

QUARTERLY REPORT
(UN-AUDITED)
JANUARY-MARCH 2024

BOUND BY
COLLABORATIVE
SPIRIT

Corporate Information

Board of Directors

Dr. Muhammad Amjad Saqib
Syed Ghazanfar Abbas Jilani
Mr. Mujahid Sherdil
Mr. Mohammad Mudassir Amray
Mr. Asif Reza Sana
Mr. Muhammad Naeem Khan
Mr. Zafar Masud
Mr. Kamran Hafeez

Director
Director
Director
Director
Director
President & CEO
Secretary to the Board

Board Audit Committee (BAC)

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

Chairman
Member
Member
Member

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

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

Chairman
Member
Member
Member

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

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

Chairman
Member
Member
Member

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

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

Chairman
Member
Member
Member

Information Technology and Communications Committee (IT&CC)

Mr. Asif Reza Sana
Mr. Mohammad Mudassir Amray
Syed Ghazanfar Abbas Jilani
Mr. Muhammad Naeem Khan

Member
Member
Member
Member

Environmental, Social & Governance Committee (ES&GC)

Mr. Muhammad Naeem Khan
Mr. Mohammad Mudassir Amray
Dr. Muhammad Amjad Saqib
Syed Ghazanfar Abbas Jilani
Mr. Asif Reza Sana

Chairman
Member
Member
Member
Member

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Registered Office

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

Share 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



The Bank of Punjab

Directors' Report

Quarterly Financial Statements - March 31, 2024

On behalf of the Board of Directors, I am pleased to present Un-audited Condensed Interim Financial Statements of The Bank of Punjab for the three months period ended March 31, 2024.

The Monetary Policy Committee (MPC) has kept the policy rate unchanged at 22 percent in Q1 2024, despite market expectations of rate cuts due to the decline in inflation. Headline inflation has declined to 20.7% in March 2024, down from peak levels of 38% in May 2023, and is now below the SBP policy rate. In the March MPC meeting SBP noted that while inflation is on a downward trajectory, the outlook is susceptible to risks amidst rising global commodity prices and elevated consumer inflation expectations. In SBP's view, this warrants a cautious approach and requires continuity of the current monetary stance to bring inflation down to the target range of 5 – 7 percent ultimately.

The banks struggled with these market dynamics, as the spread between the KIBOR rate and the T-bill cut-off yields increased, negatively impacting profitability. Demand for credit from the private sector declined in Q1 2024, as a result of high interest rates, and rising costs of doing business. This trend is likely to change in H2 2024 with a pick-up in economic activity and a gradual easing of monetary policy. GDP growth is projected to pick up in FY2024 to 2.5%, from a contraction of 1% in FY2023 due to the global commodity shocks and damage caused by the monsoon floods.

The agriculture sector remains the key driver of growth. After a strong performance of Kharif crops (especially cotton and rice), prospects for wheat crops also look promising due to an increase in area under cultivation, better input conditions, and higher output prices. In the industrial sector, large-scale manufacturing, despite a slight decline of 0.5 percent during July-January is expected to recover in the coming months due to improved capacity utilization and higher exports.

The successful completion of the US\$ 3 billion IMF Standby Arrangement in March 2024 is a positive development, leading to improved investment confidence. The KSE 100 index has rallied as local and foreign investors have increased investments in Q1 2024. The new government has approached the IMF for a 3 year \$ 6bn EFF program, which will provide medium term stability to the economy.

The Bank has successfully implemented IFSR-9 with effect from 01-01-2024 and the impacts of adoption has been duly disclosed in note 4.2 of these unconsolidated condensed interim financial statements. During 1st Quarter of year 2024, the Bank has maintained its growth trends as mentioned hereunder:

Financial Highlights:	Rs. In Million
Profit before taxation	3,511.690
Taxation	1,801.672
Profit after taxation	1,710.018
Earnings per share (Rupees)	0.52

During 1st quarter 2024, Bank's Net Interest Margin (NIM) increased to Rs. 8.55 billion as against Rs. 7.77 billion during 1st quarter 2023. Non-Markup/ Interest Income also increased by 33% as against corresponding period last year. Accordingly, during 1st quarter of the year, the Bank before tax profit increased to Rs. 3.51 billion as against 2.11 billion showing a remarkable growth of 67%. Earnings per Share (EPS) for the 1st quarter of year 2024 increased to Rs. 0.52 per share as against Rs. 0.37 per share during 1st quarter 2023.


As at March 31, 2024, Bank's Total Assets improved to Rs. 2,075.45 billion as against Rs. 1,604.36 billion as of March 31, 2023 depicting a hefty growth of 29%. The Deposits of the Bank improved to Rs. 1,421.40 billion as against Rs. 1,189.22 billion as of March 31, 2023 registering a massive growth of 20%. The Investments and Gross Advances were recorded at Rs. 1,055.79 billion and Rs. 761.70 billion, respectively. Tier-1 Equity improved to Rs. 70.24 billion as against 68.61 billion as on March 31, 2023 and Capital Adequacy Ratio (including ASM of TFC-III) stood at 17.15% against regulatory requirement of 11.50%.


During the 1st Quarter 2024, The Bank of Punjab Clinches "Best SME Bank in Pakistan" Title at Global SME Banking Innovation Awards 2024 by The Digital Banker. Further, the Bank was recognized as best bank in "Excellence in Financial Literacy Awards-PFLW 2024" by State Bank of Pakistan.

The Bank has been assigned long term entity rating of "AA+" by M/s PACRA with short term rating being at the highest rank of "A1+". The Bank currently has a network of 815 online branches, including 160 Taqwa Islamic Banking Branches and 16 sub-branches. Further, the Bank has a network of 817 ATMs providing 24/7 banking services to the customers. Besides, Bank is also offering a wide range of products/services to its valued clients including Branchless Banking, Mobile Banking, Internet Banking, Credit Card and Cash Management services.

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

For and on behalf of the Board


President/CEO


Director

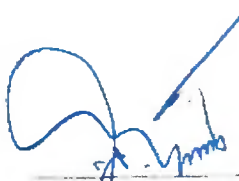

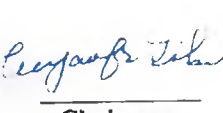
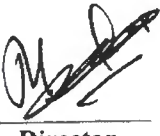



**UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024**

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
ASSETS			
Cash and balances with treasury banks	7	113,400,230	100,894,255
Balances with other banks - net	8	17,839,314	8,283,392
Lendings to financial institutions - net	9	7,726,155	144,960,933
Investments - net	10	1,055,787,590	913,191,416
Advances - net	11	708,516,578	806,386,880
Property and equipment	12	20,772,591	20,788,845
Right-of-use assets	13	12,137,740	12,424,136
Intangible assets	14	2,539,816	2,091,021
Deferred tax assets - net	15	15,618,209	10,242,767
Other assets - net	16	121,113,565	196,916,345
Total assets		2,075,451,788	2,216,179,990
LIABILITIES			
Bills payable	18	5,613,989	5,507,855
Borrowings	19	408,172,506	453,965,991
Deposits and other accounts	20	1,421,395,731	1,520,853,642
Lease liabilities	21	15,762,136	15,727,259
Subordinated debts	22	30,254,640	30,204,640
Deferred tax liabilities		-	-
Other liabilities - net	23	120,186,225	109,165,991
Total liabilities		2,001,385,227	2,135,425,378
NET ASSETS		74,066,561	80,754,612
REPRESENTED BY			
Share capital - net	24	32,452,535	32,452,535
Reserves		15,293,733	14,951,729
Surplus on revaluation of assets - net of tax	25	3,829,731	1,828,553
Unappropriated profit		22,490,562	31,521,795
		74,066,561	80,754,612
CONTINGENCIES AND COMMITMENTS	26		

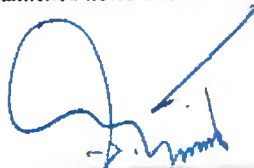
The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.

 Chief Financial Officer	 President	 Chairman	 Director	 Director
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THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Note	Three Months Ended	
		March 31, 2024	March 31, 2023
		Rupees in '000'	
Mark-up / return / interest earned	27	84,244,534	50,675,868
Mark-up / return / interest expensed	28	75,690,512	42,908,380
Net mark-up / interest income		8,554,022	7,767,488
NON MARK-UP / INTEREST INCOME			
Fee and commission income	29	2,076,870	1,723,245
Dividend income		114,637	137,189
Foreign exchange income		207,500	780,381
Income / (loss) from derivatives		-	-
Gain on securities - net	30	701,629	59,579
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-
Other income	31	548,372	40,257
Total non-markup / interest income		3,649,008	2,740,651
Total income		12,203,030	10,508,139
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	32	10,433,389	8,348,193
Workers' welfare fund		53,370	31,013
Other charges	33	158	597
Total non-markup / interest expenses		10,486,917	8,379,803
Profit before credit loss allowance		1,716,113	2,128,336
(Reversal of credit loss allowance) / provisions and write offs - net	34	(1,795,578)	19,782
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		3,511,691	2,108,554
Taxation - net	35	1,801,672	906,895
PROFIT AFTER TAXATION		1,710,019	1,201,659
			(Restated)
Basic earnings per share - Rupees	36	0.52	0.37
Diluted earnings per share - Rupees	37	0.52	0.37

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.


 Chief Financial Officer


 President


 Chairman


 Director


 Director

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Three Months Ended	
	March 31, 2024	March 31, 2023
Rupees in '000'		
Profit after taxation for the period	1,710,019	1,201,659
Other comprehensive (loss) / income for the period:		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in deficit on revaluation of debt investments through FVOCI / AFS investments - net of tax	(1,289,587)	(4,037,078)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement gain / loss on defined benefit obligations - net of tax	-	-
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	(98,437)	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-
	(98,437)	-
Total comprehensive income for the period	321,995	(2,835,419)

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.


 Chief Financial Officer


 President


 Chairman


 Director


 Director

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Share capital	Discount on issue of shares	Share capital - net	Share premium	Reserve for issuance of bonus shares	Statutory reserve	Surplus / (Deficit) - net of tax on revaluation of		Unappropriated profit	Total
							Investments	Property & equipment / non banking assets		
Rupees in '000'										
Balance as on January 01, 2023 - audited	29,741,539	(263,158)	29,478,381	2,215,040	-	10,468,852	(7,819,265)	5,495,835	25,233,170	62,952,013
Profit after taxation for the three months ended March 31, 2023	-	-	-	-	-	-	-	-	1,201,659	1,201,659
Other comprehensive loss - net of tax	-	-	-	-	-	-	(4,037,078)	-	-	(4,037,078)
Total other comprehensive (loss) / income for the three months ended March 31, 2023	-	-	-	-	-	-	(4,037,078)	-	1,201,659	(2,835,419)
Transfer to statutory reserve during the period	-	-	-	-	-	240,332	-	-	(240,332)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(33,894)	33,894	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(1,398)	1,398	-
Transactions with owners recognized directly in equity:										
Final stock dividend - December 31, 2022 declared subsequent to year end at 10% per share	-	-	-	-	2,974,154	-	-	-	(2,974,154)	-
Balance as on March 31, 2023 - un-audited	29,741,539	(263,158)	29,478,381	2,215,040	2,974,154	10,709,184	(11,856,343)	5,460,543	23,235,635	62,216,594
Profit after taxation for the three months ended December 31, 2023	-	-	-	-	-	-	-	-	10,137,526	10,137,526
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	8,930,337	(279,306)	-	8,393,692
Total other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	8,930,337	(279,306)	-	8,393,692
Transfer to statutory reserve during the period	-	-	-	-	-	2,027,505	-	-	(2,027,505)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(87,412)	87,412	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(3,473)	3,473	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(335,793)	342,593	6,800
Transactions with owners recognized directly in equity:										
Issuance of bonus shares during the period	2,974,154	-	2,974,154	-	(2,974,154)	-	-	-	-	-
Balance as on December 31, 2023 - audited	32,715,693	(263,158)	32,452,535	2,215,040	-	12,736,689	(2,926,006)	1,754,559	31,521,795	80,754,612
Effect of first time adoption of IFRS-49 - net of tax	-	-	-	-	-	-	3,390,876	-	(2,210,561)	(3,819,687)
Profit after taxation for the three months ended March 31, 2024	-	-	-	-	-	-	464,870	4,754,559	24,311,232	76,934,925
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-	1,710,019	1,710,019
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	-	(1,289,587)	-	-	(1,289,587)
Movement in deficit on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	-	(98,437)	-	-	(98,437)
Total other comprehensive loss - net of tax for the three months ended March 31, 2024	-	-	-	-	-	-	(1,388,024)	-	-	(1,388,024)
Transfer to statutory reserve during the period	-	-	-	-	-	342,004	-	-	(342,004)	-
Transfer of deficit on revaluation of investments in equity instruments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	-	-	-	-	(121,470)	(121,470)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(28,811)	28,811	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(868)	868	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(93,465)	174,675	81,210
Transactions with owners recognized directly in equity:										
Final cash dividend - December 31, 2023 declared subsequent to year end at 10% per share	-	-	-	-	-	-	-	-	(3,271,569)	(3,271,569)
Balance as on March 31, 2024 - un-audited	32,715,693	(263,158)	32,452,535	2,215,040	-	13,078,693	(801,681)	4,631,415	22,490,562	74,066,561

The annexed notes 1 to 14 form an integral part of these unconsolidated condensed interim financial statements


Chief Financial Officer


President


Chairman


Director


Director

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Note	Three Months Ended	
		March 31, 2024	March 31, 2023
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		3,511,691	2,108,554
Less: Dividend income		(114,637)	(137,189)
		3,397,054	1,971,365
Adjustments:			
Net mark-up / interest income excluding mark-up on lease liability against right of use assets		(9,074,720)	-
Depreciation on property and equipment	32	575,771	416,120
Depreciation on non banking assets acquired in satisfaction of claims	32	3,769	5,663
Depreciation on ijarah assets under IFAS - 2	32	74,444	44,691
Depreciation on right of use assets	32	457,688	403,478
Amortization on intangible assets	32	100,405	53,560
Amortization of discount on debt securities - net		(1,759,419)	(1,846,830)
Mark-up on lease liability against right of use assets	28	520,698	454,278
Unrealized (gain) / loss on revaluation of investments classified as FVTPL	30	(144,282)	27,324
Realized gain on revaluation of deliverable future contracts		(7,887)	-
(Reversal) / charge of credit loss allowance for diminution in value of investments - net	34	(268,555)	205,283
Reversal of credit loss allowance against loans & advances - net		(2,925,817)	(182,941)
Credit loss allowance / (reversal of provision) against other assets - net		151,137	(2,560)
Credit loss allowance against off balance sheet obligations		981,813	-
Workers' welfare fund		53,370	31,013
Gain on termination of lease liability against right of use assets	31	(39,491)	(32,657)
Gain on sale of property and equipment - net	31	(1,552)	(987)
Gain on sale of non banking assets - net	31	(164,781)	-
Realized gain on sale of securities - net	30	(549,460)	(86,903)
Provision for employees compensated absences		3,105	5,836
Provision for gratuity		152,217	111,390
		(11,861,547)	(394,242)
		(8,464,493)	1,577,123
(Increase) / decrease in operating assets:			
Lendings to financial institutions		137,266,379	42,772,841
Securities classified as FVTPL		35,540,432	5,848,051
Advances - net		87,734,541	22,186,786
Others assets - net		81,554,333	(7,786,236)
		342,095,685	63,021,442
Increase / (decrease) in operating liabilities:			
Bills payable		106,134	(693,351)
Borrowings from financial institutions		(46,019,700)	157,492,249
Deposits		(99,457,911)	(38,120,509)
Other liabilities (excluding taxation - net and gratuity fund)		5,807,777	5,559,853
		(139,563,700)	124,238,242
Mark-up / return / interest received		76,948,326	-
Mark-up / return / interest paid		(74,026,998)	-
Income tax paid		(3,636,691)	(1,122,305)
		(715,363)	(1,122,305)
Net cash flow generated from operating activities		193,352,129	187,714,502

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) (Continued...)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

Note	Three Months Ended	
	March 31,	March 31,
	2024	2023
Rupees in '000'		
CASH FLOW FROM INVESTING ACTIVITIES		
	(170,338,416)	(176,193,297)
Net investments in securities classified as FVOCI	71,993	83,681
Dividends received	(562,164)	(717,855)
Investments in property and equipment	(549,200)	(92,801)
Investments in intangible assets	4,199	2,661
Disposal of property and equipment	524,777	-
Proceeds from sale of non banking assets acquired in satisfaction of claims	(170,848,811)	(176,917,611)
Net cash used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
	-	(2,494,000)
Repayment of subordinated debts	50,000	-
Subscription received - subordinated perpetual term finance certificates ADT-I 2nd issue	-	3,585,000
Subscription received - privately placed term finance certificates - III	(617,623)	(522,262)
Payment of lease liability against right of use assets	(567,623)	568,738
Net cash (used in) / flow from financing activities		
	21,935,695	11,365,629
Increase in cash and cash equivalents	(1,119)	-
Impact of adoption of IFRS-09 on beginning cash and equivalents	108,977,522	78,017,550
Cash and cash equivalents at beginning of the period	130,912,098	89,383,179
Cash and cash equivalents at end of the period		
Cash and cash equivalents:		
	113,400,230	83,608,014
Cash and balances with treasury banks	17,839,314	5,750,927
Balances with other banks	98,894	100,000
Call money lendings	(426,340)	(75,762)
Overdrawn nostro accounts	130,912,098	89,383,179

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements


 Chief Financial Officer


 President


 Chairman


 Director


 Director

THE BANK OF PUNJAB
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

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 815 branches including 16 sub branches and 160 Islamic banking branches (December 31, 2023: 815 branches including 16 sub branches and 160 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank also has 155 Islamic banking windows (December 31, 2023: 73). The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ with stable outlook and short term rating of A1+ to the Bank.

2 BASIS OF PREPARATION

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

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

The financial results of Islamic Banking business have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in note 42 of these unconsolidated condensed interim financial statements.

2.1 Adoption of new forms for the preparation of condensed interim financial statements

The SBP, vide BPRD Circular No. 02 dated February 09, 2023, issued revised forms for the preparation of condensed interim quarterly / half yearly financial statements of the Banks / DFIs which are applicable for quarterly / half yearly periods beginning on or after January 1, 2024 vide BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of these unconsolidated condensed interim financial statements mainly right of use assets and corresponding lease liability are now presented separately on face of the Statement of financial position. Previously, these were presented under property and equipment (earlier titled as operating fixed assets) and other liabilities respectively. There is no impact of this change on the unconsolidated condensed interim financial statements.

2.2 Statement of compliance

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

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

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

- 2.2.2 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 dated February 09, 2023 and IAS 34, "Interim Financial Reporting". Accordingly, these unconsolidated condensed interim financial statements do not include all the information and disclosures required for annual unconsolidated financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2023.
- 2.2.3 SBP as per BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS – 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in preparation of these unconsolidated condensed interim financial statements.
- 2.2.4 The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of "Islamic Financial Accounting Standard - 3" for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). The standard will result in certain new disclosures in these unconsolidated condensed interim financial statements of the Bank.
- 2.2.5 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore not detailed in these unconsolidated condensed interim financial statements except for IFRS-09 (Financial Instruments), the impact of which is disclosed in note 4.1 to these unconsolidated condensed interim financial statements.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore not detailed in these unconsolidated condensed interim financial statements.

3 BASIS OF MEASUREMENT

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

- Financial assets at fair value through other comprehensive income (FVOCI) - A financial instrument is measured at FVOCI only if the business model is collecting contractual cash flows and selling assets whose contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at amortized cost - A financial instrument is measured at amortized cost if these are held with a business model to hold financial assets in order to collect contractual cash flows and such contractual terms give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- Financial assets at fair value through profit or loss account (FVTPL) - A debt financial instrument shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Bank may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Under IFRS-09, the accounting for financial liabilities remains largely the same as before adoption of IFRS-09 and thus financial liabilities are being carried at amortized cost.

Initial recognition and subsequent measurement

a) Financial assets classified as amortized cost

Financial instruments under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction cost. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the profit or loss. Interest income / expense on these instruments are recognised in the profit and loss account. On derecognition of these financial instruments, capital gain / loss shall be recognised in the profit and loss account.

b. Fair value through other comprehensive income (FVOCI)

Financial assets are initially measured at their fair value which includes transaction costs associated with the financial assets.

FVOCI equity securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Dividend income is recognized in profit and loss account when the right to receive the payment is established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. Gains and losses on these equity instruments are never recycled to profit and loss account.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit and loss account. Debt instruments are subject to impairment under Expected Credit Loss model. However, the loss allowance shall be recognized in profit & loss account. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit and loss account.

c) Fair value through profit or loss (FVTPL)

Financial assets are initially measured at their fair value and their associated transaction costs are charged to profit and loss account.

Financial assets (both equity and debt) at FVTPL are subsequently measured at fair value with changes in fair value are recognized in profit and loss account. Interest income on debt instruments is recorded into profit and loss accounts. Dividend income on equity instruments is recorded in profit and loss account when the right to receive payment is established. On derecognition, capital gain / loss will be recognised in the profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

In addition, on initial recognition, the Bank may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for the adoption of IFRS-09 "Financial instruments" with effect from January 01, 2024.

4.1 Adoption of 'IFRS-09 - 'Financial Instruments'

As permitted by the transitional provisions of IFRS-09, the Bank has opted for modified retrospective approach and has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative information.

The adoption of IFRS-09 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- objectives for the portfolio
- performance of the business model
- risks that affect the performance of the business model
- the expected frequency, value and timing of sales

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Eventually, the financial assets fall under either of the following three business models:

- i) Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows
- ii) Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets
- iii) Other business models: Resulting in classification of financial assets as FVTPL.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the markup rate is set.

Classification

Under IFRS-09, existing categories of financial assets: Held for trading (HFT), Available for sale (AFS), Held to maturity (HTM) and loans and receivables have been replaced by:

Expected Credit Loss (ECL)

The adoption of IFRS-09 has fundamentally changed the Bank's loan loss impairment method with a forward-looking ECL approach. The Bank shall record the allowance for expected credit losses for all financial instruments (loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts).

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

Based on the requirement of IFRS-09 and SBP's IFRS-09 application instructions, the Bank has performed an ECL assessment taking into account the key elements such as assessment of Significant Increase in Credit Risk (SICR), Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.
- LGD: It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Bank expects to receive, including any form of collateral.
- EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortization, prepayments and forward-looking information where relevant.

When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: includes financial instruments that don't have a significant increase in credit risk since initial recognition or those have low credit risk at the reporting date. For these assets, 12-month expected credit losses (ECLs) are recognized and profit is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfall over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.
- Stage 2: includes financial instruments that have or had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. For these assets, lifetime ECL are recognized, but profit is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.
- Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). Currently, in the absence of regulatory directives on Stage 3 classification and impairment, the Bank has decided to maintain same level of provision for Stage 3 loans as is prescribed under SBP's Prudential Regulations. In computing Stage 3 exposures, the Bank considers PD of 100% and LGDs used are based on regulatory prescribed percentages.

4.2 Adoption impacts of IFRS-09

The impacts of adoption of IFRS-09 on Bank's Statement of Financial Position as on January 01, 2024 are as follows:

	Balances as of December 31, 2023 (Audited)	Impact due to:				Reversal of provisions held	Total impact - gross of tax	Related Taxation impact	Total impact - net of tax	Adjusted balances as of January 01, 2024	IFRS-09 Category
		Recognition of expected credit losses (ECL)	Adoption of revised classifications under IFRS-09	Business model and SPPi assessment	Related movement in surplus						
ASSETS											
Cash and balances with treasury banks	100,894,255	-	-	-	-	-	-	-	-	100,894,255	Amortised cost
Balances with other banks - net	8,283,392	(1,119)	-	-	-	(1,119)	-	(1,119)	8,282,273	Amortised cost	
Lending to financial institutions - net	144,960,933	(107,212)	-	-	-	(107,212)	-	(107,212)	144,853,721	Amortised cost	
Investments:											
- Classified as available for sale	770,408,167	-	(770,408,167)	(93,479,957)	6,648,776	982,532	(770,408,167)	-	684,440,306	FVOCI	
- Classified as fair value through OCI	-	(119,212)	770,408,167	-	-	-	684,440,306	-	684,440,306		
- Classified as held to maturity	98,547,842	-	(98,547,842)	-	-	-	(98,547,842)	-	-		
- Classified as amortized cost	-	(191,785)	98,547,842	90,864,033	-	-	189,220,090	-	189,220,090	Amortised cost	
- Classified as held for trading	44,124,920	-	(44,124,920)	-	-	-	(44,124,920)	-	-		
- Classified as fair value through P&L	-	-	44,124,920	2,615,924	-	-	46,980,443	-	46,980,443	FVTPL	
- Subsidiary	110,487	-	-	-	-	-	-	-	110,487	Outside the scope of IFRS-09	
Advances - net	913,191,416	(310,997)	-	-	6,888,375	982,532	7,559,910	-	920,751,326	Amortised cost	
Property and equipment	806,386,880	(12,987,134)	-	-	-	-	(12,987,134)	-	793,399,746	Outside the scope of IFRS-09	
Right-of-use assets	20,788,845	-	-	-	-	-	-	-	20,788,845	Outside the scope of IFRS-09	
Intangible assets	12,424,136	-	-	-	-	-	-	-	12,424,136	Outside the scope of IFRS-09	
Deferred tax asset - net	2,091,021	-	-	-	-	-	-	-	2,091,021	Outside the scope of IFRS-09	
Other assets	10,242,767	-	-	-	-	-	-	-	10,242,767	Outside the scope of IFRS-09	
	196,916,345	(918,897)	-	-	-	-	(918,897)	4,545,298	195,997,448	Amortised cost for financial assets	
	2,216,179,990	(14,325,359)	-	-	6,888,375	982,532	(6,434,452)	(1,909,154)	2,214,270,836		
LIABILITIES											
Bills payable	5,507,855	-	-	-	-	-	-	-	5,507,855	Amortised cost	
Borrowings	453,965,991	-	-	-	-	-	-	-	453,965,991	Amortised cost	
Deposits and other accounts	1,520,853,642	-	-	-	-	-	-	-	1,520,853,642	Amortised cost	
Lease liability against right-of-use assets	15,727,259	-	-	-	-	-	-	-	15,727,259	Amortised cost	
Subordinated debt	30,204,640	-	-	-	-	-	-	-	30,204,640	Amortised cost	
Other liabilities	109,165,991	1,910,533	-	-	-	-	1,910,533	-	111,076,524	Amortised cost for financial liabilities	
	2,135,425,378	1,910,533	-	-	-	-	1,910,533	-	2,137,335,911		
NET ASSETS	80,754,612	(16,235,892)	-	-	6,888,375	982,532	(8,364,985)	4,545,298	76,934,925		
REPRESENTED BY											
Share capital	32,452,535	-	-	-	-	-	-	-	32,452,535	Outside the scope of IFRS-09	
Reserves	14,951,729	-	-	-	-	-	-	-	14,951,729	Outside the scope of IFRS-09	
Surplus on revaluation of assets - net of tax	1,828,553	-	-	-	6,648,776	-	6,648,776	(3,257,900)	5,219,429		
Unappropriated profit	31,521,795	(16,235,892)	-	-	239,599	982,532	(15,013,761)	7,803,198	24,311,232		
	80,754,612	(16,235,892)	-	-	6,888,375	982,532	(8,364,985)	4,545,298	76,934,925		

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting judgments and key estimates adopted in preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for as explained in note 4.1.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for as explained in note 4.1.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000'	
7 CASH AND BALANCES WITH TREASURY BANKS		
In hand:		
Local currency	25,678,787	22,977,714
Foreign currencies	2,761,795	4,254,423
	28,440,582	27,232,137
With SBP in:		
Local currency current account	65,131,574	53,549,120
Foreign currency current account	2,960,138	2,931,351
Foreign currency deposit accounts	7,622,901	6,592,100
	75,714,613	63,072,571
With National Bank of Pakistan in:		
Local currency current accounts	8,939,830	10,307,990
Prize bonds	305,205	281,557
	113,400,230	100,894,255
8 BALANCES WITH OTHER BANKS		
In Pakistan:		
Current accounts	230,959	32,515
Deposit accounts	1,623	1,579
	232,582	34,094
Outside Pakistan:		
Current accounts	9,833,775	3,821,143
Deposit accounts	8,078,733	4,428,155
	17,912,508	8,249,298
	18,145,090	8,283,392
Less: Credit loss allowance held against balances with other banks	(305,776)	-
	17,839,314	8,283,392
9 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	100,000	-
Repurchase agreement lendings (Reverse Repo)	2,659,554	137,025,933
Placements	5,035,000	7,935,000
	7,794,554	144,960,933
Less: Credit loss allowance held against lendings to financial institutions	(68,399)	-
	7,726,155	144,960,933
9.1 Particulars of lendings		
In local currency	7,726,155	144,960,933
In foreign currencies	-	-
	7,726,155	144,960,933

	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)
Lending	7,794,554	68,399
Credit loss allowance held	-	-
Credit loss allowance held	-	-

9.2 Lending to financial institutions- Particulars of credit loss allowance

	Rupees in '000'		
	March 31, 2024 (Un-audited)	December 31, 2023 (Audited)	
Performing	7,794,554	68,399	-
Under performing	-	-	-
Non-performing	-	-	-
Substandard	-	-	-
Doubtful	-	-	-
Loss	-	-	-
	7,794,554	68,399	-

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)				
	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
10 INVESTMENTS - NET								
10.1 Investments by type:								
FVTPL / held for trading								
Federal government securities	9,905,278	-	5,608	9,910,886	44,069,917	-	55,003	44,124,920
Ordinary shares	1,553,204	-	138,674	1,691,878	-	-	-	-
	11,458,482	-	144,282	11,602,764	44,069,917	-	55,003	44,124,920
FVOCI / available for sale								
Federal government securities	841,223,320	-	(1,731,022)	839,492,298	756,146,695	-	(6,307,576)	749,839,119
Shares	2,623,989	-	(606,513)	2,017,476	4,827,848	(982,532)	547,733	4,393,049
Mutual fund & investment trust units	3,228,680	-	741,177	3,969,857	3,228,680	-	22,283	3,250,963
Non government debt securities	15,099,621	(2,623,151)	24,429	12,500,899	15,493,496	(2,580,709)	292	12,913,079
Foreign securities	11,957	-	-	11,957	11,957	-	-	11,957
	862,187,567	(2,623,151)	(1,571,929)	857,992,487	779,708,676	(3,563,241)	(5,737,268)	770,408,167
Amortised cost / held to maturity								
Federal government securities	186,081,852	-	-	186,081,852	98,547,842	-	-	98,547,842
WAPDA bonds	400	(400)	-	-	400	(400)	-	-
	186,082,252	(400)	-	186,081,852	98,548,242	(400)	-	98,547,842
Subsidiaries	275,432	(164,945)	-	110,487	275,432	(164,945)	-	110,487
Total investments	1,060,003,733	(2,788,496)	(1,427,647)	1,055,787,590	922,602,267	(3,728,586)	(5,682,265)	913,191,416

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) March 31, 2024	(Audited) December 31, 2023
		Rupees in '000'
	335,003,366	379,071,721

Note

10.2 Investments given as collateral - at cost / amortised cost

Pakistan investment bonds

10.3 Credit loss allowance for diminution in value of investments

10.3.1 Movement in credit loss allowance / provision for diminution in value of investments

Opening balance	3,728,586	4,763,091
Charge / (reversals):		
Impact of adoption of IFRS-09 on debt securities	310,997	-
Impact of adoption of IFRS-09 on equity securities	(982,532)	-
	(671,535)	-
Charge for the period / year	41,369	943,086
Reversals for the period / year	(309,924)	(147,044)
	(268,555)	796,042
Reversal on disposal during the period / year	-	(1,830,547)
Closing balance	2,788,496	3,728,586

(Un-audited)

March 31,

2024

(Audited)

December 31,

2023

10.3.2 Particulars of credit loss allowance against debt securities

Category of classification	Rupees in '000'		
	Cost / Amortized cost	Credit loss allowance held	Cost / Amortized cost / Provision
Performing	2,788,014	57,570	-
Under performing	404,785	22,894	-
Non-performing:			
Substandard	-	-	-
Doubtful	-	-	-
Loss	2,543,087	2,543,087	2,581,109
	2,543,087	2,543,087	2,581,109
	5,735,886	2,623,551	2,581,109

10.4 Market value of held to maturity investments amounted to Rs. 166,885,178 thousand (December 31, 2023: Rs. 84,546,226 thousand).

	Performing		Non performing		Total	
	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000'					
Loans, cash credits, running finances, etc.	601,698,632	675,092,112	49,460,934	47,728,513	651,159,566	722,820,625
Net book value of assets in ijarah under IFRS 2 - In Pakistan	90,820,101	105,445,766	3,488,427	3,134,134	94,308,528	108,579,900
Bills discounted and purchased	16,215,524	18,092,079	17,222	17,221	16,232,746	18,109,300
Advances - gross	708,734,257	798,629,957	52,966,583	50,879,868	761,700,840	849,509,825
Credit loss allowance against advances:						
-Stage 1 / general provision	(4,380,822)	(695,731)	-	-	(4,380,822)	(695,731)
-Stage 2	(2,010,396)	-	-	-	(2,010,396)	-
-Stage 3 / specific provision	(6,391,218)	(695,731)	(46,793,044)	(42,427,214)	(53,184,262)	(42,427,214)
Advances - net of credit loss allowance	702,343,039	797,934,226	6,173,539	8,452,654	708,516,578	806,386,880

(Un-audited) March 31, 2024	(Audited) December 31, 2023
753,666,276	841,674,065
8,034,564	7,835,760
761,700,840	849,509,825

11.1 Particulars of advances (gross)

In local currency

In foreign currencies

11.2 Advances include Rs. 52,966,583 thousand (December 31, 2023); Rs. 50,879,868 thousand (December 31, 2023) which have been placed under non-performing / stage 3 status as detailed below:

Category of classification	(Un-audited)		(Audited)	
	March 31, 2024	Credit loss allowance	December 31, 2023	Provision
	Rupees in '000'			
Other assets especially mentioned	726,624	380,110	334,350	9,041
Substandard	1,881,096	890,184	1,735,654	330,681
Doubtful	5,447,191	2,719,463	4,718,746	1,973,455
Loss	44,911,672	42,206,143	44,091,118	40,114,037
Total non performing loans	52,239,959	45,815,790	50,545,518	42,418,173
Underperforming / restructured loans	-	597,144	-	-
Total Stage 3	52,966,583	46,793,044	50,879,868	42,427,214

December 31, 2023 (Audited)

March 31, 2024 (Un-audited)

Particulars of credit loss allowance against advances	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)				
	Stage 3	Stage 2	Stage 1	Total	Stage 3 / Specific Provision	Stage 2	Stage 1 / General provision	Total
	Rupees in '000'							
Opening balance	42,427,214	-	695,731	43,122,945	44,179,521	-	614,979	44,794,500
Impact of adoption of IFRS-09	4,205,076	2,541,840	6,240,218	12,987,134	-	-	-	-
Charge for the period / year	2,458,442	839,222	895,896	4,193,560	2,108,556	-	80,752	2,189,308
Reversals for the period / year	(2,297,688)	(1,370,666)	(3,451,023)	(7,119,377)	(3,634,387)	-	-	(3,634,387)
Amounts written off	160,754	(531,444)	(2,555,127)	(2,925,817)	(1,525,831)	-	80,752	(1,445,079)
	-	-	-	-	(1,138)	-	-	(1,138)
Provision transferred from advances to other assets	-	-	-	-	(225,338)	-	-	(225,338)
Closing balance	46,793,044	2,010,396	4,380,822	53,184,262	42,427,214	-	695,731	43,122,945

The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 3,784,563 thousand (2023: Rs. 3,563,768 thousand). The FSV benefit availed is not available for cash or stock dividend.

11.4 Advances - Particulars of credit loss allowance

	March 31, 2024 (Un-audited)			Total
	Stage 3	Stage 2	Stage 1	
	Rupees in '000'			
Opening balance	46,632,290	2,541,840	6,935,953	56,110,083
New Advances	2,458,442	839,222	895,896	4,193,560
Advances derecognized or repaid	(2,466,150)	(792,418)	(3,860,811)	(7,119,379)
Transfer to stage 1	-	(774,620)	774,620	-
Transfer to stage 2	(3,049)	350,300	(347,251)	-
Transfer to stage 3	171,511	(153,928)	(17,583)	-
Changes in risk parameters	160,754	(531,444)	(2,555,129)	(2,925,819)
Closing balance	46,793,044	2,010,396	4,380,824	53,184,264

11.5

Advances - Category of classification

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	Outstanding amount	Credit loss allowance held	Outstanding amount	Outstanding amount	Provision	Provision
	Rupees in '000'					
Performing	604,501,189	4,380,822	-	-	-	-
Underperforming	102,880,797	2,010,396	-	-	-	-
Non-Performing:						
Other assets especially mentioned						
Substandard	726,624	380,110	334,350	9,041		
Doubtful	1,881,096	890,184	1,735,654	330,681		
Loss	5,447,191	2,719,463	4,718,746	1,973,455		
	44,911,672	42,206,143	44,091,118	40,114,037		
	52,966,583	46,195,900	50,879,868	42,427,214		
	1,352,271	597,144	-	-		
Underperforming / restructured loans	761,700,840	53,184,262	50,879,868	42,427,214		
Total						

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		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		Rupees in '000'	
12 PROPERTY AND EQUIPMENT			
Capital work-in-progress	12.1	676,944	750,114
Property and equipment	12.2	20,095,647	20,038,731
		20,772,591	20,788,845
12.1 Capital work-in-progress			
Civil works		621,335	709,037
Advances to suppliers		55,609	41,077
		676,944	750,114
		(Un-audited)	(Un-audited)
		March 31,	March 31,
		2024	2023
		Rupees in '000'	
12.2 Additions to property and equipment			
The following additions / transfers have been made to property and equipment during the period:			
Capital work-in-progress		(73,170)	20,167
Property and equipment:			
Building on freehold land		-	64,002
Furniture and fixtures		56,401	79,141
Electrical and office equipments		110,401	179,788
Computer equipments		182,819	96,313
Lease hold improvements		285,713	278,444
		635,334	697,688
		562,164	717,855
12.3 Disposal of property and equipment:			
The net book value of property and equipment disposed off during the period is as follows:			
Furniture and fixtures		1,184	551
Electrical and office equipments		1,211	1,123
Computer equipments		238	-
Lease hold improvements		14	-
Vehicles		-	-
		2,647	1,674
Gross carrying amount / cost of vehicles disposed off during the period was Rs. Nil. (March 31, 2023: computer equipment Rs. 3,374 thousand and vehicles Rs. 681 thousand).			
		(Un-audited)	(Audited)
		March 31,	December 31,
		2024	2023
		Rupees in '000'	
13 RIGHT-OF-USE ASSETS			
Cost		17,851,962	17,699,453
Accumulated depreciation		(5,714,222)	(5,275,317)
Net carrying amount		12,137,740	12,424,136
		(Un-audited)	(Un-audited)
		March 31,	March 31,
		2024	2023
		Rupees in '000'	
13.1 Addition during the period		194,950	315,098
13.2 Deletions during the period		23,658	18,673
13.3 Depreciation charge for the period		457,688	403,478

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		(Un-audited) March 31, 2024	(Audited) December 31, 2023
14	INTANGIBLE ASSETS	Rupees in '000'	
	Intangible in progress	686,253	635,072
	Software and long term licenses	1,853,563	1,455,949
		<u>2,539,816</u>	<u>2,091,021</u>
		(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
14.1	Additions to intangible assets	Rupees in '000'	
	The following additions have been made to intangible assets during the period:		
	Intangible in progress	51,181	86,308
	Intangible assets purchased	498,019	6,493
		<u>549,200</u>	<u>92,801</u>
		(Un-audited) March 31, 2024	(Audited) December 31, 2023
15	DEFERRED TAX ASSETS - NET	Rupees in '000'	
	Deductible temporary differences on:		
	Deficit on revaluation of investments classified as FVOCI	770,245	2,811,262
	Right of use assets	1,775,953	1,618,530
	Workers welfare fund	668,206	642,055
	Impact of adoption of IFRS-09	7,803,200	
	Credit loss allowance against advances	7,673,935	8,416,444
		<u>18,691,539</u>	<u>13,488,291</u>
	Taxable temporary differences on:		
	Surplus on revaluation of property and equipment	(2,186,793)	(2,214,474)
	Accelerated tax depreciation	(873,719)	(936,188)
	Surplus on revaluation of non banking assets	(12,818)	(94,862)
		<u>(3,073,330)</u>	<u>(3,245,524)</u>
		<u>15,618,209</u>	<u>10,242,767</u>
16	OTHER ASSETS - NET		
	Income / mark-up accrued in local currency	96,767,204	89,515,734
	Income / mark-up accrued in foreign currency	56,596	11,858
	Receivable from the Government of Pakistan	-	85,200,400
	Advances, deposits, advance rent and other prepayments	3,408,158	1,257,571
	Non-banking assets acquired in satisfaction of claims	989,834	1,177,222
	Acceptances	16,337,499	15,888,469
	Branch adjustment account	-	27,927
	Stock of stationery	482,326	375,089
	Suspense account	8,714	37,187
	Mark to market gain on forward foreign exchange contracts - net	197,118	-
	Zakat recoverable from National Investment Trust Limited (NITL)	36,790	36,790
	Receivable against fraud and forgeries	397,998	399,468
	Auto Teller Machine and Point of Sale receivable - net	782,755	650,830
	Inter bank fund transfer and RAAST receivable - net	1,597,837	1,761,393
	Receivable against settlement arrangements	225,337	225,337
	Receivable against litigation expenses	312,218	312,218
	Others	1,361,877	641,137
		<u>122,962,261</u>	<u>197,518,630</u>
	Less: Credit loss allowance held against other assets	(2,522,929)	(1,452,895)
	Other assets (net of credit loss allowance)	120,439,332	196,065,735
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	674,233	850,610
	Other assets - total	<u>121,113,565</u>	<u>196,916,345</u>

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	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000'	
16.1 Credit loss allowance held against other assets		
Income accrued in local currency	500,000	500,000
Advances, deposits, advance rent & other prepayments	35,723	35,723
ECL against acceptances	103,820	-
ECL against accrued markup	965,323	-
Non banking assets acquired in satisfaction of claims	30,876	30,876
Zakat recoverable from NITL	36,790	36,790
Fraud and forgeries	312,843	311,952
Receivable against settlement arrangements	225,337	225,337
Receivable against litigation expenses	312,217	312,217
	2,522,929	1,452,895
16.1.1 Movement in Credit loss allowance held against other assets		
Opening balance	1,452,895	635,017
Impact of adoption of IFRS-09	918,897	-
Charge for the period / year	151,137	610,065
Reversals during the period / year	-	(13,953)
	151,137	596,112
Amount written off	-	(3,572)
Provision transferred to other assets from advances	-	225,338
Closing balance	2,522,929	1,452,895
16.1.2 This includes provision amounted to Rs. 4,795 thousand (December 31, 2023: Rs. 4,795 thousand) maintained against certain closed cases as per approval of the management.		
	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000'	
17 CONTINGENT ASSETS	Nil	Nil
Contingent assets		
18 BILLS PAYABLE		
In Pakistan	5,613,989	5,507,855
Outside Pakistan	-	-
	5,613,989	5,507,855
19 BORROWINGS		
Secured		
Borrowings from SBP under:		
Export refinance scheme (ERF)	25,467,460	29,950,587
Long term financing facility (LTFF)	10,826,427	11,368,117
Finance facility for storage of agricultural produce (FFSAP)	167,730	183,985
Islamic finance facility for storage of agricultural produce (IFFSAP)	74,707	-
Finance facility for renewable energy performance platform (REPP)	6,246,998	6,435,548
Refinancing facility for combating COVID-19	738,832	814,386
Refinancing facility for working capital of small and medium enterprises	37,000	39,891
Finance facility for temporary relief refinance scheme (TERF)	18,640,984	19,310,908
Finance facility for women entrepreneurs	800	900
Finance Islamic facility for saaf rozgar reimbursement credit	11,463,272	6,954,080
Finance facility for shamsi tawanai consumer	44,852	47,312
Refinancing facility for modernization of small and medium enterprises (SMEs)	119,332	137,300
	73,828,394	75,243,014
Repurchase agreement borrowings	332,920,800	377,025,018
Borrowing from Pakistan Mortgage Refinance Company Limited	996,972	1,497,834
Total secured	407,746,166	453,765,866
Unsecured		
Overdrawn nostro accounts	426,340	200,125
	408,172,506	453,965,991

20 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
Customers:						
Current deposits	229,937,684	11,398,334	241,336,018	247,207,834	10,577,445	257,785,279
Savings deposits	669,215,688	5,562,992	674,778,680	622,556,998	5,554,561	628,111,559
Term deposits	428,383,296	40,119,048	468,502,344	497,160,082	41,494,976	538,655,058
Others	24,754,487	-	24,754,487	33,238,862	-	33,238,862
	1,352,291,155	57,080,374	1,409,371,529	1,400,163,776	57,626,982	1,457,790,758
Financial institutions:						
Current deposits	2,128,907	1,002,776	3,131,683	2,203,132	975,218	3,178,350
Savings deposits	7,556,978	35,282	7,592,260	58,373,600	5,150	58,378,750
Term deposits	1,257,000	-	1,257,000	1,463,890	-	1,463,890
Others	43,259	-	43,259	41,894	-	41,894
	10,986,144	1,038,058	12,024,202	62,082,516	980,368	63,062,884
	1,363,277,299	58,118,432	1,421,395,731	1,462,246,292	58,607,350	1,520,853,642

	Note	(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
Rupees in '000'			
21 LEASE LIABILITIES			
Outstanding amount at the start of the year		15,727,259	14,352,825
Additions during the period / year		131,802	1,814,291
Markup accrued		520,698	1,939,763
Lease payments including markup		(617,623)	(2,379,620)
Outstanding amount at the end of the period / year		15,762,136	15,727,259
Maturity of outstanding lease liabilities			
Not later than one year		77,622	84,722
Later than one year and upto five years		1,467,305	1,435,423
Over five years		14,217,209	14,207,114
Total at the year end		15,762,136	15,727,259
22 SUBORDINATED DEBTS			
Subordinated perpetual term finance certificates - ADT I	22.1	8,017,500	8,017,500
Subordinated perpetual term finance certificates - ADT I 2nd issue	22.2	3,950,000	3,900,000
Privately placed term finance certificates - II	22.3	4,290,540	4,290,540
Privately placed term finance certificates - III	22.4	6,998,600	6,998,600
Advance subscription money - privately placed term finance certificates - IV	22.5	6,998,000	6,998,000
		30,254,640	30,204,640

22.1 Subordinated perpetual term finance certificates - ADT I

The Bank issued listed, unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier -I capital under section 66 (1) of the Companies Act, 2017, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 8,017,500 thousand
Issue date:	June 20, 2022
Maturity date:	Perpetual
Rating:	"AA-" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	Perpetual
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.

Profit rate:	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	Not applicable.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

22.2 Subordinated perpetual term finance certificates - ADT I 2nd Issue

The Bank issued listed, unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier -I capital under section 66 (1) of the Companies Act, 2017, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 3,950,000 thousand
Issue date:	February 29, 2024
Maturity date:	Perpetual
Rating:	"AA-" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	Perpetual
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.
Profit rate:	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	Not applicable.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

22.3 Privately placed term finance certificates - II

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

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

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

22.4 Privately placed term finance certificates - III

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

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

22.5 Advance subscription money - privately placed term finance certificates - IV

Prior to close of period ended March 31, 2024, the Bank received Rs. 6,998,000 thousand under formal investor agreement from potential investors as advance subscription money against rated, privately placed / listed, unsecured and subordinated debt instrument in the nature of Tier II capital term finance certificates. The instrument will be unsecured and subordinated as to payment of principal and profit to other indebtedness of the Bank, including deposits, but will rank pari passu with other Tier II instruments and superior to Additional Tier I instruments. The instrument will be structured to redeem 0.36% of the issue amount during the first 9 years after the issue date and the remaining issue amount of 99.64% in two (2) equal semi - annual installments of 49.82% each in the last year. The advance subscription money carries mark-up at rate of 6 month KIBOR plus spread of 125 bps per annum.

23 OTHER LIABILITIES - NET	Note	(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
		Rupees in '000'	
Mark-up / return / interest payable in local currency		60,285,344	60,632,166
Mark-up / return / interest payable in foreign currency		1,357,484	1,341,354
Mark-up payable on subordinated debts		2,554,233	1,080,725
Provision for taxation		2,232,960	4,535,927
Sundry creditors and accrued expenses		2,216,664	2,728,412
Branch adjustment account	16	1,126,909	-
Lease key money		16,624,308	15,706,472
Acceptances	16	16,337,499	15,888,469
Payable to gratuity fund		842,850	690,633
Gratuity payable to key management personnel		19,435	19,435
Provision for employees compensated absences		165,379	163,363
Mark to market loss on forward foreign exchange contracts - net		-	26,020
Mark to market loss on deliverable future contracts		-	7,887
Unrealized loss on revaluation of foreign bills and trade loans	16	134,298	153,786
Credit loss allowance against off-balance sheet obligations and unutilized limits of advances	23.2	2,936,329	43,983
Taxes / zakat / import fee payable		4,507,234	2,115,471
Dividend payable		3,271,570	-
Unclaimed dividends		2,585	2,585
Payable to charity fund		17	850
Insurance payable against consumer assets financing		589,917	584,365
Payable against purchase of shares		33,152	384,367
Workers' welfare fund	23.1	1,648,643	1,595,273
Others		3,299,415	1,464,448
		<u>120,186,225</u>	<u>109,165,991</u>

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

23.2 Movement in credit loss allowance against off-balance sheet obligations and unutilized limits of advances	(Un-audited)	(Audited)
	March 31, 2024	December 31, 2023
	Rupees in '000'	
Opening balance	43,983	43,983
Impact of adoption of IFRS-09	1,910,533	-
Charge for the period / (year)	981,813	-
Reversals during the period / (year)	-	-
	981,813	-
Amount written off	-	-
Closing balance	<u>2,936,329</u>	<u>43,983</u>

24 SHARE CAPITAL - NET

24.1 Authorized capital

(Un-audited) March 31, 2024	(Audited) December 31, 2023		(Un-audited) March 31, 2024	(Audited) December 31, 2023
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

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

24.2 Issued, subscribed and paid up capital

(Un-audited) March 31, 2024	(Audited) December 31, 2023		(Un-audited) March 31, 2024	(Audited) December 31, 2023
Number of shares			Rupees in '000'	
		Opening Balance		
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
839,925,583	839,925,583	Issued as bonus shares	8,399,256	8,399,256
2,974,153,927	2,974,153,927		29,741,539	29,741,539
		Movement during the period / year		
297,415,392	297,415,392	Issued as bonus shares	2,974,154	2,974,154
		Closing Balance		
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	1,137,340,975	Issued as bonus shares	11,373,410	11,373,410
3,271,569,319	3,271,569,319		32,715,693	32,715,693
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
3,271,569,319	3,271,569,319		32,452,535	32,452,535

GoPb held 57.47% shares in the Bank as at March 31, 2024 (December 31, 2023: 57.47%).

25 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX

Surplus / (deficit) on revaluation of:

Securities measured at FVOCI-debt instruments / investments	10.1	(965,416)	(5,737,269)
Securities measured at FVOCI-equity investments	10.1	(606,513)	-
Property and equipment		6,156,793	6,213,285
Non-banking assets acquired in satisfaction of claims	16	674,233	850,610
		5,259,097	1,326,626

Deferred tax on surplus / (deficit) on revaluation of:

Securities measured at FVOCI - debt instruments / investments	473,054	2,811,262
Securities measured at FVOCI - equity investments	297,191	-
Property and equipment	(2,186,793)	(2,214,474)
Non-banking assets acquired in satisfaction of claims	(12,818)	(94,862)
	(1,429,366)	501,926
	3,829,731	1,828,552

26 CONTINGENCIES AND COMMITMENTS

Guarantees	24.1	131,445,003	135,621,749
Commitments	24.2	301,826,152	406,852,140
Other contingent liabilities	24.3	291,951	291,951
		433,563,106	542,765,840

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
26.1	Guarantees:		
	Financial guarantees	36,334,115	34,797,867
	Performance guarantees	23,410,980	23,965,466
	Other guarantees		
	Back to back guarantees	49,355,993	54,320,270
	Mobilization and bid bond guarantees	8,732,483	9,184,433
	Other guarantees	13,611,432	13,353,713
		71,699,908	76,858,416
		<u>131,445,003</u>	<u>135,621,749</u>
26.2	Commitments:		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	172,582,487	172,670,983
	Commitments in respect of:		
	- forward foreign exchange contracts	108,573,776	217,833,716
	- deliverable future contracts	-	128,320
	- forward lending	20,347,642	15,817,173
	Commitments for acquisition of:		
	property and equipment	202,471	240,693
	- intangible assets	119,776	161,255
		<u>301,826,152</u>	<u>406,852,140</u>
26.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	62,274,393	121,124,664
	Sale	46,299,383	96,709,052
		<u>108,573,776</u>	<u>217,833,716</u>
26.2.2	Commitments in respect of deliverable future contracts	-	<u>128,320</u>
26.2.3	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	20,347,642	15,817,173
26.2.2.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
26.3	Other contingent liabilities		
26.3.1	For tax years 2014 - 2022, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans.		
	The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these condensed interim unconsolidated financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the tax department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate Authorities.		
26.4	Claims against the Bank not acknowledged as debts		
	An amount of Rs. 46,243,295 thousand (December 31, 2023: Rs. 46,313,295 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.		
		291,951	291,951

THE BANK OF PUNJAB

		(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
27	MARK-UP / RETURN / INTEREST EARNED		
		Note	Rupees in '000'
	Loans and advances	35,799,640	21,999,862
	Investments	46,611,752	27,288,214
	Lendings to financial institutions	1,626,619	1,304,465
	Balances with banks	206,523	83,327
		<u>84,244,534</u>	<u>50,675,868</u>
28	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits and other accounts	59,906,547	35,945,859
	Borrowings	13,475,242	5,650,156
	Subordinated debts	1,788,025	858,087
	Mark-up on lease liability against right of use assets	520,698	454,278
		<u>75,690,512</u>	<u>42,908,380</u>
29	FEE AND COMMISSION INCOME		
	Branch banking customer fees	80,202	100,549
	Consumer finance related fees	126,463	109,481
	Card related fees	422,192	416,295
	Credit related fees	203,082	133,519
	Investment banking fees	118,568	66,192
	Branchless banking fees	11,853	42,754
	Commission on trade	450,216	334,362
	Commission on guarantees	136,096	120,339
	Commission on cash management	45,562	73,618
	Commission on remittances including home remittances	204,818	116,315
	Commission on bancassurance	49,000	46,644
	SMS banking income	228,818	163,177
		<u>2,076,870</u>	<u>1,723,245</u>
30	GAIN ON SECURITIES - NET		
	Realized gain on sale of securities - net	549,460	86,903
	Unrealized gain / (loss) - measured at FVTPL	144,282	(27,324)
	Realized gain - deliverable future contracts	7,887	-
		<u>701,629</u>	<u>59,579</u>
30.1	Realized gain on sale of securities - net:		
	Federal government securities	411,979	(25,985)
	Shares	137,481	112,888
		<u>549,460</u>	<u>86,903</u>
30.2	Realized gain on sale of securities - net		
	Net gain on financial assets measured at FVTPL	137,481	-
	Net gain on financial assets measured at FVOCI	411,979	-
		<u>549,460</u>	<u>-</u>

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	Rupees in '000'	
31 OTHER INCOME - NET		
Gain on sale of property and equipment - net	1,552	987
Gain on sale of non banking assets - net	164,781	-
Gain on termination of lease liability against right of use assets	39,491	32,657
Notice pay on resignations	10,901	6,613
Claim decided in favour of Bank against litigation	331,647	-
	<u>548,372</u>	<u>40,257</u>
32 OPERATING EXPENSES		
Total compensation expense	5,456,355	3,905,053
Property expense:		
Rent and taxes	7,705	5,391
Insurance	4,169	4,055
Utilities cost	341,022	207,612
Security	805	3,844
Repair and maintenance including janitorial charges	33,981	30,885
Depreciation	215,078	172,163
Depreciation on right of use assets	457,688	403,478
	<u>1,060,448</u>	<u>827,428</u>
Information technology expenses:		
Software maintenance	339,533	254,752
Hardware maintenance	21,353	15,416
Depreciation on computer equipment	195,236	111,483
Amortization on intangible assets	100,405	53,560
Network charges	89,505	108,809
	<u>746,032</u>	<u>544,020</u>
Other operating expenses:		
Directors' fees and allowances	9,957	13,833
Fees and allowances to shariah board	2,175	2,355
Legal and professional charges	50,099	58,003
Subscription charges	13,091	4,584
Outsourced staff services costs	250,299	181,676
Travelling and conveyance	634,099	464,527
NIFT clearing charges	26,051	25,281
Depreciation	165,457	132,474
Depreciation on non banking assets acquired in satisfaction of claims	3,769	5,663
Depreciation on ijarah assets under IFAS - 2	74,444	44,691
Training and development	27,274	29,998
Postage and courier charges	90,803	71,581
Credit card charges	11,997	3,502
Stationery and printing	133,478	98,555
Marketing, advertisement and publicity	118,371	349,729
Insurance	85,631	73,400
Deposit protection fee	181,007	145,257
Repair and maintenance	162,072	99,434
Entertainment expenses	77,246	65,447
Fuel for generator	77,464	88,061
Commission and brokerage	88,018	82,658
Bank charges	11,106	11,566
SMS banking charges	156,287	89,303
ATM charges including mastercard charges	314,988	568,105
Cash remittance charges	202,306	130,002
Branch license fee	19,198	17,845
CNIC verification / ECIB charges	63,606	63,319
Miscellaneous expenses	120,261	150,843
	<u>3,170,554</u>	<u>3,071,692</u>
	<u>10,433,389</u>	<u>8,348,193</u>

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		(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
		Rupees in '000'	
33	OTHER CHARGES		
	Penalties imposed by SBP	1	597
	Operational loss	157	-
		<u>158</u>	<u>597</u>
34	(REVERSAL OF CREDIT LOSS ALLOWANCE) / PROVISIONS AND WRITE OFFS - NET		
	Reversal of credit loss allowance against lending to financial institutions	9 (38,813)	-
	(Reversal of credit loss allowance) / provision for diminution in value of investments	10.3.1 (268,555)	205,283
	Reversal of credit loss allowance / provision against loans & advances	11.3 (2,925,817)	(182,941)
	Credit loss allowance / (reversal of provision) against other assets - net	16.1.1 151,137	(2,560)
	Credit loss allowance against off balance sheet obligations and unutilized limits of advances	23.2 981,813	-
	Credit loss allowance against balance with other banks	304,657	-
		<u>(1,795,578)</u>	<u>19,782</u>
35	TAXATION - NET		
	Current	35.1 1,333,724	680,118
	Deferred	467,948	226,777
		<u>1,801,672</u>	<u>906,895</u>
35.1	This includes provision for super tax for the period in accordance with Income Tax Ordinance, 2001.		
36	BASIC EARNINGS PER SHARE	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	Profit after taxation for the period (Rs in '000')	<u>1,710,019</u>	<u>1,201,659</u>
	Weighted average number of ordinary shares (No.).	<u>3,271,569,319</u>	(Restated) <u>3,271,569,319</u>
	Basic earnings per share - Rs.	<u>0.52</u>	<u>0.37</u>
37	DILUTED EARNINGS PER SHARE		
	There were no convertible dilutive potential ordinary shares outstanding as at reporting dates.		
38	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.		
38.1	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).		

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

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

38.2 Fair value of financial assets

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

March 31, 2024 (Un-audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	849,403,184	-	849,403,184	-	849,403,184
Shares	3,709,354	3,688,094	21,260	-	3,709,354
Non-Government debt securities	6,115,885	-	6,115,885	-	6,115,885
Mutual fund & investment trust units	3,969,857	-	3,969,857	-	3,969,857
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	110,487	-	-	110,487	110,487
Financial assets disclosed but not measured at fair value:					
Government securities	186,081,852	-	166,885,178	-	166,885,178
Unlisted term finance certificates / sukuks	6,385,014	-	6,385,014	-	6,385,014
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	61,656,633	-	61,656,633	-	61,656,633
Forward sale of foreign exchange contracts	45,484,505	-	45,484,505	-	45,484,505
December 31, 2023 (Audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	793,964,039	-	793,964,039	-	793,964,039
Shares	4,393,049	4,371,789	21,260	-	4,393,049
Non-Government debt securities	8,725,336	-	8,725,336	-	8,725,336
Mutual funds & investment trust units	3,250,963	-	3,250,963	-	3,250,963
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	110,487	-	-	110,487	110,487
Financial assets disclosed but not measured at fair value:					
Government securities	98,547,842	-	84,546,226	-	84,546,226
Unlisted term finance certificates / sukuks / commercial paper	4,187,743	-	4,187,743	-	4,187,743
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	118,317,903	-	118,317,903	-	118,317,903
Forward sale of foreign exchange contracts	93,928,311	-	93,928,311	-	93,928,311
Purchase of deliverable future contracts	120,433	-	120,433	-	120,433
March 31, 2024 (Un-audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	11,861,061	-	11,861,061	-	11,861,061
Non banking assets acquired in satisfaction of claims	1,633,191	-	1,633,191	-	1,633,191
December 31, 2023 (Audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	11,977,725	-	11,977,725	-	11,977,725
Non banking assets acquired in satisfaction of claims	1,996,956	-	1,996,956	-	1,996,956

38.3 Fair value of non financial assets

39 SEGMENT INFORMATION

39.1 Segment details with respect to business activities

	(Un-audited) March 31, 2024						Total
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	
	Rupees in '000'						
Profit and loss							
Net mark-up / return / profit	25,019,640	40,288	5,419,481	45,973,661	7,534,591	256,873	84,244,534
Inter segment (cost) / revenue - net	(14,624,468)	35,949,298	22,020,809	(37,589,558)	(1,207,233)	(4,548,848)	-
Non mark-up / return / interest income	824,856	817,441	354,388	1,040,526	56,347	555,450	3,649,008
Total income	11,220,028	36,807,027	27,794,678	9,424,629	6,383,705	(3,736,525)	87,893,542
Segment total expenses	11,215,384	33,078,782	18,742,255	12,238,186	4,183,911	6,718,911	86,177,429
Profit before credit loss allowance and tax	4,644	3,728,245	9,052,423	(2,813,557)	2,199,794	(10,455,436)	1,716,113
Credit loss allowance	(1,340,673)	2,456	254,779	(33,895)	(771,635)	93,390	(1,795,578)
Profit / (loss) before tax	1,345,317	3,725,789	8,797,644	(2,779,662)	2,971,429	(10,548,826)	3,511,691
Balance sheet							
Cash and bank balances	-	263,526	32,986,890	88,484,079	9,505,049	-	131,239,544
Investments - net	2,746,433	-	-	1,010,863,758	42,177,399	-	1,055,787,590
Net inter segment lending	-	655,887,377	443,283,229	-	-	41,967,942	1,141,138,548
Lendings to financial institutions	-	-	-	2,758,448	4,967,707	-	7,726,155
Advances - performing	472,088,998	1,087,618	116,326,477	-	90,051,114	22,788,832	702,343,039
- non-performing - net	3,925,515	-	1,039,411	-	1,203,547	5,066	6,173,539
Others	53,893,395	35,637	7,421,895	42,899,950	15,739,194	52,191,850	172,181,921
Total assets	532,654,341	657,274,158	601,057,902	1,145,006,235	163,644,010	116,953,690	3,216,590,336
Borrowings	60,392,476	-	12,505,096	333,347,140	1,927,794	-	408,172,506
Subordinated debts	-	-	-	-	-	30,254,640	30,254,640
Deposits and other accounts	157,918,249	640,814,090	516,706,332	-	105,957,060	-	1,421,395,731
Net inter segment borrowing	300,164,784	-	-	807,864,374	33,109,390	-	1,141,138,548
Others	14,178,832	16,460,068	71,846,474	3,794,721	9,457,299	25,824,956	141,562,350
Total liabilities	532,654,341	657,274,158	601,057,902	1,145,006,235	150,451,543	56,079,596	3,142,523,775
Equity							74,066,561
Total equity and liabilities							3,216,590,336
Contingencies and commitments	288,169,351	-	13,953,753	107,390,528	23,435,276	614,198	433,563,106

(Un-audited)

March 31, 2023

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit and loss							
Net mark-up / return / profit	16,048,330	750	3,971,906	26,703,786	3,763,924	187,172	50,675,868
Inter segment revenue - net	(14,072,428)	30,018,816	15,550,614	(26,599,073)	(52,628)	(4,845,301)	-
Non mark-up / return / interest income	441,424	394,753	255,486	1,317,008	76,651	255,329	2,740,651
Total income	2,417,326	30,414,319	19,778,006	1,421,721	3,787,947	(4,402,800)	53,416,519
Segment total expenses	1,122,854	24,320,910	12,891,451	4,757,568	3,305,137	4,890,263	51,288,183
Profit before credit loss allowance and tax	1,294,472	6,093,409	6,886,555	(3,335,847)	482,810	(9,293,063)	2,128,336
Credit loss allowance	(55,594)	-	(22,321)	-	101,412	(3,715)	19,782
Profit / (loss) before tax	1,350,066	6,093,409	6,908,876	(3,335,847)	381,398	(9,289,348)	2,108,554
	(Audited)						
	December 31, 2023						
Balance sheet							
Cash and bank balances	-	186,246	34,672,274	64,895,673	9,423,454	-	109,177,647
Investments - net	2,756,908	-	-	868,721,723	41,712,785	-	913,191,416
Net inter segment lending	-	645,860,735	416,690,196	-	-	57,079,680	1,119,630,611
Lendings to financial institutions	-	-	-	141,025,933	3,935,000	-	144,960,933
Advances - performing	530,870,534	758,612	138,987,419	-	105,445,766	21,871,895	797,934,226
- non-performing	5,274,559	-	1,843,961	-	1,326,535	7,599	8,452,654
Others	52,959,233	75,427	10,743,167	124,519,862	12,103,448	42,061,977	242,463,114
Total assets	591,861,234	646,881,020	602,937,017	1,199,163,191	173,946,988	121,021,151	3,335,810,601
Borrowings	73,019,677	-	1,497,834	377,225,143	2,223,337	-	453,965,991
Subordinated debts	-	-	-	-	-	30,204,640	30,204,640
Deposits and other accounts	245,281,536	634,070,009	528,169,599	-	113,332,498	-	1,520,853,642
Net inter segment borrowing	258,755,695	-	-	821,938,048	38,936,868	-	1,119,630,611
Others	14,804,326	12,811,011	73,269,584	-	7,991,360	21,524,824	130,401,105
Total liabilities	591,861,234	646,881,020	602,937,017	1,199,163,191	162,484,063	51,729,464	3,255,055,989
Equity							80,754,612
Total equity and liabilities							3,335,810,601
Contingencies and commitments	290,616,339	-	14,715,236	217,962,036	18,778,330	693,899	542,765,840

40 RELATED PARTY TRANSACTIONS

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

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

	(Un-audited)					(Audited)				
	March 31, 2024					December 31, 2023				
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Other related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Other related parties
Rupees in '000'										
Lendings to financial institutions:										
Opening balance	-	-	1,985,000	-	-	-	-	1,825,000	-	-
Addition during the period / year	-	-	-	-	-	-	-	7,085,000	-	-
Repaid during the period / year	-	-	-	-	-	-	-	6,925,000	-	-
Closing balance	-	-	1,985,000	-	-	-	-	1,985,000	-	-
Investments (gross)										
Credit loss allowance for diminution in value of investments	-	-	275,432	-	-	-	-	275,432	-	-
	-	-	164,945	-	-	-	-	164,945	-	-
Advances (gross):										
Opening balance	-	466,461	-	-	-	-	362,721	-	-	-
Addition during the period / year	-	44,236	-	-	-	-	232,127	-	-	-
Repaid during the period / year	-	32,808	-	-	-	-	128,387	-	-	-
Closing balance	-	477,889	-	-	-	-	466,461	-	-	-
Other assets - advance deposits and prepayments	-	454	100,000	-	-	-	403	100,000	-	-
Other assets - markup receivable	-	21,704	55,973	-	-	-	20,018	103,301	-	-
ECL on advances including markup and unutilized limits	-	1,947	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	61,504	-	-	-	-	62,610
Lease liability against right of use assets	-	-	-	-	15,725	-	-	-	-	15,208
Deposits and other accounts:										
Opening balance	9,536	95,861	17,454	1,185,599	114,393	239	30,825	40,067	1,036,847	26,391
Received during the period / year	89,690	572,734	640,174	1,416,737	232,941	69,369	1,530,820	3,548,294	8,849,409	465,652
Withdrawn during the period / year	29,796	479,066	607,450	1,185,278	261,674	60,072	1,465,784	3,570,907	8,700,657	377,650
Closing balance	69,430	189,529	50,178	1,417,058	85,660	9,536	95,861	17,454	1,185,599	114,393
Other liabilities	91	5,560	1,725	-	1,053	217	2,721	1,058	690,633	3,466
Contingencies (non funded exposure)	-	-	-	-	49,822	-	-	-	-	49,822

March 31, 2024 (Un-audited)

March 31, 2023 (Un-audited)

	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee Funds	Other related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee Funds	Other related parties
	Rupees in '000'									
Income:										
Mark-up / return / interest earned	-	5,715	92,099	-	-	-	4,663	73,139	-	-
Fee and commission income	2	198	25	-	996	-	-	-	-	-
Expense:										
Mark-up / return / interest expensed	843	3,153	425	55,561	7,324	100	137	1,048	46,249	1,000
Depreciation on right of use assets	-	-	-	-	1,106	-	-	-	-	1,107
Mark-up on lease liability against right of use assets	-	-	-	-	517	-	-	-	-	447
Compensation expense	-	305,536	-	-	-	-	97,610	-	-	-
Commission expense	-	-	3,921	-	-	-	-	1,298	-	-
Directors fee and allowances	9,957	-	-	-	-	13,833	-	-	-	-

40.1 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.

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

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000'	
Advances	23,485,307	99,445,479
Deposits and other accounts	664,912,951	649,339,057
Bills payable	85,678	157,468
Subordinated debt	12,314,304	12,314,304
Acceptances	71,929	71,929
Contingencies and commitments	24,677,425	26,885,973
Mark-up receivable	18,181,142	17,065,985
Mark-up payable on subordinated debts	950,590	506,774
Mark-up payable	38,161,805	37,615,613
ECL on advances including markup and unutilized limits	278,943	-
ECL on acceptances	31	-
ECL on contingencies and commitments	35,412	-
	(Un-audited) March 31, 2023	(Un-audited) March 31, 2023
	Rupees in '000'	
Mark-up earned	2,208,140	2,110,562
Mark-up expensed	33,598,871	19,162,013
Income on contingencies and commitments	63,142	53,272

40.3 The Bank made contribution of Rs. 149,325 thousand (March 31, 2023: Rs. 118,578 thousand) to employees provident fund during the period.

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

40.5 Advances to employees as at March 31, 2024, other than key management personnel, amounted to Rs. 25,492,025 thousand (December 31, 2023: Rs. 24,467,885 thousand) with markup receivable of Rs. 886,336 thousand (December 31, 2023: Rs. 831,158 thousand) and markup income of Rs. 291,328 thousand (March 31, 2023: Rs. 206,914 thousand) and fee & commission income of Rs. 4,454 thousand. The ECL on said advances including markup and unutilized limits amounted to Rs. 107,714 thousand (December 31, 2023: Rs. Nil). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on March 31, 2024 stood at Rs. 108,542 thousand (December 31, 2023: Rs. 90,145 thousand).

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

40.7 The Bank held government securities in fiduciary capacity for its employee fund in IPS account amounting to Rs. 5,338,500 thousand (December 31, 2023: Rs. 5,275,500 thousand)

41 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Note

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000'	
Minimum Capital Requirement (MCR):		
Paid-up capital including share premium (net of losses)	34,667,575	34,667,575
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	67,505,650	74,275,763
Eligible Additional Tier 1 (ADT 1) Capital	11,917,500	11,917,500
Total Eligible Tier 1 Capital	79,423,150	86,193,263
Eligible Tier 2 Capital	18,799,569	16,484,562
Total Eligible Capital (Tier 1 + Tier 2)	98,222,719	102,677,825
Risk Weighted Assets (RWAs):		
Credit risk	465,317,985	441,962,289
Market risk	25,978,521	35,476,704
Operational risk	81,512,110	81,512,110
Total	572,808,616	558,951,103
Common equity tier I capital adequacy ratio	11.79%	13.29%
Tier I CAR (%)	13.87%	15.42%
Total CAR (%)	17.15%	18.37%
41.1 Leverage Ratio (LR):		
Eligible Tier-I Capital	79,423,150	86,193,263
Total exposures	2,407,746,956	2,553,544,800
LR (%)	3.30%	3.38%
41.2	The SBP vide letter No. BPRD-BA&CP-614556 allowed the Bank to include advance subscription of Rs. 4,285,000 thousand Tier - II, as of December 31, 2023, for CAR and LR purposes. Had the advance subscription money of Rs. 4,285,000 thousand not been taken, the CAR, LR and NSFR would stand at 16.40%, 3.30% and 118.71% respectively.	
	(Un-audited)	(Audited)
	March 31, 2024	December 31, 2023
	Rupees in '000'	
41.3 Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	615,413,254	633,492,844
Total net cash outflow	327,640,009	345,059,142
LCR (%)	187.83%	183.59%
41.4 Net Stable Funding Ratio (NSFR):		
Total available stable funding	1,091,128,000	1,136,308,900
Total required stable funding	915,571,000	911,331,400
NSFR (%)	119.17%	124.69%
41.5	The Bank availed the benefit of stage I and II staggering as allowed by SBP vide IFRS-09 application instructions. Had this relaxation not availed, the CAR, LR and NSFR would have been 16.13%, 2.94% and 118.72% respectively.	

42 ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the March 31, 2024, the Bank is operating 160 Islamic banking branches (December 31, 2023: 160 Islamic banking branches) and 155 Islamic banking windows (December 31, 2023: 73).

**STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024**

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
ASSETS			
Cash and balances with treasury banks		9,004,413	8,872,231
Balances with other banks		500,636	551,223
Due from financial institutions	42.1	4,967,707	3,935,000
Investments - net	42.2	42,177,399	41,712,785
Islamic financing and related assets - net	42.3	91,254,661	106,772,301
Property and equipment		1,274,089	1,247,643
Right-of-use assets		2,430,676	2,522,746
Intangible assets		10,185	9,416
Other assets		12,024,244	8,323,643
Total assets		163,644,010	173,946,988
LIABILITIES			
Bills payable		590,468	710,834
Due to financial institutions		1,927,794	2,223,337
Deposits and other accounts	42.4	105,957,060	113,332,498
Due to head office		33,109,390	38,936,868
Lease liabilities		3,116,578	3,158,734
Subordinated debt		-	-
Other liabilities		5,750,253	4,121,792
		150,451,543	162,484,063
NET ASSETS		13,192,467	11,462,925
REPRESENTED BY			
Islamic banking fund		2,000,000	2,000,000
Reserves		38,287	98,651
Surplus / (deficit) on revaluation of assets		216,609	(1,029,266)
Unappropriated profit	42.5	10,937,571	10,393,540
		13,192,467	11,462,925
CONTINGENCIES AND COMMITMENTS	42.6		

ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Note	Three Months Ended	
		March 31, 2024	March 31, 2023
Rupees in '000'			
Profit / return earned	42.7	7,534,591	3,763,924
Profit / return expensed	42.8	4,321,189	2,604,710
Net profit / return		3,213,402	1,159,214
Fee and commission income		69,269	69,448
Dividend income		-	-
Foreign exchange (loss) / income		(16,389)	5,932
Income / (loss) from derivatives		-	-
Gain on securities - net		1,362	10
Other income		2,105	1,261
		56,347	76,651
Total income		3,269,749	1,235,865
Operating expenses		1,069,955	753,055
Workers' welfare fund		-	-
Other charges		-	-
		1,069,955	753,055
Profit before credit loss allowance		2,199,794	482,810
(Reversal of credit loss allowance) / provisions and write offs - net		(771,635)	101,412
Profit before taxation		2,971,429	381,398
Taxation	42.9	-	-
Profit after taxation		2,971,429	381,398

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)				
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total		
42.1 DUE FROM FINANCIAL INSTITUTIONS	Rupees in '000'							
Secured	5,035,000	-	5,035,000	3,935,000	-	3,935,000		
Less: Credit loss allowance	(67,293)	-	(67,293)	-	-	-		
	<u>4,967,707</u>	<u>-</u>	<u>4,967,707</u>	<u>3,935,000</u>	<u>-</u>	<u>3,935,000</u>		
	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)				
42.2 INVESTMENTS - NET	Cost/ Amortized cost	Credit loss allowance for diminution	Surplus	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000'							
Investments by segment								
FVOCI / available for sale								
Federal government securities	21,374,882	-	93,186	21,468,068	31,290,783	-	(1,134,412)	30,156,371
Non government debt securities	8,314,133	-	29,117	8,343,250	11,545,574	-	10,840	11,556,414
	<u>29,689,015</u>	<u>-</u>	<u>122,303</u>	<u>29,811,318</u>	<u>42,836,357</u>	<u>-</u>	<u>(1,123,572)</u>	<u>41,712,785</u>
Amortised cost / held to maturity								
Federal government securities	9,584,591	-	-	9,584,591	-	-	-	-
Non government debt securities	2,823,068	(41,578)	-	2,781,490	-	-	-	-
	<u>12,407,659</u>	<u>(41,578)</u>	<u>-</u>	<u>12,366,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>42,096,674</u>	<u>(41,578)</u>	<u>122,303</u>	<u>42,177,399</u>	<u>42,836,357</u>	<u>-</u>	<u>(1,123,572)</u>	<u>41,712,785</u>
43.2.1 Particulars of credit loss allowance	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Federal Government securities	-	-	-	-	-	-	-	-
Non Government debt securities	41,578	-	-	41,578	-	-	-	-
	<u>41,578</u>	<u>-</u>	<u>-</u>	<u>41,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
							(Un-audited)	(Audited)
							March 31, 2024	December 31, 2023
42.3 ISLAMIC FINANCING AND RELATED ASSETS	Rupees in '000'							
Ijarah							2,393,632	2,451,160
Murabaha							484,683	977,303
Musharaka							33,036,253	47,100,860
Diminishing musharaka							40,231,083	40,720,767
Payment against documents							55,304	305,304
Waqala							6,605,114	5,155,929
Istisna							7,438,133	7,001,913
Musawamah financing							3,804,211	4,530,852
Tijarah financing							260,115	335,812
Gross islamic financing and related assets							<u>94,308,528</u>	<u>108,579,900</u>
Less: credit loss allowance against Islamic financings								
-Stage 1							701,965	-
-Stage 2							67,331	-
-Stage 3							2,284,571	1,807,599
							<u>3,053,867</u>	<u>1,807,599</u>
Islamic financing and related assets - net							<u>91,254,661</u>	<u>106,772,301</u>
42.4 DEPOSITS AND OTHER ACCOUNTS	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)				
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total		
	Rupees in '000'							
Customers:								
Current deposits	19,727,667	560,313	20,287,980	19,828,751	567,074	20,395,825		
Savings deposits	70,832,090	581,463	71,413,553	66,146,832	562,048	66,708,880		
Term deposits	11,120,125	796,861	11,916,986	14,863,624	913,660	15,777,284		
Others	1,981,502	-	1,981,502	5,824,378	-	5,824,378		
	<u>103,661,384</u>	<u>1,938,637</u>	<u>105,600,021</u>	<u>106,663,585</u>	<u>2,042,782</u>	<u>108,706,367</u>		
Financial institutions:								
Current deposits	34,876	22,359	57,235	31,400	19,425	50,825		
Savings deposits	299,565	234	299,799	4,574,897	239	4,575,136		
Term deposits	-	-	-	-	-	-		
Others	5	-	5	170	-	170		
	<u>334,446</u>	<u>22,593</u>	<u>357,039</u>	<u>4,606,467</u>	<u>19,664</u>	<u>4,626,131</u>		
	<u>103,995,830</u>	<u>1,961,230</u>	<u>105,957,060</u>	<u>111,270,052</u>	<u>2,062,446</u>	<u>113,332,498</u>		

THE BANK OF PUNJAB

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000'	
42.5 UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS		
Opening balance	10,393,540	4,640,774
Impact of adoption of IFRS-09	(2,427,398)	-
Add. Islamic banking profit for the period 1 year	2,971,429	5,752,766
Closing balance	<u>10,937,571</u>	<u>10,393,540</u>
42.6 CONTINGENCIES AND COMMITMENTS		
Guarantees:		
Financial guarantees	18,200	18,200
Performance guarantees	1,234,124	877,740
Other guarantees	1,454,273	1,213,877
	<u>2,706,597</u>	<u>2,109,817</u>
Commitments:		
Documentary credits and short-term trade-related transactions - letters of credit	6,529,916	5,782,258
Commitments in respect of forward lending	13,015,514	10,886,255
Commitments in respect of purchase forward foreign exchange contracts	1,183,249	-
	<u>20,728,679</u>	<u>16,668,513</u>
	<u>23,435,276</u>	<u>18,778,330</u>
42.7 PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
Profit earned on		
Financing	5,077,747	2,062,705
Investments	2,015,879	1,173,852
Placements	440,907	527,340
Deposits with financial institutions	58	27
	<u>7,534,591</u>	<u>3,763,924</u>
42.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits and other accounts	2,974,968	2,456,876
Markup on lease liability against right of use assets	101,124	86,640
Markup on borrowings from SBP	37,864	8,566
Profit on deposits from conventional head office	1,207,233	52,628
	<u>4,321,189</u>	<u>2,604,710</u>

42.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 1,524,343 thousand (March 31, 2023: Rs. 164,039 thousand)

43 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 26th April 2024 by the Board of Directors of the Bank.

44 GENERAL

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

44.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the period except for as mentioned in notes 2.1 and 4.1 to these unconsolidated condensed interim financial statements.


Chief Financial Officer


President


Chairman


Director


Director




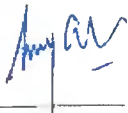



**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024**

THE BANK OF PUNJAB
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
ASSETS			
Cash and balances with treasury banks	7	113,400,944	100,894,627
Balances with other banks - net	8	18,022,652	8,560,478
Lendings to financial institutions - net	9	6,126,025	143,325,933
Investments - net	10	1,055,684,796	913,088,050
Advances - net	11	709,464,307	807,544,892
Property and equipment	12	20,778,995	20,794,866
Right-of-use assets	13	12,137,740	12,424,136
Intangible assets	14	2,547,847	2,099,217
Deferred tax assets - net	15	15,691,290	10,314,627
Other assets - net	16	121,341,123	197,156,815
Total assets		2,075,195,719	2,216,203,641
LIABILITIES			
Bills payable	18	5,613,989	5,507,855
Borrowings	19	408,172,506	453,965,991
Deposits and other accounts	20	1,421,345,554	1,520,836,189
Lease liabilities	21	15,762,136	15,727,259
Subordinated debts	22	30,254,640	30,204,640
Deferred tax liabilities		-	-
Other liabilities - net	23	120,430,057	109,390,541
Total liabilities		2,001,578,882	2,135,632,475
NET ASSETS		73,616,837	80,571,166
REPRESENTED BY			
Share capital - net	24	32,452,535	32,452,535
Reserves		15,377,139	15,035,135
Surplus on revaluation of assets - net of tax	25	3,822,095	1,818,506
Non controlling interest		808,790	762,170
Unappropriated profit		21,156,278	30,502,820
		73,616,837	80,571,166
CONTINGENCIES AND COMMITMENTS	26		

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

 Chief Financial Officer	 President	 Chairman	 Director	 Director
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THE BANK OF PUNJAB
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Note	Three Months Ended	
		March 31, 2024	March 31, 2023
Rupees in '000'			
Mark-up / return / interest earned	27	84,274,872	50,689,553
Mark-up / return / interest expensed	28	75,690,112	42,907,230
Net mark-up / interest income		8,584,760	7,782,323
NON MARK-UP / INTEREST INCOME			
Fee and commission income	29	2,091,129	1,726,428
Dividend income		114,637	137,189
Foreign exchange income		207,500	780,381
Income / (loss) from derivatives		-	-
Gain on securities - net	30	701,629	59,579
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-
Other income	31	548,372	40,257
Total non-markup / interest income		3,663,267	2,743,834
Total income		12,248,027	10,526,157
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	32	10,470,377	8,395,362
Workers' welfare fund		53,370	31,013
Other charges	33	158	597
Total non-markup / interest expenses		10,523,905	8,426,972
Profit before credit loss allowance		1,724,122	2,099,185
(Reversal of credit loss allowance) / provisions and write offs - net	34	(1,776,121)	10,123
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		3,500,243	2,089,062
Taxation - net	35	1,804,764	906,944
PROFIT AFTER TAXATION		1,695,479	1,182,118
PROFIT ATTRIBUTABLE TO:			
Equity holders of the Bank		1,648,859	1,147,375
Non controlling interest		46,620	34,743
		1,695,479	1,182,118
			(Restated)
Basic earnings per share - Rupees	36	0.50	0.35
Diluted earnings per share - Rupees	37	0.50	0.35

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.


Chief Financial Officer


President


Chairman


Director


Director

THE BANK OF PUNJAB
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Three Months Ended	
	March 31, 2024	March 31, 2023
Rupees in '000'		
Profit after taxation for the period	1,695,479	1,182,118
Other comprehensive (loss) / income for the period:		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in deficit on revaluation of debt investments through FVOCI / AFS investments - net of tax	(1,289,587)	(4,037,078)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement gain / loss on defined benefit obligations - net of tax	-	-
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	(96,026)	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-
	(96,026)	-
Total comprehensive income for the period	309,866	(2,854,960)
PROFIT ATTRIBUTABLE TO:		
Equity holders of the Bank	263,246	(2,889,703)
Bills payable	46,620	34,743
	309,866	(2,854,960)

The annexed notes 1 to 14 form an integral part of these consolidated condensed interim financial statements


 Chief Financial Officer


 President


 Chairman


 Director


 Director

THE BANK OF PUNJAB
 CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Share capital	Discount on issue of shares	Share capital - net	Share premium	Reserve for issuance of bonus shares	Statutory reserve	Surplus / (Deficit) - net of tax on revaluation of		Non controlling interest	Unappropriated profit	Total
							Investments	Property & equipment / non banking assets			
Rupees in '000'											
Balance as at January 01, 2023 - audited	29,741,519	(261,158)	29,478,181	2,215,040	-	10,554,184	(7,819,265)	5,829,615	627,843	21,271,742	64,463,970
Profit after taxation for the three months ended March 31, 2023									31,943	1,471,375	1,503,318
Other comprehensive income / (loss) - net of tax							(4,037,078)				(4,037,078)
Total other comprehensive income / (loss) for the three months ended March 31, 2023							(4,037,078)		31,793	1,440,335	(2,534,960)
Transfer to statutory reserve during the period						240,332				(240,332)	
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax								33,824		33,824	
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax								(1,136)		(1,136)	
Transactions with owners recognized directly in equity											
Final cash dividend - December 31, 2022 (declared subsequent to year end at 10% per share)						2,974,154				(2,974,154)	
						2,974,154					
Balance as on March 31, 2023 - un-audited	29,741,519	(261,158)	29,478,181	2,215,040	2,974,154	10,794,316	(11,856,343)	5,460,343	662,534	22,379,965	62,109,010
Profit after taxation for the three months ended December 31, 2023									138,353	9,933,356	10,071,711
Other comprehensive income / (loss) - net of tax							8,920,290	(279,306)		(257,374)	8,383,610
Total other comprehensive income / (loss) for the three months ended March 31, 2024							8,920,290	(279,306)	178,353	9,676,011	8,455,350
Transfer to statutory reserve during the period						1,025,379				(1,025,379)	
Acquisition of Punjab Capital Securities - Private Limited									138,719	(138,719)	
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax								187,412		187,412	
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax								(3,473)		(3,473)	
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal								(335,793)		(335,793)	6,300
Transactions with owners recognized directly in equity											
Final cash dividend - December 31, 2023 (declared subsequent to year end at 10% per share)						2,974,154				(2,974,154)	
						2,974,154					
Balance as on December 31, 2023 - audited	29,741,519	(261,158)	29,478,181	2,215,040	-	13,819,495	(11,966,053)	4,754,599	162,170	20,502,429	60,571,166
Profit after taxation for the three months ended March 31, 2024										46,820	46,820
Other comprehensive income / (loss)											
Movement in deficit on revaluation of investments in equity instruments - net of tax							(1,289,587)				(1,289,587)
Movement in deficit on revaluation of investments in equity instruments - net of tax							(96,026)				(96,026)
Total other comprehensive income / (loss) for the three months ended March 31, 2024							(1,385,613)				(1,385,613)
Transfer to statutory reserve during the period						342,004				(342,004)	
Transfer of deficit on revaluation of investments in equity instruments classified as FVOCI to unappropriated profit on disposal								121,479		(121,479)	
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax								428,211		428,211	
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax								(568)		(568)	
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal								(93,465)		(93,465)	31,210
Transactions with owners recognized directly in equity											
Final cash dividend - December 31, 2023 (declared subsequent to year end at 10% per share)										(3,271,549)	(3,271,549)
										(3,271,549)	(3,271,549)
Balance as on March 31, 2024 - un-audited	32,715,693	(263,150)	32,452,535	2,215,040	-	13,162,099	(809,330)	4,631,415	309,790	21,156,278	73,616,217

The unaudited interim financial statements have been prepared on the same accounting policies as the audited consolidated financial statements.


 Chief Financial Officer


 President


 Chairman


 Director


 Director

THE BANK OF PUNJAB
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

Note	Three Months Ended	
	March 31, 2024	March 31, 2023
Rupees in '000'		
CASH FLOW FROM OPERATING ACTIVITIES		
	3,500,243	2,089,062
Profit before taxation	(114,637)	(137,189)
Less: Dividend income	<u>3,385,606</u>	<u>1,951,873</u>
Adjustments:		
Net mark-up / interest income excluding mark-up on lease liability against right of use assets	(9,105,458)	-
Depreciation on property and equipment	32 576,166	416,592
Depreciation on non banking assets acquired in satisfaction of claims	32 3,769	5,663
Depreciation on ijarah assets under IFAS - 2	32 86,351	66,760
Depreciation on right of use assets	32 457,688	403,478
Amortization on intangible assets	32 100,570	53,560
Amortization of discount on debt securities - net	(1,759,419)	(1,846,830)
Mark-up on lease liability against right of use assets	28 520,698	454,278
Unrealized (gain) / loss on revaluation of investments classified as FVTPL	30 (144,282)	27,324
Realized gain on revaluation of deliverable future contracts	(7,887)	-
(Reversal) / charge of credit loss allowance for diminution in value of investments - net	34 (268,555)	205,283
Reversal of credit loss allowance against loans & advances - net	(2,906,658)	(186,615)
Credit loss allowance / (reversal of provision) against other assets - net	151,435	(8,545)
Credit loss allowance against off balance sheet obligations	981,813	-
Workers' welfare fund	53,370	31,013
Gain on termination of lease liability against right of use assets	31 (39,491)	(32,657)
Gain on sale of property and equipment - net	31 (1,552)	(987)
Gain on sale of non banking assets - net	31 (164,781)	-
Realized gain on sale of securities - net	30 (549,460)	(86,903)
Provision for employees compensated absences	3,105	5,836
Provision for gratuity	152,217	111,390
	<u>(11,860,361)</u>	<u>(381,360)</u>
	<u>(8,474,755)</u>	<u>1,570,513</u>
(Increase) / decrease in operating assets:		
Lendings to financial institutions	137,231,509	42,822,841
Securities classified as FVTPL	35,540,432	5,848,051
Advances - net	87,752,250	22,156,930
Others assets - net	81,379,180	(7,751,726)
	<u>341,903,371</u>	<u>63,076,096</u>
Increase / (decrease) in operating liabilities:		
Bills payable	106,134	(693,351)
Borrowings from financial institutions	(46,019,700)	157,492,249
Deposits	(99,490,635)	(38,148,970)
Other liabilities (excluding taxation - net and gratuity fund)	5,809,869	5,550,643
	<u>(139,594,332)</u>	<u>124,200,571</u>
Mark-up / return / interest received	77,081,119	-
Mark-up / return / interest paid	(74,009,408)	-
Income tax paid	(3,639,783)	(1,122,354)
	<u>(568,072)</u>	<u>(1,122,354)</u>
Net cash flow generated from operating activities	<u>193,266,212</u>	<u>187,724,826</u>

THE BANK OF PUNJAB
 CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) (Continued...)
 FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Note	Three Months Ended	
		March 31, 2024	March 31, 2023
Rupees in '000'			
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI		(170,345,127)	(176,192,198)
Dividends received		71,993	83,681
Investments in property and equipment		(562,942)	(717,885)
Investments in intangible assets		(549,200)	(92,801)
Disposal of property and equipment		4,199	2,661
Proceeds from sale of non banking assets acquired in satisfaction of claims		524,777	-
Net cash used in investing activities		(170,856,300)	(176,916,542)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		-	(2,494,000)
Subscription received - subordinated perpetual term finance certificates ADT-I 2nd issue	22.2	50,000	-
Subscription received - privately placed term finance certificates - III		-	3,585,000
Payment of lease liability against right of use assets		(617,623)	(522,262)
Net cash (used in) / flow from financing activities		(567,623)	568,738
		21,842,289	11,377,022
Increase in cash and cash equivalents		(1,119)	-
Impact of adoption of IFRS-09 on beginning cash and equivalents		109,254,980	78,046,721
Cash and cash equivalents at beginning of the period		131,096,150	89,423,743
Cash and cash equivalents at end of the period		<u>131,096,150</u>	<u>89,423,743</u>
Cash and cash equivalents:			
Cash and balances with treasury banks	7	113,400,944	83,608,048
Balances with other banks	8	18,022,652	5,791,457
Call money lendings	9	98,894	100,000
Overdrawn nostro accounts		(426,340)	(75,762)
		<u>131,096,150</u>	<u>89,423,743</u>

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.


 Chief Financial Officer


 Resident


 Chairman


 Director


 Director

THE BANK OF PUNJAB
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

1. STATUS AND NATURE OF BUSINESS

1.1 The Bank of Punjab Group ("the Group") comprises of The Bank of Punjab ("the Bank"), ("the Parent"), Punjab Modaraba

The Group consists of :

Parent

The Bank of Punjab

	% age of holding holding March 2024	% age of holding holding December 2023
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Subsidiaries

	Rupees in '000'	
Punjab Modaraba Services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
Punjab Capital Securities (Private) Limited	100.00%	100.00%

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. 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 815 branches including 16 sub branches and 160 Islamic banking branches (December 31, 2023: 815 branches including 16 sub branches and 160 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank also has 155 Islamic banking windows (December 31, 2023: 73). The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ with stable outlook and short term rating of A1+ to the Bank.

Punjab Modaraba Services (Private) Limited

Punjab Modaraba Services (Private) Limited ("PMSL") 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 and is primarily engaged in the business of floating and managing Modarabas.

First Punjab Modaraba

First Punjab Modaraba ("FPM") , ("the Modaraba"), was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by PMSL (wholly owned subsidiary of the Bank).The registered office of the Modaraba is situated at Office No 100, 3rd floor, National Tower 28-Edgerton Road, Lahore. The Modaraba commenced its operations on December 23, 1992. The Modaraba is listed on the Pakistan Stock

Punjab Capital Securities (Private) Limited

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

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 to exist. 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 Group 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 Group 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 up to 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 consolidated profit and loss account.

Any contingent consideration to be transferred by the Group 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 consolidated profit and loss account or as a change to consolidated statement of 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 consolidated profit and loss account. 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 Group 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 consolidated profit and loss account. 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 consolidated statement of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in consolidated statement of comprehensive income are reclassified to consolidated profit and loss account.

2 BASIS OF PREPARATION

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

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

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 42 of these consolidated condensed interim financial statements.

2.1 Adoption of new forms for the preparation of condensed interim financial statements

The SBP, vide BPRD Circular No. 02 dated February 09, 2023, issued revised forms for the preparation of condensed interim quarterly / half yearly financial statements of the Banks / DFIs which are applicable for quarterly / half yearly periods beginning on or after January 1, 2024 vide BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of these consolidated condensed interim financial statements mainly right of use assets and corresponding lease liability are now presented separately on face of the Statement of financial position. Previously, these were presented under property and equipment (earlier titled as operating fixed assets) and other liabilities respectively. There is no impact of this change on the consolidated condensed interim financial statements.

2.2 Statement of compliance

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

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

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

2.2.2 The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 dated February 09, 2023 and IAS 34, "Interim Financial Reporting". Accordingly, these consolidated condensed interim financial statements do not include all the information and disclosures required for annual consolidated financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the annual audited consolidated financial statements of the Bank for the year ended December 31, 2023.

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

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

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

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore not detailed in these consolidated condensed interim financial statements except for IFRS-09 (Financial Instruments), the impact of which is disclosed in note 4.1 to these consolidated condensed interim financial statements.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore not detailed in these consolidated condensed interim financial statements.

3 BASIS OF MEASUREMENT

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of annual audited consolidated financial statements of the Bank for the year ended December 31, 2023 except for the adoption of IFRS-09 "Financial instruments" with effect from January 01, 2024.

4.1 Adoption of 'IFRS-09 - 'Financial Instruments'

As permitted by the transitional provisions of IFRS-09, the Bank has opted for modified retrospective approach and has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative information.

The adoption of IFRS-09 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- objectives for the portfolio
- performance of the business model
- risks that affect the performance of the business model
- the expected frequency, value and timing of sales

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Eventually, the financial assets fall under either of the following three business models:

- i) Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows
- ii) Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets
- iii) Other business models: Resulting in classification of financial assets as FVTPL

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the markup rate is set.

Classification

Under IFRS-09, existing categories of financial assets: Held for trading (HFT), Available for sale (AFS), Held to maturity (HTM) and loans and receivables have been replaced by:

- Financial assets at fair value through other comprehensive income (FVOCI) - A financial instrument is measured at FVOCI only if the business model is collecting contractual cash flows and selling assets whose contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at amortized cost - A financial instrument is measured at amortized cost if these are held with a business model to hold financial assets in order to collect contractual cash flows and such contractual terms give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- Financial assets at fair value through profit or loss account (FVTPL) - A debt financial instrument shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. However, the Bank may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Under IFRS-09, the accounting for financial liabilities remains largely the same as before adoption of IFRS-09 and thus financial liabilities are being carried at amortized cost.

Initial recognition and subsequent measurement

a) Financial assets classified as amortized cost

Financial instruments under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction cost. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the profit or loss. Interest income / expense on these instruments are recognised in the profit and loss account. On derecognition of these financial instruments, capital gain / loss shall be recognised in the profit and loss account.

b. Fair value through other comprehensive income (FVOCI)

Financial assets are initially measured at their fair value which includes transaction costs associated with the financial assets.

FVOCI equity securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Dividend income is recognized in profit and loss account when the right to receive the payment is established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. Gains and losses on these equity instruments are never recycled to profit and loss account.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit and loss account. Debt instruments are subject to impairment under Expected Credit Loss model. However, the loss allowance shall be recognized in profit & loss account. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit and loss account.

c) Fair value through profit or loss (FVTPL)

Financial assets are initially measured at their fair value and their associated transaction costs are charged to profit and loss

Financial assets (both equity and debt) at FVTPL are subsequently measured at fair value with changes in fair value are recognized in profit and loss account. Interest income on debt instruments is recorded into profit and loss accounts. Dividend income on equity instruments is recorded in profit and loss account when the right to receive payment is established. On derecognition, capital gain / loss will be recognised in the profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

In addition, on initial recognition, the Bank may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Expected Credit Loss (ECL)

The adoption of IFRS-09 has fundamentally changed the Bank's loan loss impairment method with a forward-looking ECL approach. The Bank shall record the allowance for expected credit losses for all financial instruments (loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts).

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

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The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

Based on the requirement of IFRS-09 and SBP's IFRS-09 application instructions, the Bank has performed an ECL assessment taking into account the key elements such as assessment of Significant Increase in Credit Risk (SICR), Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.

- LGD: It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Bank expects to receive, including any form of collateral.

- EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortization, pre-payments and forward-looking information where relevant.

When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: includes financial instruments that don't have a significant increase in credit risk since initial recognition or those have low credit risk at the reporting date. For these assets, 12-month expected credit losses (ECLs) are recognized and profit is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfall over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

Stage 2: includes financial instruments that have or had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. For these assets, lifetime ECL are recognized, but profit is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.

Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). Currently, in the absence of regulatory directives on Stage 3 classification and impairment, the Bank has decided to maintain same level of provision for Stage 3 loans as is prescribed under SBP's Prudential Regulations. In computing Stage 3 exposures, the Bank considers PD of 100% and LGDs used are based on regulatory prescribed percentages.

4.2 Adoption impacts of IFRS-09

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The impacts of adoption of IFRS-09 on Bank's Statement of Financial Position as on January 01, 2024 are as follows:

	Impact due to:					Reversal of provisions held	Total impact - gross of tax	Related Taxation impact	Total impact - net of tax	Adjusted balances as of January 01, 2024	IFRS-09 Category
	Balances as of December 31, 2023 (Audited)	Recognition of expected credit losses (ECL)	Adoption of revised classifications under IFRS-09	Business model and SPP1 assessment	Related movement in surplus						
ASSETS											
Cash and balances with treasury banks	100,894,627	-	-	-	-	-	-	-	-	100,894,627	Amortised cost
Balances with other banks - net	8,560,478	(1,119)	-	-	-	(1,119)	-	(1,119)	8,559,359	Amortised cost	
Lending to financial institutions - net	143,325,933	(107,212)	-	-	-	(107,212)	-	(107,212)	143,218,721	Amortised cost	
Investments:											
- Classified as available for sale	770,415,288	-	(770,415,288)	-	-	-	(770,415,288)	(770,415,288)	-	-	FVOCI
- Classified as fair value through OCI	-	(119,212)	770,415,288	(93,479,957)	6,648,776	982,532	684,447,427	684,447,427	684,447,427	-	-
- Classified as held to maturity	98,547,842	-	(98,547,842)	-	-	-	(98,547,842)	(98,547,842)	-	-	-
- Classified as amortized cost	-	(191,785)	98,547,842	90,864,033	-	-	189,220,090	189,220,090	189,220,090	-	Amortised cost
- Classified as held for trading	44,124,920	-	(44,124,920)	-	-	-	(44,124,920)	(44,124,920)	-	-	-
- Classified as fair value through P&L	-	-	44,124,920	2,615,924	239,599	-	46,980,443	46,980,443	46,980,443	-	FVTPL
Advances - net	913,088,050	(310,997)	-	-	6,888,375	982,532	7,559,910	7,559,910	920,647,960	-	Amortised cost
Property and equipment	807,544,892	(13,148,642)	-	-	-	-	(13,148,642)	(13,148,642)	794,396,250	-	Amortised cost
Right-of-use assets	20,794,866	-	-	-	-	-	-	-	20,794,866	-	Outside the scope of IFRS-09
Intangible assets	12,424,136	-	-	-	-	-	-	-	12,424,136	-	Outside the scope of IFRS-09
Deferred tax asset - net	2,099,217	-	-	-	-	-	-	-	2,099,217	-	Outside the scope of IFRS-09
Other assets	10,314,627	-	-	-	-	-	-	-	14,859,925	-	Outside the scope of IFRS-09
	197,156,815	(1,011,538)	-	-	-	-	(1,011,538)	(1,011,538)	196,145,277	-	Amortised cost for financial assets
	2,216,203,641	(14,579,508)	-	-	6,888,375	982,532	(6,708,601)	(2,163,303)	2,214,040,338	-	-
LIABILITIES											
Bills payable	5,507,855	-	-	-	-	-	-	-	-	5,507,855	Amortised cost
Borrowings	453,965,991	-	-	-	-	-	-	-	453,965,991	-	Amortised cost
Deposits and other accounts	1,520,836,189	-	-	-	-	-	-	-	1,520,836,189	-	Amortised cost
Lease liability against right-of-use assets	15,727,259	-	-	-	-	-	-	-	15,727,259	-	Amortised cost
Subordinated debt	30,204,640	-	-	-	-	-	-	-	30,204,640	-	Amortised cost
Other liabilities	109,390,541	1,910,533	-	-	-	-	1,910,533	1,910,533	111,301,074	-	Amortised cost for financial liabilities
	2,135,632,475	1,910,533	-	-	-	-	1,910,533	1,910,533	2,137,543,008	-	-
NET ASSETS	80,571,166	(16,490,041)	-	-	6,888,375	982,532	(8,619,134)	(4,073,836)	76,497,330	-	-
REPRESENTED BY											
Share capital	32,452,535	-	-	-	-	-	-	-	-	32,452,535	Outside the scope of IFRS-09
Reserves	15,035,135	-	-	-	-	-	-	-	15,035,135	-	Outside the scope of IFRS-09
Surplus on revaluation of assets - net of tax	1,818,506	-	-	-	6,648,776	-	6,648,776	(3,257,900)	3,390,876	-	-
Non controlling interest	762,170	-	-	-	-	-	-	-	762,170	-	-
Unappropriated profit	30,502,820	(16,490,041)	-	-	239,599	982,532	(15,267,910)	7,803,198	(7,464,712)	-	-
	80,571,166	(16,490,041)	-	-	6,888,375	982,532	(8,619,134)	(4,073,836)	76,497,330	-	-

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting judgments and key estimates adopted in preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Bank for the year ended December 31, 2023 except for as explained in note 4.1.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual audited consolidated financial statements of the Bank for the year ended December 31, 2023 except for as explained in note 4.1.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Rupees in '000'		
7 CASH AND BALANCES WITH TREASURY BANKS		
In hand:		
Local currency	25,679,401	22,977,986
Foreign currencies	2,761,795	4,254,423
	28,441,196	27,232,409
With SBP in:		
Local currency current account	65,131,674	53,549,220
Foreign currency current account	2,960,138	2,931,351
Foreign currency deposit accounts	7,622,901	6,592,100
	75,714,713	63,072,671
With National Bank of Pakistan in:		
Local currency current accounts	8,939,830	10,307,990
Prize bonds	305,205	281,557
	113,400,944	100,894,627
8 BALANCES WITH OTHER BANKS		
In Pakistan:		
Current accounts	318,297	105,437
Deposit accounts	97,623	205,743
	415,920	311,180
Outside Pakistan:		
Current accounts	9,833,775	3,821,143
Deposit accounts	8,078,733	4,428,155
	17,912,508	8,249,298
	18,328,428	8,560,478
Less: Credit loss allowance held against balances with other banks	(305,776)	-
	18,022,652	8,560,478
9 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	100,000	-
Repurchase agreement lendings (Reverse Repo)	2,659,554	137,025,933
Placements	3,434,870	6,300,000
	6,194,424	143,325,933
Less: Credit loss allowance held against lendings to financial institutions	(68,399)	-
	6,126,025	143,325,933
9.1 Particulars of lendings		
In local currency	6,126,025	143,325,933
In foreign currencies	-	-
	6,126,025	143,325,933

9.2 Lending to financial institutions- Particulars of credit loss allowance

	March 31, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Lending	Credit loss allowance held	Lending	Credit loss allowance held
	7,794,554	68,399	-	-
Performing	-	-	-	-
Under performing	-	-	-	-
Non-performing	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	7,794,554	68,399	-	-

	December 31, 2023 (Audited)			
	Cost / Amortized cost	Carrying value	Provision for diminution	Carrying value
	9,905,278	9,910,886	-	44,124,920
	1,553,204	1,691,878	-	-
	11,458,482	11,602,764	-	44,124,920
	841,223,320	839,492,298	(1,731,022)	749,839,119
	2,647,868	2,025,169	(622,699)	4,400,170
	3,228,680	3,969,857	741,177	3,250,963
	15,099,621	12,500,899	(2,623,151)	12,913,079
	11,957	11,957	-	11,957
	862,211,446	858,000,180	(1,588,115)	770,415,288
	186,081,852	186,081,852	-	98,547,842
	400	(400)	(400)	-
	186,082,252	186,081,852	(400)	98,547,842
	1,059,752,180	1,055,684,796	(1,443,833)	913,088,050

10 INVESTMENTS - NET

Investments by type:	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	9,905,278	-	5,608	9,910,886	44,069,917	-	55,003	44,124,920
	1,553,204	-	138,674	1,691,878	-	-	-	-
	11,458,482	-	144,282	11,602,764	44,069,917	-	55,003	44,124,920
	841,223,320	-	(1,731,022)	839,492,298	756,146,695	-	(6,307,576)	749,839,119
	2,647,868	-	(622,699)	2,025,169	4,845,016	(982,532)	537,686	4,400,170
	3,228,680	-	741,177	3,969,857	3,228,680	-	22,283	3,250,963
	15,099,621	(2,623,151)	24,429	12,500,899	15,493,496	(2,580,709)	292	12,913,079
	11,957	-	-	11,957	11,957	-	-	11,957
	862,211,446	(2,623,151)	(1,588,115)	858,000,180	779,725,844	(3,563,241)	(5,747,315)	770,415,288
	186,081,852	-	-	186,081,852	98,547,842	-	-	98,547,842
	400	(400)	-	-	400	(400)	-	-
	186,082,252	(400)	-	186,081,852	98,548,242	(400)	-	98,547,842
	1,059,752,180	(2,623,551)	(1,443,833)	1,055,684,796	922,344,003	(3,563,641)	(5,692,312)	913,088,050

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) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000'	
	335,003,366	379,071,721

Note

10.2 Investments given as collateral - at cost / amortised cost

Pakistan investment bonds

10.3 Credit loss allowance for diminution in value of investments

10.3.1 Movement in credit loss allowance / provision for diminution in value of investments

Opening balance		3,563,641	4,598,146
Charge / (reversals):			
Impact of adoption of IFRS-09 on debt securities	310,997		-
Impact of adoption of IFRS-09 on equity securities	(982,532)		-
	(671,535)		-
Charge for the period / year	41,369		943,086
Reversals for the period / year	(309,924)		(147,044)
	(268,555)		796,042
Reversal on disposal during the period / year	-		(1,830,547)
Closing balance	2,623,551		3,563,641

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10.3.2 Particulars of credit loss allowance against debt securities

	(Un-audited) March 31, 2024	(Audited) December 31, 2023		
	Rupees in '000'			
Category of classification	Cost / Amortized cost	Credit loss allowance held	Cost / Amortized cost	Provision
Performing	11,262,201	57,570	-	-
Under performing	1,424,693	22,894	-	-
Non-performing:				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	2,913	2,913	2,581,109	581,109
	2,913	2,913	2,581,109	581,109
	12,689,807	83,377	2,581,109	581,109

10.4 Market value of held to maturity investments amounted to Rs. 166,885,178 thousand (December 31, 2023; Rs. 84,546,226 thousand).

	Performing		Non performing		Total	
	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023
11 ADVANCES - NET	Rupees in '000'					
Loans, cash credits, running finances, etc.	602,646,361	675,933,777	49,882,791	48,286,050	652,529,152	724,219,827
Net book value of assets in ijarah under IFA S 2 - In Pakistan	90,820,101	105,445,766	3,488,427	3,134,134	94,308,528	108,579,900
Bills discounted and purchased	16,215,524	18,092,079	17,222	17,221	16,232,746	18,109,300
Advances - gross	709,681,986	799,471,622	53,388,440	51,437,405	763,070,426	850,909,027
Credit loss allowance against advances:						
-Stage 1 / general provision	(4,380,822)	(695,731)	-	-	(4,380,822)	(695,731)
-Stage 2	(2,010,396)	-	-	-	(2,010,396)	-
-Stage 3 / specific provision	-	-	(47,214,901)	(42,668,404)	(47,214,901)	(42,668,404)
	(6,391,218)	(695,731)	(47,214,901)	(42,668,404)	(53,606,119)	(43,364,135)
Advances - net of credit loss allowance	703,290,768	798,775,891	6,173,539	8,769,001	709,464,307	807,544,892
11.1 Particulars of advances (gross)			(Un-audited)		(Audited)	
In local currency					March 31, 2024	December 31, 2023
In foreign currencies					Rupees in '000'	
					755,035,862	843,073,267
					8,034,564	7,835,760
					763,070,426	850,909,027
11.2	Advances include Rs. 53,388,440 thousand (December 31, 2023); Rs. 50,879,868 thousand (December 31, 2023) which have been placed under non-performing / stage 3 status as detailed below:					
Category of classification	(Un-audited)		(Un-audited)		(Audited)	
	March 31, 2024		March 31, 2024		December 31, 2023	
	Non performing loans	Credit loss allowance	Non performing loans	Provision		
	Rupees in '000'					
Other assets especially mentioned	726,624	380,110	388,638	9,041		
Substandard	1,881,096	890,184	1,776,865	330,681		
Doubtful	5,447,191	2,719,463	4,721,891	1,974,548		
Loss	45,333,529	42,628,000	44,550,011	40,354,134		
Total non performing loans	52,661,816	46,237,647	51,048,767	42,659,363		
Underperforming / restructured loans	-	597,144	-	-		
Total Stage 3	53,388,440	47,214,901	51,437,405	42,668,404		

March 31, 2024 (Un-audited)

December 31, 2023 (Audited)

Particulars of credit loss allowance against advances	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)				
	Stage 3	Stage 2	Stage 1	Total	Stage 3 / Specific Provision	Stage 2	Stage 1 / General provision	Total
					Rupees in '000'			
Opening balance	42,668,404	-	695,731	43,364,135	44,435,016	-	614,979	45,049,995
Impact of adoption of IFRS-09	4,366,584	2,541,840	6,240,218	13,148,642	-	-	-	-
Charge for the period / year	2,477,601	839,222	895,896	4,212,719	2,108,556	-	80,752	2,189,308
Reversals for the period / year	(2,297,688)	(1,370,666)	(3,451,023)	(7,119,377)	(3,648,692)	-	-	(3,648,692)
Amounts written off	179,913	(531,444)	(2,555,127)	(2,906,658)	(1,540,136)	-	80,752	(1,459,384)
	-	-	-	-	(1,138)	-	-	(1,138)
Provision transferred from advances to other assets	-	-	-	-	(225,338)	-	-	(225,338)
Closing balance	47,214,901	2,010,396	4,380,822	53,606,119	42,668,404	-	695,731	43,364,135

The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 3,784,563 thousand (2023: Rs. 3,563,768 thousand). The FSV benefit availed is not available for cash or stock dividend.

11.4 Advances - Particulars of credit loss allowance

	March 31, 2024 (Un-audited)			Total
	Stage 3	Stage 2	Stage 1	
	Rupees in '000'			
Opening balance	47,034,988	2,541,840	6,935,953	56,512,781
New Advances	2,477,601	839,222	895,896	4,212,719
Advances derecognized or repaid	(2,466,150)	(792,418)	(3,860,811)	(7,119,379)
Transfer to stage 1	-	(774,620)	774,620	-
Transfer to stage 2	(3,049)	350,300	(347,251)	-
Transfer to stage 3	171,511	(153,928)	(17,583)	-
Changes in risk parameters	179,913	(531,444)	(2,555,129)	(2,906,660)
Closing balance	47,214,901	2,010,396	4,380,824	53,606,121

11.5

Advances - Category of classification

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision	Rupees in '000'	
Performing	605,448,918	4,380,822	-	-	-	-
Underperforming	102,880,797	2,010,396	-	-	-	-
Non-Performing:						
Other assets especially mentioned						
Substandard	726,624	380,110	388,638	9,041		
Doubtful	1,881,096	890,184	1,776,865	330,681		
Loss	5,447,191	2,719,463	4,721,891	1,974,548		
	45,333,529	42,628,000	44,550,011	40,354,134		
	53,388,440	46,617,757	51,437,405	42,668,404		
	1,352,271	597,144	-	-		
Total	763,070,426	53,606,119	51,437,405	42,668,404		

Underperforming / restructured loans

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		Rupees in '000'	
12 PROPERTY AND EQUIPMENT			
Capital work-in-progress	12.1	676,944	750,114
Property and equipment	12.2	20,102,051	20,044,752
		20,778,995	20,794,866
12.1 Capital work-in-progress			
Civil works		621,335	709,037
Advances to suppliers		55,609	41,077
		676,944	750,114
		(Un-audited)	(Un-audited)
		March 31,	March 31,
		2024	2023
		Rupees in '000'	
12.2 Additions to property and equipment			
The following additions / transfers have been made to property and equipment during the period:			
		(73,170)	20,167
Capital work-in-progress			
Property and equipment:			
Building on freehold land		-	64,002
Furniture and fixtures		57,080	79,141
Electrical and office equipments		110,401	179,788
Computer equipments		182,918	96,313
Lease hold improvements		285,713	278,444
		636,112	697,688
		562,942	717,855
12.3 Disposal of property and equipment:			
The net book value of property and equipment disposed off during the period is as follows:			
		1,184	551
Furniture and fixtures		1,211	1,123
Electrical and office equipments		238	-
Computer equipments		14	-
Lease hold improvements		-	-
Vehicles		-	-
		2,647	1,674
		2,647	1,674
Gross carrying amount / cost of vehicles disposed off during the period was Rs. Nil. (March 31, 2023: computer equipment Rs. 3,374 thousand and vehicles Rs. 681 thousand).			
		(Un-audited)	(Audited)
		March 31,	December 31,
		2024	2023
		Rupees in '000'	
13 RIGHT-OF-USE ASSETS			
Cost		17,851,962	17,699,453
Accumulated depreciation		(5,714,222)	(5,275,317)
Net carrying amount		12,137,740	12,424,136
		(Un-audited)	(Un-audited)
		March 31,	March 31,
		2024	2023
		Rupees in '000'	
13.1 Addition during the period		194,950	315,098
13.2 Deletions during the period		23,658	18,673
13.3 Depreciation charge for the period		457,688	403,478

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
14	INTANGIBLE ASSETS		
	Intangible in progress	686,253	635,072
	Software and long term licenses	1,861,594	1,464,145
		<u>2,547,847</u>	<u>2,099,217</u>
		(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
		Rupees in '000'	
14.1	Additions to intangible assets		
	The following additions have been made to intangible assets during the period:		
	Intangible in progress	51,181	86,308
	Intangible assets purchased	498,019	6,493
		<u>549,200</u>	<u>92,801</u>
		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		Rupees in '000'	
15	DEFERRED TAX ASSETS - NET		
	Deductible temporary differences on:		
	Deficit on revaluation of investments classified as FVOCI	770,245	2,811,262
	Right of use assets	1,775,953	1,618,530
	Workers welfare fund	668,206	642,055
	Impact of adoption of IFRS-09	7,803,200	-
	Business loss subsidiary	73,081	72,505
	Credit loss allowance against advances	7,673,935	8,416,444
		<u>18,764,620</u>	<u>13,560,796</u>
	Taxable temporary differences on:		
	Surplus on revaluation of property and equipment	(2,186,793)	(2,214,474)
	Accelerated tax depreciation	(873,719)	(936,833)
	Surplus on revaluation of non banking assets	(12,818)	(94,862)
		<u>(3,073,330)</u>	<u>(3,246,169)</u>
		<u>15,691,290</u>	<u>10,314,627</u>
16	OTHER ASSETS - NET		
	Income / mark-up accrued in local currency	96,767,204	89,618,189
	Income / mark-up accrued in foreign currency	56,596	11,858
	Receivable from the Government of Pakistan	-	85,200,400
	Advances, deposits, advance rent and other prepayments	3,746,095	1,427,101
	Non-banking assets acquired in satisfaction of claims	989,834	1,177,222
	Acceptances	16,337,499	15,888,469
	Branch adjustment account	-	27,927
	Stock of stationery	482,326	375,089
	Suspense account	8,714	37,187
	Mark to market gain on forward foreign exchange contracts - net	197,118	-
	Zakat recoverable from National Investment Trust Limited (NITL)	36,790	36,790
	Receivable against fraud and forgeries	397,998	399,468
	Auto Teller Machine and Point of Sale receivable - net	782,755	650,830
	Inter bank fund transfer and RAAST receivable - net	1,597,837	1,761,393
	Receivable against settlement arrangements	225,337	225,337
	Receivable against litigation expenses	312,218	312,218
	Others	1,411,795	707,725
		<u>123,350,116</u>	<u>197,857,203</u>
	Less: Credit loss allowance held against other assets	(2,683,226)	(1,550,998)
	Other assets (net of credit loss allowance)	120,666,890	196,306,205
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	674,233	850,610
	Other assets - total	<u>121,341,123</u>	<u>197,156,815</u>

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
16.1 Credit loss allowance held against other assets		500,000	500,000
Income accrued in local currency		35,723	35,723
Advances, deposits, advance rent & other prepayments		103,820	-
ECL against acceptances		965,323	-
ECL against accrued markup		30,876	30,876
Non banking assets acquired in satisfaction of claims		36,790	36,790
Zakat recoverable from NITL		312,843	311,952
Fraud and forgeries	16.1.2	225,337	225,337
Receivable against settlement arrangements		312,217	312,217
Receivable against litigation expenses		160,297	98,103
Others	16.1.1	<u>2,683,226</u>	<u>1,550,998</u>
16.1.1 Movement in Credit loss allowance held against other assets		1,550,998	787,166
Opening balance		1,011,538	-
Impact of adoption of IFRS-09		151,435	610,065
Charge for the period / year		-	(13,953)
Reversals during the period / year		151,435	596,112
Amount written off		-	(3,572)
Provision transferred to other assets from advances		-	225,338
Other adjustments		(30,745)	(54,046)
Closing balance		<u>2,683,226</u>	<u>1,550,998</u>

16.1.2 This includes provision amounted to Rs. 4,795 thousand (December 31, 2023: Rs. 4,795 thousand) maintained against certain closed cases as per approval of the management.

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		Rupees in '000'	
17 CONTINGENT ASSETS		Nil	Nil
Contingent assets			
18 BILLS PAYABLE			
In Pakistan		5,613,989	5,507,855
Outside Pakistan		-	-
		<u>5,613,989</u>	<u>5,507,855</u>
19 BORROWINGS			
Secured			
Borrowings from SBP under:			
Export refinance scheme (ERF)		25,467,460	29,950,587
Long term financing facility (LTFF)		10,826,427	11,368,117
Finance facility for storage of agricultural produce (FFSAP)		167,730	183,985
Islamic finance facility for storage of agricultural produce (IFFSAP)		74,707	-
Finance facility for renewable energy performance platform (REPP)		6,246,998	6,435,548
Refinancing facility for combating COVID-19		738,832	814,386
Refinancing facility for working capital of small and medium enterprises		37,000	39,891
Finance facility for temporary relief refinance scheme (TERF)		18,640,984	19,310,908
Finance facility for women entrepreneurs		800	900
Finance Islamic facility for saaf rozgar reimbursement credit		11,463,272	6,954,080
Finance facility for shamsi tawanai consumer		44,852	47,312
Refinancing facility for modernization of small and medium enterprises (SMEs)		119,332	137,300
		73,828,394	75,243,014
Repurchase agreement borrowings		332,920,800	377,025,018
Borrowing from Pakistan Mortgage Refinance Company Limited		996,972	1,497,834
Total secured		<u>407,746,166</u>	<u>453,765,866</u>
Unsecured			
Overdrawn nostro accounts		426,340	200,125
		<u>408,172,506</u>	<u>453,965,991</u>

20 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
Customers:						
Current deposits	229,937,684	11,398,334	241,336,018	247,207,834	10,577,445	257,785,279
Savings deposits	669,215,688	5,562,992	674,778,680	622,556,998	5,554,561	628,111,559
Term deposits	428,383,296	40,119,048	468,502,344	497,160,082	41,494,976	538,655,058
Others	24,754,487	-	24,754,487	33,238,862	-	33,238,862
	1,352,291,155	57,080,374	1,409,371,529	1,400,163,776	57,626,982	1,457,790,758
Financial institutions:						
Current deposits	2,119,460	1,002,776	3,122,236	2,190,540	975,218	3,165,758
Savings deposits	7,516,248	35,282	7,551,530	58,368,739	5,150	58,373,889
Term deposits	1,257,000	-	1,257,000	1,463,890	-	1,463,890
Others	43,259	-	43,259	41,894	-	41,894
	10,935,967	1,038,058	11,974,025	62,065,063	980,368	63,045,431
	1,363,227,122	58,118,432	1,421,345,554	1,462,228,839	58,607,350	1,520,836,189

	Note	(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
Rupees in '000'			
21 LEASE LIABILITIES			
Outstanding amount at the start of the year		15,727,259	14,352,825
Additions during the period / year		131,802	1,814,291
Markup accrued		520,698	1,939,763
Lease payments including markup		(617,623)	(2,379,620)
Outstanding amount at the end of the period / year		15,762,136	15,727,259
Maturity of outstanding lease liabilities			
Not later than one year		77,622	84,722
Later than one year and upto five years		1,467,305	1,435,423
Over five years		14,217,209	14,207,114
Total at the year end		15,762,136	15,727,259
22 SUBORDINATED DEBTS			
Subordinated perpetual term finance certificates - ADT I	22.1	8,017,500	8,017,500
Subordinated perpetual term finance certificates - ADT I 2nd issue	22.2	3,950,000	3,900,000
Privately placed term finance certificates - II	22.3	4,290,540	4,290,540
Privately placed term finance certificates - III	22.4	6,998,600	6,998,600
Advance subscription money - privately placed term finance certificates - IV	22.5	6,998,000	6,998,000
		30,254,640	30,204,640

22.1 Subordinated perpetual term finance certificates - ADT I

The Bank issued listed, unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier -I capital under section 66 (1) of the Companies Act, 2017, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 8,017,500 thousand
Issue date:	June 20, 2022
Maturity date:	Perpetual
Rating:	"AA-" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	Perpetual
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.

Profit rate:	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	Not applicable.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

22.2 Subordinated perpetual term finance certificates - ADT I 2nd Issue

The Bank issued listed, unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier -I capital under section 66 (1) of the Companies Act, 2017, in a set of twenty (20) scrips, corresponding to the redemption dates of the TFC and representing the TFC Holders entitlement to the redemption amount on the each such redemption date, as outlined by SBP under BPRD Circular No. 06 dated August 15, 2013 with each TFC having a face value of PKR 100,000 or multiples thereof.

Issue amount:	Rs. 3,950,000 thousand
Issue date:	February 29, 2024
Maturity date:	Perpetual
Rating:	"AA-" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	Perpetual
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.
Profit rate:	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	Not applicable.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

22.3 Privately placed term finance certificates - II

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

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

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

22.4 Privately placed term finance certificates - III

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

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

22.5 Advance subscription money - privately placed term finance certificates - IV

Prior to close of period ended March 31, 2024, the Bank received Rs. 6,998,000 thousand under formal investor agreement from potential investors as advance subscription money against rated, privately placed / listed, unsecured and subordinated debt instrument in the nature of Tier II capital term finance certificates. The instrument will be unsecured and subordinated as to payment of principal and profit to other indebtedness of the Bank, including deposits, but will rank pari passu with other Tier II instruments and superior to Additional Tier I instruments. The instrument will be structured to redeem 0.36% of the issue amount during the first 9 years after the issue date and the remaining issue amount of 99.64% in two (2) equal semi - annual installments of 49.82% each in the last year. The advance subscription money carries mark-up at rate of 6 month KIBOR plus spread of 125 bps per annum.

23 OTHER LIABILITIES - NET	Note	(Un-audited)	(Audited)
		March 31, 2024	December 31, 2023
		Rupees in '000'	
Mark-up / return / interest payable in local currency		60,302,534	60,632,166
Mark-up / return / interest payable in foreign currency		1,357,484	1,341,354
Mark-up payable on subordinated debts		2,554,233	1,080,725
Provision for taxation		2,232,960	4,535,927
Sundry creditors and accrued expenses		2,437,248	2,912,244
Branch adjustment account	16	1,126,909	-
Lease key money		16,624,308	15,706,472
Acceptances	16	16,337,499	15,888,469
Payable to gratuity fund		842,850	690,633
Gratuity payable to key management personnel		19,435	19,435
Provision for employees compensated absences		165,379	163,363
Mark to market loss on forward foreign exchange contracts - net		-	26,020
Mark to market loss on deliverable future contracts		-	7,887
Unrealized loss on revaluation of foreign bills and trade loans	16	134,298	153,786
Credit loss allowance against off-balance sheet obligations and unutilized limits of advances	23.2	2,936,329	43,983
Taxes / zakat / import fee payable		4,507,234	2,115,471
Dividend payable		3,271,570	-
Unclaimed dividends		2,585	2,585
Payable to charity fund		17	850
Insurance payable against consumer assets financing		589,917	584,365
Payable against purchase of shares		33,152	384,367
Workers' welfare fund	23.1	1,648,643	1,595,273
Others		3,305,473	1,505,166
		<u>120,430,057</u>	<u>109,390,541</u>

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

23.2 Movement in credit loss allowance against off-balance sheet obligations and unutilized limits of advances	(Un-audited)	(Audited)
	March 31, 2024	December 31, 2023
		Rupees in '000'
Opening balance	43,983	43,983
Impact of adoption of IFRS-09	1,910,533	-
Charge for the period / (year)	981,813	-
Reversals during the period / (year)	-	-
	981,813	-
Amount written off	-	-
Closing balance	<u>2,936,329</u>	<u>43,983</u>

24 SHARE CAPITAL - NET

24.1 Authorized capital

(Un-audited) March 31, 2024	(Audited) December 31, 2023		(Un-audited) March 31, 2024	(Audited) December 31, 2023
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

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

24.2 Issued, subscribed and paid up capital

(Un-audited) March 31, 2024	(Audited) December 31, 2023		(Un-audited) March 31, 2024	(Audited) December 31, 2023
Number of shares			Rupees in '000'	
			Note	
Opening Balance				
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
839,925,583	839,925,583	Issued as bonus shares	8,399,256	8,399,256
2,974,153,927	2,974,153,927		29,741,539	29,741,539
Movement during the period / year				
297,415,392	297,415,392	Issued as bonus shares	2,974,154	2,974,154
Closing Balance				
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	1,137,340,975	Issued as bonus shares	11,373,410	11,373,410
3,271,569,319	3,271,569,319		32,715,693	32,715,693
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
3,271,569,319	3,271,569,319		32,452,535	32,452,535

GoPb held 57.47% shares in the Bank as at March 31, 2024 (December 31, 2023: 57.47%).

25 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX

Surplus / (deficit) on revaluation of:

Securities measured at FVOCI-debt instruments / investments	10.1	(965,416)	(5,747,315)
Securities measured at FVOCI-equity investments	10.1	(614,149)	-
Property and equipment		6,156,793	6,213,285
Non-banking assets acquired in satisfaction of claims	16	674,233	850,610
		5,251,461	1,316,580

Deferred tax on surplus / (deficit) on revaluation of:

Securities measured at FVOCI - debt instruments / investments	473,054	2,811,262
Securities measured at FVOCI - equity investments	297,191	-
Property and equipment	(2,186,793)	(2,214,474)
Non-banking assets acquired in satisfaction of claims	(12,818)	(94,862)
	(1,429,366)	501,926
	3,822,095	1,818,506

26 CONTINGENCIES AND COMMITMENTS

Guarantees	24.1	131,445,003	135,621,749
Commitments	24.2	301,826,152	406,852,140
Other contingent liabilities	24.3	291,951	291,951
		433,563,106	542,765,840

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
26.1	Guarantees:		
	Financial guarantees	36,334,115	34,797,867
	Performance guarantees	23,410,980	23,965,466
	Other guarantees		
	Back to back guarantees	49,355,993	54,320,270
	Mobilization and bid bond guarantees	8,732,483	9,184,433
	Other guarantees	13,611,432	13,353,713
		71,699,908	76,858,416
		<u>131,445,003</u>	<u>135,621,749</u>
26.2	Commitments:		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	172,582,487	172,670,983
	Commitments in respect of:		
	- forward foreign exchange contracts	26.2.1 108,573,776	217,833,716
	- deliverable future contracts	26.2.2 -	128,320
	- forward lending	26.2.3 20,347,642	15,817,173
	Commitments for acquisition of:		
	property and equipment	202,471	240,693
	- intangible assets	119,776	161,255
		<u>301,826,152</u>	<u>406,852,140</u>
26.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	62,274,393	121,124,664
	Sale	46,299,383	96,709,052
		<u>108,573,776</u>	<u>217,833,716</u>
26.2.2	Commitments in respect of deliverable future contracts	-	<u>128,320</u>
26.2.3	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.2.1 20,347,642	15,817,173
26.2.2.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
26.3	Other contingent liabilities	26.3.1 291,951	291,951

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

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

26.4 Claims against the Bank not acknowledged as debts

An amount of Rs. 46,243,295 thousand (December 31, 2023: Rs. 46,313,295 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

		(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	Note	Rupees in '000'	
27	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	35,890,206	22,087,733
	Investments	46,611,752	27,288,214
	Lendings to financial institutions	1,534,095	1,230,279
	Balances with banks	238,819	83,327
		<u>84,274,872</u>	<u>50,689,553</u>
28	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits and other accounts	59,906,547	35,945,859
	Borrowings	13,474,842	5,649,006
	Subordinated debts	1,788,025	858,087
	Mark-up on lease liability against right of use assets	520,698	454,278
		<u>75,690,112</u>	<u>42,907,230</u>
29	FEE AND COMMISSION INCOME		
	Branch banking customer fees	83,687	103,347
	Consumer finance related fees	135,097	109,481
	Card related fees	422,192	416,295
	Credit related fees	205,222	133,904
	Investment banking fees	118,568	66,192
	Branchless banking fees	11,853	42,754
	Commission on trade	450,216	334,362
	Commission on guarantees	136,096	120,339
	Commission on cash management	45,562	73,618
	Commission on remittances including home remittances	204,818	116,315
	Commission on bancassurance	49,000	46,644
	SMS banking income	228,818	163,177
		<u>2,091,129</u>	<u>1,726,428</u>
30	GAIN ON SECURITIES - NET		
	Realized gain on sale of securities - net	549,460	86,903
	Unrealized gain / (loss) - measured at FVTPL	144,282	(27,324)
	Realized gain - deliverable future contracts	7,887	-
		<u>701,629</u>	<u>59,579</u>
30.1	Realized gain on sale of securities - net:		
	Federal government securities	411,979	(25,985)
	Shares	137,481	112,888
		<u>549,460</u>	<u>86,903</u>
30.2	Realized gain on sale of securities - net		
	Net gain on financial assets measured at FVTPL	137,481	-
	Net gain on financial assets measured at FVOCI	411,979	-
		<u>549,460</u>	<u>-</u>

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	Rupees in '000'	
31 OTHER INCOME - NET		
Gain on sale of property and equipment - net	1,552	987
Gain on sale of non banking assets - net	164,781	-
Gain on termination of lease liability against right of use assets	39,491	32,657
Notice pay on resignations	10,901	6,613
Claim decided in favour of Bank against litigation	331,647	-
	<u>548,372</u>	<u>40,257</u>
32 OPERATING EXPENSES	5,475,828	3,920,175
Total compensation expense		
Property expense:		
Rent and taxes	7,705	5,580
Insurance	4,644	4,055
Utilities cost	342,310	208,263
Security	805	3,844
Repair and maintenance including janitorial charges	34,491	30,885
Depreciation	215,078	172,163
Depreciation on right of use assets	457,688	403,478
	1,062,721	828,268
Information technology expenses:		
Software maintenance	339,533	254,752
Hardware maintenance	21,353	15,416
Depreciation on computer equipment	195,236	111,483
Amortization on intangible assets	100,570	53,560
Network charges	89,505	108,809
	746,197	544,020
Other operating expenses:		
Directors' fees and allowances	9,957	13,833
Fees and allowances to shariah board	2,175	2,355
Legal and professional charges	51,591	58,495
Subscription charges	14,075	9,148
Outsourced staff services costs	250,299	181,676
Travelling and conveyance	634,505	464,632
NIFT clearing charges	26,051	25,281
Depreciation	165,852	132,946
Depreciation on non banking assets acquired in satisfaction of claims	3,769	5,663
Depreciation on ijarah assets under IFAS - 2	86,351	66,760
Training and development	27,274	29,998
Postage and courier charges	90,803	71,581
Credit card charges	11,997	3,502
Stationery and printing	133,931	98,760
Marketing, advertisement and publicity	119,040	349,841
Insurance	85,631	74,020
Deposit protection fee	181,007	145,257
Repair and maintenance	162,360	100,122
Entertainment expenses	77,752	65,877
Fuel for generator	77,464	88,061
Commission and brokerage	88,018	82,658
Bank charges	11,106	11,566
SMS banking charges	156,287	89,303
ATM charges including mastercard charges	314,988	568,105
Cash remittance charges	202,306	130,002
Branch license fee	19,198	17,845
CNIC verification / ECIB charges	63,606	63,319
Miscellaneous expenses	118,238	152,293
	3,185,631	3,102,899
	<u>10,470,377</u>	<u>8,395,362</u>

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		(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
		Rupees in '000'	
33	OTHER CHARGES		
	Penalties imposed by SBP	1	597
	Operational loss	157	-
		<u>158</u>	<u>597</u>
34	(REVERSAL OF CREDIT LOSS ALLOWANCE) / PROVISIONS AND WRITE OFFS - NET		
	Reversal of credit loss allowance against lending to financial institutions	9	(38,813)
	(Reversal of credit loss allowance) / provision for diminution in value of investments	10.3.1	(268,555)
	Reversal of credit loss allowance / provision against loans & advances	11.3	(2,906,658)
	Credit loss allowance / (reversal of provision) against other assets - net	16.1.1	151,435
	Credit loss allowance against off balance sheet obligations and unutilized limits of advances	23.2	981,813
	Credit loss allowance against balance with other banks		304,657
			<u>(1,776,121)</u>
			<u>10,123</u>
35	TAXATION - NET		
	Current	35.1	1,336,816
	Deferred		467,948
			<u>1,804,764</u>
			<u>680,167</u>
			<u>226,777</u>
			<u>906,944</u>
35.1	This includes provision for super tax for the period in accordance with Income Tax Ordinance, 2001.		
36	BASIC EARNINGS PER SHARE	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	Profit after taxation for the period (Rs in '000')	<u>1,648,859</u>	<u>1,147,375</u>
	Weighted average number of ordinary shares (No.).	<u>3,271,569,319</u>	<u>3,271,569,319</u>
	Basic earnings per share - Rs.	<u>0.50</u>	<u>0.35</u>
37	DILUTED EARNINGS PER SHARE		
	There were no convertible dilutive potential ordinary shares outstanding as at reporting dates.		
38	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.		
38.1	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).		

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

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

38.2 Fair value of financial assets

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

	March 31, 2024 (Un-audited)				Total
	Carrying value / Notional value	Level 1	Level 2	Level 3	
	Rupees in '000'				
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	849,403,184	-	849,403,184	-	849,403,184
Shares	3,717,047	3,717,047	-	-	3,717,047
Non-Government debt securities	12,500,899	-	12,500,899	-	12,500,899
Mutual fund & investment trust units	3,969,857	-	3,969,857	-	3,969,857
Foreign securities	11,957	-	-	11,957	11,957
Financial assets disclosed but not measured at fair value:					
Government securities	186,081,852	-	166,885,178	-	166,885,178
Unlisted term finance certificates / sukuk	-	-	-	-	-
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	61,656,633	-	61,656,633	-	61,656,633
Forward sale of foreign exchange contracts	45,484,505	-	45,484,505	-	45,484,505
	December 31, 2023 (Audited)				
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
	Rupees in '000'				
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	793,964,039	-	793,964,039	-	793,964,039
Shares	4,393,049	4,371,789	21,260	-	4,393,049
Non-Government debt securities	8,725,336	-	8,725,336	-	8,725,336
Mutual funds & investment trust units	3,250,963	-	3,250,963	-	3,250,963
Foreign securities	11,957	-	-	11,957	11,957
Financial assets disclosed but not measured at fair value:					
Government securities	98,547,842	-	84,546,226	-	84,546,226
Unlisted term finance certificates / sukuk / commercial paper	4,187,743	-	4,187,743	-	4,187,743
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	118,317,903	-	118,317,903	-	118,317,903
Forward sale of foreign exchange contracts	93,928,311	-	93,928,311	-	93,928,311
Purchase of deliverable future contracts	120,433	-	120,433	-	120,433

38.3 Fair value of non financial assets

	March 31, 2024 (Un-audited)				Total
	Carrying value / Notional value	Level 1	Level 2	Level 3	
	Rupees in '000'				
Non financial assets measured at fair value:					
Property and equipment (land & building)	11,861,061	-	11,861,061	-	11,861,061
Non banking assets acquired in satisfaction of claims	1,633,191	-	1,633,191	-	1,633,191
	December 31, 2023 (Audited)				
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
	Rupees in '000'				
Non financial assets measured at fair value:					
Property and equipment (land & building)	11,977,725	-	11,977,725	-	11,977,725
Non banking assets acquired in satisfaction of claims	1,996,956	-	1,996,956	-	1,996,956

39 SEGMENT INFORMATION

39.1 Segment details with respect to business activities

(Un-audited)
March 31, 2024

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit and loss							
Net mark-up / return / profit	25,049,978	40,288	5,419,481	45,973,661	7,534,591	256,873	84,274,872
Inter segment (cost) / revenue - net	(14,624,468)	35,949,298	22,020,809	(37,589,558)	(1,207,233)	(4,548,848)	-
Non mark-up / return / interest income	839,115	817,441	354,388	1,040,526	56,347	555,450	3,663,267
Total income	11,264,625	36,807,027	27,794,678	9,424,629	6,383,705	(3,736,525)	87,938,139
Segment total expenses	11,251,972	33,078,782	18,742,255	12,238,186	4,183,911	6,718,911	86,214,017
Profit before credit loss allowance and tax	12,653	3,728,245	9,052,423	(2,813,557)	2,199,794	(10,455,436)	1,724,122
Credit loss allowance	(1,321,216)	2,456	254,779	(33,895)	(771,635)	93,390	(1,776,121)
Profit / (loss) before tax	1,333,869	3,725,789	8,797,644	(2,779,662)	2,971,429	(10,548,826)	3,500,243
Balance sheet							
Cash and bank balances	-	263,526	33,170,942	88,484,079	9,505,049	-	131,423,596
Investments - net	2,643,639	-	-	1,010,863,758	42,177,399	-	1,055,684,796
Net inter segment lending	-	655,887,377	443,099,177	-	-	41,518,218	1,140,504,772
Lendings to financial institutions	-	-	-	1,158,318	4,967,707	-	6,126,025
Advances - performing	473,036,727	1,087,618	116,326,477	-	90,051,114	22,788,832	703,290,768
- non-performing - net	3,925,515	-	1,039,411	-	1,203,547	5,066	6,173,539
Others	54,208,469	35,637	7,421,895	42,899,950	15,739,194	52,191,850	172,496,995
Total assets	533,814,350	657,274,158	601,057,902	1,143,406,105	163,644,010	116,503,966	3,215,700,491
Borrowings	60,392,476	-	12,505,096	333,347,140	1,927,794	-	408,172,506
Subordinated debts	-	-	-	-	-	30,254,640	30,254,640
Deposits and other accounts	157,868,072	640,814,090	516,706,332	-	105,957,060	-	1,421,345,554
Net inter segment borrowing	301,131,138	-	-	806,264,244	33,109,390	-	1,140,504,772
Others	14,422,664	16,460,068	71,846,474	3,794,721	9,457,299	25,824,956	141,806,182
Total liabilities	533,814,350	657,274,158	601,057,902	1,143,406,105	150,451,543	56,079,596	3,142,083,654
Equity	-	-	-	-	-	-	73,616,837
Total equity and liabilities	288,169,351	-	13,953,753	107,390,528	23,435,276	614,198	433,563,106
Contingencies and commitments	-	-	-	-	-	-	-

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

(Un-audited)

March 31, 2023

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Profit and loss							
Net mark-up / return / profit	16,062,015	750	3,971,906	26,703,786	3,763,924	187,172	50,689,553
Inter segment revenue - net	(14,072,428)	30,018,816	15,550,614	(26,599,073)	(52,628)	(4,845,301)	-
Non mark-up / return / interest income	444,607	394,753	255,486	1,317,008	76,651	255,329	2,743,834
Total income	2,434,194	30,414,319	19,778,006	1,421,721	3,787,947	(4,402,800)	53,433,387
Segment total expenses	1,168,873	24,320,910	12,891,451	4,757,568	3,305,137	4,890,263	51,334,202
Profit before credit loss allowance and tax	1,265,321	6,093,409	6,886,555	(3,335,847)	482,810	(9,293,063)	2,099,185
Credit loss allowance	(65,253)	-	(22,321)	-	101,412	(3,715)	10,123
Profit / (loss) before tax	1,330,574	6,093,409	6,908,876	(3,335,847)	381,398	(9,289,348)	2,089,062
Balance sheet							
Cash and bank balances	-	186,246	34,672,274	64,895,673	9,423,454	-	109,177,647
Investments - net	2,756,908	-	-	868,721,723	41,712,785	-	913,191,416
Net inter segment lending	-	645,860,735	416,690,196	-	-	57,079,680	1,119,630,611
Lendings to financial institutions	-	-	-	141,025,933	3,935,000	-	144,960,933
Advances - performing	530,870,534	758,612	138,987,419	-	105,445,766	21,871,895	797,934,226
- non-performing	5,274,559	-	1,843,961	-	1,326,535	7,599	8,452,654
Others	52,959,233	75,427	10,743,167	124,519,862	12,103,448	42,061,977	242,463,114
Total assets	591,861,234	646,881,020	602,937,017	1,199,163,191	173,946,988	121,021,151	3,335,810,601
Borrowings	73,019,677	-	1,497,834	377,225,143	2,223,337	-	453,965,991
Subordinated debts	-	-	-	-	-	30,204,640	30,204,640
Deposits and other accounts	245,281,536	634,070,009	528,169,599	-	113,332,498	-	1,520,853,642
Net inter segment borrowing	258,755,695	-	-	821,938,048	38,936,868	-	1,119,630,611
Others	14,804,326	12,811,011	73,269,584	-	7,991,360	21,524,824	130,401,105
Total liabilities	591,861,234	646,881,020	602,937,017	1,199,163,191	162,484,063	51,729,464	3,255,055,989
Equity							80,754,612
Total equity and liabilities							3,335,810,601
Contingencies and commitments	290,616,339	-	14,715,236	217,962,036	18,778,330	693,899	542,765,840

(Audited)

December 31, 2023

40 RELATED PARTY TRANSACTIONS

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

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

	(Un-audited) March 31, 2024				(Audited) December 31, 2023			
	Directors	Key management personnel	Employee funds	Other related parties	Directors	Key management personnel	Employee funds	Other related parties
	Rupees in '000'							
Advances (gross):								
Opening balance	-	474,755	-	-	-	368,701	-	-
Addition during the period / year	-	47,559	-	-	-	237,145	-	-
Repaid during the period / year	-	34,128	-	-	-	131,091	-	-
Closing balance	-	488,186	-	-	-	474,755	-	-
Other assets - advance deposits and prepayments	-	454	-	-	-	403	-	-
Other assets - markup receivable	-	21,746	-	-	-	20,062	-	-
ECL on advances including markup and unutilized limits	-	2,324	-	-	-	-	-	-
Right of use assets	-	-	-	61,504	-	-	-	62,610
Lease liability against right of use assets	-	-	-	15,725	-	-	-	15,208
Deposits and other accounts:								
Opening balance	9,536	107,198	1,185,599	114,393	239	32,751	1,036,847	26,391
Received during the period / year	89,690	575,439	1,416,737	232,941	69,369	1,560,580	8,849,409	465,652
Withdrawn during the period / year	29,796	485,864	1,185,278	261,674	60,072	1,486,133	8,700,657	377,650
Closing balance	69,430	196,773	1,417,058	85,660	9,536	107,198	1,185,599	114,393
Other liabilities	91	6,004	-	1,053	217	2,852	690,633	3,466
Contingencies (non funded exposure)	-	-	-	49,822	-	-	-	49,822

	March 31, 2024 (Un-audited)				March 31, 2023 (Un-audited)			
	Directors	Key management personnel	Employee Funds	Other related parties	Directors	Key management personnel	Employee Funds	Other related parties
	Rupees in '000'							
Income:								
Mark-up / return / interest earned	-	6,183	-	-	-	4,966	-	-
Fee and commission income	2	198	-	996	-	-	-	-
Expense:								
Mark-up / return / interest expensed	843	3,283	55,561	7,324	100	153	46,249	1,000
Depreciation on right of use assets	-	-	-	1,106	-	-	-	1,107
Mark-up on lease liability against right of use assets	-	-	-	517	-	-	-	447
Compensation expense	-	310,456	-	-	-	100,803	-	-
Commission expense	-	-	-	-	-	-	-	-
Directors fee and allowances	9,957	-	-	-	13,833	-	-	-

40.1 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.

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

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
		Rupees in '000'
Advances	23,485,307	99,445,479
Deposits and other accounts	664,912,951	649,339,057
Bills payable	85,678	157,468
Subordinated debt	12,314,304	12,314,304
Acceptances	71,929	71,929
Contingencies and commitments	24,677,425	26,885,973
Mark-up receivable	18,181,142	17,065,985
Mark-up payable on subordinated debts	950,590	506,774
Mark-up payable	38,161,805	37,615,613
ECL on advances including markup and unutilized limits	278,943	-
ECL on acceptances	31	-
ECL on contingencies and commitments	35,412	-
	(Un-audited) March 31, 2023	(Un-audited) March 31, 2023
	Rupees in '000'	
Mark-up earned	2,208,140	2,110,562
Mark-up expensed	33,598,871	19,162,013
Income on contingencies and commitments	63,142	53,272

40.3 The Bank made contribution of Rs. 149,325 thousand (March 31, 2023: Rs. 118,578 thousand) to employees provident fund during the period.

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

40.5 Advances to employees as at March 31, 2024, other than key management personnel, amounted to Rs. 25,498,165 thousand (December 31, 2023: Rs. 24,476,686 thousand) with markup receivable of Rs. 886,336 thousand (December 31, 2023: Rs. 831,158 thousand) and markup income of Rs. 292,365 thousand (March 31, 2023: Rs. 206,914 thousand) and fee & commission income of Rs. 4,454 thousand. The ECL on said advances including markup and unutilized limits amounted to Rs. 107,714 thousand (December 31, 2023: Rs. Nil). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on March 31, 2024 stood at Rs. 108,542 thousand (December 31, 2023: Rs. 90,145 thousand).

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

40.7 The Bank held government securities in fiduciary capacity for its employee fund in IPS account amounting to Rs. 5,338,500 thousand (December 31, 2023: Rs. 5,275,500 thousand)

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		Rupees in '000'	
41	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
	Note		
	Minimum Capital Requirement (MCR):		
	Paid-up capital including share premium (net of losses)	34,667,575	34,667,575
	Capital Adequacy Ratio (CAR):		
	Eligible Common Equity Tier 1 (CET 1) Capital	66,950,445	74,275,763
	Eligible Additional Tier 1 (ADT 1) Capital	11,917,500	11,917,500
	Total Eligible Tier 1 Capital	78,867,945	86,193,263
	Eligible Tier 2 Capital	18,793,289	16,484,562
	Total Eligible Capital (Tier 1 + Tier 2)	97,661,234	102,677,825
	Risk Weighted Assets (RWAs):		
	Credit risk	464,529,372	441,962,289
	Market risk	25,993,907	35,476,704
	Operational risk	81,726,967	81,512,110
	Total	572,250,246	558,951,103
	Common equity tier I capital adequacy ratio	11.70%	13.29%
	Tier I CAR (%)	13.78%	15.42%
	Total CAR (%)	17.07%	18.37%
41.1	Leverage Ratio (LR):		
	Eligible Tier-I Capital	78,867,945	86,193,263
	Total exposures	2,407,365,393	2,553,544,800
	LR (%)	3.28%	3.38%
41.2	The SBP vide letter No. BPRD-BA&CP-614556 allowed the Bank to include advance subscription of Rs. 4,285,000 thousand Tier - II, as of December 31, 2023. for CAR and LR purposes. Had the advance subscription money of Rs. 4,285,000 thousand not been taken, the CAR, LR and NSFR would stand at 16.32%, 3.28% and 118.71% respectively.		
		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		Rupees in '000'	
41.3	Liquidity Coverage Ratio (LCR):		
	Total high quality liquid assets	615,413,254	633,492,844
	Total net cash outflow	327,640,009	345,059,142
	LCR (%)	187.83%	183.59%
41.4	Net Stable Funding Ratio (NSFR):		
	Total available stable funding	1,091,128,000	1,136,308,900
	Total required stable funding	915,571,000	911,331,400
	NSFR (%)	119.17%	124.69%
41.5	The Bank availed the benefit of stage I and II staggering as allowed by SBP vide IFRS-09 application instructions. Had this relaxation not availed, the CAR, LR and NSFR would have been 16.01%, 2.92% and 118.72% respectively.		

42 ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the March 31, 2024, the Bank is operating 160 Islamic banking branches (December 31, 2023: 160 Islamic banking branches) and 155 Islamic banking windows (December 31, 2023: 73).

**STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024**

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	Rupees in '000'	
ASSETS			
Cash and balances with treasury banks		9,004,413	8,872,231
Balances with other banks		500,636	551,223
Due from financial institutions	42.1	4,967,707	3,935,000
Investments - net	42.2	42,177,399	41,712,785
Islamic financing and related assets - net	42.3	91,254,661	106,772,301
Property and equipment		1,274,089	1,247,643
Right-of-use assets		2,430,676	2,522,746
Intangible assets		10,185	9,416
Other assets		12,024,244	8,323,643
Total assets		163,644,010	173,946,988
LIABILITIES			
Bills payable		590,468	710,834
Due to financial institutions		1,927,794	2,223,337
Deposits and other accounts	42.4	105,957,060	113,332,498
Due to head office		33,109,390	38,936,868
Lease liabilities		3,116,578	3,158,734
Subordinated debt		-	-
Other liabilities		5,750,253	4,121,792
		150,451,543	162,484,063
NET ASSETS		13,192,467	11,462,925
REPRESENTED BY			
Islamic banking fund		2,000,000	2,000,000
Reserves		38,287	98,651
Surplus / (deficit) on revaluation of assets		216,609	(1,029,266)
Unappropriated profit	42.5	10,937,571	10,393,540
		13,192,467	11,462,925
CONTINGENCIES AND COMMITMENTS	42.6		

ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2024

	Note	Three Months Ended	
		March 31, 2024	March 31, 2023
Rupees in '000'			
Profit / return earned	42.7	7,534,591	3,763,924
Profit / return expensed	42.8	4,321,189	2,604,710
Net profit / return		3,213,402	1,159,214
Fee and commission income		69,269	69,448
Dividend income		-	-
Foreign exchange (loss) / income		(16,389)	5,932
Income / (loss) from derivatives		-	-
Gain on securities - net		1,362	10
Other income		2,105	1,261
		56,347	76,651
Total income		3,269,749	1,235,865
Operating expenses		1,069,955	753,055
Workers' welfare fund		-	-
Other charges		-	-
		1,069,955	753,055
Profit before credit loss allowance		2,199,794	482,810
(Reversal of credit loss allowance) / provisions and write offs - net		(771,635)	101,412
Profit before taxation		2,971,429	381,398
Taxation	42.9	-	-
Profit after taxation		2,971,429	381,398

42.1 DUE FROM FINANCIAL INSTITUTIONS	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Secured	5,035,000	-	5,035,000	3,935,000	-	3,935,000
Less: Credit loss allowance	(67,293)	-	(67,293)	-	-	-
	<u>4,967,707</u>	<u>-</u>	<u>4,967,707</u>	<u>3,935,000</u>	<u>-</u>	<u>3,935,000</u>

42.2 INVESTMENTS - NET	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost/ Amortized cost	Credit loss allowance for diminution	Surplus	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000'							
Investments by segment								
FVOCI / available for sale								
Federal government securities	21,374,882	-	93,186	21,468,068	31,290,783	-	(1,134,412)	30,156,371
Non government debt securities	8,314,133	-	29,117	8,343,250	11,545,574	-	10,840	11,556,414
	<u>29,689,015</u>	<u>-</u>	<u>122,303</u>	<u>29,811,318</u>	<u>42,836,357</u>	<u>-</u>	<u>(1,123,572)</u>	<u>41,712,785</u>
Amortised cost / held to maturity								
Federal government securities	9,584,591	-	-	9,584,591	-	-	-	-
Non government debt securities	2,823,068	(41,578)	-	2,781,490	-	-	-	-
	<u>12,407,659</u>	<u>(41,578)</u>	<u>-</u>	<u>12,366,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>42,096,674</u>	<u>(41,578)</u>	<u>122,303</u>	<u>42,177,399</u>	<u>42,836,357</u>	<u>-</u>	<u>(1,123,572)</u>	<u>41,712,785</u>

43.2.1 Particulars of credit loss allowance	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Federal Government securities	-	-	-	-	-	-	-
Non Government debt securities	41,578	-	-	41,578	-	-	-	-
	<u>41,578</u>	<u>-</u>	<u>-</u>	<u>41,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

42.3 ISLAMIC FINANCING AND RELATED ASSETS	March 31, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Rupees in '000'			
	Ijarah		2,393,632	2,451,160
Murabaha		484,683	977,303	
Musharaka		33,036,253	47,100,860	
Diminishing musharaka		40,231,083	40,720,767	
Payment against documents		55,304	305,304	
Waqala		6,605,114	5,155,929	
Istisna		7,438,133	7,001,913	
Musawamah financing		3,804,211	4,530,852	
Tijarah financing		260,115	335,812	
Gross islamic financing and related assets		<u>94,308,528</u>	<u>108,579,900</u>	
Less: credit loss allowance against Islamic financings				
-Stage 1			701,965	
-Stage 2			67,331	
-Stage 3			2,284,571	
			<u>3,053,867</u>	
Islamic financing and related assets - net			<u>106,772,301</u>	

42.4 DEPOSITS AND OTHER ACCOUNTS	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	19,727,667	560,313	20,287,980	19,828,751	567,074	20,395,825
Savings deposits	70,832,090	581,463	71,413,553	66,146,832	562,048	66,708,880
Term deposits	11,120,125	796,861	11,916,986	14,863,624	913,660	15,777,284
Others	1,981,502	-	1,981,502	5,824,378	-	5,824,378
	<u>103,661,384</u>	<u>1,938,637</u>	<u>105,600,021</u>	<u>106,663,585</u>	<u>2,042,782</u>	<u>108,706,367</u>
Financial institutions:						
Current deposits	34,876	22,359	57,235	31,400	19,425	50,825
Savings deposits	299,565	234	299,799	4,574,897	239	4,575,136
Term deposits	-	-	-	-	-	-
Others	5	-	5	170	-	170
	<u>334,446</u>	<u>22,593</u>	<u>357,039</u>	<u>4,606,467</u>	<u>19,664</u>	<u>4,626,131</u>
	<u>103,995,830</u>	<u>1,961,230</u>	<u>105,957,060</u>	<u>111,270,052</u>	<u>2,062,446</u>	<u>113,332,498</u>

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Rupees in '000'	
42.5 UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS		
Opening balance	10,393,540	4,640,774
Impact of adoption of IFRS-9	(2,427,398)	-
Add: Islamic banking profit for the period - year	2,971,429	5,752,766
Closing balance	<u>10,937,571</u>	<u>10,393,540</u>
42.6 CONTINGENCIES AND COMMITMENTS		
Guarantees:		
Financial guarantees	18,200	18,200
Performance guarantees	1,234,124	877,740
Other guarantees	1,454,273	1,213,877
	<u>2,706,597</u>	<u>2,109,817</u>
Commitments:		
Documentary credits and short-term trade-related transactions - letters of credit	6,529,916	5,782,258
Commitments in respect of forward lending	13,015,514	10,886,255
Commitments in respect of purchase forward foreign exchange contracts	1,183,249	-
	<u>20,728,679</u>	<u>16,668,513</u>
	<u>23,435,276</u>	<u>18,778,330</u>
42.7 PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT		
Profit earned on		
Financing	5,077,747	2,062,705
Investments	2,015,879	1,173,852
Placements	440,907	527,340
Deposits with financial institutions	58	27
	<u>7,534,591</u>	<u>3,763,924</u>
42.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
Deposits and other accounts	2,974,968	2,456,876
Markup on lease liability against right of use assets	101,124	86,640
Markup on borrowings from SBP	37,864	8,566
Profit on deposits from conventional head office	1,207,233	52,628
	<u>4,321,189</u>	<u>2,604,710</u>

42.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 1,524,343 thousand (March 31, 2023: Rs. 164,039 thousand).

43 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 26th April 2024 by the Board of Directors of the Bank.

44 GENERAL

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

44.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the period except for as mentioned in notes 21 and 41 to these consolidated condensed interim financial statements.


Chief Financial Officer




President


Chairman


Director


Director



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