 31, 2020
22. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
(Deficit) / surplus on revaluation of:			
- Available for sale securities	10.1	(2,839,713)	4,514,250
- Fixed assets		2,508,407	2,577,581
- Non-banking assets acquired in satisfaction of claims	15	1,192,265	1,236,224
		860,959	8,328,055
Deferred tax on deficit / (surplus) on revaluation of:			
- Available for sale securities		1,107,488	(1,579,987)
- Fixed assets		(731,786)	(680,942)
- Non-banking assets acquired in satisfaction of claims		(110,913)	(111,767)
		264,789	(2,372,696)
		1,125,748	5,955,359
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	88,302,694	64,847,674
Commitments	23.2	336,159,815	148,893,256
Other contingent liabilities	23.3	8,975	8,975
		424,471,484	213,749,905
23.1 Guarantees:			
Financial guarantees		18,432,691	18,515,042
Performance guarantees		19,558,851	18,139,861
Other guarantees		50,311,152	28,192,771
		88,302,694	64,847,674
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		131,136,344	78,976,971
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	162,474,683	48,807,235
- forward lending	23.2.2	42,437,741	20,393,865
Commitments for acquisition of:			
- fixed assets		10,060	689,875
- intangible assets		100,987	25,310
		336,159,815	148,893,256
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		78,994,101	24,708,677
Sale		83,480,582	24,098,558
		162,474,683	48,807,235

	Note	(Un-audited) September 30, 2021 Rupees in '000'	(Audited) December 31, 2020
23.2.2 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	42,437,741	20,393,865

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.

	Note	(Un-audited) September 30, 2021 Rupees in '000'	(Audited) December 31, 2020
23.3 Other contingent liabilities	23.3.1	8,975	8,975

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. The Bank filed an 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) September 30, 2021 Rupees in '000'	(Audited) December 31, 2020
23.4 Claims against the Bank not acknowledged as debts	23.4.1	54,743,496	54,743,496

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) September 30, 2021	(Un-audited) September 30, 2020
		Rupees in '000'	
24. MARK-UP / RETURN / INTEREST EARNED			
On loans and advances		25,408,911	31,043,153
On investments:			
Available for sale securities		26,666,387	27,819,977
Held for trading securities		1,191,423	888,890
Held to maturity securities		5,583,673	5,520,205
On lendings to financial institutions:			
Securities purchased under resale agreements		704,422	1,029,878
Call lending		22,962	94
Letters of placement		223,111	160,762
On balances with banks		3,016	40,755
		59,803,905	66,503,714
25. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits and other accounts		31,518,614	41,364,983
Borrowings:			
Securities sold under repurchase agreements		665,559	2,137,836
Call borrowings		3,810,053	4,008,731
Borrowing from Pakistan Mortgage Refinance Company Limited		78,731	-
SBP refinance borrowing		611,069	459,665
Subordinated debts:			
Mark-up on subordinated loan from GoPb		-	106,644
Mark-up on privately placed term finance certificates		441,298	605,830
Mark-up on lease liability against right of use assets		766,763	672,168
		37,892,087	49,355,857
26. FEE AND COMMISSION INCOME			
Branch banking customer fees		408,381	370,394
Consumer finance related fees		269,637	168,498
Card related fees		569,567	441,467
Credit related fees		748,630	554,341
Branchless banking fees		106,745	63,877
Commission on trade		574,233	437,758
Commission on guarantees		248,388	173,136
Commission on cash management		76,864	120,296
Commission on remittances including home remittances		341,924	248,082
Commission on bancassurance		77,574	32,015
Commission on wheat financing		189,616	-
SMS banking income		239,616	178,211
		3,851,175	2,788,075
27. GAIN ON SECURITIES - NET			
Realized gain on sale of securities - net	27.1	1,642,257	8,323,791
Unrealized loss - held for trading		(14,726)	(23,537)
		1,627,531	8,300,254

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	Rupees in '000'	
27.1 Realized gain on sale of securities - net:		
Federal government securities	1,169,062	8,010,593
Shares and certificates	473,195	313,198
	1,642,257	8,323,791
28. OTHER INCOME - NET		
Gain on sale of fixed assets - net	311	103,539
Gain on sale of non banking assets - net	35,377	32,467
Gain / (loss) on termination of lease liability against right of use assets	5,048	(1,453)
Notice pay on resignations	11,996	9,483
	52,732	144,036
29. OPERATING EXPENSES		
Total compensation expense	7,971,254	6,598,911
Property expense:		
Rent and taxes	18,529	13,808
Insurance	13,048	12,806
Utilities cost	587,865	491,212
Security	970	940
Repair and maintenance including janitorial charges	35,472	29,832
Depreciation	392,364	448,884
Depreciation on right of use assets	724,095	645,725
Others	-	109
	1,772,343	1,643,316
Information technology expenses:		
Software maintenance	366,716	333,409
Hardware maintenance	41,389	70,271
Depreciation on computer equipment	258,227	203,948
Amortization on intangible assets	159,977	146,565
Network charges	319,225	280,064
	1,145,534	1,034,257
Other operating expenses:		
Directors' fees and allowances	31,200	29,388
Fees and allowances to shariah board	3,340	2,510
Legal and professional charges	157,040	83,212
Subscription charges	31,557	24,987
Outsourced staff services costs	323,658	244,231
Travelling and conveyance	540,615	402,824
NIFT clearing charges	50,064	52,225
Depreciation	263,665	223,264
Depreciation on non banking assets acquired in satisfaction of claims	37,351	44,481
Depreciation on ijarah assets under IFAS - 2	94,998	123,416
Training and development	33,437	11,548
Postage and courier charges	105,483	134,765
Communication	-	-
Stationery and printing	300,490	132,232
Marketing, advertisement and publicity	523,201	123,156
Donations	-	10,000

	Note	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
		Rupees in '000'	
Auditors remuneration			
Insurance		175,101	105,239
Deposit protection fee		332,270	263,973
Repair and maintenance		214,383	113,052
Entertainment expenses		102,421	75,373
Fuel for generator		71,566	62,729
Commission and brokerage		202,542	183,542
Bank charges		26,919	33,568
SMS banking charges		29,056	15,298
ATM charges including ATM maintenance charges		156,382	105,338
Cash remittance charges		200,951	152,489
Branch license fee		15,176	13,652
CNIC verification / ECIB charges		154,735	42,492
COVID-19 related expenses		31,944	34,579
Miscellaneous expenses		145,762	148,107
		4,355,307	2,991,670
		15,244,438	12,268,154
30. OTHER CHARGES			
Penalties imposed by SBP		712	303,949
31. PROVISIONS AND WRITE OFFS - NET			
Provisions for diminution in value of investments	10.3.1	217,657	390,951
Provisions against advances	11.3	(147,331)	5,177,729
Provision against other assets - net		26,769	287,907
Bad debts written off directly		300	-
		97,395	5,856,587
32. TAXATION			
Current	32.1	4,878,811	5,302,269
Prior years		(63,808)	-
Deferred	32.2	(1,170,430)	(1,118,152)
		3,644,573	4,184,117
32.1	This includes provision for super tax for the period in accordance with Income Tax Ordinance, 2001.		
32.2	The Government vide Finance Act 2022, has changed the effective tax rate for banking industry from 35% to 39% by enacting super tax at the rate of 4% for indefinite period of time. Accordingly, the effect of change in tax rate has been recognized in these unconsolidated condensed interim financial statements.		
		(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
		Rupees in '000'	
33. BASIC EARNINGS PER SHARE			
Profit after taxation for the period (Rs in '000')		8,717,459	5,827,811
Weighted average number of ordinary shares (No.).		2,643,692,380	2,643,692,380
Basic earnings per share (Rs).		3.30	2.20

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:

	September 30, 2021 (Un-audited)				
	Fair value				
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in '000'				
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	460,989,153	-	460,989,153	-	460,989,153
Shares and certificates	6,988,968	6,973,386	-	15,582	6,988,968
Non-Government debt securities	10,139,360	-	10,139,360	-	10,139,360
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary company	-	-	-	-	-
Financial assets disclosed but not measured at fair value:					
Government securities	61,086,401	-	67,626,213	-	67,626,213
Financial liabilities measured at fair value:					
Payable to gratuity fund	155,210	-	155,210	-	155,210
Provision for employees compensated absences	132,075	-	132,075	-	132,075
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	82,153,958	-	82,153,958	-	82,153,958
Forward sale of foreign exchange contracts	86,069,709	-	86,069,709	-	86,069,709

December 31, 2020 (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	488,823,420	-	488,823,420	-	488,823,420
Shares and certificates	3,637,256	3,621,674	-	15,582	3,637,256
Non-Government debt securities	10,139,836	-	10,139,836	-	10,139,836
Foreign securities	4,019	-	-	4,019	4,019
Subsidiary Company	-	-	-	-	-
Financial assets disclosed but not measured at fair value:					
Government securities	60,483,391	-	69,082,534	-	69,082,534
Financial liabilities measured at fair value:					
Payable to gratuity fund	261,774	-	261,774	-	261,774
Provision for employees compensated absences	123,506	-	123,506	-	123,506
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	24,343,173	-	24,343,173	-	24,343,173
Forward sale of foreign exchange contracts	23,712,804	-	23,712,804	-	23,712,804

35.2 Fair value of non financial assets

September 30, 2021 (Un-audited)

	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
Non Financial assets measured at fair value :					
Fixed assets (land & building)	5,364,813	-	5,364,813	-	5,364,813
Non banking assets acquired in satisfaction of claims	5,611,971	-	5,611,971	-	5,611,971

December 31, 2020 (Audited)

	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
Non Financial assets measured at fair value :					
Fixed assets (land & building)	5,497,765	-	5,497,765	-	5,497,765
Non banking assets acquired in satisfaction of claims	5,904,147	-	5,904,147	-	5,904,147

36. SEGMENT INFORMATION

36.1 Segment details with respect to business activities

	September 30, 2021 (Un-audited)						
	Corporate and investment banking	Consumer and digital banking	Retail and priority sector lending	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit & loss							
Net mark-up / return / profit	18,243,340	-	5,055,886	32,926,304	3,275,391	302,984	59,803,905
Inter segment (cost) / revenue - net	(14,534,904)	44,893,499	(3,098,264)	(23,787,626)	(21,425)	(3,451,280)	-
Non mark-up / return / interest income	1,403,665	1,676,481	443,899	2,355,152	108,227	56,460	6,043,784
Total income	5,112,001	46,569,980	2,401,521	11,493,830	3,362,193	(3,091,836)	65,847,689
Segment total expenses	994,723	37,217,655	1,242,993	4,739,880	3,010,710	6,182,301	53,388,262
Profit before provisions and tax	4,117,278	9,352,325	1,158,528	6,753,950	351,483	(9,274,137)	12,459,427
Provisions	(623,321)	32,542	174,718	217,657	311,432	(15,633)	97,395
Profit / (loss) before tax	4,740,599	9,319,783	983,810	6,536,293	40,051	(9,258,504)	12,362,032
Balance sheet							
Cash & bank balances	-	28,543,562	-	34,331,924	6,965,786	-	69,841,272
Investments - net	4,342,674	-	-	520,941,799	18,800,039	-	544,084,512
Net inter segment lending	-	810,112,326	-	-	2,158,628	23,845,799	836,116,753
Lendings to financial institutions	-	-	-	4,782,584	5,010,000	-	9,792,584
Advances - performing	325,850,196	-	70,675,622	-	30,818,731	8,707,419	436,051,968
- non-performing - net	4,345,754	-	1,078,941	-	2,325,049	17,095	7,766,839
Others	10,954,488	1,986,522	886,533	4,436,480	4,193,753	31,551,334	54,009,110
Total assets	345,493,112	840,642,410	72,641,096	564,492,787	70,271,986	64,121,647	1,957,663,038
Borrowings	59,482,530	-	1,845,466	65,150,490	806,473	-	127,284,959
Subordinated debts	-	-	-	-	-	6,790,340	6,790,340
Deposits & other accounts	-	821,752,103	-	-	62,640,826	-	884,392,929
Net inter segment borrowing	281,110,599	-	59,389,537	495,616,617	-	-	836,116,753
Others	4,899,983	18,890,307	11,406,093	3,725,680	2,517,533	8,052,592	49,492,188
Total liabilities	345,493,112	840,642,410	72,641,096	564,492,787	65,964,832	14,842,932	1,904,077,169
Equity							53,585,869
Total equity & liabilities							1,957,663,038
Contingencies & commitments	255,274,419	-	62,944	162,474,683	6,539,416	120,022	424,471,484
	September 30, 2020 (Un-audited)						
	Corporate and investment banking	Consumer and digital banking	Retail and priority sector lending	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit & loss							
Net mark-up / return / profit	23,501,900	-	4,818,934	33,884,805	4,004,951	293,124	66,503,714
Inter segment revenue - net	(20,047,306)	52,142,577	(3,348,492)	(27,694,618)	(56,926)	(995,235)	-
Non mark-up / return / interest income	1,028,385	1,370,066	153,403	8,802,484	66,630	140,774	11,561,742
Total income	4,482,979	53,512,643	1,623,845	14,992,671	4,014,655	(561,337)	78,065,456
Segment total expenses	706,749	45,789,680	761,844	6,429,822	3,207,420	5,301,426	62,196,941
Profit before provisions and tax	3,776,230	7,722,963	862,001	8,562,849	807,235	(5,862,763)	15,868,515
Provisions	4,241,679	285,888	524,602	390,951	410,601	2,866	5,856,587
Profit / (loss) before tax	(465,449)	7,437,075	337,399	8,171,898	396,634	(5,865,629)	10,011,928
	December 31, 2020 (Audited)						
Balance sheet							
Cash & bank balances	-	43,841,360	-	22,168,221	5,659,940	-	71,669,511
Investments - net	2,320,445	-	-	548,471,575	16,996,603	-	567,788,623
Net inter segment lending	-	743,701,158	-	-	951,270	32,767,984	777,420,412
Lendings to financial institutions	-	-	-	7,454,867	8,632,000	-	16,086,867
Advances - performing	290,749,427	-	53,317,428	-	30,983,039	6,710,329	381,760,223
- non-performing	6,229,401	-	930,497	-	2,218,148	22,343	9,400,389
Others	8,282,387	6,015,362	746,993	7,309,414	3,680,612	22,705,635	48,740,403
Total assets	307,581,660	793,557,870	54,994,918	585,404,077	69,121,612	62,206,291	1,872,866,428
Borrowings	51,665,928	-	462,409	102,105,236	607,842	-	154,841,415
Subordinated debts	-	-	-	-	-	6,791,700	6,791,700
Deposits & other accounts	-	773,528,003	-	-	61,539,589	-	835,067,592
Net inter segment borrowing	253,101,917	-	42,481,624	481,836,871	-	-	777,420,412
Others	2,813,815	20,029,867	12,050,885	1,461,970	2,859,733	7,267,528	46,483,798
Total liabilities	307,581,660	793,557,870	54,994,918	585,404,077	65,007,164	14,059,228	1,820,604,917
Equity							52,261,511
Total equity & liabilities							1,872,866,428
Contingencies & commitments	160,308,823	-	639,748	48,807,235	3,269,939	724,160	213,749,905

Due to change in reportable business segments, the figures of comparative period (September 30, 2020) are realigned for the purposes of comparison.

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.

	September 30, 2021 (Un-audited)					December 31, 2020 (Audited)				
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties
	Rupees in '000'					Rupees in '000'				
Lendings to financial institutions :										
Opening balance	-	-	1,000,000	-	-	-	-	400,000	-	-
Addition during the period	-	-	3,000,000	-	-	-	-	4,000,000	-	-
Repaid during the period	-	-	3,000,000	-	-	-	-	3,400,000	-	-
Closing balance	-	-	1,000,000	-	-	-	-	1,000,000	-	-
Investments (gross)	-	-	164,945	-	-	-	-	164,945	-	-
Provision for diminution in value of investments	-	-	164,945	-	-	-	-	164,945	-	-
Advances (gross):										
Opening balance	-	161,708	686,633	-	595,721	-	311,603	1,258,526	-	-
Addition during the period	-	127,989	2,727,864	-	996,933	-	51,412	3,904,573	-	5,541,638
Repaid during the period	-	33,531	2,917,426	-	1,145,213	-	201,307	4,476,466	-	4,945,917
Closing balance	-	256,166	497,071	-	447,441	-	161,708	686,633	-	595,721
Provision held against advances	-	-	-	-	-	-	-	59,757	-	-
Financial guarantees	-	-	7,000	-	119,644	-	-	7,000	-	419,488
Other assets	-	12,329	122,889	-	10,239	-	11,049	36,846	-	14,491
Right of use assets	-	-	-	-	63,166	-	-	-	-	66,055
Lease liability against right of use assets	-	-	-	-	22,140	-	-	-	-	20,030
Deposits and other accounts:										
Opening balance	598	24,363	11,287	3,071,616	33,878	61	13,746	1,588	2,564,910	876
Received during the period	14,586	428,885	3,043,826	4,074,106	92,462	4,353	457,854	4,158,702	1,152,506	122,199
Withdrawn during the period	5,395	419,881	3,050,066	6,787,673	125,048	3,816	447,237	4,149,003	645,800	89,197
Closing balance	9,789	33,367	5,047	358,049	1,292	598	24,363	11,287	3,071,616	33,878
	September 30, 2021 (Un-audited)					September 30, 2020 (Un-audited)				
Income:										
Mark-up / return / interest earned	-	6,725	87,976	-	29,543	-	11,664	131,566	-	9,798
Non markup interest income	-	-	-	-	1,074	-	-	-	-	-
Expense:										
Mark-up / return / interest expensed	17	555	-	82,220	279	19	1,314	-	194,841	68
Depreciation on right of use assets	-	-	-	-	2,869	-	-	-	-	3,651
Mark-up on lease liability against right of use assets	-	-	-	-	2,110	-	-	-	-	3,575
Compensation expense	-	320,253	-	-	-	-	168,198	-	-	-
Commission expense	-	-	3,952	-	-	-	-	834	-	-
Directors fee and allowances	31,200	-	-	-	-	29,388	-	-	-	-
Provision:										
(Reversal) / charge of provision - advances	-	-	(59,757)	-	-	-	-	3,634	-	-

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, acceptances and contingencies relating to GoPb and its related entities amounted to Rs. 54,692,912 thousand (December 31, 2020: Rs. 37,126,458 thousand), Rs. 450,747,365 thousand (December 31, 2020: Rs. 421,019,222 thousand) Rs. 71,929 thousand (December 31, 2020: Rs. 71,929 thousand) and Rs.26,905,632 thousand (December 31, 2020: Rs. 27,070,415 thousand) respectively. Markup / interest earned and markup receivable from these loans and advances amounted to Rs. 2,968,292 thousand and Rs. 1,954,382 thousand, respectively. Markup / interest expensed and markup payable on these deposits amounted to Rs.19,155,065 thousand and Rs. 6,662,892 thousand, respectively. Income on letter of guarantees and letter of credits is Rs. 27,246 thousand.

- 37.3** The Bank made contribution of Rs. 221,968 thousand (September 30, 2020: Rs. 180,505 thousand) to employees provident fund during the period.
- 37.4** First Punjab Modaraba and Punjab Modaraba Services (Pvt) Limited are using premises owned by The Bank of Punjab free of cost.
- 37.5** Advances to employees as at September 30, 2021, other than key management personnel, amounted to Rs. 9,591,907 thousand (December 31, 2020: Rs. 7,375,234 thousand) with markup receivable of Rs. 505,913 thousand (December 31, 2020: Rs.519,593 thousand) and markup income of Rs.288,799 thousand (September 30, 2020: Rs.265,518 thousand).
- 37.6** In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver and mobile phone as per Bank's policy.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	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	44,987,639	41,936,560
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	44,987,639	41,936,560
Eligible Tier 2 Capital	10,769,050	15,270,354
Total Eligible Capital (Tier 1 + Tier 2)	55,756,689	57,206,914
Risk Weighted Assets (RWAs):		
Credit risk	315,143,820	289,144,564
Market risk	14,116,212	6,871,393
Operational risk	56,498,084	56,498,084
Total	385,758,116	352,514,041
Common equity tier I capital adequacy ratio	11.66%	11.90%
Tier I CAR (%)	11.66%	11.90%
Total CAR (%)	14.45%	16.23%

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000'	
38.1 Leverage Ratio (LR):		
Eligible Tier-I Capital	44,987,639	41,936,560
Total exposures	1,388,502,523	1,307,635,296
LR (%)	3.24%	3.21%
38.2 Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	474,281,400	538,917,589
Total net cash outflow	342,659,760	386,811,819
LCR (%)	138.41%	139.32%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	649,307,404	600,034,473
Total required stable funding	561,366,383	471,758,220
NSFR (%)	115.67%	127.19%

39. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the September 30, 2021, the Bank is operating 105 Islamic banking branches (December 31, 2020: 102 Islamic banking branches and 02 sub Islamic banking branches).

ISLAMIC BANKING BUSINESS

STATEMENT OF FINANCIAL POSITION

As at September 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks		5,138,064	5,351,954
Balances with other banks		1,827,722	307,986
Due from financial institutions	39.1	5,010,000	8,632,000
Investments - net	39.2	18,800,039	16,996,603
Islamic financing and related assets - net	39.3	33,143,780	33,201,187
Fixed assets		1,744,295	1,670,801
Intangible assets		7,756	6,626
Due from head office		2,158,628	951,270
Other assets		2,441,702	2,003,185
Total assets		70,271,986	69,121,612
LIABILITIES			
Bills payable		362,811	212,448
Due to financial institutions		806,473	607,842
Deposits and other accounts	39.4	62,640,826	61,539,589
Due to head office		-	-
Subordinated debt		-	-
Other liabilities		2,154,722	2,647,285
		65,964,832	65,007,164
NET ASSETS		4,307,154	4,114,448
REPRESENTED BY			
Islamic banking fund		1,500,000	1,500,000
Reserves		11,123	735
Surplus / (deficit) on revaluation of assets		45,102	(97,165)
Unappropriated profit	39.5	2,750,929	2,710,878
		4,307,154	4,114,448
CONTINGENCIES AND COMMITMENTS	39.6		

ISLAMIC BANKING BUSINESS

Profit and Loss Account

For the Nine Months Ended September 30, 2021 (Un-audited)

	Note	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Rupees in '000'					
Profit / return earned	39.7	1,146,176	1,241,984	3,275,391	4,004,951
Profit / return expensed	39.8	537,699	533,770	1,552,175	2,034,957
Net profit / return		608,477	708,214	1,723,216	1,969,994
Fee and commission income		43,447	21,208	108,839	61,725
Dividend income		-	-	-	-
Foreign exchange (loss) / income		(1,555)	60	(3,491)	1,748
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net		-	-	2,194	-
Other income		(506)	2,449	685	3,157
		41,386	23,717	108,227	66,630
Total income		649,863	731,931	1,831,443	2,036,624
Operating expenses		482,009	428,000	1,479,703	1,229,239
Workers welfare fund		-	-	-	-
Other charges		210	130	257	150
		482,219	428,130	1,479,960	1,229,389
Profit before provisions		167,644	303,801	351,483	807,235
Provisions and write offs - net		12,477	223,222	311,432	410,601
Profit before taxation		155,167	80,579	40,051	396,634
Taxation	39.9	-	-	-	-
Profit after taxation		155,167	80,579	40,051	396,634

39.1 DUE FROM FINANCIAL INSTITUTIONS

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Placements	5,010,000	-	5,010,000	8,632,000	-	8,632,000

39.2 INVESTMENTS - NET

Investments by segment:

	(Un-audited) September 30, 2021				(Audited) December 31, 2020			
	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 sukuk	3,502,954	-	35,568	3,538,522	2,249,072	-	1,078	2,250,150
-Sale of sukuk- bai muajjal	2,756,196	-	-	2,756,196	2,756,196	-	-	2,756,196
-Naya Pakistan Certificates (Roshan Digital)	219,184	-	-	219,184	-	-	-	-
	6,478,334	-	35,568	6,513,902	5,005,268	-	1,078	5,006,346
Non government debt securities :								
-Sukus	8,473,913	-	(63,912)	8,410,001	8,521,689	-	(171,690)	8,349,999
-Unlisted	3,876,136	-	-	3,876,136	3,640,258	-	-	3,640,258
	12,350,049	-	(63,912)	12,286,137	12,161,947	-	(171,690)	11,990,257
Total investments	18,828,383	-	(28,344)	18,800,039	17,167,215	-	(170,612)	16,996,603

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000'	
39.3 ISLAMIC FINANCING AND RELATED ASSETS		
Ijarah	1,963,868	1,988,841
Murabaha	643,395	220,091
Musharaka	11,249,363	9,347,782
Diminishing musharaka	17,428,156	18,353,796
Payment against documents	55,304	55,304
Istisna	2,774,598	3,894,158
Gross islamic financing and related assets	34,114,684	33,859,972
Less: provision against islamic financings		
- Specific	970,904	658,785
- General	-	-
	970,904	658,785
Islamic financing and related assets - net of provision	33,143,780	33,201,187

39.4 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers :						
Current deposits	11,662,508	397,200	12,059,708	11,129,196	361,767	11,490,963
Savings deposits	43,479,363	185,287	43,664,650	46,122,394	65,342	46,187,736
Term deposits	5,319,880	-	5,319,880	1,967,176	-	1,967,176
Others	1,300,355	-	1,300,355	1,581,404	-	1,581,404
	61,762,106	582,487	62,344,593	60,800,170	427,109	61,227,279
Financial institutions:						
Current deposits	203,379	13,650	217,029	216,155	-	216,155
Savings deposits	78,410	180	78,590	90,864	5,291	96,155
Others	614	-	614	-	-	-
	282,403	13,830	296,233	307,019	5,291	312,310
	62,044,509	596,317	62,640,826	61,107,189	432,400	61,539,589

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000'	
39.5 UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS		
Opening balance	2,710,878	2,154,625
Islamic banking profit for the period / year	40,051	556,253
Closing balance	2,750,929	2,710,878
39.6 CONTINGENCIES AND COMMITMENTS		
-Guarantees	2,485,379	1,683,665
-Commitments	4,054,037	1,586,274
	6,539,416	3,269,939
	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	Rupees in '000'	
39.7 PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
Profit earned on:		
Financing	1,921,305	2,622,378
Investments	1,130,399	1,217,047
Placements	223,111	152,831
Deposits with financial institutions	576	12,695
	3,275,391	4,004,951
39.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits and other accounts	1,390,104	1,845,597
Markup on lease liability against right of use assets	139,234	132,434
Markup on borrowings from SBP	1,412	-
Profit on deposits from conventional head office	21,425	56,926
	1,552,175	2,034,957

39.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax credit for Islamic Banking is expected to be Rs. 11,807 thousand (September 30, 2020: Rs. 165,753 thousand).

39.10 During the period, Special Pool XX (SP-XX) and Special Pool XXI (SP-XXI) has been created. The main characteristics of the pools are as under:

- i) Profit sharing ratio between Mudarib and Rab-ul-mal is 30:70.
- ii) Profit equalization reserve upto 2% of net income will be created, if needed.
- iii) Investment risk reserve upto 1% of distributable profit of depositors will be created, if needed.

40. **DATE OF AUTHORIZATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorized for issue on October 28, 2021 by the Board of Directors of the Bank.

41. **GENERAL**

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

41.2 Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison. However, no significant reclassification has been made.

Chief Financial Officer

President

Director

Director



Consolidated Condensed Interim

**FINANCIAL
STATEMENTS**

**For the nine months ended September 30, 2021
(The Bank of Punjab & Its Subsidiaries)**

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks	7	61,986,768	69,272,177
Balances with other banks	8	7,964,401	2,507,010
Lendings to financial institutions	9	8,792,584	15,086,867
Investments - net	10	544,099,404	567,803,516
Advances - net	11	444,493,825	391,889,808
Fixed assets	12	15,800,502	14,817,059
Intangible assets	13	968,111	695,648
Deferred tax assets - net	14	11,613,641	7,838,663
Other assets - net	15	26,071,148	25,937,481
		1,121,790,384	1,095,848,229
LIABILITIES			
Bills payable	17	5,341,831	4,168,641
Borrowings	18	127,190,955	154,841,415
Deposits and other accounts	19	884,387,881	835,070,362
Liabilities against assets subject to finance lease		-	-
Subordinated debts	20	6,790,340	6,791,700
Deferred tax liabilities		-	-
Other liabilities	21	44,422,341	42,593,336
		1,068,133,348	1,043,465,454
NET ASSETS		53,657,036	52,382,775
REPRESENTED BY			
Share capital - net		26,173,766	26,173,766
Reserves		8,113,976	8,113,976
Non controlling interest		565,865	506,993
Surplus on revaluation of assets - net of tax	22	1,125,748	5,955,359
Unappropriated profit		17,677,681	11,632,681
		53,657,036	52,382,775
CONTINGENCIES AND COMMITMENTS	23		

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

Chief Financial Officer

President

Director

Director

Consolidated Condensed Interim Profit and Loss Account

For the Nine Months Ended September 30, 2021 (Un-audited)

	Note	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Rupees in '000'					
Mark-up / return / interest earned	24	20,984,580	19,636,158	59,912,168	66,475,776
Mark-up / return / interest expensed	25	12,907,466	14,045,815	37,892,183	49,358,427
Net mark-up / interest income		8,077,114	5,590,343	22,019,985	17,117,349
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	1,368,121	982,028	3,880,473	2,809,920
Dividend income		106,354	27,719	211,355	92,007
Foreign exchange income		160,227	31,533	300,991	237,370
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net	27	12,559	3,534,938	1,627,531	8,300,254
Other income - net	28	18,190	100,490	52,392	145,319
Total non-markup / interest income		1,665,451	4,676,708	6,072,742	11,584,870
Total income		9,742,565	10,267,051	28,092,727	28,702,219
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	29	5,153,080	4,124,931	15,386,150	12,314,041
Workers welfare fund		83,610	107,243	251,025	268,981
Other charges	30	210	15,630	712	303,949
Total non-markup / interest expenses		5,236,900	4,247,804	15,637,887	12,886,971
Profit before provisions (Reversal) / provisions and write offs - net	31	4,505,665 (493,566)	6,019,247 2,375,230	12,454,840 138,762	15,815,248 5,862,016
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		4,999,231	3,644,017	12,316,078	9,953,232
Taxation - net	32	1,875,768	1,493,179	3,648,716	4,183,947
PROFIT AFTER TAXATION		3,123,463	2,150,838	8,667,362	5,769,285
Basic earnings per share - Rupees	33	1.18	0.82	3.26	2.17
Diluted earnings per share - Rupees	34	1.18	0.82	3.26	2.17
PROFIT ATTRIBUTABLE TO:					
Equity holders of the parent		3,105,142	2,147,357	8,608,490	5,723,833
Non-controlling interest		18,321	3,481	58,872	45,452
		3,123,463	2,150,838	8,667,362	5,769,285

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

Chief Financial Officer

President

Director

Director

Consolidated Condensed Interim Statement of Comprehensive Income

For the Nine Months Ended September 30, 2021 (Un-audited)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
	Rupees in '000'			
Profit after taxation for the period	3,123,463	2,150,838	8,667,362	5,769,285
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	-	-	(90,596)	(9,167)
	-	-	(90,596)	(9,167)
	3,123,463	2,150,838	8,576,766	5,760,118
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of investments - net of tax	(2,006,276)	(5,976,636)	(4,666,488)	778,997
Total comprehensive income for the period	1,117,187	(3,825,798)	3,910,278	6,539,115

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

Chief Financial Officer

President

Director

Director

Consolidated Condensed Interim Statement of Changes in Equity

For the Nine Months Ended September 30, 2021 (Un-audited)

	Share capital	Discount on issue of shares	Share capital - net	Share premium	Statutory reserve	Surplus / (Deficit) - net of tax on revaluation of			Unappropriated profit	Non-controlling interest	Total
						Investments	Fixed / non banking assets				
Rupees in '000'											
Balance as on January 01, 2020 - audited	26,436,924	(263,159)	26,173,766	2,215,040	4,510,188	2,226,914	3,144,293	8,151,276	445,331	46,866,808	
Profit after taxation for the nine months ended September 30, 2020	-	-	-	-	-	778,987	(9,167)	5,723,833	45,452	5,789,285	
Other comprehensive income / (loss)	-	-	-	-	-	778,987	(9,167)	-	-	769,820	
Total comprehensive income / (loss) for the nine months ended September 30, 2020	-	-	-	-	-	778,987	(9,167)	5,723,833	45,452	6,539,115	
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(49,903)	49,903	-	-	
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(7,093)	7,093	-	-	
Transfer from surplus on revaluation of fixed assets to unappropriated profit on disposal	-	-	-	-	-	-	(121,139)	14,962	-	2,823	
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	(16,119)	16,118	-	-	
Transactions with owners recognized directly in equity:											
Final cash dividend - December 31, 2019 declared subsequent to year end at 7.5% per share	-	-	-	-	-	-	-	(1,982,769)	-	(1,982,769)	
Balance as on September 30, 2020 - unaudited	26,436,924	(263,159)	26,173,766	2,215,040	4,510,188	3,005,911	3,049,873	11,980,416	490,783	51,425,977	
Profit after taxation for the three months ended December 31, 2020	-	-	-	-	-	(71,648)	2,189	1,095,034	16,210	1,111,244	
Other comprehensive (loss) / income	-	-	-	-	-	(71,648)	2,189	(67,285)	-	(156,744)	
Total comprehensive (loss) / income for the three months ended December 31, 2020	-	-	-	-	-	(71,648)	2,189	1,027,749	16,210	954,500	
Transfer to statutory reserve	-	-	-	-	1,388,748	-	-	(1,388,748)	-	-	
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(16,607)	16,607	-	-	
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(2,332)	2,332	-	-	
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	(12,027)	14,325	-	2,298	
Balance as on December 31, 2020 - audited	26,436,924	(263,159)	26,173,766	2,215,040	5,898,936	2,934,263	3,021,096	11,632,681	506,983	52,382,775	
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	(4,666,488)	(90,596)	8,606,490	58,872	8,667,362	
Other comprehensive loss	-	-	-	-	-	(4,666,488)	(90,596)	-	-	(4,757,084)	
Total comprehensive (loss) / income for the nine months ended September 30, 2021	-	-	-	-	-	(4,666,488)	(90,596)	8,606,490	58,872	3,910,278	
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(44,564)	44,564	-	-	
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(6,946)	6,946	-	-	
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	(2,101.5)	26,680	-	7,675	
Transactions with owners recognized directly in equity:											
Final cash dividend - December 31, 2020 declared subsequent to year end at 10% per share	-	-	-	-	-	-	-	(2,643,692)	-	(2,643,692)	
Balance as on September 30, 2021 - unaudited	26,436,924	(263,159)	26,173,766	2,215,040	5,898,936	(1,735,229)	2,857,973	17,677,681	565,865	53,657,036	

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

Chief Financial Officer

President

Director

Director

Consolidated Condensed Interim Cash Flow Statement

For the Nine Months Ended September 30, 2021 (Un-audited)

	Note	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
		Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		12,316,078	9,953,232
Less: Dividend income		(211,355)	(92,007)
		12,104,723	9,861,225
Adjustments:			
Depreciation on fixed assets	29	915,605	877,638
Depreciation on non banking assets acquired in satisfaction of claims	29	37,351	44,481
Depreciation on ijarah assets under IFAS - 2	29	182,235	123,416
Depreciation on right of use assets	29	724,095	645,725
Amortization on intangible assets	29	161,110	146,565
Amortization of discount on debt securities - net		(1,009,191)	(2,685,487)
Mark-up on lease liability against right of use assets	25	766,763	672,168
Unrealized loss on revaluation of investments classified as held for trading	27	14,726	23,537
Provision and write-offs - net	31	138,762	5,862,016
Gain / (loss) on termination of lease liability against right of use assets	28	(5,048)	1,453
Loss on sale of fixed assets - net	28	29	(104,822)
Gain on sale of non banking assets - net	28	(35,377)	(32,467)
Realized gain on sale of securities - net	27	(1,642,257)	(8,323,791)
Provision for employees compensated absences		10,487	10,424
Provision for gratuity		155,210	118,016
		414,500	(2,621,128)
		12,519,223	7,240,097
(Increase) / decrease in operating assets:			
Lendings to financial institutions		7,294,283	(1,510,229)
Held for trading securities		17,931,599	(1,796,504)
Advances - net		(52,680,588)	(1,179,379)
Others assets - net		(465,601)	5,669,423
		(27,920,307)	1,183,311
Increase / (decrease) in operating liabilities:			
Bills payable		1,173,190	662,253
Borrowings from financial institutions		(27,653,854)	79,886,718
Deposits		49,317,519	100,387,774
Other liabilities		629,344	(2,355,279)
		23,466,199	178,58,466
Income tax paid		(4,783,299)	(3,789,618)
Net cash flow from operating activities		3,281,816	183,215,256

Cash Flow Statement (Cont:)

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Rupees in '000'		
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	837,613	(180,071,279)
Dividends received	216,531	89,813
Investments in fixed assets	(1,322,094)	(695,711)
Investments in intangible assets	(433,573)	(100,963)
Proceeds from sale of fixed assets	1,561	647,950
Proceeds from sale of non banking assets	274,303	81,698
Net cash used in investing activities	(425,659)	(180,048,492)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of subordinated debts	(1,360)	(2,001,360)
Dividend paid	(2,643,692)	(1,982,769)
Payment - lease liability against right of use assets	(1,042,517)	(853,071)
Net cash used in financing activities	(3,687,569)	(4,837,200)
Decrease in cash and cash equivalents	(831,412)	(1,670,436)
Cash and cash equivalents at beginning of the period	71,777,051	63,649,828
Cash and cash equivalents at end of the period	70,945,639	61,979,392
Cash and cash equivalents:		
Cash and balances with treasury banks	61,986,768	61,230,583
Balances with other banks	7,964,401	841,911
Call money lendings	1,000,000	-
Overdrawn nostro accounts	(5,530)	(93,102)
	70,945,639	61,979,392

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

Chief Financial Officer

President

Director

Director

Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2021 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

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

1.1 Parent

The Bank of Punjab

Subsidiary Companies	% age of holding-2021	% age of holding-2020
Punjab Modaraba services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
Punjab Capital Securities (Private) Limited	39.16%	39.16%

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

The Bank of Punjab (the Bank) was constituted in Pakistan pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 641 branches including 16 sub branches and 105 Islamic banking branches (December 31, 2020: 636 branches including 18 sub branches and 104 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) 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 Services (Private) Limited

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

First Punjab Modaraba

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

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

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

The financial results of Islamic Banking business have been consolidated in these consolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in note 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 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 these consolidated condensed interim financial statements should be read in conjunction with the consolidated financial statements of the Bank for the year ended December 31, 2020.

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 (IIFS). 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 Bank's operations and therefore not detailed in 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 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 SBP vide BPRD Circular No. 04 dated October 23, 2019 notified the effective date of IFRS 9, 'Financial Instruments' as January 01, 2021. However, the initial application date has been extended to January 01, 2022 by SBP vide BPRD Circular Letter No. 24 dated July 05, 2021. IFRS 9, 'Financial Instruments' has replaced IAS 39, 'Financial Instruments: Recognition and Measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'Expected Credit Losses' (ECL) approach rather than 'incurred credit losses' approach. The ECL has impact on all the assets of the Bank which are exposed to credit risk. Presently, the Bank calculates the impact of adoption of IFRS 9 on the financial statements on parallel run basis as advised by the SBP.

Standard or Interpretations		Effective date (accounting periods beginning on or after)
IFRS 9	Financial instruments	1 January 2022
IFRS 3	Reference to conceptual framework - Amendments	1 January 2022
IAS 16	Property, plant and equipment: Proceeds before intended use -Amendments	1 January 2022
IAS 37	Onerous contracts - costs of fulfilling a contract - Amendments	1 January 2022
AIP IFRS 1	First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	1 January 2022
AIP IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
AIP IAS 41	Agriculture – Taxation in fair value measurements	1 January 2022
IFRS 17	Insurance contracts	1 January 2023
IAS 1	Classification of liabilities as current or non-current - Amendments	1 January 2023
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture - Amendments	1 January 2023

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 right of use assets, lease liability and certain staff retirement benefits at present value.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Bank for the year ended December 31, 2020.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting judgments and key estimates adopted in preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Bank for the year ended December 31, 2020.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual consolidated financial statements of the Bank for the year ended December 31, 2020.

The Bank has further strengthened its credit review procedures in the light of COVID-19 pandemic situation by reviewing the portfolio to identify accounts susceptible to higher risk and accordingly has created a buffer against unforeseen loan losses based on funded credit portfolio, excluding Government guaranteed exposure and exposure secured against cash and equivalents, to mitigate any adverse impact on equity, performance and related regulatory compliance. Accordingly, general provision of Rs 4,116,231 thousand has been maintained in these unconsolidated condensed interim financial statements.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000'	
7. CASH AND BALANCES WITH TREASURY BANKS		
In hand:		
Local currency	18,528,143	17,921,945
Foreign currencies	5,039,404	4,182,816
	23,567,547	22,104,761
With SBP in:		
Local currency current accounts	28,843,955	33,648,622
Foreign currency current accounts	652,765	484,298
Foreign currency deposit accounts	1,447,890	956,624
	30,944,610	35,089,544
With National Bank of Pakistan in:		
Local currency current account	7,368,374	11,200,818
Prize bonds	106,237	877,054
	61,986,768	69,272,177

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Rupees in '000'		
8. BALANCES WITH OTHER BANKS		
In Pakistan:		
Current accounts	518,423	504,317
Deposit accounts	1,400,888	10,592
	1,919,311	514,909
Outside Pakistan:		
Current accounts	1,784,170	229,657
Deposit accounts	4,260,920	1,762,444
	6,045,090	1,992,101
	7,964,401	2,507,010

9. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		1,000,000	-
Repurchase agreement lendings (Reverse Repo)	9.2	3,782,584	7,454,867
Placements	9.3	4,010,000	7,632,000
		8,792,584	15,086,867

9.1 Particulars of lendings			
In local currency		8,792,584	15,086,867
In foreign currencies		-	-
		8,792,584	15,086,867

	(Un-audited) September 30, 2021			(Audited) December 31, 2020		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
Rupees in '000'						
Market treasury bills	3,434,588	-	3,434,588	4,154,867	-	4,154,867
Pakistan investment bonds	347,996	-	347,996	3,300,000	-	3,300,000
	3,782,584	-	3,782,584	7,454,867	-	7,454,867

Market value of securities held as collateral as at September 30, 2021 amounted to Rs. 3,783,903 thousand (December 31, 2020: Rs. 6,651,750 thousand). These carry mark-up at rates ranging from 7.70 % to 8.00% per annum (December 31, 2020: 6.00% to 7.30% per annum).

9.3 These carry profit rates ranging from 6.75% to 7.25% per annum (December 31, 2020: 6.40% to 7.00% per annum) with maturities upto December 21, 2021.

10. INVESTMENTS - NET

10.1 Investments by type:

	Note	(Un-audited) September 30, 2021			(Audited) December 31, 2020			Carrying value	
		Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution		Surplus / (Deficit)
R u p e e s i n ' 0 0 0 '									
Held-for-trading securities									
Federal government securities	10.1.1	1,143,051	-	(170)	1,142,881	19,146,767	-	1,630	19,148,397
Ordinary shares		75,433	-	(14,556)	60,877	-	-	-	-
		1,218,484	-	(14,726)	1,203,758	19,146,767	-	1,630	19,148,397
Available-for-sale securities									
Federal government securities	10.1.1 & 10.2	462,056,015	-	(2,209,743)	459,846,272	465,221,303	-	4,453,720	469,675,023
Shares and certificates		8,999,935	(1,444,807)	(612,145)	6,942,983	4,830,566	(1,378,194)	199,777	3,652,149
Non government debt securities		17,551,421	(2,525,563)	(17,825)	15,008,033	17,516,016	(2,536,232)	(139,247)	14,840,537
Foreign securities		11,957	-	-	11,957	4,019	-	-	4,019
		488,619,328	(3,970,370)	(2,839,713)	481,809,245	487,571,904	(3,914,426)	4,514,250	488,171,728
Held-to-maturity securities									
Federal government securities	10.1.1 & 10.4	61,086,401	-	-	61,086,401	60,483,391	-	-	60,483,391
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		61,086,801	(400)	-	61,086,401	60,483,791	(400)	-	60,483,391
Total investments		550,924,613	(3,970,770)	(2,854,439)	544,099,404	567,202,462	(3,914,826)	4,515,880	567,803,516

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) September 30, 2021	(Audited) December 31, 2020
Rupees in '000'		
10.2 Investments given as collateral		
Pakistan investment bonds	37,902,686	35,514,708
Market treasury bills	29,524,380	66,472,184
	67,427,066	101,986,892
10.3 Provision for diminution in value of investments		
10.3.1 Opening balance	3,914,826	3,531,109
Charge / reversals:		
Charge for the period / year	228,326	516,324
Reversals for the period / year	(10,669)	(7,500)
	217,657	508,824
Reversal on disposal during the period / year	(161,713)	(125,107)
Closing balance	3,970,770	3,914,826

10.3.2 Particulars of provision against debt securities

Category of classification	(Un-audited) September 30, 2021		(Audited) December 31, 2020	
	NPI	Provision	NPI	Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	2,525,963	2,525,963	2,536,632	2,536,632
Total	2,525,963	2,525,963	2,536,632	2,536,632

10.4 Market value of held to maturity investments amounted to Rs. 67,626,213 thousand (December 31, 2020: Rs. 69,082,534 thousand).

11. ADVANCES - NET

	Performing		Non Performing		Total	
	(Un-audited) September 30, 2021	(Audited) December 31, 2020	(Un-audited) September 30, 2021	(Audited) December 31, 2020	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000'					
Loans, cash credits, running finances, etc. Net book value of assets in ijarah under IFAS 2 - In Pakistan	393,157,415	341,611,646	51,781,444	54,569,660	444,938,859	396,181,306
Islamic financing and related assets	1,748,868	1,773,841	215,000	215,000	1,963,868	1,988,841
Bills discounted and purchased	29,069,862	29,209,198	3,080,954	2,661,933	32,150,816	31,871,131
	17,143,100	13,643,227	28,421	30,521	17,171,521	13,673,748
Advances - gross	441,119,245	386,237,912	55,105,819	57,477,114	496,225,064	443,715,026
Provision against advances:						
- Specific	-	-	(47,087,261)	(48,076,725)	(47,087,261)	(48,076,725)
- General	(4,643,978)	(3,748,493)	-	-	(4,643,978)	(3,748,493)
	(4,643,978)	(3,748,493)	(47,087,261)	(48,076,725)	(51,731,239)	(51,825,218)
Advances - net of provision	436,475,267	382,489,419	8,018,558	9,400,389	444,493,825	391,889,808

11.1 Particulars of advances (gross)	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		Rupees in '000'
In local currency	495,738,243	443,535,313
In foreign currencies	486,821	179,713
	496,225,064	443,715,026

11.2 Advances include Rs. 55,105,819 thousand (December 31, 2020: Rs. 57,477,114 thousand) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited) September 30, 2021		(Audited) December 31, 2020	
	Non performing loans	Provision	Non performing loans	Provision
Rupees in '000'				
Domestic				
Other assets especially mentioned	227,063	4,416	190,528	3,495
Substandard	3,371,578	538,848	6,286,206	1,234,491
Doubtful	10,543,562	7,394,274	8,086,336	6,149,532
Loss	40,963,616	39,149,723	42,914,044	40,689,207
Total	55,105,819	47,087,261	57,477,114	48,076,725

11.3 Particulars of provision against advances

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
Rupees in '000'						
Opening balance	48,076,725	3,748,493	51,825,218	45,338,255	412,641	45,750,896
Charge for the period / year	2,389,633	895,485	3,285,118	4,825,954	3,335,852	8,161,806
Reversals for the period / year	(3,391,082)	-	(3,391,082)	(2,087,484)	-	(2,087,484)
Amounts written off	(1,001,449)	895,485	(105,964)	2,738,470	3,335,852	6,074,322
	(4,865)	-	(4,865)	-	-	-
Closing balance	47,070,411	4,643,978	51,714,389	48,076,725	3,748,493	51,825,218

11.3.1 Particulars of provision against advances with respect to currencies

In local currency	47,005,610	4,643,978	51,649,588	48,011,924	3,748,493	51,760,417
In foreign currencies	64,801	-	64,801	64,801	-	64,801
	47,070,411	4,643,978	51,714,389	48,076,725	3,748,493	51,825,218

11.3.2 This includes general provision recognized during the period as explained in note 6 of these consolidated condensed interim financial statements and provision against advances and provision against consumer and SME financing portfolio as required by Prudential Regulations issued by the SBP.

11.3.3 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 2,115,752 thousand (December 31, 2020: Rs 2,996,620 thousand). The FSV benefit availed is not available for cash or stock dividend.

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		Rupees in '000'	
12. FIXED ASSETS			
Capital work-in-progress	12.1	793,685	98,500
Right of use assets		6,827,751	6,265,106
Property and equipment		8,179,066	8,453,453
		15,800,502	14,817,059
12.1 Capital work-in-progress			
Civil works		116,726	98,500
Building		676,959	-
		793,685	98,500

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	Rupees in '000'	
12.2 Additions / (transfers) to fixed assets		
The following additions / (transfers) have been made to fixed assets during the period:		
Capital work-in-progress	695,185	(61,655)
Addition to right of use assets	1,353,486	366,832
Property and equipment:		
Furniture and fixture	55,083	32,120
Office equipment	236,360	92,627
Computer equipment	145,507	332,113
Lease hold improvements	148,340	233,052
Vehicles	41,620	67,454
	626,910	757,366
	2,675,581	1,062,543
12.3 Termination of right of use assets	66,748	78,671
12.4 Disposal of property and equipment:		
The net book value of property and equipment disposed off during the period is as follows:		
Freehold land	-	440,860
Building on freehold land	-	93,858
Furniture and fixture	633	1,611
Office equipment	957	5,343
Computer equipment	-	1,456
	1,590	543,128
	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000'	
13. INTANGIBLE ASSETS		
Intangible in progress	468,887	67,644
Softwares	499,224	628,004
	968,111	695,648
	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	Rupees in '000'	
13.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Intangible in progress	401,243	67,762
Intangible assets purchased	32,330	33,201
	433,573	100,963

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Note	Rupees in '000'	
14. DEFERRED TAX ASSETS - NET		
Deductible temporary differences on:		
Deficit on revaluation of investments	1,107,488	-
Right of use assets	575,858	361,644
Provision against advances, off balance sheet etc.	10,942,517	10,051,802
Business loss - Subsidiaries	64,399	64,399
	12,690,262	10,477,845
Taxable temporary differences on:		
Surplus on revaluation of fixed assets	(731,786)	(680,942)
Surplus on revaluation of investments		
Accelerated tax depreciation	(233,922)	(266,486)
Surplus on revaluation of investments	-	(1,579,987)
Surplus on revaluation of non banking assets	(110,913)	(111,767)
	(1,076,621)	(2,639,182)
	11,613,641	7,838,663
15. OTHER ASSETS - NET		
Income / mark-up accrued in local currency	13,132,409	15,558,654
Income / mark-up accrued in foreign currency	3,190	4,526
Profit paid in advance on pehlay munafa scheme	34	539
Advances, deposits, advance rent and other prepayments	872,008	637,991
Advance taxation (payments less provisions)	-	7,819
Non-banking assets acquired in satisfaction of claims	5,618,261	5,866,478
Acceptances	5,126,067	2,821,232
Branch adjustment account	-	8,751
Mark to market gain on forward foreign exchange contracts	570,730	20,250
Stock of stationery	150,808	129,902
Suspense account	18,231	7,413
Zakat recoverable from NITL	36,790	36,790
Unrealized gain on revaluation of foreign bills and trade loans	136,240	41,129
Fraud and forgeries	476,991	462,656
Unearned income on sale of sukuk on bai-muajjal basis	71,729	336,351
Others	722,224	797,996
	26,935,712	26,738,477
Less: Provision held against other assets	15.1 (2,056,829)	(2,037,220)
Other assets (net of provision)	24,878,883	24,701,257
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	1,192,265	1,236,224
Other assets - total	26,071,148	25,937,481
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	1,198,555	1,198,555
Zakat recoverable from NITL	36,790	36,790
Fraud and forgeries	478,702	459,093
Others	307,059	307,059
	2,056,829	2,037,220

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000'	
16. CONTINGENT ASSETS		
Contingent assets	Nil	Nil
17. BILLS PAYABLE		
In Pakistan	5,341,831	4,168,641
Outside Pakistan	-	-
	5,341,831	4,168,641
18. BORROWINGS		
Secured		
Borrowings from SBP under:		
Export refinance scheme (ERF)	24,540,028	22,609,115
Long term financing facility (LTFF)	11,002,791	11,250,709
Finance facility for storage of agricultural produce (FFSAP)	194,938	69,523
Finance facility for renewable energy performance platform (REPP)	5,037,412	1,859,306
Refinancing facility for payment of salaries and wages	11,206,470	16,242,813
Combating COVID-19	602,744	123,005
Finance Islamic facility for working capital financing of SE & ME	3,000	-
Finance Facility for temporary relief refinance scheme (TERF)	7,583,051	-
Finance Facility for women entrepreneurs	8,588	-
Refinancing facility for modernization of small and medium enterprises (SMES)	109,981	119,299
	60,289,003	52,273,770
Repurchase agreement borrowings	-	37,430,967
Call borrowings	65,050,956	64,672,133
Borrowing from Pakistan Mortgage Refinance Company Limited	1,845,466	462,409
Total secured	127,185,425	154,839,279
Unsecured		
Overdrawn nostro accounts	5,530	2,136
	127,190,955	154,841,415

19. DEPOSITS AND OTHER ACCOUNTS

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	150,684,506	3,454,635	154,139,141	144,971,825	3,099,131	148,070,956
Savings deposits	440,676,919	3,063,939	443,740,858	388,946,529	2,635,237	391,581,766
Term deposits	251,360,209	5,471,975	256,832,184	265,567,945	3,594,396	269,162,341
Others	19,627,749	-	19,627,749	19,012,007	-	19,012,007
	862,349,383	11,990,549	874,339,932	818,498,306	9,328,764	827,827,070
Financial institutions:						
Current deposits	3,475,202	881,213	4,356,415	2,679,477	821,999	3,501,476
Savings deposits	3,715,137	3,315	3,718,452	2,746,932	7,427	2,754,359
Term deposits	1,342,125	-	1,342,125	889,875	-	889,875
Others	630,957	-	630,957	97,582	-	97,582
	9,163,421	884,528	10,047,949	6,413,866	829,426	7,243,292
	871,512,804	12,875,077	884,387,881	824,912,172	10,158,190	835,070,362

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		Rupees in '000'	
20. SUBORDINATED DEBTS			
Privately placed term finance certificates - I	20.1	2,495,500	2,496,000
Privately placed term finance certificates - II	20.2	4,294,840	4,295,700
		6,790,340	6,791,700

20.1 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.

20.2 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) September 30, 2021	(Audited) December 31, 2020
		Rupees in '000'	
21. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		13,976,880	15,775,450
Mark-up / return / interest payable in foreign currency		28,414	63,615
Lease key money		11,347,368	12,025,862
Provision for taxation (provisions less payments)		28,028	-
Sundry creditors and accrued expenses		1,470,800	1,680,865
Acceptances		5,126,067	2,821,232
Mark-up payable on subordinated debts		229,155	75,781
Unclaimed dividends		2,586	2,588
Branch adjustment account		142,107	-
Unrealized loss on revaluation of foreign bills and trade loans		-	-
Payable to gratuity fund		155,210	261,774
Provision against off-balance sheet obligations	21.1	62,183	62,183
Provision for employees compensated absences		132,075	123,506
Dividend payable		-	-
Mark to market loss on forward foreign exchange contracts		-	-
Taxes / zakat / import fee payable		1,612,427	526,978
Lease liability against right of use assets		8,304,310	7,298,374
Deferred income on sale of sukuk on bai - muajjal basis		71,729	336,351
Workers welfare fund		870,868	619,843
IBFT payable		210,504	298,024
Others		651,630	620,910
		44,422,341	42,593,336
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) September 30, 2021 Rupees in '000'	(Audited) December 31, 2020
22. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
(Deficit) / surplus on revaluation of:			
- Available for sale securities	10.1	(2,839,713)	4,514,250
- Fixed assets		2,508,407	2,577,581
- Non-banking assets acquired in satisfaction of claims	15	1,192,265	1,236,224
		860,959	8,328,055
Deferred tax on deficit / (surplus) on revaluation of:			
- Available for sale securities		1,107,488	(1,579,987)
- Fixed assets		(731,786)	(680,942)
- Non-banking assets acquired in satisfaction of claims		(110,913)	(111,767)
		264,789	(2,372,696)
		1,125,748	5,955,359
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	88,302,694	64,847,674
Commitments	23.2	336,159,815	148,893,256
Other contingent liabilities	23.3	8,975	8,975
		424,471,484	213,749,905
23.1 Guarantees:			
Financial guarantees		18,432,691	18,515,042
Performance guarantees		19,558,851	18,139,861
Other guarantees		50,311,152	28,192,771
		88,302,694	64,847,674
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		131,136,344	78,976,971
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	162,474,683	48,807,235
- forward lending	23.2.2	42,437,741	20,393,865
Commitments for acquisition of:			
- fixed assets		10,060	689,875
- intangible assets		100,987	25,310
		336,159,815	148,893,256
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		78,994,101	24,708,677
Sale		83,480,582	24,098,558
		162,474,683	48,807,235

	Note	(Un-audited) September 30, 2021 Rupees in '000'	(Audited) December 31, 2020
23.2.2 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	42,437,741	20,393,865

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.

	Note	(Un-audited) September 30, 2021 Rupees in '000'	(Audited) December 31, 2020
23.3 Other contingent liabilities	23.3.1	8,975	8,975

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. The Bank filed an 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) September 30, 2021 Rupees in '000'	(Audited) December 31, 2020
23.4 Claims against the Bank not acknowledged as debts	23.4.1	54,743,496	54,765,641

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) September 30, 2021	(Un-audited) September 30, 2020
		Rupees in '000'	
24. MARK-UP / RETURN / INTEREST EARNED			
On loans and advances		25,517,128	31,015,215
On investments:			
Available for sale securities		26,666,387	27,819,977
Held for trading securities		1,191,423	888,890
Held to maturity securities		5,583,673	5,520,205
On lendings to financial institutions:			
Securities purchased under resale agreements		704,422	1,029,878
Call lending		22,962	94
Letters of placement		223,111	160,762
On balances with banks		3,062	40,755
		59,912,168	66,475,776
25. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits and other accounts		31,518,614	41,367,553
Borrowings:			
Securities sold under repurchase agreements		665,655	2,137,836
Call borrowings		3,810,053	4,008,731
Borrowing from Pakistan Mortgage Refinance Company Limited		78,731	-
SBP refinance borrowing		611,069	459,665
Subordinated debts:			
Mark-up on subordinated loan from GoPb		-	106,644
Mark-up on privately placed term finance certificates		441,298	605,830
Mark-up on lease liability against right of use assets		766,763	672,168
		37,892,183	49,358,427
26. FEE AND COMMISSION INCOME			
Branch banking customer fees		408,381	382,333
Consumer finance related fees		279,045	168,498
Card related fees		569,567	441,467
Credit related fees		748,630	564,247
Branchless banking fees		106,745	63,877
Commission on trade		594,123	437,758
Commission on guarantees		248,388	173,136
Commission on cash management		76,864	120,296
Commission on remittances including home remittances		341,924	248,082
Commission on bancassurance		77,574	32,015
Commission on wheat financing		189,616	-
SMS banking income		239,616	178,211
		3,880,473	2,809,920
27. GAIN ON SECURITIES - NET			
Realized gain on sale of securities - net	27.1	1,642,257	8,323,791
Unrealized loss - held for trading		(14,726)	(23,537)
		1,627,531	8,300,254

	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	Rupees in '000'	
27.1 Realized gain on sale of securities - net:		
Federal government securities	1,169,062	8,010,593
Shares and certificates	473,195	313,198
	1,642,257	8,323,791
28. OTHER INCOME - NET		
(Loss) / gain on sale of fixed assets - net	(29)	104,822
Gain on sale of non banking assets - net	35,377	32,467
Gain / (loss) on termination of lease liability against right of use assets	5,048	(1,453)
Notice pay on resignations	11,996	9,483
	52,392	145,319
29. OPERATING EXPENSES		
Total compensation expense	8,009,105	6,636,211
Property expense:		
Rent and taxes	18,785	13,830
Insurance	13,048	12,806
Utilities cost	589,088	492,274
Security	970	940
Repair and maintenance including janitorial charges	37,163	29,832
Depreciation	392,364	449,798
Depreciation on right of use assets	724,095	645,725
Others	-	109
	1,775,513	1,645,314
Information technology expenses:		
Software maintenance	366,716	333,409
Hardware maintenance	41,389	70,271
Depreciation on computer equipment	258,227	203,948
Amortization on intangible assets	161,110	146,565
Network charges	319,225	280,064
	1,146,667	1,034,257
Other operating expenses:		
Directors' fees and allowances	31,200	29,388
Fees and allowances to shariah board	3,340	2,510
Legal and professional charges	159,769	85,257
Subscription charges	32,448	25,838
Outsourced staff services costs	323,658	244,231
Travelling and conveyance	540,930	403,076
NIFT clearing charges	50,064	52,225
Depreciation	265,014	223,892
Depreciation on non banking assets acquired in satisfaction of claims	37,351	44,481
Depreciation on ijarah assets under IFAS - 2	182,235	123,416
Training and development	33,437	11,548
Postage and courier charges	105,946	134,765
Stationery and printing	301,301	132,758
Marketing, advertisement and publicity	523,752	123,518
Donations	-	10,000

	Note	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
		Rupees in '000'	
Insurance		175,208	105,986
Deposit protection fee		332,270	263,973
Repair and maintenance		214,383	113,052
Entertainment expenses		102,866	75,732
Fuel for generator		71,566	62,729
Commission and brokerage		198,590	184,017
Bank charges		26,919	33,568
SMS banking charges		29,056	15,298
ATM charges including ATM maintenance charges		156,382	105,338
Cash remittance charges		200,951	152,489
Branch license fee		15,176	13,652
CNIC verification / ECIB charges		154,735	42,492
COVID-19 related expenses		31,944	34,579
Miscellaneous expenses		154,374	148,451
		4,454,865	2,998,259
		15,386,150	12,314,041

30. OTHER CHARGES

Penalties imposed by SBP		712	303,949
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31. PROVISIONS AND WRITE OFFS - NET

Provisions for diminution in value of investments	10.3.1	217,657	390,951
Provisions against advances	11.3	(105,964)	5,183,158
Provision against other assets - net		26,769	287,907
Bad debts written off directly		300	-
		138,762	5,862,016

32. TAXATION

Current	32.1	4,882,954	5,302,099
Prior years		(63,808)	-
Deferred	32.2	(1,170,430)	(1,118,152)
		3,648,716	4,183,947

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

32.2 The Government vide Finance Act 2022, has changed the effective tax rate for banking industry from 35% to 39% by enacting super tax at the rate of 4% for indefinite period of time. Accordingly, the effect of change in tax rate has been recognized in these consolidated condensed interim financial statements.

		(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
		Rupees in '000'	
33. BASIC EARNINGS PER SHARE			
Profit after taxation for the period (Rs in '000')		8,608,490	5,723,833
Weighted average number of ordinary shares (No.).		2,643,692,380	2,643,692,380
Basic earnings per share (Rs).		3.26	2.17

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).

September 30, 2021 (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	460,989,153	-	460,989,153	-	460,989,153
Shares and certificates	7,003,860	6,988,278	-	15,582	7,003,860
Non-Government debt securities	10,139,360	-	10,139,360	-	10,139,360
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary company	-	-	-	-	-
Financial assets disclosed but not measured at fair value:					
Government securities	61,086,401	-	67,626,213	-	67,626,213
Financial liabilities measured at fair value:					
Payable to gratuity fund	155,210	-	155,210	-	155,210
Provision for employees compensated absences	132,075	-	132,075	-	132,075
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	82,153,958	-	82,153,958	-	82,153,958
Forward sale of foreign exchange contracts	86,069,709	-	86,069,709	-	86,069,709

December 31, 2020 (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	488,823,420	-	488,823,420	-	488,823,420
Shares and certificates	3,652,149	3,621,675	-	30,474	3,652,149
Non-Government debt securities	10,139,836	-	10,139,836	-	10,139,836
Foreign securities	4,019	-	-	4,019	4,019
Subsidiary Company	-	-	-	-	-
Financial assets disclosed but not measured at fair value:					
Government securities	60,483,391	-	69,082,534	-	69,082,534
Financial liabilities measured at fair value:					
Payable to gratuity fund	261,774	-	261,774	-	261,774
Provision for employees compensated absences	123,506	-	123,506	-	123,506
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	24,343,173	-	24,343,173	-	24,343,173
Forward sale of foreign exchange contracts	23,712,804	-	23,712,804	-	23,712,804

35.2 Fair value of non financial assets

September 30, 2021 (Un-audited)

	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
Non Financial assets measured at fair value :					
Fixed assets (land & building)	5,364,813	-	5,364,813	-	5,364,813
Non banking assets acquired in satisfaction of claims	5,611,971	-	5,611,971	-	5,611,971

December 31, 2020 (Audited)

	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Rupees in '000'					
Non Financial assets measured at fair value :					
Fixed assets (land & building)	5,497,765	-	5,497,765	-	5,497,765
Non banking assets acquired in satisfaction of claims	5,904,147	-	5,904,147	-	5,904,147

36. SEGMENT INFORMATION

36.1 Segment details with respect to business activities

	September 30, 2021 (Un-audited)						
	Corporate and investment banking	Consumer and digital banking	Retail and priority sector lending	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit & loss							
Net mark-up / return / profit	18,351,603	-	5,055,886	32,926,304	3,275,391	302,984	59,912,168
Inter segment (cost) / revenue - net	(14,534,904)	44,893,499	(3,098,264)	(23,787,626)	(21,425)	(3,451,280)	-
Non mark-up / return / interest income	1,432,523	1,676,481	443,899	2,355,152	108,227	56,460	6,072,742
Total income	5,249,222	46,569,980	2,401,521	11,493,830	3,362,193	(3,091,836)	65,984,910
Segment total expenses	1,136,531	37,217,655	1,242,993	4,739,880	3,010,710	6,182,301	53,530,070
Profit before provisions and tax	4,112,691	9,352,325	1,158,528	6,753,950	351,483	(9,274,137)	12,454,840
Provisions	(581,954)	32,542	174,718	217,657	311,432	(15,633)	138,762
Profit / (loss) before tax	4,694,645	9,319,783	983,810	6,536,293	40,051	(9,258,504)	12,316,078
Balance sheet							
Cash & bank balances	-	28,653,459	-	34,331,924	6,965,786	-	69,951,169
Investments - net	4,357,566	-	-	520,941,799	18,800,039	-	544,099,404
Net inter segment lending	-	810,112,326	-	-	2,158,628	23,845,799	836,116,753
Lendings to financial institutions	-	-	-	3,782,584	5,010,000	-	8,792,584
Advances - performing	326,273,495	-	70,675,622	-	30,818,731	8,707,419	436,475,267
- non-performing - net	4,597,473	-	1,078,941	-	2,325,049	17,095	8,018,558
Others	11,398,780	1,986,522	886,533	4,436,480	4,193,753	31,551,334	54,453,402
Total assets	346,627,314	840,752,307	72,641,096	563,492,787	70,271,986	64,121,647	1,957,907,137
Borrowings	59,388,526	-	1,845,466	65,150,490	806,473	-	127,190,955
Subordinated debts	-	-	-	-	-	6,790,340	6,790,340
Deposits & other accounts	-	821,747,055	-	-	62,640,826	-	884,387,881
Net inter segment borrowing	281,110,599	-	59,389,537	495,616,617	-	-	836,116,753
Others	5,171,967	18,890,307	11,406,093	3,725,680	2,517,533	8,052,592	49,764,172
Total liabilities	345,671,092	840,637,362	72,641,096	564,492,787	65,964,832	14,842,932	1,904,250,101
Equity							53,657,036
Total equity & liabilities							1,957,907,137
Contingencies & commitments	255,274,419	-	62,944	162,474,683	6,539,416	120,022	424,471,484
	September 30, 2020 (Un-audited)						
	Corporate and investment banking	Consumer and digital banking	Retail and priority sector lending	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit & loss							
Net mark-up / return / profit	23,473,962	-	4,818,934	33,884,805	4,004,951	293,124	66,475,776
Inter segment revenue - net	(20,047,306)	52,142,577	(3,348,492)	(27,694,618)	(56,926)	(995,235)	-
Non mark-up / return / interest income	1,051,513	1,370,066	153,403	8,802,484	66,630	140,774	11,584,870
Total income	4,478,169	53,512,643	1,623,845	14,992,671	4,014,655	(561,337)	78,060,646
Segment total expenses	755,206	45,789,680	761,844	6,429,822	3,207,420	5,301,426	62,245,398
Profit before provisions and tax	3,722,963	7,722,963	862,001	8,562,849	807,235	(5,862,763)	15,815,248
Provisions	4,247,108	285,888	524,602	390,951	410,601	2,866	5,862,016
Profit / (loss) before tax	(524,145)	7,437,075	337,399	8,171,898	396,634	(5,865,629)	9,953,232
	December 31, 2020 (Audited)						
Balance sheet							
Cash & bank balances	-	43,951,026	-	22,168,221	5,659,940	-	71,779,187
Investments - net	2,320,445	-	-	548,486,468	16,996,603	-	567,803,516
Net inter segment lending	-	743,594,252	-	-	951,270	32,889,248	777,434,770
Lendings to financial institutions	-	-	-	6,454,867	8,632,000	-	15,086,867
Advances - performing	291,478,623	-	53,317,428	-	30,983,039	6,710,329	382,489,419
- non-performing	6,229,401	-	930,497	-	2,218,148	22,343	9,400,389
Others	8,830,835	6,015,362	746,993	7,309,414	3,680,612	22,705,635	49,288,551
Total assets	308,859,304	793,560,640	54,994,918	584,418,970	69,121,612	62,327,555	1,873,282,999
Borrowings	51,665,928	-	462,409	102,105,236	607,842	-	154,841,415
Subordinated debts	-	-	-	-	-	6,791,700	6,791,700
Deposits & other accounts	-	773,530,773	-	-	61,539,589	-	835,070,362
Net inter segment borrowing	254,101,382	-	42,481,624	480,851,764	-	-	777,434,770
Others	3,091,994	20,029,867	12,050,885	1,461,970	2,859,733	7,267,528	46,761,977
Total liabilities	308,859,304	793,560,640	54,994,918	584,418,970	65,007,164	14,059,228	1,820,900,224
Equity							52,382,775
Total equity & liabilities							1,873,282,999
Contingencies & commitments	160,308,823	-	639,748	48,807,235	3,269,939	724,160	213,749,905

Due to change in reportable business segments, the figures of comparative period (September 30, 2020) are realigned for the purposes of comparison.

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.

	September 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Directors	Key management personnel	Employee funds	Others related parties	Directors	Key management personnel	Employee funds	Others related parties
	Rupees in '000'				Rupees in '000'			
Advances (gross):								
Opening balance	-	171,147	-	595,721	-	322,244	-	-
Addition during the period	-	131,389	-	996,933	-	51,412	-	5,541,638
Repaid during the period	-	38,394	-	1,145,213	-	202,509	-	4,945,917
Closing balance	-	264,142	-	447,441	-	171,147	-	595,721
Financial guarantees	-	-	-	119,644	-	-	-	419,488
Other assets	-	13,322	-	10,239	-	12,316	-	14,491
Right of use assets	-	-	-	63,166	-	-	-	66,055
Lease liability against right of use assets	-	-	-	22,140	-	-	-	20,030
Deposits and other accounts:								
Opening balance	598	26,253	3,071,616	33,878	61	13,961	2,564,910	876
Received during the period	14,586	438,242	4,074,106	92,462	4,353	473,997	1,152,506	122,199
Withdrawn during the period	5,395	431,083	6,787,673	125,048	3,816	461,705	645,800	89,197
Closing balance	9,789	33,412	358,049	1,292	598	26,253	3,071,616	33,878

	September 30, 2021 (Un-audited)				September 30, 2020 (Un-audited)			
	Directors	Key management personnel	Employee funds	Others related parties	Directors	Key management personnel	Employee funds	Others related parties
	Rupees in '000'				Rupees in '000'			
Income :								
Mark-up / return / interest earned	-	7,038	-	29,543	-	11,664	-	9,798
Non markup interest income	-	-	-	1,074	-	-	-	-
Expense:								
Mark-up / return / interest expensed	17	585	82,220	279	19	1,314	194,841	68
Depreciation on right of use assets	-	-	-	2,889	-	-	-	3,651
Mark-up on lease liability against right of use assets	-	-	-	2,110	-	-	-	3,575
Compensation expense	-	320,253	-	-	-	168,198	-	-
Directors fee and allowances	31,200	-	-	-	29,388	-	-	-

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, acceptances and contingencies relating to GoPb and its related entities amounted to Rs. 54,692,912 thousand (December 31, 2020: Rs. 37,126,458 thousand), Rs. 450,747,365 thousand (December 31, 2020: Rs. 421,019,222 thousand) Rs. 71,929 thousand (December 31, 2020: Rs. 71,929 thousand) and Rs.26,905,632 thousand (December 31, 2020: Rs. 27,070,415 thousand) respectively. Markup / interest earned and markup receivable from these loans and advances amounted to Rs. 2,968,292 thousand and Rs. 1,954,382 thousand, respectively. Markup / interest expensed and markup payable on these deposits amounted to Rs.19,155,065 thousand and Rs. 6,662,892 thousand, respectively. Income on letter of guarantees and letter of credits is Rs. 27,246 thousand.

- 37.3** The Bank made contribution of Rs. 221,968 thousand (September 30, 2020: Rs. 180,505 thousand) to employees provident fund during the period.
- 37.4** Advances to employees as at September 30, 2021, other than key management personnel, amounted to Rs. 9,591,907 thousand (December 31, 2020: Rs. 7,375,234 thousand) with markup receivable of Rs. 505,913 thousand (December 31, 2020: Rs.519,593 thousand) and markup income of Rs.288,799 thousand (September 30, 2020: Rs.265,518 thousand).
- 37.5** In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver and mobile phone as per Bank's policy.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	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	44,379,076	41,439,997
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	44,379,076	41,439,997
Eligible Tier 2 Capital	10,781,107	15,059,584
Total Eligible Capital (Tier 1 + Tier 2)	55,160,183	56,499,581
Risk Weighted Assets (RWAs):		
Credit risk	316,108,849	289,587,746
Market risk	14,116,212	6,838,846
Operational risk	56,706,471	56,706,471
Total	386,931,532	353,133,063
Common equity tier I capital adequacy ratio	11.47%	11.73%
Tier I CAR (%)	11.47%	11.73%
Total CAR (%)	14.26%	16.00%

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Rupees in '000'		
38.1 Leverage Ratio (LR):		
Eligible Tier-I Capital	44,379,076	41,439,997
Total exposures	1,388,625,543	1,307,635,296
LR (%)	3.20%	3.17%
38.2 Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	474,281,400	538,917,589
Total net cash outflow	342,659,760	386,811,819
LCR (%)	138.41%	139.32%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	649,307,404	600,034,473
Total required stable funding	561,366,383	471,758,220
NSFR (%)	115.67%	127.19%

39. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the September 30, 2021, the Bank is operating 105 Islamic banking branches (December 31, 2020: 102 Islamic banking branches and 02 sub Islamic banking branches).

ISLAMIC BANKING BUSINESS

STATEMENT OF FINANCIAL POSITION

As at September 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks		5,138,064	5,351,954
Balances with other banks		1,827,722	307,986
Due from financial institutions	39.1	5,010,000	8,632,000
Investments - net	39.2	18,800,039	16,996,603
Islamic financing and related assets - net	39.3	33,143,780	33,201,187
Fixed assets		1,744,295	1,670,801
Intangible assets		7,756	6,626
Due from head office		2,158,628	951,270
Other assets		2,441,702	2,003,185
Total assets		70,271,986	69,121,612
LIABILITIES			
Bills payable		362,811	212,448
Due to financial institutions		806,473	607,842
Deposits and other accounts	39.4	62,640,826	61,539,589
Due to head office		-	-
Subordinated debt		-	-
Other liabilities		2,154,722	2,647,285
		65,964,832	65,007,164
NET ASSETS		4,307,154	4,114,448
REPRESENTED BY			
Islamic banking fund		1,500,000	1,500,000
Reserves		11,123	735
Surplus / (deficit) on revaluation of assets		45,102	(97,165)
Unappropriated profit	39.5	2,750,929	2,710,878
		4,307,154	4,114,448
CONTINGENCIES AND COMMITMENTS	39.6		

ISLAMIC BANKING BUSINESS

Profit and Loss Account

For the Nine Months Ended September 30, 2021 (Un-audited)

	Note	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Rupees in '000'					
Profit / return earned	39.7	1,146,176	1,241,984	3,275,391	4,004,951
Profit / return expensed	39.8	537,699	533,770	1,552,175	2,034,957
Net profit / return		608,477	708,214	1,723,216	1,969,994
Fee and commission income		43,447	21,208	108,839	61,725
Dividend income		-	-	-	-
Foreign exchange (loss) / income		(1,555)	60	(3,491)	1,748
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net		-	-	2,194	-
Other income		(506)	2,449	685	3,157
		41,386	23,717	108,227	66,630
Total income		649,863	731,931	1,831,443	2,036,624
Operating expenses		482,009	428,000	1,479,703	1,229,239
Workers welfare fund		-	-	-	-
Other charges		210	130	257	150
		482,219	428,130	1,479,960	1,229,389
Profit before provisions		167,644	303,801	351,483	807,235
Provisions and write offs - net		12,477	223,222	311,432	410,601
Profit before taxation		155,167	80,579	40,051	396,634
Taxation	39.9	-	-	-	-
Profit after taxation		155,167	80,579	40,051	396,634

39.1 DUE FROM FINANCIAL INSTITUTIONS

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Placements	5,010,000	-	5,010,000	8,632,000	-	8,632,000

39.2 INVESTMENTS - NET

Investments by segment:

	(Un-audited) September 30, 2021				(Audited) December 31, 2020			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	Rupees in '000'				Rupees in '000'			
Federal government securities:								
-Ijarah sukuk	3,502,954	-	35,568	3,538,522	2,249,072	-	1,078	2,250,150
-Sale of sukuk- bai muajjal	2,756,196	-	-	2,756,196	2,756,196	-	-	2,756,196
-Naya Pakistan Certificates (Roshan Digital)	219,184	-	-	219,184	-	-	-	-
	6,478,334	-	35,568	6,513,902	5,005,268	-	1,078	5,006,346
Non government debt securities :								
-Sukus	8,473,913	-	(63,912)	8,410,001	8,521,689	-	(171,690)	8,349,999
-Unlisted	3,876,136	-	-	3,876,136	3,640,258	-	-	3,640,258
	12,350,049	-	(63,912)	12,286,137	12,161,947	-	(171,690)	11,990,257
Total investments	18,828,383	-	(28,344)	18,800,039	17,167,215	-	(170,612)	16,996,603

(Un-audited) (Audited)
September 30, December 31,
2021 2020
Rupees in '000'

39.3 ISLAMIC FINANCING AND RELATED ASSETS

Ijarah	1,963,868	1,988,841
Murabaha	643,395	220,091
Musharaka	11,249,363	9,347,782
Diminishing musharaka	17,428,156	18,353,796
Payment against documents	55,304	55,304
Istisna	2,774,598	3,894,158
Gross islamic financing and related assets	34,114,684	33,859,972
Less: provision against islamic financings		
- Specific	970,904	658,785
- General	-	-
	970,904	658,785
Islamic financing and related assets - net of provision	33,143,780	33,201,187

39.4 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers :						
Current deposits	11,662,508	397,200	12,059,708	11,129,196	361,767	11,490,963
Savings deposits	43,479,363	185,287	43,664,650	46,122,394	65,342	46,187,736
Term deposits	5,319,880	-	5,319,880	1,967,176	-	1,967,176
Others	1,300,355	-	1,300,355	1,581,404	-	1,581,404
	61,762,106	582,487	62,344,593	60,800,170	427,109	61,227,279
Financial institutions:						
Current deposits	203,379	13,650	217,029	216,155	-	216,155
Savings deposits	78,410	180	78,590	90,864	5,291	96,155
Others	614	-	614	-	-	-
	282,403	13,830	296,233	307,019	5,291	312,310
	62,044,509	596,317	62,640,826	61,107,189	432,400	61,539,589

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000'	
39.5 UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS		
Opening balance	2,710,878	2,154,625
Islamic banking profit for the period / year	40,051	556,253
Closing balance	2,750,929	2,710,878
39.6 CONTINGENCIES AND COMMITMENTS		
-Guarantees	2,485,379	1,683,665
-Commitments	4,054,037	1,586,274
	6,539,416	3,269,939
	(Un-audited) September 30, 2021	(Un-audited) September 30, 2020
	Rupees in '000'	
39.7 PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
Profit earned on:		
Financing	1,921,305	2,622,378
Investments	1,130,399	1,217,047
Placements	223,111	152,831
Deposits with financial institutions	576	12,695
	3,275,391	4,004,951
39.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits and other accounts	1,390,104	1,845,597
Markup on lease liability against right of use assets	139,234	132,434
Markup on borrowings from SBP	1,412	-
Profit on deposits from conventional head office	21,425	56,926
	1,552,175	2,034,957

39.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax credit for Islamic Banking is expected to be Rs. 11,807 thousand (September 30, 2020: Rs. 165,753 thousand).

39.10 During the period, Special Pool XX (SP-XX) and Special Pool XXI (SP-XXI) has been created. The main characteristics of the pools are as under:

- i) Profit sharing ratio between Mudarib and Rab-ul-mal is 30:70.
- ii) Profit equalization reserve upto 2% of net income will be created, if needed.
- iii) Investment risk reserve upto 1% of distributable profit of depositors will be created, if needed.

40. **DATE OF AUTHORIZATION FOR ISSUE**

These consolidated condensed interim financial statements were authorized for issue on October 28, 2021 by the Board of Directors of the Bank.

41. **GENERAL**

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

41.2 Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison. However, no significant reclassification has been made.

Chief Financial Officer

President

Director

Director



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