



**INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2011**

THE BANK OF PUNJAB
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2011 (UN-AUDITED)

		(Un-audited) March 31, 2011 (Rupees in thousand)	(Audited) December 31, 2010
ASSETS			
Cash and balances with treasury banks		10,993,631	14,069,601
Balances with other banks		2,615,684	3,276,234
Lendings to financial institutions	5	3,897,700	7,309,587
Investments	6	61,238,356	56,402,954
Advances	7	119,616,668	120,818,021
Operating fixed assets	8	3,514,010	3,534,660
Deferred tax assets	9	14,365,286	14,063,694
Other assets		9,673,909	9,715,522
		225,915,244	229,190,273
LIABILITIES			
Bills payable		614,114	581,100
Borrowings	10	8,791,817	11,526,783
Deposits and other accounts	11	208,651,040	208,176,988
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		12,605	13,887
Deferred tax liabilities		-	-
Other liabilities		4,683,864	5,223,045
		222,753,440	225,521,803
NET ASSETS		3,161,804	3,668,470
REPRESENTED BY			
Share capital	12	5,287,974	5,287,974
Reserves		2,012,492	2,012,492
Accumulated loss		(14,624,906)	(14,352,989)
		(7,324,440)	(7,052,523)
Share deposit money		10,000,000	10,000,000
		2,675,560	2,947,477
Surplus on revaluation of assets	13	486,244	720,993
		3,161,804	3,668,470
Contingencies and commitments	14		

The annexed notes from 1 to 17 form an integral part of these interim condensed financial statements.

President

Director

THE BANK OF PUNJAB
INTERIM CONDENSED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED MARCH 31, 2011 (UN-AUDITED)

	Quarter ended March 31, 2011	Quarter ended March 31, 2010
	(Rupees in thousand)	
Mark-up/Return/Interest Earned	4,503,484	4,479,216
Mark-up/Return/Interest Expensed	4,767,099	4,539,899
Net Mark-up/ Interest Income	<u>(263,615)</u>	<u>(60,683)</u>
(Reversal of provision) / Provision against non-performing loans and advances-net	<u>(179,403)</u>	4,208,584
Provision for diminution in the value of investments	<u>2,585</u>	25,001
Bad debts written off directly	<u>-</u>	<u>-</u>
	<u>(176,818)</u>	4,233,585
Net Mark-up/ Interest income after provisions	<u>(86,797)</u>	<u>(4,294,268)</u>
NON MARK-UP/INTEREST INCOME		
Fee, commission and brokerage income	<u>133,017</u>	94,059
Dividend income	<u>86,219</u>	50,553
Income from dealing in foreign currencies	<u>16,959</u>	45,389
Gain on sale and redemption of securities	<u>199,155</u>	6,666
Unrealized (loss) / gain on revaluation of investments classified as held for trading	<u>(4,653)</u>	831
Other income	<u>116,476</u>	108,255
Total non-markup/interest income	<u>547,173</u>	305,753
	<u>460,376</u>	<u>(3,988,515)</u>
NON MARK-UP/INTEREST EXPENSES		
Administrative expenses	<u>902,285</u>	786,354
Other provisions/write offs/reversals	<u>-</u>	<u>-</u>
Other charges	<u>138</u>	392
Total non-markup/interest expenses	<u>902,423</u>	786,746
LOSS BEFORE TAXATION	<u>(442,047)</u>	<u>(4,775,261)</u>
Taxation - Current	<u>-</u>	<u>-</u>
- Prior years	<u>-</u>	<u>-</u>
- Deferred	<u>(168,436)</u>	(1,645,482)
	<u>(168,436)</u>	<u>(1,645,482)</u>
LOSS AFTER TAXATION	<u>(273,611)</u>	<u>(3,129,779)</u>
Loss per share -Basic and diluted (Rupees)	<u>(0.52)</u>	<u>(5.92)</u>

The annexed notes from 1 to 17 form an integral part of these interim condensed financial statements.

President

Director

**THE BANK OF PUNJAB
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31, 2011 (UN-AUDITED)**

	Quarter ended March 31, 2011	Quarter ended March 31, 2010
	Rupees in '000'	
Loss after taxation	(273,611)	(3,129,779)
Other comprehensive income	-	-
Total comprehensive loss	<u>(273,611)</u>	<u>(3,129,779)</u>

The annexed notes from 1 to 17 form an integral part of these interim condensed financial statements.

President

Director

THE BANK OF PUNJAB
INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE QUARTER ENDED MARCH 31, 2011 (Un-audited)

	Quarter Ended	
	March 31, 2011	March 31, 2010
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(442,047)	(4,775,264)
Less: Dividend income	(86,219)	(50,553)
	<u>(528,266)</u>	<u>(4,825,817)</u>
Adjustments for non-cash charges:		
Depreciation	83,185	76,324
Amortization on premium on Pakistan Investment Bonds	10,021	17,807
Unrealized gain on revaluation of investments classified as held for trading	(4,653)	(831)
(Reversal of provision) / Provision against non-performing loans and advances-net	(179,403)	4,208,584
Provision for diminution in the value of investments - net	2,585	25,001
Provision for employees compensated absences	5,400	6,000
Provision for gratuity	11,700	12,600
Net profit on sale of property and equipment	(324)	(1,459)
Gain on sale and redemption of securities	(199,155)	(6,666)
Finance charges on leased assets	439	539
	<u>(270,205)</u>	<u>4,337,899</u>
	<u>(798,471)</u>	<u>(487,918)</u>
(Increase)/ Decrease in operating assets:		
Lendings to financial institutions	3,511,887	(851,114)
Net investments in held for trading securities	162,741	21,409
Advances	1,380,756	1,543,018
Others assets	55,783	387,167
	<u>5,111,167</u>	<u>1,100,480</u>
Increase/ (Decrease) in operating liabilities:		
Bills Payable	33,014	(147,999)
Borrowings	(2,734,966)	(1,277,872)
Deposits and other accounts	474,053	211,434
Other liabilities	(556,281)	(257,223)
	<u>(2,784,180)</u>	<u>(1,471,660)</u>
	<u>1,528,516</u>	<u>(859,098)</u>
Financial charges paid	(439)	(539)
Income tax paid	(40,440)	38,162
Net cash flow from / (used in) operating activities	<u>1,487,637</u>	<u>(821,475)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(5,133,681)	(1,244,922)
Net investments in held to maturity securities	(39,472)	173,304
Dividends received	112,489	(64,980)
Investments in operating fixed assets	(62,211)	(69,715)
Sale proceeds of property and equipment disposed-off		1,459
Net cash used in investing activities	<u>(5,122,875)</u>	<u>(1,204,854)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease obligations	(1,282)	(3,393)
Net cash flow used in financing activities	<u>(1,282)</u>	<u>(3,393)</u>
Net decrease in cash and cash equivalents	<u>(3,636,520)</u>	<u>(2,029,722)</u>
Cash and cash equivalents at beginning of the period	<u>17,345,835</u>	<u>15,173,410</u>
Cash and cash equivalents at end of the period	<u>13,709,315</u>	<u>13,143,688</u>
Cash and balances with treasury banks	10,993,631	10,487,642
Balance with other banks	2,615,684	2,755,801
Call money lending	100,000	(99,755)
	<u>13,709,315</u>	<u>13,143,688</u>

President

Director

THE BANK OF PUNJAB
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2011 (UN-AUDITED)

	<u>Share capital</u>	<u>Capital Reserves</u>		<u>Revenue Reserve</u>	<u>Total</u>
		<u>Share premium</u>	<u>Restructuring reserve</u>	<u>Accumulated loss</u>	
				<u>R u p e e s i n '000'</u>	
Balance as at 01 January 2010	5,287,974	37,882	535,897	(10,330,839)	(4,469,086)
Transfer from surplus on revaluation of fixed assets to accumulated loss - net of tax	-	-	-	1,782	1,782
Loss for the period ended March 31, 2010	-	-	-	(6,461,497)	(6,461,497)
Balance as at 31 March 2010	5,287,974	37,882	535,897	(16,790,554)	(10,928,801)
Transfer from surplus on revaluation of fixed assets to accumulated loss - net of tax	-	-	-	5,345	5,345
Profit for the period April 01, 2010 to December 31, 2010	-	-	-	2,432,220	2,432,220
Transfer from provision against NPLs	-	-	1,438,713	-	1,438,713
Balance as at 31 December 2010	5,287,974	37,882	1,974,610	(14,352,989)	(7,052,523)
Transfer from surplus on revaluation of fixed assets to accumulated loss - net of tax	-	-	-	1,694	1,694
Loss for the period ended 31 March 2011	-	-	-	(273,611)	(273,611)
Balance as at 31 March 2011	5,287,974	37,882	1,974,610	(14,624,906)	(7,324,440)

The annexed notes from 1 to 17 form an integral part of these interim condensed financial statements.

President

Director

The Bank of Punjab
Notes to the Interim Condensed Financial Statements (Un-audited)
For the Quarter Ended March 31, 2011

1. Status and Nature of Business

- 1.1 The Bank of Punjab (the Bank) was constituted pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, Block E/II, Main Boulevard, Gulberg III, Lahore. The Bank has 273 branches (2010: 273 branches) in Pakistan and Azad Jammu and Kashmir at the period end. The Bank is listed on Lahore, Karachi and Islamabad Stock Exchanges. The majority shares of the Bank are held by the Government of Punjab.
- 1.2 The paid-up capital, reserves (net of losses) and share deposit money of the Bank amounts to Rs. 2,675,560 thousand, as against the minimum regulatory capital requirement of Rs. 6,000,000 thousand and Capital Adequacy Ratio (CAR) remained below the prescribed level of 10%. Further, as at the close of the period ended 31 March 2011, net advances aggregating to Rs. 31,131,478 thousand requiring additional provision of Rs. 26,549,066 thousand there against, have not been subjected to provisioning criteria as prescribed in State Bank of Pakistan's (SBP) prudential regulations in view of the relaxation provided by SBP vide letter No. OSED/Div-01/SEU-03/010(1)-2012/568 dated 13 March 2012, on the basis of two Letters of Comfort (LOCs) issued by Government of the Punjab (GOPb) as explained in para 2 below.

Government of the Punjab (GOPb) being the majority shareholder, in order to support the Bank, deposited Rs.10,000,000 thousand as advance subscription money in year 2009 and further deposited additional Rs.7,000,000 thousand as advance subscription money in year 2011 against future issue of shares by the Bank. Further, the GOPb vide two Letters of Comfort (LOCs) issued on 29 March 2012, has undertaken to inject the necessary funds to make good the capital shortfall to the satisfaction of SBP up to a maximum amount of Rs. 5,800,000 thousand (net of tax @ 35%) and Rs.12,940,000 thousand (net of tax @ 35%) within a period of 90 days after close of the year ending 31 December 2014 and 31 December 2016 respectively in event of the Bank failing to make provision of Rs.28,840,000 thousand or if there is a shortfall in meeting the prevailing regulatory capital requirements as a result of the said provisioning.

In addition, in terms of above LOC, the GOPb being majority shareholder and sponsor of the Bank, has also extended its commitment to support and assist the Bank in ensuring that it remains compliant with the regulatory requirements at all times.

Based on above, the State Bank of Pakistan has granted the Bank relaxations from provisioning requirements of SBP's prudential regulations and exemption from applicable capital adequacy ratio (CAR) and minimum capital requirements for the years 2009, 2010, 2011 and 2012. However, the minimum level of CAR should not fall below 7% for the years 2011 and 2012. Further, the SBP has also agreed to allow above relaxations for the period of another 3 years including year 2012 based on examination of the business plan to be submitted by the Bank to the SBP by 30 June 2012.

On the basis of above enduring support of Government of the Punjab, actions as outlined above and the projections prepared by the Bank's management, which have been approved by the Board of Directors, the Board is of the view that the Bank would have adequate resources to continue its business on a sustainable basis in the foreseeable future.

2. Statement of Compliance

These interim condensed financial statements have been prepared in accordance with the directives issued by the SBP, requirements of The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) as are notified under the provisions of the Companies Ordinance, 1984. 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 Ordinance, 1984 differ with the requirements of these standards, the requirements of the said directives, The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Ordinance, 1984 take precedence.

SBP as per BSD Circular No. 10, dated 26 August 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 28 April 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 interim financial statements. However, investments have been classified in accordance with requirements prescribed by the SBP through various circulars.

The disclosures made in these interim condensed financial statements have, however, been limited based on the format prescribed by the SBP vide BSD Circular letter No. 2 dated May 12, 2004. International Accounting Standard – 34 Interim Financial Reporting should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2010.

3. Summary of significant accounting policies

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of annual financial statements of the Bank for the year ended December 31, 2010.

4. Taxation

Provision for taxation has been made on estimated basis in these interim condensed financial statements.

THE BANK OF PUNJAB

(Un-audited) (Audited)
March 31, December 31,
2011 2010
(Rupees in thousand)

5. LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings	100,000	-
Repurchase agreement lendings (Reverse Repo)	3,354,367	6,691,812
Certificate of investment	143,333	143,333
Placements	300,000	474,442
	3,897,700	7,309,587

6. INVESTMENTS

<i>NOTE</i>	(Un-audited) March 31, 2011			(Audited) December 31, 2010		
	Held by Bank	Given as Collateral	Total	Held by Bank	Given as Collateral	Total
	(Rupees in thousand)					
Held for trading securities						
Ordinary shares of listed companies and modarabas	56,145	-	56,145	191,560	-	191,560
Available for sale securities						
Pakistan Market Treasury Bills	39,905,333	2,415,871	42,321,204	30,770,725	4,728,012	35,498,737
Pakistan Investment Bonds	2,414,938	-	2,414,938	2,152,484	357,233	2,509,717
Ijarah Sukuk	10,000	-	10,000	10,000	-	10,000
Ordinary shares of listed companies and modaraba	3,501,460	-	3,501,460	3,543,775	-	3,543,775
Preference Shares of listed companies	195,454	-	195,454	195,454	-	195,454
Ordinary Shares of un-listed companies	25,000	-	25,000	25,000	-	25,000
NIT Units	860,991	-	860,991	860,991	-	860,991
Investment in Mutual Funds	3,301,854	-	3,301,854	4,401,009	-	4,401,009
Listed Term Finance Certificates (TFCs)	644,332	-	644,332	671,002	-	671,002
Un-Listed Term Finance Certificates (TFCs)	9,411,632	-	9,411,632	9,638,344	-	9,638,344
						-
Held to maturity securities						
Pakistan Investment Bonds	2,181,084	-	2,181,084	2,151,633	-	2,151,633
WAPDA Bonds	400	-	400	400	-	400
Subsidiary						
Punjab Modaraba Services (Private) Limited	164,945	-	164,945	164,945	-	164,945
Total investment at cost	62,673,568	2,415,871	65,089,439	54,777,322	5,085,245	59,862,567
Less: Provision for diminution in value of investment	(3,275,920)	-	(3,275,920)	(3,273,335)	-	(3,273,335)
Investments net of provisions	59,397,648	2,415,871	61,813,519	51,503,987	5,085,245	56,589,232
Less: Deficit on revaluation of available for sale securities	(570,510)	-	(570,510)	(204,298)	-	(204,298)
Less: (Deficit) / Surplus on revaluation of available for sale securities	(4,653)	-	(4,653)	18,020	-	18,020
Total investment at market value	58,822,485	2,415,871	61,238,356	51,317,709	5,085,245	56,402,954

6.1 The Bank's investment in NIT consists of 30,045,272 units (2010: 30,045,272 units)

It was agreed amongst the LOC Unit Holders that the strategic assets representing shares of Pakistan State Oil (PSO) and Sui Northern Gas Pipelines Limited (SNGPL) shall be taken over by NBP at a price as at close of 13 October 13 2010 for settlement with other LOC Holders. However, due to pending process for transferring these shares in the name of NBP, the final settlement against these strategic assets has not yet been executed.

Subsequent to the balance sheet date, as per the terms agreed amongst the LOC Unit Holders, the remaining holding of the Bank have been valued based on the proportionate share of the Bank as per the audited financial statements of the fund. Accordingly, the investment in LOC Holders' Fund has been derecognized and shown as receivable from NITL.

THE BANK OF PUNJAB

- As per BSD 23/2008 dated 13 October 2008 securities classified as held to maturity cannot be sold. However, these can be used for borrowing under SBP repo facility / discount window. Market value of held to maturity investments is Rs. 1,792,121 thousand (2010: Rs 1,768,014 thousand).

	(Un-audited)	(Audited)
	March 31,	December 31,
	2011	2010
	(Rupees in thousand)	
7. ADVANCES		
Loans, cash credits, running finances, etc. - in Pakistan	137,240,839	144,103,655
Net investment in finance lease - in Pakistan	2,532,409	2,265,263
Repurchase agreement lendings to Non Financial Institutions	1,677,189	1,677,189
Bills discounted and purchased (excluding treasury bills)		
Payable in Pakistan	6,391,010	1,035,597
Payable outside Pakistan	916,283	1,056,782
	7,307,293	2,092,379
Advances - gross	148,757,730	150,138,486
Provision for non-performing advances		
-Specific	(29,120,366)	(29,301,458)
-General	(20,696)	(19,007)
	(29,141,062)	(29,320,465)
Advances - net of provision	119,616,668	120,818,021

7.1 Provision against certain net advances amounting to Rs. 31,131,478 thousand {2010: Rs.31,520,231 (thousand)} requiring additional provisioning of Rs. 26,549,066 thousand {2010: Rs. 25,895,849 (thousand)} has not been considered necessary in these financial statements on the basis of undertaking given by Government of the Punjab as stated in Note 1.2.

7.2 Advances include Rs. 76,558,959 thousand (2010: Rs. 77,398,928 thousand) which have been placed under non-performing status in various categories as on 31.03.2011 as detailed below:

Category of classification	March 31, 2011 (Un-audited)				
	Domestic	Overseas	Total	Provision Required	Provision Held
	(Rupees in thousand)				
Other assets especially mentioned	164,151	-	164,151	-	-
Substandard	7,027,828	-	7,027,828	1,774,642	1,774,642
Doubtful	2,605,129	-	2,605,129	1,032,747	1,032,747
Loss	66,761,851	-	66,761,851	26,312,977	26,312,977
	76,558,959	-	76,558,959	29,120,366	29,120,366

7.2 General provision includes provision against consumer financing portfolio as required by the Prudential Regulations issued by the SBP.

	(Un-audited)	(Audited)
	March 31,	December 31,
	2011	2010
	(Rupees in thousand)	
8. OPERATING FIXED ASSETS		
Capital work in progress	88,986	53,694
Property and equipment	3,425,024	3,480,966
	3,514,010	3,534,660
9. DEFERRED TAX ASSETS		

Based on the future projections, the Management expects that the future taxable income would be sufficient to allow the benefit of the deductible temporary differences.

THE BANK OF PUNJAB
(Un-audited) (Audited)
March 31, December 31,
2011 2010
(Rupees in thousand)

10. BORROWINGS

Secured

Borrowings from SBP		
-Export refinance (ERF)	4,839,610	4,798,299
-Long term financing-export oriented projects (LTF- EOP)	635,476	999,119
-Long term financing facility (LTFF)	900,860	644,120
Repurchase agreement borrowings	2,415,871	5,085,245
	8,791,817	11,526,783

11. DEPOSITS AND OTHER ACCOUNTS

Customers

Fixed deposits	96,231,914	96,752,700
Savings deposits	79,112,905	75,625,569
Current Accounts	28,771,127	30,231,757
Sundry deposits, margin accounts, etc.	1,276,694	1,467,019
	205,392,640	204,077,045

Financial Institutions

Remunerative deposits	2,578,672	3,090,511
Non-remunerative deposits	679,728	1,009,432
	3,258,400	4,099,943
	208,651,040	208,176,988

11.1 Particulars of deposits

In local currency	205,398,814	204,880,523
In foreign currencies	3,252,226	3,296,465
	208,651,040	208,176,988

12. SHARE CAPITAL

(Un-audited) March 31, 2011	(Audited) December 31, 2010		(No. of shares)		
5,000,000,000	5,000,000,000	Authorized		50,000,000	50,000,000
		Ordinary shares of Rs. 10/- each			
		Issued subscribed and paid up capital			
19,333,340	19,333,340	Ordinary shares of Rs. 10/- each paid in cash		193,333	193,333
509,464,036	509,464,036	Issued as bonus shares		5,094,641	5,094,641
528,797,376	528,797,376			5,287,974	5,287,974

THE BANK OF PUNJAB

(Un-audited) (Audited)
March 31, December 31,
2011 2010
(Rupees in thousand)

13. SURPLUS ON REVALUATION OF ASSETS

Surplus on revaluation of fixed assets - net of tax	855,233	856,928
Deficit on revaluation of securities - net of tax	<u>(368,989)</u>	<u>(135,935)</u>
	<u>486,244</u>	<u>720,993</u>

14. CONTINGENCIES AND COMMITMENTS

14.1 Direct Credit Substitutes

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

	(Un-audited) March 31, 2011 (Rupees in thousand)	(Audited) December 2010
Government	-	-
Financial institutions	-	-
Others	<u>777,855</u>	<u>853,542</u>
	<u>777,855</u>	<u>853,542</u>

14.2 Transaction related contingent liabilities

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

	(Un-audited) March 31, 2011 (Rupees in thousand)	(Audited) December 2010
Government	78,204	76,136
Financial institutions	65,383	65,383
Others	<u>12,504,581</u>	<u>12,835,832</u>
	<u>12,648,168</u>	<u>12,977,351</u>

14.3 Trade related contingent liabilities

Government	571,345	727,045
Financial institutions	31,395	470
Others	<u>10,333,828</u>	<u>10,956,683</u>
	<u>10,936,568</u>	<u>11,684,198</u>

14.4 Other contingencies

Claims against the bank not acknowledged as debt	<u>12,721,210</u>	<u>12,677,637</u>
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14.5 Income tax related contingency

For the tax year 2007, the department has amended the assessment on certain issues against which the Bank filed an appeal before Commissioner of Inland Revenue Appeals {(CIR (A))}. CIR (A) has deleted addition under the head "provision for compensated absences" while confirmed others. The Bank has filed an appeal before Income Tax Appellate Tribunal (ITAT) against the order of CIR (A). The expected tax liability which may arise in respect of aforesaid tax year amounts to Rs. 333,727 thousands. The Management of the Bank, based on the past case history of the Bank and on advice of its tax consultant, is confident that the appeal filed for the aforementioned tax year will be decided in the Bank's favor.

		THE BANK OF PUNJAB	
		(Un-audited)	(Audited)
		March 31,	December 31,
		2011	2010
		(Rupees in thousand)	
14.6	Commitments in respect of forward exchange contracts		
	Purchase	1,749,253	1,364,614
	Sale	<u>2,256,336</u>	<u>1,138,760</u>
		<u>4,005,589</u>	<u>2,503,374</u>
14.7	Commitments for the acquisition of operating fixed assets	<u>4,744</u>	<u>4,707</u>
15.	RELATED PARTY TRANSACTIONS		
	Related parties comprise associate, subsidiary, directors, 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. Amounts due from and due to related parties are shown under receivables and payables.		
		(Un-audited)	(Audited)
		March 31,	December 31,
		2011	2010
		(Rupees in thousand)	
	Punjab Modaraba Services (Private) Limited (wholly owned subsidiary of the Bank)		
	Deposits in current account	<u>447</u>	<u>33</u>
	Advances		
	Outstanding at beginning of the period	21,258	14,100
	Made during the period	742	9,138
	Repaid/matured during the period		(1,980)
	Outstanding at the end of the period	<u>22,000</u>	<u>21,258</u>
	Mark-up/return earned	<u>777</u>	<u>2,512</u>
	First Punjab Modaraba (Modaraba floated by the wholly owned subsidiary of the Bank)		
	Advances		
	Outstanding at beginning of the period	941,625	973,315
	Made during the period	471,691	2,882,886
	Repaid/matured during the period	(491,075)	(2,914,576)
	Outstanding at the end of the period	<u>922,241</u>	<u>941,625</u>
	Mark-up/return earned	<u>36,571</u>	<u>131,840</u>
	Deposits in current account	<u>473</u>	<u>27,174</u>
	Placement		
	Outstanding at beginning of the period	300,000	300,000
	Made during the period	300,000	300,000
	Repaid/matured during the period	(300,000)	(300,000)
	Outstanding at the end of the period	<u>300,000</u>	<u>300,000</u>
	Mark-up/return earned	<u>10,725</u>	<u>39,284</u>
	Lease liability		
	Outstanding at beginning of the period	13,887	19,907
	Lease contracts entered into during the period		6,236.00
	Repayments of lease rentals	(1,282)	(12,256)
	Outstanding at the end of the period	<u>12,605</u>	<u>13,887</u>
	Bankers Avenue Co-operative Housing Society (A co-operative society managed by key management personnel of the Bank)		
	Deposits in saving account	<u>12,043</u>	<u>14,728</u>
	Contribution to employees provident fund	<u>15,077</u>	<u>54,012</u>

16 DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements were authorized for issuance on May 29, 2012 by the Board of Directors of the Bank.

17 GENERAL

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

17.2 Figures have been rounded off to the nearest thousand.

President

Director