



# QUARTERLY REPORT 2019

(Un-audited)  
JANUARY - MARCH



THE BANK OF PUNJAB

*Passion Reborn*



# CORPORATE INFORMATION

## Board of Directors

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

## Central Audit Committee (CAC)

Khawaja Farooq Saeed.....	Chairman
Mr. Hamed Yaqoob Sheikh.....	Member
Mr. Saeed Anwar.....	Member

## Board Risk Management Committee (BRMC)

Mr. Hamed Yaqoob Sheikh.....	Chairman
Mr. Saeed Anwar.....	Member
Dr. Muhammad Amjad Saqib.....	Member

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

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

## Islamic Banking Review Committee (IBRC)

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

## Auditors

EY Ford Rhodes, Chartered Accountants

## Registered Office

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

## Registrar

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

## Website

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

# The Bank of Punjab

## Directors' Review

### Quarterly Financial Statements - March 31, 2019

On behalf of the Board of Directors, I am pleased to present Un-audited Condensed Interim Financial Statements of The Bank of Punjab for the three months period ended March 31, 2019.

In the third quarter of FY19, the economy continued to be in dire straits. Large-scale Manufacturing (LSM) declined by 2.93 percent during July-March FY19 against 5.71 percent growth recorded in the same period last year. The latest available estimates of major crops also depict a lackluster performance by the agriculture sector. The slowdown in commodity producing sectors has downside implications for growth in services sector as well. Depreciation of the rupee reversed the decline in exports and the rise in imports. However, exports increased only by 0.11 percent in July-March FY19 and imports declined by 7.96 percent. The trade deficit declined by 13.02 per cent. In this backdrop, the real GDP growth was projected to be about half of the target for FY19.

Depressed growth was accompanied by problems on the monetary side. The current account deficit declined to US\$ 9.6 billion in Jul-Mar FY19 as compared to US\$ 13.6 billion in the corresponding period last year. Together with bi-lateral inflows, this eased pressures on SBP's foreign exchange reserves. But the deficit was still very high. Average headline CPI inflation reached 6.79 percent in July-March FY19 compared to 3.78 percent recorded in the same period last year. Core inflation maintained its 14-month upward trajectory accelerating to 8.5 percent in March 2019 from 5.8 percent a year earlier. Consequently, the SBP Policy Rate was increased 10.25% as on March 31, 2019. Despite two mini-budgets, fiscal deficit in July-March touched an historic height of 5 percent of GDP.

In this difficult economic background, the Bank has managed to continue its march forward. The financial outcomes reflect this performance.

Financial Highlights:	Rs. In Million
Profit before taxation	3,574.157
Taxation	1,608.670
Profit after taxation	1,965.487
Earnings per share (Rupees)	0.74

During 1<sup>st</sup> Quarter 2019, Bank's Net Interest Margin significantly improved to Rs. 6,516 million as against Rs. 4,676 million for the corresponding period last year,



thereby registering a rise of 39%. Non Mark-up/Interest Income and Non Mark-up/Interest Expenses remained at Rs. 812 million and Rs. 3,503 million, respectively. Accordingly, the Bank was able to post a pre-tax profit of Rs. 3,574 million as against Rs. 3,009 million for corresponding period last year thereby registering a rise of 19%. The Earnings per Share remained at Rs. 0.74.

As on March 31, 2019, the Deposits stood at Rs. 593.0 billion, while Total Assets stood at Rs. 704.0 billion. Investments and Gross Advances stood at Rs. 203.8 billion and Rs. 428.9 billion, respectively. The Tier-I Equity stood at Rs. 34.5 billion as on March 31, 2019.

As on March 31, 2019, the Bank stands compliant with the Capital Adequacy Ratio (CAR) requirement prescribed by SBP. The CAR improved to 13.35% as against 13.17% as on December 31, 2018.

The Bank has been assigned long term entity rating of "AA" by M/s PACRA with short term rating being at the highest rank of "A1+". And the Bank has planned to further expand its outreach during the year. The Bank currently has a network of 577 online branches, including 74 Taqwa Islamic Banking Branches and 13 sub-branches, strategically located across the country. Further, the Bank has a vast network of 529 ATMs providing 24/7 banking services to the customers

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

For and on behalf of the Board

**Dr. Pervez Tahir**  
Chairman



## ڈائریکٹر زکا جائزہ

دی بینک آف پنجاب کے سہ ماہی مالیاتی نتائج 31 مارچ 2019ء

یہ بات میرے لیے باعث مسرت ہے کہ میں دی بینک آف پنجاب کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2019ء کو اختتام پزیر ہونے والی سہ ماہی کے غیر آڈٹ شدہ حسابات پیش کر رہا ہوں۔

مالی سال 2019ء کی تیسرے سہ ماہی کے دوران ملکی معیشت و باؤ کا شکا رہی۔ بڑے پیمانے کی اشیاء سازی کے شعبہ میں مالی سال 2019ء جولائی تا مارچ کے دوران 2.93 فیصد کی کمی دیکھی گئی جبکہ پچھلے سال کی اسی مدت کے دوران 5.71 فیصد کا اضافہ ریکارڈ کیا گیا تھا۔ دستیاب تخمینہ کے مطابق زرعی شعبہ میں اہم اجناس کی کارکردگی تیزی کا شکا رہی۔ اشیاء سازی میں سست روی نے خدمات کے شعبہ کو بھی متاثر کیا ہے۔ روپے کی قدر میں کمی کی وجہ سے برآمدات میں کمی ہوئی اور درآمدات میں اضافہ ہوا ہے۔ جبکہ مالی سال 2019ء جولائی تا مارچ برآمدات میں 0.11 فیصد اضافہ ہوا اور درآمدات میں 7.98 فیصد کمی ہوئی تجارتی خسارہ 13.02 فیصد سے کم ہوا۔ ان حالات میں ملکی جی ڈی پی میں متوقع اضافہ مالی سال 2019ء کی تخمینہ سے آدھا رہنے کی توقع ہے۔

ترقی کی رفتار میں وباؤ کے ساتھ ساتھ معیشت کو زری مسائل کا بھی سامنا ہے۔ مالی سال 2019ء جولائی تا مارچ کرنٹ اکاؤنٹ خسارہ کم ہو کر 9.6 ارب ڈالر باجو پچھلے سال کی اسی مدت کے دوران 13.6 ارب ڈالر تھا۔ اندازہ دینی ترسیلات کے ساتھ اسٹیٹ بینک کے زرمبادلہ کے ذخائر پر وباؤ کم ہوا لیکن خسارہ اس وقت بھی انتہائی زیادہ ہے۔ مالی سال 2019ء جولائی تا مارچ کے دوران جی پی آئی فراڈز 6.79 فیصد رہا جو کہ پچھلے سال کی اسی مدت کے دوران 3.78 فیصد تھا۔ بنیادی فراڈز چودہواں بلندی پر پہنچے 8.5 فیصد رہا جو کہ پچھلے سال 5.8 فیصد تھا۔ لہذا 31 مارچ 2019ء کو اسٹیٹ بینک آف پاکستان کا پالیسی ریمے بڑھ کر 10.25 فیصد ہو گیا۔ دینی بجٹ کے باوجود مالیاتی خسارہ جولائی تا مارچ کے دوران جی ڈی پی کا 5 فیصد رہا جو کہ تاریخ کی بلند ترین سطح ہے۔

ان مشکل مالی حالات میں بینک نے اپنی ترقی کا سفر جاری رکھا ہے۔ جو کہ مالیاتی نتائج سے ظاہر ہوتا ہے۔

مالیاتی نتائج	روپیہ ملین میں
غیر از ٹیکس منافع	3,574.157
ٹیکس	1,608.670
بعد از ٹیکس منافع	1,965.487
فی حصص منافع (روپیہ)	0.74

سال 2019ء کی پہلی سہ ماہی کے دوران بینک کا نیٹ اثرمٹ مارچن 39 فیصد کے شاندار اضافہ کے ساتھ 6,516 ملین روپے تک پہنچ گیا جو کہ پچھلے سال کی اسی مدت کے دوران 4,676 ملین روپے تھا جبکہ نان مارک اپ / اثرمٹ آملن اور نان مارک اپ / اثرمٹ اخراجات باقریب 812 ملین روپے اور 3,503 ملین روپے رہے۔ اس طرح بینک نے 19 فیصد اضافہ کے ساتھ 3,574 ملین روپے کا غیر از ٹیکس منافع کمایا جو کہ پچھلے سال کی اسی مدت کے دوران 3,009 ملین روپے تھا۔ بینک کی فی حصص آمدن 0.74 رہی۔ 31 مارچ 2019ء کو بینک کے ڈیپازٹس 593 ارب روپے تھے جبکہ کل اخراجات 704 ارب روپے رہے۔ سرمایہ کاری اور قرضہ جات باقریب 203.8 ارب روپے اور 428.9 ارب روپے رہے۔ 31 مارچ 2019ء کو بینک کی ٹیولن ایکویٹی 34.5 ارب روپے رہی۔ 31 مارچ 2019ء کو بینک اسٹیٹ بینک کی مقرر کردہ کمپوزل ایڈیکویٹی مطلوبہ شرح حاصل کر چکا ہے۔ جبکہ بینک کی کمپوزل ایڈیکویٹی ریٹو بہتر ہو کر 13.35 فیصد ہو گئی جبکہ 31 دسمبر 2018ء کو 13.17 فیصد تھی۔



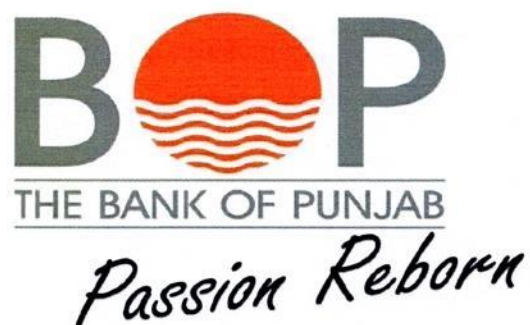
پاکستان کریڈٹ ریٹنگ ایجنسی نے بینک کو طویل مدت ریٹنگ "AA" دی ہے جبکہ مختصر مدت کے لیے "A1+" کی ریٹنگ بلند ترین سطح پر ہے۔ بینک نے اپنے برانچ نیٹ ورک میں مزید توسیع کا فیصلہ کیا ہے۔ اس وقت بینک کی 577 آن لائن برانچز بشمول 74 تقویتی اسٹاک بینکنگ برانچز اور 13 سب برانچز ملک بھر میں موجود ہیں۔ اس کے علاوہ انہوں نے بینک کا وسیع 529 ایسے فی ایم کے نیٹ ورک ممبران میں کچھ خدمات فراہم کر رہا ہے۔

میں اپنے معزز صارفین اور حصص داران کا شکریہ ادا کرتے ہوئے اس بات کا یقین دلاتا ہوں کہ ترقی کی موجودہ رفتار کو مزید تیز کیا جائے گا۔ میں حکومت پنجاب، اسمبلی بینک آف پاکستان اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مسلسل تعاون اور معاونت کا تہہ دل سے شکریہ ادا کرتا ہوں۔ میں بینک کے تمام ملازمین کی اٹھک محنت کا معترف ہوں جس کی وجہ سے بینک نے قابل ذکر کارکردگی کا مظاہرہ کیا ہے۔

یورڈ آف ڈائریکٹرز کی جانب سے

ڈاکٹر پرویز طاہر  
چیئر مین





**UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2019**



**THE BANK OF PUNJAB**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2019**

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Note	Rupees in '000'	
<b>ASSETS</b>			
Cash and balances with treasury banks	7	43,382,797	43,589,007
Balances with other banks	8	4,211,219	5,802,312
Lendings to financial institutions	9	20,334,373	27,843,153
Investments - net	10	203,769,089	210,071,483
Advances - net	11	384,780,072	381,877,256
Fixed assets	12	8,815,491	8,787,928
Intangible assets	13	877,767	891,489
Deferred tax assets - net	14	7,724,599	7,965,267
Other assets - net	15	30,111,317	27,551,697
		704,006,724	714,379,592
<b>LIABILITIES</b>			
Bills payable	17	3,535,550	3,577,677
Borrowings	18	29,862,137	41,793,201
Deposits and other accounts	19	593,042,285	595,581,962
Liabilities against assets subject to finance lease		-	-
Subordinated debts	20	8,797,140	8,797,140
Deferred tax liabilities		-	-
Other liabilities	21	31,082,208	26,909,321
		666,319,320	676,659,301
<b>NET ASSETS</b>		37,687,404	37,720,291
<b>REPRESENTED BY</b>			
Share capital - net		26,173,766	26,173,766
Reserves		4,990,570	4,990,570
Surplus on revaluation of assets - net of tax	22	3,229,680	3,260,312
Unappropriated profit		3,293,388	3,295,643
		37,687,404	37,720,291
<b>CONTINGENCIES AND COMMITMENTS</b>			
	23		

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

Chief Financial Officer

Chairman

Director

Director



**THE BANK OF PUNJAB**  
**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)**

		<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Note</b>	<b>Rupees in '000'</b>	
Mark-up / return / interest earned	24	<b>16,086,993</b>	9,786,424
Mark-up / return / interest expensed	25	<b>9,571,166</b>	5,110,885
Net mark-up / interest income		<b>6,515,827</b>	4,675,539
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	26	<b>767,182</b>	766,790
Dividend income		<b>28,205</b>	20,183
Foreign exchange (loss) / income		<b>(2,690)</b>	67,806
Income / (loss) from derivatives		<b>-</b>	-
Gain on securities - net	27	<b>13,990</b>	26,048
Other income - net	28	<b>4,911</b>	34,330
Total non-markup / interest income		<b>811,598</b>	915,157
Total income		<b>7,327,425</b>	5,590,696
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	29	<b>3,502,085</b>	2,734,932
Workers welfare fund		<b>-</b>	-
Other charges	30	<b>1,021</b>	-
Total non-markup / interest expenses		<b>3,503,106</b>	2,734,932
Profit before provisions		<b>3,824,319</b>	2,855,764
Provisions / (reversals) and write offs - net	31	<b>250,162</b>	(153,060)
Extra ordinary / unusual items		<b>-</b>	-
<b>PROFIT BEFORE TAXATION</b>		<b>3,574,157</b>	3,008,824
Taxation - net	32	<b>1,608,670</b>	1,068,572
<b>PROFIT AFTER TAXATION</b>		<b>1,965,487</b>	1,940,252
<b>Basic earnings per share - Rupees</b>	33	<b>0.74</b>	0.73
<b>Diluted earnings per share - Rupees</b>	34	<b>0.74</b>	0.73

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

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

\_\_\_\_\_  
**Chairman**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

**THE BANK OF PUNJAB**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)**

	March 31, 2019	Restated March 31, 2018
	Rupees in '000'	
Profit after taxation for the period	1,965,487	1,940,252
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement loss on defined benefit obligations	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-
	1,965,487	1,940,252
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Movement in surplus / (deficit) on revaluation of investments - net of tax	(15,605)	(85,662)
<b>Total comprehensive income for the period</b>	<b>1,949,882</b>	<b>1,854,590</b>

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

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

\_\_\_\_\_  
**Chairman**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**



**THE BANK OF PUNJAB**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)**

	Share capital	Discount on issue of shares	Share capital - net	Share premium	Statutory reserve	Surplus / (Deficit) - net of tax on revaluation of		Unappropriated profit / (accumulated loss)	Total
						Investments	Fixed / non banking assets		
Balance as on January 01, 2018 - as restated	26,436,924	(263,158)	26,173,766	2,215,040	1,262,791	(53,499)	2,940,101	(2,806,439)	29,731,760
Profit after taxation for the three months ended March 31, 2018	-	-	-	-	-	-	-	1,940,252	1,940,252
Other comprehensive loss	-	-	-	-	-	(85,662)	-	(85,662)	(85,662)
Total comprehensive income for the three months ended March 31, 2018	-	-	-	-	-	(85,662)	-	1,940,252	1,854,590
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(11,917)	11,917	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(1,095)	1,095	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	-	26,789	26,789
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	-	(590)	(590)
<b>Balance as on March 31, 2018 - as restated</b>	<b>26,436,924</b>	<b>(263,158)</b>	<b>26,173,766</b>	<b>2,215,040</b>	<b>1,262,791</b>	<b>(139,161)</b>	<b>2,927,089</b>	<b>(826,976)</b>	<b>31,612,549</b>
Profit after taxation for the nine months ended December 31, 2018	-	-	-	-	-	-	-	5,623,441	5,623,441
Other comprehensive income / (loss)	-	-	-	-	-	127,792	509,790	(172,731)	464,851
Total comprehensive income for the nine months ended December 31, 2018	-	-	-	-	-	127,792	509,790	5,450,710	6,088,292
Transfer to statutory reserve	-	-	-	-	1,512,739	-	-	(1,512,739)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(33,735)	33,735	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(2,345)	2,345	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	(77,594)	92,586	14,992
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	(51,524)	55,982	4,458
<b>Balance as on December 31, 2018</b>	<b>26,436,924</b>	<b>(263,158)</b>	<b>26,173,766</b>	<b>2,215,040</b>	<b>2,775,530</b>	<b>(11,369)</b>	<b>3,271,681</b>	<b>3,295,643</b>	<b>37,720,291</b>
Profit after taxation for the three months ended March 31, 2019	-	-	-	-	-	-	-	1,965,487	1,965,487
Other comprehensive loss	-	-	-	-	-	(15,605)	-	-	(15,605)
Total comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	(15,605)	-	1,965,487	1,949,882
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(10,759)	10,759	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(4,268)	4,268	-
<b>Transactions with owners recognized directly in equity :</b>									
Final cash dividend - December 31, 2018 declared subsequent to year end at 7.5% per share	-	-	-	-	-	-	-	(1,982,769)	(1,982,769)
<b>Balance as on March 31, 2019</b>	<b>26,436,924</b>	<b>(263,158)</b>	<b>26,173,766</b>	<b>2,215,040</b>	<b>2,775,530</b>	<b>(26,974)</b>	<b>3,256,654</b>	<b>3,293,388</b>	<b>37,687,404</b>

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

Chief Financial Officer

Chairman

Director

Director

**THE BANK OF PUNJAB**
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)**

		March 31, 2019	March 31, 2018
Note		Rupees in '000'	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
		3,574,157	3,008,824
Profit before taxation			
Less: Dividend income		(28,205)	(20,183)
		<u>3,545,952</u>	<u>2,988,641</u>
Adjustments:			
Depreciation on fixed assets	29	255,798	224,266
Depreciation on non banking assets acquired in satisfaction of claims	29	18,539	19,344
Depreciation on ijarah assets under IFAS - 2	29	82,831	107,520
Amortization on intangible assets	29	42,296	8,250
Amortization of (discount) / premium on debt securities - net		(118,514)	173,043
Unrealized loss on revaluation of investments classified as held for trading	27	4,279	315
Provision / (reversal) and write-offs - net	31	250,162	(153,060)
(Gain) / loss on sale of fixed assets - net	28	(1,445)	4,116
Gain on securities - net	27	(18,269)	(26,363)
Provision for employees compensated absences		2,617	2,465
Provision for gratuity		28,704	26,902
		<u>546,998</u>	<u>386,798</u>
		4,092,950	3,375,439
(Increase) / Decrease in operating assets:			
Lendings to financial institutions		7,508,780	(29,159,549)
Held for trading securities		8,474,138	11,092,702
Advances - net		(3,193,253)	(15,546,203)
Others assets - net		(3,203,824)	370,994
		9,585,841	(33,242,056)
Increase / (Decrease) in operating liabilities:			
Bills Payable		(42,127)	36,072
Borrowings from financial institutions		(12,397,769)	(10,038,897)
Deposits		(2,539,677)	13,318,733
Other liabilities		2,158,797	501,979
		(12,820,776)	3,817,887
Income tax paid		(731,277)	(1,202,127)
<b>Net cash flow from / (used in) operating activities</b>		<u>126,738</u>	<u>(27,250,857)</u>



**THE BANK OF PUNJAB**

**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Continued...)**

**FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)**

	March 31, 2019	March 31, 2018
	Rupees in '000'	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available for sale securities	12,557,190	17,858,890
Net investments in held to maturity securities	(14,647,570)	-
Dividends received	10,124	24,848
Investments in fixed assets	(283,635)	(170,588)
Investments in intangible assets	(28,574)	(43,826)
Proceeds from sale of fixed assets	1,719	31,529
<b>Net cash (used in) / flow from investing activities</b>	<b>(2,390,746)</b>	<b>17,700,853</b>
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Decrease in cash and cash equivalents</b>	<b>(2,264,008)</b>	<b>(9,550,004)</b>
Cash and cash equivalents at beginning of the period	49,180,556	53,299,968
Cash and cash equivalents at end of the period	<u>46,916,548</u>	<u>43,749,964</u>
<b>Cash and cash equivalents :</b>		
Cash and bank balances with treasury banks	43,382,797	40,722,118
Balances with other banks	4,211,219	3,134,058
Overdrawn nostro accounts	(677,468)	(106,212)
	<u>46,916,548</u>	<u>43,749,964</u>

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

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

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## THE BANK OF PUNJAB

### NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)

#### 1. STATUS AND NATURE OF BUSINESS

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

#### 2. BASIS OF PRESENTATION

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

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

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

##### 2.1 Statement of compliance

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

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

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

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

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



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

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

During the period, certain amendments to standards, interpretations and improvements to accounting standards became effective, however, except IFRS 16 - Leases, the amendments, interpretations and improvements are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these unconsolidated condensed interim financial statements.

IFRS 16 - Leases introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes the right-of-use asset representing its right to use the underlying asset and a corresponding lease liability. Lessor accounting remains similar i.e. lessor continue to classify lease as finance or operating lease. The SBP vide BPRD circular letter no. 08 of 2019 extended the implementation date of IFRS 16 for Banks in Pakistan from January 1, 2019 to June 30, 2019. Accordingly, the requirements of this standard have not been applied in the preparation of these unconsolidated condensed interim financial statements.

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. The Bank considers that the following standards and interpretations are either not relevant or will not have any material impact on its financial statements in the period of initial application other than IFRS 9. With regard to IFRS 9, the Bank considers that as the Prudential Regulations and other SBP directives currently provide the accounting framework for the measurement and valuation of investments and provision against non performing loans and advances, the implementation of IFRS 9 may require changes in the regulatory regime. Therefore, the Bank expects that SBP would issue suitable guidance and instruction on the application of IFRS 9 for the banking sector of Pakistan.

Standard or Interpretations		Effective date (accounting periods beginning on or after)
IFRS 3	Amendments to IFRS 3 (Definition of a Business)	January 01, 2020
IAS 1 & 8	Amendments to IAS 1 and IAS 8 (Definition of Material)	January 01, 2020
		Effective date (accounting periods ending on or after)
IFRS 9	Financial Instruments : Classification and Measurement	June 30, 2019

**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 certain staff retirement benefits at present value.

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

**6. FINANCIAL RISK MANAGEMENT**

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

Note	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Rupees in '000'	
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand:		
Local currency	8,312,308	8,558,512
Foreign currency	1,009,756	1,567,982
	9,322,064	10,126,494
With SBP in:		
Local currency current account	27,557,768	19,249,466
Foreign currency current account	420,934	431,861
Foreign currency deposit account	1,251,073	1,283,551
	29,229,775	20,964,878
With National Bank of Pakistan in :		
Local currency current account	4,800,231	12,451,416
Prize bonds	30,727	46,219
	43,382,797	43,589,007
<b>8 BALANCES WITH OTHER BANKS</b>		
In Pakistan :		
Current accounts	3,252,402	3,747,534
Deposit accounts	158,604	1,517,470
	3,411,006	5,265,004
Outside Pakistan :		
Current accounts	464,303	435,886
Deposit account	335,910	101,422
	800,213	537,308
	4,211,219	5,802,312
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Repurchase agreement lendings (Reverse Repo)	9.2 13,777,415	22,093,153
Bai muajjal receivable from SBP	511,958	-
Placements	9.3 6,045,000	5,750,000
	20,334,373	27,843,153
<b>9.1 Particulars of lending</b>		
In local currency	20,334,373	27,843,153
In foreign currencies	-	-
	20,334,373	27,843,153



9.2	Securities held as collateral against repurchase agreement lendings (reverse repo)	March 31, 2019 (Un-audited)			December 31, 2018 (Audited)				
		Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total		
		Rupees in '000'							
	Market treasury bills	9,876,910	-	9,876,910	-	-	-		
	Pakistan investment bonds	3,900,505	-	3,900,505	22,093,153	-	22,093,153		
		13,777,415	-	13,777,415	22,093,153	-	22,093,153		
Market value of securities held as collateral as at March 31, 2019 amounted to Rs. 13,792,045 thousand (December 31, 2018: Rs. 21,350,630 thousand). These carry mark-up at rate ranging from 10.25% to 10.75% per annum (December 31, 2018: 10.00% to 10.50% per annum) with maturities upto April 08, 2019.									
9.3	These carry profit rates ranging from 9.85% to 11.00% per annum (December 31, 2018: 9.00% to 9.80% per annum) with maturities upto September 12, 2019.								
10	INVESTMENTS - NET	March 31, 2019 (Un-audited)			December 31, 2018 (Audited)				
10.1	Investments by type:	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	Note	Rupees in '000'							
	Held-for-trading securities								
	Federal government securities	16,610,619	-	(4,279)	16,606,340	25,075,868	-	(1,892)	25,073,976
	Ordinary shares	-	-	-	-	12,630	-	(1,849)	10,781
		16,610,619	-	(4,279)	16,606,340	25,088,498	-	(3,741)	25,084,757
	Available-for-sale securities								
	Federal government securities	163,045,472	-	(61,961)	162,983,511	177,736,092	-	(44,199)	177,691,893
	Shares	2,258,082	(1,051,616)	18,163	1,224,629	2,122,045	(1,024,880)	24,614	1,121,779
	Non government debt securities	10,253,923	(2,235,321)	2,299	8,020,901	8,119,488	(2,236,623)	2,094	5,884,959
	Foreign securities	4,019	-	-	4,019	4,019	-	-	4,019
		175,561,496	(3,286,937)	(41,499)	172,233,060	187,981,644	(3,261,503)	(17,491)	184,702,650
	Held-to-maturity securities								
	Federal government securities	14,897,640	-	-	14,897,640	250,329	-	-	250,329
	WAPDA bonds	400	(400)	-	-	400	(400)	-	-
		14,898,040	(400)	-	14,897,640	250,729	(400)	-	250,329
	Subsidiaries	164,945	(132,896)	-	32,049	164,945	(131,198)	-	33,747
	Total investments	207,235,100	(3,420,233)	(45,778)	203,769,089	213,485,816	(3,393,101)	(21,232)	210,071,483

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

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

	(Un-audited)	(Audited)
March 31,	March 31,	December 31,
2019	2018	2018
	Rupees in '000'	
7,254,200	19,829,188	

### 10.3 Provision for diminution in value of investments

10.3.1	Opening balance	3,393,101	3,145,347
	Charge / reversals :		
	Charge for the period	28,434	247,754
	Reversals for the period	(1,302)	-
		27,132	247,754
	Closing Balance	3,420,233	3,393,101

	(Un-audited)	(Audited)
March 31,	March 31,	December 31,
2019	2018	2018
	Rupees in '000'	
NPI	Provision	NPI
		Provision

	-	-	-
	-	-	-
	-	-	-
2,235,721	2,235,721	2,237,023	2,237,023
2,235,721	2,235,721	2,237,023	2,237,023

10.4 Market value of held to maturity investments amounted to Rs. 14,829,705 thousand (December 31, 2018: Rs. 248,902 thousand).



	Performing		Non Performing		Total	
	(Un-audited) March 31, 2019	(Audited) December 31, 2018	(Un-audited) March 31, 2019	(Audited) December 31, 2018	(Un-audited) March 31, 2019	(Audited) December 31, 2018
<b>11 ADVANCES - NET</b>			<b>Rupees in '000'</b>			
Loans, cash credits, running finances, etc.	322,037,612	324,864,552	48,339,553	49,076,188	370,377,165	373,940,740
Net book value of assets in ijarah under IFAS 2 - In Pakistan	459,091	337,920	215,000	215,000	674,091	552,920
Islamic financing and related assets	21,174,069	19,584,952	76,840	76,882	21,250,909	19,661,834
Bills discounted and purchased	36,547,240	31,583,488	16,992	16,992	36,564,232	31,600,480
Advances - gross	380,218,012	376,370,912	48,648,385	49,385,062	428,866,397	425,755,974
Provision against advances:						
- Specific	-	-	(43,716,404)	(43,530,419)	(43,716,404)	(43,530,419)
- General	(369,921)	(348,299)	-	-	(369,921)	(348,299)
	(369,921)	(348,299)	(43,716,404)	(43,530,419)	(44,086,325)	(43,878,718)
Advances - net of provision	379,848,091	376,022,613	4,931,981	5,854,643	384,780,072	381,877,256

(Un-audited) March 31, 2019	(Audited) December 31, 2018
<b>Rupees in '000'</b>	
428,767,204	425,610,828
99,193	145,146
428,866,397	425,755,974

**11.1 Particulars of advances (gross)**

In local currency  
In foreign currencies

## 11.2

Advances include Rs. 48,648,385 thousand (December 31, 2018: 49,385,062 thousand) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited) March 31, 2019		(Audited) December 31, 2018	
	Non performing loans	Provision	Non performing loans	Provision
	Rupees in '000'			
<b>Domestic</b>				
Other assets especially mentioned	119,299	4,617	52,234	801
Substandard	809,381	126,594	351,004	65,741
Doubtful	7,672,721	4,361,850	9,722,789	5,247,064
Loss	40,046,984	39,223,343	39,259,035	38,216,813
Total	48,648,385	43,716,404	49,385,062	43,530,419

## 11.3 Particulars of provision against advances

	March 31, 2019 (Un-audited)		December 31, 2018 (Audited)	
	Specific	General	Specific	General
	Rupees in '000'			
Opening balance	43,530,419	348,299	43,878,718	425,283
Charge for the period	1,450,275	-	2,350,848	-
Reversals for the period	(1,264,290)	21,622	(4,372,439)	(76,984)
	185,985	21,622	(2,021,591)	(76,984)
Amounts written off	-	-	(6,401)	-
Closing balance	43,716,404	369,921	43,530,419	348,299

## 11.3.1 Particulars of provision against advances with respect to currencies

In local currency	43,716,404	369,921	43,530,419	348,299
In foreign currencies	-	-	-	-
	43,716,404	369,921	43,530,419	348,299

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

**11.3.3** The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 1,180,560 thousand (December 31, 2018: 1,186,127 thousand). The FSV benefit availed is not available for cash or stock dividend.



**THE BANK OF PUNJAB**

	(Un-audited) March 31, 2019	(Audited) December 31, 2018
Note	Rupees in '000'	
<b>14 DEFERRED TAX ASSETS - NET</b>		
Deductible temporary differences on :		
Deficit on revaluation of investments	14,525	6,122
Provision against advances, off balance sheet etc.	8,656,064	8,926,570
	8,670,589	8,932,692
Taxable temporary differences on :		
Surplus on revaluation of fixed assets	(457,697)	(463,493)
Accelerated tax depreciation	(306,741)	(320,081)
Surplus on revaluation of non banking assets	(181,552)	(183,851)
	(945,990)	(967,425)
	7,724,599	7,965,267
<b>15 OTHER ASSETS - NET</b>		
Income / mark-up accrued in local currency	10,083,495	8,629,336
Income / mark-up accrued in foreign currency	287	1,961
Profit paid in advance on pehlay munafa scheme	5,540	8,027
Advances, deposits, advance rent and other prepayments	727,657	881,805
Advance taxation (payments less provisions)	3,001,919	3,630,240
Non-banking assets acquired in satisfaction of claims	7,455,836	7,467,804
Acceptances	6,700,586	4,888,386
Branch adjustment account	178,955	180,704
Mark to market gain on forward foreign exchange contracts	92,790	146,431
Stock of stationery	179,855	108,048
Suspense account	3,026	5,044
Zakat recoverable from NITL	36,790	36,790
Unrealized gain on revaluation of foreign bills and trade loans	54,051	78,013
Fraud and forgeries	123,845	121,806
Unearned income on sale of sukuk on bai-muajjal basis	981,629	1,044,888
Others	1,014,513	829,881
	30,640,774	28,059,164
Less: Provision held against other assets	15.1 (2,067,704)	(2,052,280)
Other assets (net of provision)	28,573,070	26,006,884
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	1,538,247	1,544,813
Other assets - total	30,111,317	27,551,697
<b>15.1 Provision held against other assets</b>		
Advances, deposits, advance rent & other prepayments	35,723	35,723
Non banking assets acquired in satisfaction of claims	1,575,670	1,575,670
Zakat recoverable from NITL	36,790	36,790
Fraud and forgeries	115,988	101,364
Others	303,533	302,733
	2,067,704	2,052,280

**THE BANK OF PUNJAB**

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
		Rupees in '000'	
<b>16</b>	<b>CONTINGENT ASSETS</b>		
	Contingent assets	Nil	Nil
<b>17</b>	<b>BILLS PAYABLE</b>		
	In Pakistan	3,535,550	3,577,677
	Outside Pakistan	-	-
		<u>3,535,550</u>	<u>3,577,677</u>
<b>18</b>	<b>BORROWINGS</b>		
	<b>Secured</b>		
	Borrowings from SBP under:		
	Export refinance scheme (ERF)	13,430,224	13,451,606
	Long term financing facility (LTFF)	6,350,927	6,219,303
	Finance facility for storage of agricultural produce (FFSAP)	48,776	25,991
	Finance facility for renewable energy performance platform (REPP)	996,563	1,025,036
		<u>20,826,490</u>	<u>20,721,936</u>
	Repurchase agreement borrowings	-	2,497,905
	Call borrowings	7,231,934	17,251,702
	<b>Total secured</b>	<u>28,058,424</u>	<u>40,471,543</u>
	<b>Unsecured</b>		
	Overdrawn nostro accounts	677,468	210,763
	Foreign placement	1,126,245	1,110,895
	<b>Total unsecured</b>	<u>1,803,713</u>	<u>1,321,658</u>
		<u>29,862,137</u>	<u>41,793,201</u>

**19 DEPOSITS AND OTHER ACCOUNTS**

	March 31, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
<b>Customers:</b>						
Current deposits	110,293,638	2,318,339	112,611,977	119,614,715	2,343,451	121,958,166
Savings deposits	264,655,525	2,260,174	266,915,699	253,500,729	2,413,949	255,914,678
Term deposits	185,178,201	3,147,225	188,325,426	181,768,000	3,496,387	185,264,387
Others	18,445,388	-	18,445,388	25,541,626	-	25,541,626
	<u>578,572,752</u>	<u>7,725,738</u>	<u>586,298,490</u>	<u>580,425,070</u>	<u>8,253,787</u>	<u>588,678,857</u>
<b>Financial institutions:</b>						
Current deposits	2,457,190	276,174	2,733,364	3,610,496	188,548	3,799,044
Savings deposits	3,212,763	189	3,212,952	2,186,683	186	2,186,869
Term deposits	705,000	-	705,000	755,000	-	755,000
Others	92,479	-	92,479	162,192	-	162,192
	<u>6,467,432</u>	<u>276,363</u>	<u>6,743,795</u>	<u>6,714,371</u>	<u>188,734</u>	<u>6,903,105</u>
	<u>585,040,184</u>	<u>8,002,101</u>	<u>593,042,285</u>	<u>587,139,441</u>	<u>8,442,521</u>	<u>595,581,962</u>

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
		Rupees in '000'	
<b>20</b>	<b>SUBORDINATED DEBTS</b>		
	Loan from GoPb	20.1	2,000,000
	Privately placed term finance certificates - I	20.2	2,498,000
	Privately placed term finance certificates - II	20.3	4,299,140
		<u>8,797,140</u>	<u>8,797,140</u>



**20.1 Loan from GoPb**

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

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

**20.2 Privately placed term finance certificates - I**

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

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

## 20.3 Privately placed term finance certificates - II

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

Issue amount:	Rupees 4,300,000 thousand
Issue date:	April 23, 2018
Maturity date:	April 23, 2028
Rating:	AA-
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV as declared by the SBP.

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Note	Rupees in '000'	
<b>21 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		7,191,390	7,260,038
Mark-up / return / interest payable in foreign currency		61,103	44,506
Lease key money		11,940,612	11,567,270
Sundry creditors and accrued expenses		855,205	999,519
Acceptances		6,700,586	4,888,386
Mark-up payable on loan and privately placed term finance certificates		339,298	97,913
Unclaimed dividends		2,590	2,599
Dividends payable		1,982,769	-
Payable to gratuity fund		316,242	287,512
Gratuity payable to key management personnel		40,027	100,403
Payable to charity fund		173	114
Provision against off-balance sheet obligations	21.1	62,183	62,183
Provision for employees compensated absences		104,169	102,294
Taxes / zakat / import fee payable		181,439	193,646
Deferred income on sale of sukuk on bai - muajjal basis		981,629	1,044,888
Others		322,793	258,050
		<b>31,082,208</b>	<b>26,909,321</b>
<b>21.1 Provision against off-balance sheet obligations</b>		<b>62,183</b>	<b>62,183</b>

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



**22 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX**

Surplus / (deficit) on revaluation of :

- Available for sale securities
- Fixed assets
- Non-banking assets acquired in satisfaction of claims

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

- Available for sale securities
- Fixed assets
- Non-banking assets acquired in satisfaction of claims

	(Un-audited)	(Audited)
	March 31,	December 31,
	2019	2018
Note	Rupees in '000'	
10.1	(41,499)	(17,491)
	2,357,658	2,374,212
15	1,538,247	1,544,813
	3,854,406	3,901,534
	14,525	6,122
	(457,697)	(463,493)
	(181,554)	(183,851)
	(624,726)	(641,222)
	3,229,680	3,260,312

**23 CONTINGENCIES AND COMMITMENTS**

Guarantees

Commitments

Other contingent liabilities

23.1	53,483,124	52,717,758
23.2	105,798,313	91,625,902
23.3	171,747	1,464,824
	159,453,184	145,808,484

**23.1 Guarantees:**

Financial guarantees

Performance guarantees

Other guarantees

	18,156,555	18,743,220
	16,509,867	18,257,988
	18,816,702	15,716,550
	53,483,124	52,717,758

**23.2 Commitments:**

Documentary credits and short-term trade-related transactions

- letters of credit

47,422,427 44,621,896

Commitments in respect of:

- forward foreign exchange contracts
- forward lending
- operating leases

23.2.1	31,136,281	22,172,986
23.2.2	16,659,739	14,675,323
23.2.3	10,430,727	9,937,311

Commitments for acquisition of:

- fixed assets
- intangible assets

	39,764	56,437
	109,375	161,949
	105,798,313	91,625,902

**23.2.1 Commitments in respect of forward foreign exchange contracts**

Purchase

Sale

	18,076,436	13,420,469
	13,059,845	8,752,517
	31,136,281	22,172,986

**THE BANK OF PUNJAB**  
(Un-audited) (Audited)  
**March 31,** December 31,  
**2019** 2018

Note **Rupees in '000'**

**23.2.2 Commitments in respect of forward lending**

Undrawn formal standby facilities, credit lines and other commitments to lend 23.2.2.1 **16,659,739** 14,675,323

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

(Un-audited) (Audited)  
**March 31,** December 31,  
**2019** 2018

**23.2.3 Commitments in respect of operating leases**

**Rupees in '000'**

Not later than one year

**874,511** 878,342

Later than one year and not later than five years

**3,489,954** 3,357,036

Later than five years

**6,066,262** 5,701,933

**10,430,727** 9,937,311

**23.3 Other contingent liabilities**

**171,747** 1,464,824

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

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

(Un-audited) (Audited)  
**March 31,** December 31,  
**2019** 2018

Note **Rupees in '000'**

**23.4 Claims against the Bank not acknowledged as debts**

22.4.1 **56,231,157** 57,231,157

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



**THE BANK OF PUNJAB**

		(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
	Note	Rupees in '000'	
<b>24 MARK-UP / RETURN / INTEREST EARNED</b>			
a) On loans and advances		10,096,173	5,820,540
b) On investments:			
Available for sale securities		4,145,788	3,162,145
Held for trading securities		524,851	431,332
Held to maturity securities		68,078	5,098
c) On lendings to financial institutions:			
Securities purchased under resale agreements		1,103,359	153,571
Call lending		2,062	24,394
Letters of placement		116,643	182,865
d) On balances with banks		30,039	6,479
		<u>16,086,993</u>	<u>9,786,424</u>
<b>25 MARK-UP / RETURN / INTEREST EXPENSED</b>			
Deposits and other accounts		8,794,541	4,737,274
Borrowings:			
Securities sold under repurchase agreements		192,440	45,707
Foreign placements		10,887	-
Call borrowings		225,555	159,837
SBP refinance borrowing		106,358	91,969
Subordinated debts:			
Mark-up on subordinated loan from GoPb		52,589	31,671
Mark-up on privately placed term finance certificates		188,796	44,427
		<u>9,571,166</u>	<u>5,110,885</u>
<b>26 FEE AND COMMISSION INCOME</b>			
Branch banking customer fees		168,682	169,058
Consumer finance related fees		63,275	72,056
Card related fees		115,901	89,855
Credit related fees		78,637	134,187
Branchless banking fees		7,644	401
Commission on trade		141,705	101,255
Commission on guarantees		44,699	66,338
Commission on cash management		22,578	18,029
Commission on remittances including home remittances		50,697	52,659
Commission on bancassurance		32,002	30,127
Commission on wheat financing		1,218	1,066
SMS banking income		40,144	31,759
		<u>767,182</u>	<u>766,790</u>
<b>27 GAIN ON SECURITIES - NET</b>			
Realized gain on sale of securities - net	27.1	18,269	26,363
Unrealized loss - held for trading		(4,279)	(315)
		<u>13,990</u>	<u>26,048</u>
<b>27.1 Realized gain on sale of securities - net:</b>			
Federal Government		5,533	(4,562)
Shares / units		8,479	30,250
Term finance certificates		4,257	675
		<u>18,269</u>	<u>26,363</u>
<b>28 OTHER INCOME - NET</b>			
Rent on property		702	-
Gain / (loss) on sale of fixed assets - net		1,445	(4,116)
Compensation on tax refund		-	35,038
Notice pay on resignations		2,764	3,408
		<u>4,911</u>	<u>34,330</u>

## 29 OPERATING EXPENSES

**Total compensation expense****Property expense:**

Rent and taxes
Insurance
Utilities cost
Security
Repair and maintenance including janitorial charges
Depreciation
Others

**Information technology expenses:**

Software maintenance
Hardware maintenance
Depreciation
Amortization
Network charges

**Other operating expenses:**

Directors' fees and allowances
Fees and allowances to shariah board
Legal and professional charges
Subscription charges
Outsourced staff services costs
Travelling and conveyance
NIFT clearing charges
Depreciation
Depreciation on non banking assets
Depreciation on ijarah assets
Training and development
Postage and courier charges
Stationery and printing
Marketing, advertisement and publicity
Donations
Insurance
Deposit protection fee
Repair and maintenance
Entertainment expenses
Fuel for generator
Commission and brokerage
Bank charges
SMS banking charges
ATM charges including ATM maintenance charges
Cash remittance charges
Branch license fee
CNIC verification / ECIB charges
Warehouse and storage charges
Share registrar and share enlistment fee
Miscellaneous expenses

Note

(Un-audited) (Un-audited)  
March 31, March 31,  
2019 2018

Rupees in '000'

1,840,588 1,381,873

281,045	227,556
4,691	3,692
91,368	71,432
401	918
4,882	4,020
131,588	113,297
1,522	-
515,497	420,915

74,486	32,034
9,987	14,008
56,910	29,367
42,296	8,250
72,525	51,508
256,204	135,167

3,325	550
1,085	555
24,375	25,073
7,432	5,281
60,122	67,602
118,424	101,587
13,125	12,766
67,300	81,602
18,539	19,344
82,831	107,520
3,807	4,232
31,526	18,354
46,302	35,851
17,450	25,213
1,000	-
28,901	25,955
84,344	-
30,663	29,835
34,941	34,946
23,689	17,695
34,617	30,563
12,336	17,762
4,664	6,770
35,905	18,355
47,452	51,483
12,453	11,964
6,239	5,759
527	388
287	268
36,135	39,704

29.1

889,796 796,977

3,502,085 2,734,932

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



**THE BANK OF PUNJAB**

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
		Rupees in '000'	
<b>12</b>	<b>FIXED ASSETS</b>		
	Capital work-in-progress	142,806	231,947
	Property and equipment	8,672,685	8,555,981
		<u>8,815,491</u>	<u>8,787,928</u>
<b>12.1</b>	<b>Capital work-in-progress</b>		
	Civil works	112,346	201,487
	Equipment	30,460	30,460
		<u>142,806</u>	<u>231,947</u>
		(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
		Rupees in '000'	
<b>12.2</b>	<b>Additions to fixed assets</b>		
	The following additions / (transfers) have been made to fixed assets during the period:		
	<b>Capital work-in-progress</b>	(89,141)	26,006
	<b>Property and equipment :</b>		
	Land	-	8,467
	Building on freehold land	91,659	-
	Furniture and fixture	12,619	18,833
	Office equipment	85,645	14,798
	Computer equipment	44,257	68,819
	Lease hold improvements	124,836	31,750
	Vehicles	13,760	1,915
		<u>372,776</u>	<u>144,582</u>
		<u>283,635</u>	<u>170,588</u>
<b>12.3</b>	<b>Disposal of property and equipment :</b>		
	The net book value of property and equipment disposed off during the period is as follows:		
	Building on freehold land	-	34,238
	Furniture and fixture	128	547
	Office equipment	146	398
	Computer equipment	-	464
		<u>274</u>	<u>35,647</u>
		(Un-audited) March 31, 2019	(Audited) December 31, 2018
		Rupees in '000'	
<b>13</b>	<b>INTANGIBLE ASSETS</b>		
	Intangible in progress	141,268	129,279
	Softwares	736,499	762,210
		<u>877,767</u>	<u>891,489</u>
		(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
		Rupees in '000'	
<b>13.1</b>	<b>Additions to intangible assets</b>		
	The following additions / (transfers) have been made to intangible assets during the period:		
	Intangible in progress	11,989	35,851
	Intangible assets purchased during the period	16,585	7,975
		<u>28,574</u>	<u>43,826</u>

**THE BANK OF PUNJAB**

		(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
	Note	Rupees in '000'	
<b>30 OTHER CHARGES</b>		<b>1,021</b>	<b>-</b>
Penalties imposed by SBP			
<b>31 PROVISIONS AND WRITE OFFS - NET</b>			
Provisions for diminution in value of investments	10.3.1	27,132	-
Provisions / (reversal) against advances	11.3	207,606	(178,765)
Provision against other assets - net	15.1	15,424	25,705
		<b>250,162</b>	<b>(153,060)</b>
<b>32 TAXATION</b>			
Current	32.1	1,109,250	821,926
Prior years	32.2	250,348	-
Deferred		249,072	246,646
		<b>1,608,670</b>	<b>1,068,572</b>

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

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

**33 BASIC EARNINGS PER SHARE**

Profit after tax for the period (Rs in '000')	<b>1,965,487</b>	1,940,252
Weighted average number of ordinary shares (No.).	<b>2,643,692,380</b>	2,643,692,380
Basic earnings per share (Rs).	<b>0.74</b>	0.73

**34 DILUTED EARNINGS PER SHARE**

There is no dilution effect on basic earnings per share.

**35 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

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



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

	March 31, 2019 (Un-audited)				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	Rupees in '000'				
Financial assets measured at fair value :					
Government securities	179,589,851	-	179,589,851	-	179,589,851
Shares	1,143,271	1,127,281	-	15,990	1,143,271
Non-Government debt securities	2,627,102	-	2,627,102	-	2,627,102
Foreign securities	4,019	-	-	4,019	4,019
Subsidiary company	32,049	-	-	32,049	32,049
Financial assets disclosed but not measured at fair value :					-
Government securities	14,897,640	-	14,829,705	-	14,829,705
Financial liabilities measured at fair value:					
Payable to gratuity fund	356,269	-	356,269	-	356,269
Provision for employees compensated absences	104,169	-	104,169	-	104,169
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	18,316,753	-	18,316,753	-	18,316,753
Forward sale of foreign exchange contracts	13,207,372	-	13,207,372	-	13,207,372

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

### 35.2 Fair value of non financial assets

March 31, 2019 (Un-audited)					
Carrying value	Fair value				Total
	Level 1	Level 2	Level 3		
Rupees in '000'					
Non Financial assets measured at fair value :					
Operating fixed assets (land & building)	5,959,054	-	5,959,054	-	5,959,054
Non banking assets acquired in satisfaction of claims	7,418,413	-	7,418,413	-	7,418,413
December 31, 2018 (Audited)					
Carrying value	Fair value				Total
	Level 1	Level 2	Level 3		
Rupees in '000'					
Non Financial assets measured at fair value :					
Operating fixed assets (land & building)	5,912,918	-	5,912,918	-	5,912,918
Non banking assets acquired in satisfaction of claims	7,436,947	-	7,436,947	-	7,436,947

## 36 SEGMENT INFORMATION

## 36.1 Segment details with respect to business activities

	(Un-audited)						
	March 31, 2019						
	Wholesale	Retail	Consumer & agri	Treasury	Islamic	Others	Total
	Rupees in '000'						
<b>Profit &amp; loss</b>							
Net mark-up / return / profit	8,128,294	196,677	1,181,741	5,552,600	972,798	54,883	16,086,993
Inter segment revenue - net	(7,110,448)	11,639,158	(724,340)	(4,846,154)	(4,904)	1,046,688	-
Non mark-up / return / interest income	288,771	143,286	40,843	290,599	20,401	27,698	811,598
Total income	1,306,617	11,979,121	498,244	997,045	988,295	1,129,269	16,898,591
Segment direct expenses	770,328	10,516,238	141,266	500,572	738,436	407,432	13,074,272
Inter segment expense allocation	-	-	-	-	-	-	-
Total expenses	770,328	10,516,238	141,266	500,572	738,436	407,432	13,074,272
Provisions	17,887	154,358	44,922	27,132	(1,592)	7,455	250,162
Profit / (loss) before tax	518,402	1,308,525	312,056	469,341	251,451	714,382	3,574,157
<b>Balance sheet</b>							
Cash & bank balances	6,050,600	15,040,154	-	23,630,682	2,872,580	-	47,594,016
Investments - net	2,989,361	-	-	191,839,432	8,940,296	-	203,769,089
Net inter segment lending	1,528,871	507,851,692	-	-	-	62,549,673	571,930,236
Lendings to financial institutions	-	-	-	14,427,415	5,906,958	-	20,334,373
Advances - performing	303,818,180	11,422,546	39,990,304	-	21,633,160	2,983,901	379,848,091
- non-performing - net	4,208,468	376,174	260,833	-	74,304	12,202	4,931,981
Others	14,359,291	1,151,982	1,297,901	1,649,461	2,250,186	26,820,353	47,529,174
<b>Total assets</b>	<b>332,954,771</b>	<b>535,842,548</b>	<b>41,549,038</b>	<b>231,546,990</b>	<b>41,677,484</b>	<b>92,366,129</b>	<b>1,275,936,960</b>
Borrowings	20,736,242	90,248	-	9,035,647	-	-	29,862,137
Subordinated debts	-	-	-	-	-	8,797,140	8,797,140
Deposits & other accounts	26,952,005	528,318,080	1,060,659	10,109	36,623,166	78,266	593,042,285
Net inter segment borrowing	313,561,005	2,468,442	29,264,792	221,852,734	850,480	3,932,783	571,930,236
Others	9,496,043	9,455,084	12,025,411	213,300	1,535,018	1,892,902	34,617,758
<b>Total liabilities</b>	<b>370,745,295</b>	<b>540,331,854</b>	<b>42,350,862</b>	<b>231,111,790</b>	<b>39,008,664</b>	<b>14,701,091</b>	<b>1,238,249,556</b>
Equity	(37,790,524)	(4,489,306)	(801,824)	435,200	2,668,820	77,665,038	37,687,404
<b>Total equity &amp; liabilities</b>	<b>332,954,771</b>	<b>535,842,548</b>	<b>41,549,038</b>	<b>231,546,990</b>	<b>41,677,484</b>	<b>92,366,129</b>	<b>1,275,936,960</b>
<b>Contingencies &amp; commitments</b>	<b>101,263,864</b>	<b>23,359,539</b>	<b>-</b>	<b>31,136,281</b>	<b>3,372,614</b>	<b>320,886</b>	<b>159,453,184</b>



(Un-audited)  
March 31, 2018

	Wholesale	Retail	Consumer & Agri	Treasury	Islamic	Others	Total
	Rupees in '000'						
<b>Profit &amp; loss</b>							
Net mark-up / return / profit	4,426,654	37,082	927,023	3,643,709	627,782	124,174	9,786,424
Inter segment revenue - net	(3,744,926)	7,518,406	(461,174)	(3,104,926)	(20,319)	(187,061)	-
Non mark-up / return / interest income	323,044	204,734	52,719	227,744	16,280	90,636	915,157
Total income	1,004,772	7,760,222	518,568	766,527	623,743	27,749	10,701,581
Segment direct expenses	540,291	6,555,399	98,509	257,850	517,716	(123,948)	7,845,817
Inter segment expense allocation	-	-	-	-	-	-	-
Total expenses	540,291	6,555,399	98,509	257,850	517,716	(123,948)	7,845,817
Provisions	150,613	(239,162)	(92,102)	-	-	27,591	(153,060)
Profit / (loss) before tax	313,868	1,443,985	512,161	508,677	106,027	124,106	3,008,824

(Audited)  
December 31, 2018

<b>Balance sheet</b>							
Cash & bank balances	7,331,424	22,778,391	-	14,885,330	4,396,174	-	49,391,319
Investments - net	1,299,368	-	-	199,172,955	9,599,160	-	210,071,483
Net inter segment lending	-	498,991,218	-	-	-	49,898,663	548,889,881
Lendings to financial institutions	-	-	-	22,493,153	5,350,000	-	27,843,153
Advances - performing	302,205,740	11,840,351	39,641,148	-	19,922,874	2,412,499	376,022,612
- non-performing	5,255,890	291,565	199,217	-	72,752	35,220	5,854,644
Others	11,302,445	1,793,055	1,398,214	500,819	2,039,876	28,161,972	45,196,381
<b>Total assets</b>	327,394,867	535,694,580	41,238,579	237,052,257	41,380,836	80,508,354	1,263,269,473
Borrowings	20,616,688	105,248	-	21,071,265	-	-	41,793,201
Subordinated debts	-	-	-	-	-	8,797,140	8,797,140
Deposits & other accounts	29,800,663	528,081,227	1,062,397	10,109	36,501,111	126,455	595,581,962
Net inter segment borrowing	305,080,375	-	28,190,518	214,631,140	987,848	-	548,889,881
Others	7,593,106	8,671,896	11,665,892	83,333	1,500,040	972,731	30,486,998
<b>Total liabilities</b>	363,090,832	536,858,371	40,918,807	235,795,847	38,988,999	9,896,326	1,225,549,182
Equity	(35,695,965)	(1,163,791)	319,772	1,256,410	2,391,837	70,612,028	37,720,291
<b>Total equity &amp; liabilities</b>	327,394,867	535,694,580	41,238,579	237,052,257	41,380,836	80,508,354	1,263,269,473
<b>Contingencies &amp; commitments</b>	108,373,498	10,482,058	-	22,172,986	3,096,732	1,683,210	145,808,484

## 37 RELATED PARTY TRANSACTIONS

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

	(Un-audited) March 31, 2019				(Audited) December 31, 2018			
	Key management personnel	Subsidiary company and managed modaraba	Employee Funds	Other related parties	Key management personnel	Subsidiary company and managed modaraba	Employee Funds	Other related parties
	Rs. in '000'							
<b>Lendings to financial institutions :</b>								
Opening balance	-	400,000	-	-	-	400,000	-	-
Addition during the period	-	400,000	-	-	-	1,600,000	-	-
Repaid during the period	-	400,000	-	-	-	1,600,000	-	-
Closing balance	-	400,000	-	-	-	400,000	-	-
<b>Investments (gross) :</b>	-	164,945	-	-	-	164,945	-	-
Provision for diminution in value of investments	-	132,896	-	-	-	131,198	-	-
<b>Advances :</b>								
Opening balance	197,801	1,287,780	-	-	182,129	1,199,047	-	-
Addition during the period	65,875	366,957	-	-	90,341	1,132,228	-	-
Repaid during the period	48,354	323,870	-	-	74,669	1,043,495	-	-
Closing balance	215,322	1,330,867	-	-	197,801	1,287,780	-	-
Provision held against advances	-	48,671	-	-	-	46,199	-	-
<b>Advance rent :</b>	-	-	-	63,759	-	-	-	67,317
<b>Deposits and other accounts :</b>								
Opening balance	37,682	19,999	2,398,389	7,753	24,414	98,198	2,770,528	2,396
Received during the period	115,081	376,676	208,406	28,221	553,084	1,236,350	791,508	156,480
Withdrawn during the period	105,414	396,375	73,089	15,932	539,816	1,314,549	1,163,647	151,123
Closing balance	47,349	300	2,533,706	20,042	37,682	19,999	2,398,389	7,753
	March 31, 2019 (Un-audited)				March 31, 2018 (Un-audited)			
	Rupees in '000'							
<b>Income :</b>								
Mark-up / return / interest earned	2,118	43,523	-	-	2,203	23,700	-	-
Net gain on sale of fixed assets	-	-	-	-	-	-	-	6,505
<b>Expense :</b>								
Mark-up / return / interest paid	689	-	58,090	375	401	-	39,413	100
Compensation expense	76,331	-	-	-	67,499	-	-	-
Commission expense	-	21	-	-	-	340	-	-
<b>Provision :</b>								
Reversal / (Charge) of provision - investment	-	(1,698)	-	-	-	-	-	-
Reversal / (Charge) of provision - advances	-	(2,472)	-	-	-	-	-	-

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

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

As at Statement of Financial Position date the loans and advances, deposits and contingencies relating to GoPb and its related entities amounted to Rs. 48,003,041 thousand (December 31, 2018: Rs. 55,256,269 thousand), Rs. 312,227,748 thousand (December 31, 2018: Rs. 306,110,933 thousand) and Rs. 31,675,895 thousand (December 31, 2018: Rs. 30,682,028 thousand) respectively. Further, during the period, the Bank has incurred markup expense of Rs. 52,589 thousand (March 31, 2018: Rs. 31,671 thousand) on subordinated debt of Rs. 2,000,000 thousand received from GoPb in year 2014.

37.3 The Bank made contribution of Rs. 41,737 thousand (March 31, 2018: Rs. 36,420 thousand) to employees provident fund during the period.

37.4 Advances to employees as at March 31, 2019, other than key management personnel, amounted to Rs. 4,633,944 thousand (December 31, 2018: Rs. 3,914,070 thousand).



## 38 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS

**Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)

(Un-audited) March 31, 2019	(Audited) December 31, 2018
Rupees in '000'	

28,388,806	28,388,806
------------	------------

**Capital Adequacy Ratio (CAR):**

Eligible Common Equity Tier 1 (CET 1) Capital

29,172,030	28,930,901
------------	------------

Eligible Additional Tier 1 (ADT 1) Capital

-	-
---	---

Total Eligible Tier 1 Capital

29,172,030	28,930,901
------------	------------

Eligible Tier 2 Capital

9,835,058	9,731,042
-----------	-----------

Total Eligible Capital (Tier 1 + Tier 2)

39,007,088	38,661,943
------------	------------

**Risk Weighted Assets (RWAs):**

Credit Risk

253,245,002	255,252,014
-------------	-------------

Market Risk

2,978,887	2,335,178
-----------	-----------

Operational Risk

35,907,591	35,907,591
------------	------------

Total

292,131,480	293,494,783
-------------	-------------

Common Equity Tier 1 Capital Adequacy ratio

9.99%	9.86%
-------	-------

Tier 1 CAR (%)

9.99%	9.86%
-------	-------

Total CAR (%)

13.35%	13.17%
--------	--------

**38.1 Leverage Ratio (LR):**

Eligible Tier-1 Capital

29,172,030	28,930,901
------------	------------

Total Exposures

854,899,844	851,906,956
-------------	-------------

LR (%)

3.41%	3.40%
-------	-------

**38.2 Liquidity Coverage Ratio (LCR):**

Total High Quality Liquid Assets

242,566,990	272,221,864
-------------	-------------

Total Net Cash Outflow

200,439,461	203,539,146
-------------	-------------

LCR (%)

121.02%	133.74%
---------	---------

**Net Stable Funding Ratio (NSFR):**

Total Available Stable Funding

421,713,955	417,010,019
-------------	-------------

Total Required Stable Funding

389,694,476	371,740,462
-------------	-------------

NSFR (%)

108.22%	112.18%
---------	---------

## 39 ISLAMIC BANKING BUSINESS

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

**STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2019**

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Note	Rupees in '000'	
<b>ASSETS</b>			
Cash and balances with treasury banks		2,609,284	2,753,286
Balances with other banks		263,296	1,642,888
Due from financial institutions	39.1	5,906,958	5,350,000
Investments - net	39.2	8,940,296	9,599,160
Islamic financing and related assets - net	39.3	21,707,464	19,995,626
Fixed assets		312,688	309,063
Other assets		1,937,498	1,730,813
<b>Total assets</b>		<b>41,677,484</b>	<b>41,380,836</b>
<b>LIABILITIES</b>			
Bills payable		235,921	209,762
Due to financial institutions		-	-
Deposits and other accounts	39.4	36,623,166	36,501,111
Due to head office		650,857	187,187
Subordinated debt		-	-
Other liabilities		1,498,720	2,085,897
		<b>39,008,664</b>	<b>38,983,957</b>
<b>NET ASSETS</b>		<b>2,668,820</b>	<b>2,396,879</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		1,500,000	1,500,000
Reserves		11,616	7,313
Surplus on revaluation of assets		36,558	20,372
Unappropriated profit	39.5	1,120,646	869,194
		<b>2,668,820</b>	<b>2,396,879</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	39.6		



## ISLAMIC BANKING BUSINESS

## PROFIT AND LOSS ACCOUNT

FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)

		March 31, 2019	March 31, 2018
	Note	Rupees in '000'	
Profit / return earned	39.7	972,798	627,783
Profit / return expensed	39.8	397,222	244,614
Net Profit / return		575,576	383,169
Fee and commission income		19,381	16,331
Dividend income		-	-
Foreign exchange income		86	(89)
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		(634)	-
Other income		1,568	37
		20,401	16,279
Total income		595,977	399,448
Other expenses			
Operating expenses		345,432	293,425
Workers welfare fund		-	-
Other charges		685	-
		346,117	293,425
Profit before provisions		249,860	106,023
(Reversal) / Provisions against advances - net		(1,592)	-
Profit before taxation		251,452	106,023

## 39.1 DUE FROM FINANCIAL INSTITUTIONS

	March 31, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Placements	5,395,000	-	5,395,000	5,350,000	-	5,350,000
Bai muajjal receivable from SBP	511,958	-	511,958	-	-	-
	<u>5,906,958</u>	<u>-</u>	<u>5,906,958</u>	<u>5,350,000</u>	<u>-</u>	<u>5,350,000</u>

## 39.2 INVESTMENTS - NET

## Investments by segment

## Federal government securities:

-Ijarah sukuks

-Sale of sukuk- bai muajjal

## Non government debt securities

-Unlisted

## Total investments

	March 31, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Cost/ Amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000'							
	1,500,000	-	(15,900)	1,484,100	2,623,602	-	(32,086)	2,591,516
	<u>2,756,196</u>	<u>-</u>	<u>-</u>	<u>2,756,196</u>	<u>2,756,196</u>	<u>-</u>	<u>-</u>	<u>2,756,196</u>
	4,256,196	-	(15,900)	4,240,296	5,379,798	-	(32,086)	5,347,712
	4,700,000	-	-	4,700,000	4,251,448	-	-	4,251,448
	<u>8,956,196</u>	<u>-</u>	<u>(15,900)</u>	<u>8,940,296</u>	<u>9,631,246</u>	<u>-</u>	<u>(32,086)</u>	<u>9,599,160</u>

## 39.3 ISLAMIC FINANCING AND RELATED ASSETS

Ijarah

Murabaha

Musharaka

Diminishing musharaka

Payment against documents

Istisna

Gross Islamic financing and related assets

Less: provision against Islamic financings

- Specific

- General

Islamic financing and related assets - net of provision

	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Rupees in '000'	
	674,091	552,920
	1,032,011	1,004,602
	9,264,626	8,340,625
	7,235,170	7,630,222
	220,642	-
	<u>3,498,460</u>	<u>2,686,385</u>
	<u>21,925,000</u>	<u>20,214,754</u>
	<u>217,536</u>	<u>219,128</u>
	<u>-</u>	<u>-</u>
	<u>217,536</u>	<u>219,128</u>
	<u>21,707,464</u>	<u>19,995,626</u>



## 39.4 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2019 (Un-audited)		December 31, 2018 (Audited)			
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
8,599,215	185,233	8,784,448	8,829,253	119,378	8,948,631	
26,846,912	51,345	26,898,257	26,557,886	7,704	26,565,590	
793,945	-	793,945	771,556	-	771,556	
36,240,072	236,578	36,476,650	36,158,695	127,082	36,285,777	
71,295	-	71,295	100,024	-	100,024	
75,221	-	75,221	115,310	-	115,310	
146,516	-	146,516	215,334	-	215,334	
36,386,588	236,578	36,623,166	36,374,029	127,082	36,501,111	

(Un-audited) March 31, 2019	(Un-audited) December 31, 2018	(Audited) December 31, 2018
Rupees in '000'		

## 39.5 UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS

Opening balance  
Islamic banking profit for the period  
Closing balance

869,194	420,873
251,452	448,321
1,120,646	869,194

## 39.6 CONTINGENCIES AND COMMITMENTS

-Guarantees  
-Commitments

1,423,900	1,420,734
1,948,715	2,981,746
3,372,615	4,402,480

(Un-audited) March 31, 2019	(Un-audited) March 31, 2018	(Un-audited) March 31, 2018
Rupees in '000'		

## 39.7 PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT

Profit earned on:  
Financing  
Investments  
Placements  
Deposits with financial institutions

606,847	331,396
251,660	119,712
105,698	176,623
8,593	52
972,798	627,783

## 39.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED

Deposits and other accounts  
Profit on deposits from conventional head office

392,318	224,296
4,904	20,318
397,222	244,614

39.9 There has been no material change in the existing Islamic pools. Further, no new pool has been established in Islamic banking operations of the Bank during the three months ended March 31, 2019.

40 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on May 29, 2019 by the Board of Directors of the Bank.

41 GENERAL

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

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

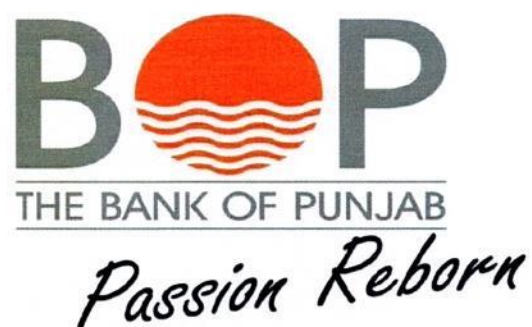
Director

Director

Chairman

Chief Financial Officer





**CONSOLIDATED CONDENSED INTERIM FINANCIAL  
STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2019**

**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2019**

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Note	Rupees in '000'	
<b>ASSETS</b>			
Cash and balances with treasury banks	7	43,382,814	43,589,610
Balances with other banks	8	4,301,687	5,837,962
Lendings to financial institutions	9	19,934,373	27,443,153
Investments - net	10	203,751,932	210,052,628
Advances - net	11	385,056,582	382,109,763
Fixed assets	12	8,820,409	8,793,191
Intangible assets	13	884,268	897,990
Deferred tax assets - net	14	7,786,433	8,027,104
Other assets - net	15	30,509,635	27,965,012
		704,428,133	714,716,413
<b>LIABILITIES</b>			
Bills payable	17	3,535,550	3,577,677
Borrowings	18	29,887,638	41,801,240
Deposits and other accounts	19	593,041,985	595,561,963
Liabilities against assets subject to finance lease		-	-
Subordinated debts	20	8,797,140	8,797,140
Deferred tax liabilities		-	-
Other liabilities	21	31,319,320	27,102,649
		666,581,633	676,840,669
<b>NET ASSETS</b>		<b>37,846,500</b>	<b>37,875,744</b>
<b>REPRESENTED BY</b>			
Share capital - net		26,173,766	26,173,766
Reserves		5,074,930	5,074,930
Surplus on revaluation of assets - net of tax	22	3,229,680	3,260,312
Non controlling interest		355,579	328,052
Unappropriated profit		3,012,545	3,038,684
		37,846,500	37,875,744
<b>CONTINGENCIES AND COMMITMENTS</b>			
	23		

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

Chief Financial Officer

Chairman

Director

Director

**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)**

		<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Note</b>	<b>Rupees in '000'</b>	
Mark-up / return / interest earned	24	<b>16,108,362</b>	9,799,764
Mark-up / return / interest expensed	25	<b>9,569,958</b>	5,110,885
Net mark-up / interest income		<b>6,538,404</b>	4,688,879
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	26	<b>774,388</b>	768,111
Dividend income		<b>28,205</b>	20,183
Foreign exchange (loss) / income		<b>(2,690)</b>	67,806
Income / (loss) from derivatives		<b>-</b>	-
Gain on securities - net	27	<b>13,990</b>	26,048
Other income - net	28	<b>6,054</b>	38,614
Total non-markup / interest income		<b>819,947</b>	920,762
Total income		<b>7,358,351</b>	5,609,641
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	29	<b>3,532,989</b>	2,754,618
Workers welfare fund		<b>-</b>	-
Other charges	30	<b>1,021</b>	-
Total non-markup / interest expenses		<b>3,534,010</b>	2,754,618
Profit before provisions		<b>3,824,341</b>	2,855,023
Provisions / (reversals) and write offs - net	31	<b>245,993</b>	(156,538)
Extra ordinary / unusual items		<b>-</b>	-
<b>PROFIT BEFORE TAXATION</b>		<b>3,578,348</b>	3,011,561
Taxation - net	32	<b>1,609,218</b>	1,068,866
<b>PROFIT AFTER TAXATION</b>		<b>1,969,130</b>	1,942,695
<b>Basic earnings per share - Rupees</b>	33	<b>0.74</b>	0.73
<b>Diluted earnings per share - Rupees</b>	34	<b>0.74</b>	0.73
<b>PROFIT ATTRIBUTABLE TO :</b>			
Equity holders of the parent		<b>1,941,603</b>	1,939,879
Non-controlling interest		<b>27,527</b>	2,816
		<b>1,969,130</b>	1,942,695

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

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

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**Chairman**

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**Director**

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**Director**



**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)**

	<b>March 31, 2019</b>	<b>Restated March 31, 2018</b>
	<b>Rupees in '000'</b>	
Profit after taxation for the period	<b>1,969,130</b>	1,942,695
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement loss on defined benefit obligations	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-
	<b>1,969,130</b>	1,942,695
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Movement in surplus / (deficit) on revaluation of investments - net of tax	<b>(15,605)</b>	(85,662)
<b>Total comprehensive income for the period</b>	<b>1,953,525</b>	1,857,033

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

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**Chief Financial Officer**

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**Chairman**

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**Director**

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**Director**

**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)**

	Share capital	Discount on issue of shares	Share capital - net	Share premium	Statutory reserve	Surplus / (Deficit) - net of tax on revaluation of assets		Unappropriated profit / (accumulated loss)	Non - controlling interest	Total
						Investments	Fixed / non banking			
						Rupees in '000'				
Balance as on January 01, 2018 - as restated	26,436,924	(263,158)	26,173,766	2,215,040	1,344,899	(53,499)	2,940,101	(3,034,749)	254,320	29,839,878
Profit after taxation for the three months ended March 31, 2018	-	-	-	-	-	-	-	1,939,879	2,816	1,942,695
Other comprehensive loss	-	-	-	-	-	(85,662)	-	(85,662)	-	(85,662)
Total comprehensive income for the three months ended March 31, 2018	-	-	-	-	-	(85,662)	-	1,939,879	2,816	1,857,033
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(11,917)	11,917	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(1,095)	1,095	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	-	26,789	-	26,789
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	-	(590)	-	(590)
Dividend received	-	-	-	-	-	-	-	-	-	-
<b>Balance as on March 31, 2018 - as restated</b>	<b>26,436,924</b>	<b>(263,158)</b>	<b>26,173,766</b>	<b>2,215,040</b>	<b>1,344,899</b>	<b>(139,161)</b>	<b>2,927,089</b>	<b>(1,055,659)</b>	<b>257,136</b>	<b>31,723,110</b>
Profit after taxation for the nine months ended December 31, 2018	-	-	-	-	-	-	-	5,597,417	81,266	5,678,683
Other comprehensive income / (loss)	-	-	-	-	-	127,792	509,790	(172,731)	-	464,851
Total comprehensive income for the nine months ended December 31, 2018	-	-	-	-	-	127,792	509,790	5,424,686	81,266	6,143,534
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	-	(1,514,991)	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(33,735)	33,735	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(2,345)	2,345	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	(77,594)	92,586	-	14,992
Final dividend for the year ended June 30, 2018 at Rs. 0.5 per certificate by subsidiary	-	-	-	-	-	-	-	-	(10,350)	(10,350)
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) on disposal	-	-	-	-	-	-	(51,524)	55,982	-	4,458
<b>Balance as on December 31, 2018</b>	<b>26,436,924</b>	<b>(263,158)</b>	<b>26,173,766</b>	<b>2,215,040</b>	<b>2,859,890</b>	<b>(11,369)</b>	<b>3,271,681</b>	<b>3,038,684</b>	<b>328,052</b>	<b>37,875,744</b>
Profit after taxation for the three months ended March 31, 2019	-	-	-	-	-	-	-	1,941,603	27,527	1,969,130
Other comprehensive loss	-	-	-	-	-	(15,605)	-	-	-	(15,605)
Total comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	(15,605)	-	1,941,603	27,527	1,953,525
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(10,759)	10,759	-	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated loss) - net of tax	-	-	-	-	-	-	(4,268)	4,268	-	-
Final cash dividend - December 31, 2018 declared subsequent to year end at 7.5% per share	-	-	-	-	-	-	-	(1,982,769)	-	(1,982,769)
<b>Balance as on March 31, 2019</b>	<b>26,436,924</b>	<b>(263,158)</b>	<b>26,173,766</b>	<b>2,215,040</b>	<b>2,859,890</b>	<b>(26,974)</b>	<b>3,256,654</b>	<b>3,012,545</b>	<b>355,579</b>	<b>37,846,500</b>

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

Chief Financial Officer

Chairman

Director

Director

**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)**

		March 31, 2019	March 31, 2018
	Note	Rupees in '000'	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		3,578,348	3,011,561
Less: Dividend income		(28,205)	(20,183)
		<b>3,550,143</b>	<b>2,991,378</b>
Adjustments:			
Depreciation on fixed assets	29	256,460	224,266
Depreciation on non banking assets acquired in satisfaction of claims	29	18,539	19,344
Depreciation on ijarah assets under IFAS - 2	29	125,589	107,520
Amortization on intangible assets	29	42,296	8,250
Amortization of (discount) / premium on debt securities - net		(118,514)	173,043
Unrealized loss on revaluation of investments classified as held for trading	27	4,279	315
Provision / (reversal) and write-offs - net	31	245,993	(156,538)
(Gain) / loss on sale of fixed assets - net	28	(2,586)	4,116
Gain on securities - net	27	(18,269)	(26,363)
Provision for employees compensated absences		2,617	2,465
Provision for gratuity		28,704	26,902
		<b>585,108</b>	<b>383,320</b>
		<b>4,135,251</b>	<b>3,374,698</b>
(Increase) / Decrease in operating assets:			
Lendings to financial institutions		7,508,780	(29,159,549)
Held for trading securities		8,474,138	11,092,702
Advances - net		(3,277,543)	(15,554,343)
Others assets - net		(3,188,824)	321,241
		<b>9,516,551</b>	<b>(33,299,949)</b>
Increase / (Decrease) in operating liabilities:			
Bills Payable		(42,127)	36,072
Borrowings from financial institutions		(12,380,307)	(10,038,897)
Deposits		(2,519,978)	13,377,106
Other liabilities		2,202,581	497,870
		<b>(12,739,831)</b>	<b>3,872,151</b>
Income tax paid		(731,825)	(1,202,421)
<b>Net cash flow from / (used in) operating activities</b>		<b>180,146</b>	<b>(27,255,521)</b>



**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**  
**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Continued...)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)**

	March 31, 2019	March 31, 2018
	Rupees in '000'	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available for sale securities	12,557,190	17,858,891
Net investments in held to maturity securities	(14,647,570)	-
Dividends received	10,124	24,848
Investments in fixed assets	(283,952)	(170,204)
Investments in intangible assets	(28,574)	(43,826)
Proceeds from sale of fixed assets	2,860	31,553
<b>Net cash (used in) / flow from investing activities</b>	<b>(2,389,922)</b>	<b>17,701,262</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to non controlling interest	-	(677)
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>(677)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(2,209,776)</b>	<b>(9,554,936)</b>
Cash and cash equivalents at beginning of the period	49,216,809	53,339,141
Cash and cash equivalents at end of the period	47,007,033	43,784,205
Cash and cash equivalents :		
Cash and bank balances with treasury banks	43,382,814	40,722,251
Balances with other banks	4,301,687	3,168,166
Overdrawn nostro accounts	(677,468)	(106,212)
	47,007,033	43,784,205

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

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

\_\_\_\_\_  
**Chairman**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)**

**1. STATUS AND NATURE OF BUSINESS**

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

The Group consists of:

**Parent**

The Bank of Punjab

<b>Subsidiaries</b>	<b>% age of holding-2019</b>	<b>% age of holding-2018</b>
Punjab Modaraba Service (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
Punjab Capital Securities (Private) Limited	39.16%	39.16%

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

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

**Punjab Modaraba Service (Private) Limited**

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

**First Punjab Modaraba**

First Punjab Modaraba was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by Punjab Modaraba Services (Private) Limited (wholly owned subsidiary of The Bank of Punjab). The registered office of the Modaraba is situated at 4th floor, Mega Tower Main Boulevard Gulberg, Lahore. The Modaraba commenced its operations on 23 December 1992. The Modaraba is listed on Pakistan Stock Exchange.

**Punjab Capital Securities (Private) Limited**

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

**1.2 Basis of Consolidation**

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



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

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

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

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

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

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

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

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

## **2 BASIS OF PRESENTATION**

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

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

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



## 2.1 Statement of compliance

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

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

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

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

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

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

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

During the period, certain amendments to standards, interpretations and improvements to accounting standards became effective, however, except IFRS 16 - Leases, the amendments, interpretations and improvements are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these consolidated condensed interim financial statements.

IFRS 16 - Leases introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes the right-of-use asset representing its right to use the underlying asset and a corresponding lease liability. Lessor accounting remains similar i.e. lessor continue to classify lease as finance or operating lease. The SBP vide BPRD circular letter no. 08 of 2019 extended the implementation date of IFRS 16 for Banks in Pakistan from January 1, 2019 to June 30, 2019. Accordingly, the requirements of this standard have not been applied in the preparation of these consolidated condensed interim financial statements.

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. The Bank considers that the following standards and interpretations are either not relevant or will not have any material impact on its financial statements in the period of initial application other than IFRS 9. With regard to IFRS 9, the Bank considers that as the Prudential Regulations and other SBP directives currently provide the accounting framework for the measurement and valuation of investments and provision against non performing loans and advances, the implementation of IFRS 9 may require changes in the regulatory regime. Therefore, the Bank expects that SBP would issue suitable guidance and instruction on the application of IFRS 9 for the banking sector of Pakistan.

<b>Standard or Interpretations</b>		<b>Effective date (accounting periods beginning on or after)</b>
IFRS 3	Amendments to IFRS 3 (Definition of a Business)	January 01, 2020
IAS 1 & 8	Amendments to IAS 1 and IAS 8 (Definition of Material)	January 01, 2020
		<b>Effective date (accounting periods ending on or after)</b>
IFRS 9	Financial Instruments : Classification and Measurement	June 30, 2019

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

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

### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

### **6. FINANCIAL RISK MANAGEMENT**

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



		(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Note	Rupees in '000'	
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand:			
Local currency		8,312,325	8,558,995
Foreign currency		1,009,756	1,567,982
		9,322,081	10,126,977
With SBP in:			
Local currency current account		27,557,768	19,249,586
Foreign currency current account		420,934	431,861
Foreign currency deposit account		1,251,073	1,283,551
		29,229,775	20,964,998
With National Bank of Pakistan in :			
Local currency current account		4,800,231	12,451,416
Prize bonds		30,727	46,219
		43,382,814	43,589,610
<b>8 BALANCES WITH OTHER BANKS</b>			
In Pakistan :			
Current accounts		3,332,853	3,759,621
Deposit accounts		168,621	1,541,033
		3,501,474	5,300,654
Outside Pakistan :			
Current accounts		464,303	435,886
Deposit account		335,910	101,422
		800,213	537,308
		4,301,687	5,837,962
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Repurchase agreement lendings (Reverse Repo)	9.2	13,777,415	22,093,153
Bai muajjal receivable from SBP		511,958	-
Placements	9.3	5,645,000	5,350,000
		19,934,373	27,443,153
<b>9.1 Particulars of lending</b>			
In local currency		19,934,373	27,443,153
In foreign currencies		-	-
		19,934,373	27,443,153



9.2	Securities held as collateral against repurchase agreement lendings (reverse repo)	March 31, 2019 (Un-audited)			December 31, 2018 (Audited)		
		Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
		Rupees in '000'					
	Market treasury bills	9,876,910	-	9,876,910	-	-	-
	Pakistan investment bonds	3,900,505	-	3,900,505	22,093,153	-	22,093,153
		13,777,415	-	13,777,415	22,093,153	-	22,093,153
Market value of securities held as collateral as at March 31, 2019 amounted to Rs. 13,792,045 thousand (December 31, 2018: Rs. 21,350,630 thousand). These carry mark-up at rate ranging from 10.25% to 10.75% per annum (December 31, 2018: 10.00% to 10.50% per annum) with maturities upto April 08, 2019.							
9.3	These carry profit rates ranging from 9.85% to 11.00% per annum (December 31, 2018: 9.00% to 9.80% per annum) with maturities upto September 12, 2019.						
10	INVESTMENTS - NET	March 31, 2019 (Un-audited)			December 31, 2018 (Audited)		
10.1	Investments by type:	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution
	Note	Rupees in '000'					
	Held-for-trading securities						
	Federal government securities	16,610,619	-	(4,279)	16,606,340	25,075,868	-
	Ordinary shares	-	-	-	-	12,630	-
		16,610,619	-	(4,279)	16,606,340	25,088,498	-
	Available-for-sale securities						
	Federal government securities	163,045,472	-	(61,961)	162,983,511	177,736,092	-
	Shares	2,272,974	(1,051,616)	18,163	1,239,521	2,136,937	(1,024,880)
	Non government debt securities	10,253,923	(2,235,321)	2,299	8,020,901	8,119,488	(2,236,623)
	Foreign securities	4,019	-	-	4,019	4,019	-
		175,576,388	(3,286,937)	(41,499)	172,247,952	187,996,536	(3,261,503)
	Held-to-maturity securities						
	Federal government securities	14,897,640	-	-	14,897,640	250,329	-
	WAPDA bonds	400	(400)	-	-	400	(400)
		14,898,040	(400)	-	14,897,640	250,729	(400)
	Total investments	207,085,047	(3,287,337)	(45,778)	203,751,932	213,335,763	(3,261,903)
							(21,232)
							210,052,628

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

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

	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Rupees in '000'	
	7,254,200	19,829,188

	3,261,903	3,014,149
	26,736 (1,302)	247,754 -
	25,434	247,754
	3,287,337	3,261,903

	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Rupees in '000'	
	NPI	Provision
	NPI	Provision

	-	-	-
	-	-	-
	-	-	-
	2,235,721	2,235,721	2,237,023
	2,235,721	2,235,721	2,237,023

10.4 Market value of held to maturity investments amounted to Rs. 14,829,705 thousand (December 31, 2018: Rs. 248,902 thousand).

## 10.2 Investments given as collateral

Market treasury bills

## 10.3 Provision for diminution in value of investments

### 10.3.1 Opening balance

Charge / reversals :

Charge for the period

Reversals for the period

Closing Balance

## 10.3.2 Particulars of provision against debt securities

Category of classification

### Domestic

Other assets especially mentioned

Substandard

Doubtful

Loss

Total

**11 ADVANCES - NET**

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
	2019	2018	2019	2018	2019	2018
	Rupees in '000'					
Loans, cash credits, running finances, etc.	322,314,123	324,935,141	48,548,953	49,471,677	370,863,076	374,406,818
Net book value of assets in ijarah under IFAS 2 - In Pakistan	459,091	337,920	215,000	215,000	674,091	552,920
Islamic financing and related assets	21,174,069	19,584,952	76,840	76,882	21,250,909	19,661,834
Bills discounted and purchased	36,547,240	31,583,488	16,992	16,992	36,564,232	31,600,480
Advances - gross	380,494,523	376,441,501	48,857,785	49,780,551	429,352,308	426,222,052
Provision against advances:						
- Specific	-	-	(43,925,805)	(43,763,990)	(43,925,805)	(43,763,990)
- General	(369,921)	(348,299)	-	-	(369,921)	(348,299)
	(369,921)	(348,299)	(43,925,805)	(43,763,990)	(44,295,726)	(44,112,289)
Advances - net of provision	380,124,602	376,093,202	4,931,980	6,016,561	385,056,582	382,109,763

**11.1 Particulars of advances (gross)**

	(Un-audited)	(Audited)
	March 31,	December 31,
	2019	2018
	Rupees in '000'	
In local currency	429,253,115	426,076,906
In foreign currencies	99,193	145,146
	429,352,308	426,222,052



**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**

**11.2** Advances include Rs. 48,857,785 thousand (December 31, 2018: 49,780,551 thousand) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited) March 31, 2019		(Audited) December 31, 2018	
	Non performing loans	Provision	Non performing loans	Provision
	Rupees in '000'			
<b>Domestic</b>				
Other assets especially mentioned	119,299	4,617	52,234	801
Substandard	809,381	126,594	351,004	65,741
Doubtful	7,672,721	4,361,850	9,722,789	5,247,064
Loss	40,256,384	39,432,744	39,654,524	38,450,384
Total	48,857,785	43,925,805	49,780,551	43,763,990

Particulars of provision against advances	March 31, 2019 (Un-audited)		December 31, 2018 (Audited)	
	Specific	General	Specific	General
	Rupees in '000'			
Opening balance	43,763,990	348,299	44,112,289	425,283
Charge for the period	1,426,105	-	1,426,105	-
Reversals for the period	(1,264,290)	21,622	(1,242,668)	(76,984)
	161,815	21,622	183,437	(2,072,274)
Amounts written off	-	-	-	(6,401)
Closing balance	43,925,805	369,921	43,763,990	348,299

**11.3.1 Particulars of provision against advances with respect to currencies**

In local currency	43,925,805	369,921	44,295,726	43,763,990
In foreign currencies	-	-	-	-
	43,925,805	369,921	44,295,726	43,763,990

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

**11.3.3** The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No. I dated October 21, 2011. This has resulted in decrease in provision against non-performing advances by Rs. 1,180,560 thousand (December 31, 2018: 1,186,127 thousand). The FSV benefit availed is not available for cash or stock dividend.

**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
		Rupees in '000'	
<b>12</b>	<b>FIXED ASSETS</b>		
	Capital work-in-progress	142,806	231,947
	Property and equipment	8,677,603	8,561,244
		<u>8,820,409</u>	<u>8,793,191</u>
<b>12.1</b>	<b>Capital work-in-progress</b>		
	Civil works	112,346	201,487
	Equipment	30,460	30,460
		<u>142,806</u>	<u>231,947</u>
		(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
		Rupees in '000'	
<b>12.2</b>	<b>Additions to fixed assets</b>		
	The following additions / (transfers) have been made to fixed assets during the period:		
	<b>Capital work-in-progress</b>	(89,141)	26,006
	<b>Property and equipment :</b>		
	Land	-	8,467
	Building on freehold land	91,659	-
	Furniture and fixture	12,936	18,449
	Office equipment	85,645	14,798
	Computer equipment	44,257	68,819
	Lease hold improvements	124,836	31,750
	Vehicles	13,760	1,915
		<u>373,093</u>	<u>144,198</u>
		<u>283,952</u>	<u>170,204</u>
<b>12.3</b>	<b>Disposal of property and equipment :</b>		
	The net book value of property and equipment disposed off during the period is as follows:		
	Building on freehold land	-	34,238
	Furniture and fixture	128	547
	Office equipment	146	398
	Computer equipment	-	464
		<u>274</u>	<u>35,647</u>
		(Un-audited) March 31, 2019	(Audited) December 31, 2018
		Rupees in '000'	
<b>13</b>	<b>INTANGIBLE ASSETS</b>		
	Intangible in progress	141,268	129,279
	Softwares	743,000	768,711
		<u>884,268</u>	<u>897,990</u>
		(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
		Rupees in '000'	
<b>13.1</b>	<b>Additions to intangible assets</b>		
	The following additions / (transfers) have been made to intangible assets during the period:		
	Capital work-in-progress	11,989	35,851
	Intangible assets purchased during the period	16,585	7,975
		<u>28,574</u>	<u>43,826</u>

**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**

	(Un-audited) March 31, 2019	(Audited) December 31, 2018
Note	Rupees in '000'	
<b>14 DEFERRED TAX ASSETS - NET</b>		
Deductible temporary differences on :		
Deficit on revaluation of investments	14,525	6,122
Business loss, tax credits, etc.	61,834	61,834
Provision against advances, off balance sheet etc.	8,656,064	8,926,570
	8,732,423	8,994,526
Taxable temporary differences on :		
Surplus on revaluation of fixed assets	(457,697)	(463,493)
Accelerated tax depreciation	(306,741)	(320,078)
Surplus on revaluation of non banking assets	(181,552)	(183,851)
	(945,990)	(967,422)
	7,786,433	8,027,104
<b>15 OTHER ASSETS - NET</b>		
Income / mark-up accrued in local currency	10,083,495	8,896,935
Income / mark-up accrued in foreign currency	287	1,961
Profit paid in advance on pehlay munafa scheme	5,540	8,027
Advances, deposits, advance rent and other prepayments	727,657	881,805
Advance taxation (payments less provisions)	3,001,919	3,630,240
Non-banking assets acquired in satisfaction of claims	7,455,836	7,467,804
Acceptances	6,700,586	4,888,386
Branch adjustment account	178,955	180,704
Mark to market gain on forward foreign exchange contracts	92,790	146,431
Stock of stationery	179,855	108,048
Suspense account	3,026	5,044
Zakat recoverable from NITL	36,790	36,790
Unrealized gain on revaluation of foreign bills and trade loans	54,051	78,013
Fraud and forgeries	123,845	121,806
Unearned income on sale of sukuk on bai-muajjal basis	981,629	1,044,888
Others	1,567,263	1,130,829
	31,193,524	28,627,711
Less: Provision held against other assets	15.1 (2,222,136)	(2,207,512)
Other assets (net of provision)	28,971,388	26,420,199
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	1,538,247	1,544,813
Other assets - total	30,509,635	27,965,012
<b>15.1 Provision held against other assets</b>		
Advances, deposits, advance rent & other prepayments	35,723	35,723
Non banking assets acquired in satisfaction of claims	1,575,670	1,575,670
Zakat recoverable from NITL	36,790	36,790
Fraud and forgeries	115,988	101,364
Others	457,965	457,965
	2,222,136	2,207,512



	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Rupees in '000'	
<b>16 CONTINGENT ASSETS</b>	Nil	Nil
Contingent assets		
<b>17 BILLS PAYABLE</b>		
In Pakistan	3,535,550	3,577,677
Outside Pakistan	-	-
	<u>3,535,550</u>	<u>3,577,677</u>
<b>18 BORROWINGS</b>		
<b>Secured</b>		
Borrowings from SBP under:		
Export refinance scheme (ERF)	13,430,224	13,451,606
Long term financing facility (LTFF)	6,350,927	6,219,303
Finance facility for storage of agricultural produce (FFSAP)	48,776	25,991
Finance facility for renewable energy performance platform (REPP)	996,563	1,025,036
	20,826,490	20,721,936
Repurchase agreement borrowings	-	2,497,905
Call borrowings	7,254,435	17,251,702
<b>Total secured</b>	<u>28,080,925</u>	<u>40,471,543</u>
<b>Unsecured</b>		
Overdrawn nostro accounts	677,468	210,763
Foreign placement	1,126,245	1,110,895
Redemable capital - Musharika certificates	3,000	8,039
<b>Total unsecured</b>	<u>1,806,713</u>	<u>1,329,697</u>
	<u>29,887,638</u>	<u>41,801,240</u>

**19 DEPOSITS AND OTHER ACCOUNTS**

	March 31, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
<b>Customers:</b>						
Current deposits	110,293,338	2,318,339	112,611,677	119,614,715	2,343,451	121,958,166
Savings deposits	264,655,525	2,260,174	266,915,699	253,500,729	2,413,949	255,914,678
Term deposits	185,178,201	3,147,225	188,325,426	181,768,000	3,496,387	185,264,387
Others	18,445,388	-	18,445,388	25,541,626	-	25,541,626
	578,572,452	7,725,738	586,298,190	580,425,070	8,253,787	588,678,857
<b>Financial institutions:</b>						
Current deposits	2,457,190	276,174	2,733,364	3,610,496	188,548	3,799,044
Savings deposits	3,212,763	189	3,212,952	2,166,684	186	2,166,870
Term deposits	705,000	-	705,000	755,000	-	755,000
Others	92,479	-	92,479	162,192	-	162,192
	6,467,432	276,363	6,743,795	6,694,372	188,734	6,883,106
	<u>585,039,884</u>	<u>8,002,101</u>	<u>593,041,985</u>	<u>587,119,442</u>	<u>8,442,521</u>	<u>595,561,963</u>

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
		Rupees in '000'	
<b>20 SUBORDINATED DEBTS</b>	<b>Note</b>		
Loan from GoPb	20.1	2,000,000	2,000,000
Privately placed term finance certificates - I	20.2	2,498,000	2,498,000
Privately placed term finance certificates - II	20.3	4,299,140	4,299,140
		<u>8,797,140</u>	<u>8,797,140</u>

**20.1 Loan from GoPb**

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

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

**20.2 Privately placed term finance certificates - I**

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

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



**20.3 Privately placed term finance certificates - II**

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

Issue amount:	Rupees 4,300,000 thousand
Issue date:	April 23, 2018
Maturity date:	April 23, 2028
Rating:	AA-
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV as declared by the SBP.

	Note	(Un-audited) March 31, 2019	(Audited) December 31, 2018
		Rupees in '000'	
<b>21 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		7,191,390	7,234,452
Mark-up / return / interest payable in foreign currency		61,103	44,506
Lease key money		11,940,612	11,567,270
Sundry creditors and accrued expenses		1,092,317	999,519
Acceptances		6,700,586	4,888,386
Mark-up payable on loan and privately placed term finance certificates		339,298	97,913
Unclaimed dividends		2,590	2,599
Dividends payable		1,982,769	-
Payable to gratuity fund		316,242	287,512
Gratuity payable to key management personnel		40,027	100,403
Payable to charity fund		173	114
Provision against off-balance sheet obligations	21.1	62,183	62,183
Provision for employees compensated absences		104,169	102,294
Taxes / zakat / import fee payable		181,439	193,646
Deferred income on sale of sukuk on bai - muajjal basis		981,629	1,044,888
Others		322,793	476,964
		<b>31,319,320</b>	<b>27,102,649</b>
<b>21.1 Provision against off-balance sheet obligations</b>		<b>62,183</b>	<b>62,183</b>

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



22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX	Note	(Un-audited) March 31, 2019	(Audited) December 31, 2018
			Rupees in '000'	
	Surplus / (deficit) on revaluation of :			
	- Available for sale securities	10.1	(41,499)	(17,491)
	- Fixed assets		2,357,658	2,374,212
	- Non-banking assets acquired in satisfaction of claims	15	1,538,247	1,544,813
			3,854,406	3,901,534
	Deferred tax on (surplus) / deficit on revaluation of :			
	- Available for sale securities		14,525	6,122
	- Fixed assets		(457,697)	(463,493)
	- Non-banking assets acquired in satisfaction of claims		(181,554)	(183,851)
			(624,726)	(641,222)
			3,229,680	3,260,312
23	CONTINGENCIES AND COMMITMENTS			
	Guarantees	23.1	53,483,124	52,717,758
	Commitments	23.2	105,798,313	91,698,462
	Other contingent liabilities	23.3	171,747	1,464,824
			159,453,184	145,881,044
23.1	Guarantees:			
	Financial guarantees		18,156,555	18,743,220
	Performance guarantees		16,509,867	18,257,988
	Other guarantees		18,816,702	15,716,550
			53,483,124	52,717,758
23.2	Commitments:			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		47,422,427	44,621,896
	Commitments in respect of:			
	- forward foreign exchange contracts	23.2.1	31,136,281	22,172,986
	- forward lending	23.2.2	16,659,739	14,747,883
	- operating leases	23.2.3	10,430,727	9,937,311
	Commitments for acquisition of:			
	- fixed assets		39,764	56,437
	- intangible assets		109,375	161,949
			105,798,313	91,698,462
23.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		18,076,436	13,420,469
	Sale		13,059,845	8,752,517
			31,136,281	22,172,986

**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Note	Rupees in '000'	
<b>23.2.2</b>	<b>Commitments in respect of forward lending</b>		
	Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1 <u><b>16,659,739</b></u>	<u>14,747,883</u>
<b>23.2.2.1</b>	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, 2019	(Audited) December 31, 2018
<b>23.2.3</b>	<b>Commitments in respect of operating leases</b>	Rupees in '000'	
	Not later than one year	<u><b>874,511</b></u>	<u>878,342</u>
	Later than one year and not later than five years	<u><b>3,489,954</b></u>	<u>3,357,036</u>
	Later than five years	<u><b>6,066,262</b></u>	<u>5,701,933</u>
		<u><b>10,430,727</b></u>	<u>9,937,311</u>
<b>23.3</b>	<b>Other contingent liabilities</b>	<u><b>171,747</b></u>	<u>1,464,824</u>
<b>23.3.1</b>	For the tax years 2010, 2011 & 2012 Income Tax Department has amended the assessment orders on the issues of separate taxation of dividend income against which the Bank had filed appeals before the Commissioner Inland Revenue Appeals (CIR(A)). CIR(A) provided relief to the Bank on issue of separate taxation of dividend income. Now, the tax department has filed appeal against the decision of CIR(A) with the Appellate Tribunal Inland Revenue (ATIR). The expected tax liability in respect of aforesaid tax years amounts to Rs. 162,772 thousand. The management of the Bank, as per the opinion of its tax consultant, is confident that the decision for the aforementioned tax years will be decided in Bank's favour.		
<b>23.3.2</b>	For the tax year 2007, the Income Tax Department concluded proceedings under section 161/205 and created a default of Rs. 8,975 thousand. The Bank filed appeal before CIR (A), however the same was not allowed. Now, the Bank has filled appeal against the said order of CIR (A) with ATIR. The expected tax liability for the said year amounts to Rs. 8,975 thousand. However, the management of the Bank, as per opinion of its tax consultant, is confident that the decision for the aforementioned tax year will be decided in Bank's favor.		
		(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Note	Rupees in '000'	
<b>23.4</b>	<b>Claims against the Bank not acknowledged as debts</b>	22.4.1 <u><b>56,231,157</b></u>	<u>57,300,059</u>
<b>23.4.1</b>	The amounts involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to our recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.		

**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**

		Note	(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
			Rupees in '000'	
<b>24</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>			
	a) On loans and advances		10,117,542	5,833,880
	b) On investments:			
	Available for sale securities		4,145,788	3,162,145
	Held for trading securities		524,851	431,332
	Held to maturity securities		68,078	5,098
	c) On lendings to financial institutions:			
	Securities purchased under resale agreements		1,103,359	153,571
	Call lending		2,062	24,394
	Letters of placement		116,643	182,865
	d) On balances with banks		30,039	6,479
			<u>16,108,362</u>	<u>9,799,764</u>
<b>25</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>			
	Deposits and other accounts		8,793,333	4,737,274
	Borrowings:			
	Securities sold under repurchase agreements		192,440	45,707
	Foreign placements		10,887	-
	Call borrowings		225,555	159,837
	SBP refinance borrowing		106,358	91,969
	Subordinated debts:			
	Mark-up on subordinated loan from GoPb		52,589	31,671
	Mark-up on privately placed term finance certificates		188,796	44,427
			<u>9,569,958</u>	<u>5,110,885</u>
<b>26</b>	<b>FEE AND COMMISSION INCOME</b>			
	Branch banking customer fees		161,760	170,379
	Consumer finance related fees		70,481	72,056
	Card related fees		115,901	89,855
	Credit related fees		78,637	134,187
	Branchless banking fees		14,566	401
	Commission on trade		141,705	101,255
	Commission on guarantees		44,699	66,338
	Commission on cash management		22,578	18,029
	Commission on remittances including home remittances		50,697	52,659
	Commission on bancassurance		32,002	30,127
	Commission on wheat financing		1,218	1,066
	SMS banking income		40,144	31,759
			<u>774,388</u>	<u>768,111</u>
<b>27</b>	<b>GAIN ON SECURITIES - NET</b>			
	Realized gain on sale of securities - net	27.1	18,269	26,363
	Unrealized loss - held for trading		(4,279)	(315)
			<u>13,990</u>	<u>26,048</u>
<b>27.1</b>	<b>Realized gain on sale of securities - net:</b>			
	Federal Government		5,533	(4,562)
	Shares / units		8,479	30,250
	Term finance certificates		4,257	675
			<u>18,269</u>	<u>26,363</u>
<b>28</b>	<b>OTHER INCOME - NET</b>			
	Rent on property		702	-
	Gain / (loss) on sale of fixed assets - net		2,586	(4,116)
	Compensation on tax refund		-	35,038
	Notice pay on resignations		2,766	3,408
	Others			4,284
			<u>6,054</u>	<u>38,614</u>



## 29 OPERATING EXPENSES

		(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
	Note	Rupees in '000'	
<b>Total compensation expense</b>		<b>1,863,006</b>	<b>1,399,155</b>
<b>Property expense:</b>			
Rent and taxes		281,452	228,071
Insurance		4,691	3,692
Utilities cost		92,374	72,581
Security		401	918
Repair and maintenance including janitorial charges		4,935	4,046
Depreciation		131,588	113,297
Others		1,522	-
		<b>516,963</b>	<b>422,605</b>
<b>Information technology expenses:</b>			
Software maintenance		74,486	32,034
Hardware maintenance		9,987	14,008
Depreciation		56,910	29,367
Amortization		42,296	8,250
Network charges		72,525	51,508
		<b>256,204</b>	<b>135,167</b>
<b>Other operating expenses:</b>			
Directors' fees and allowances		3,325	550
Fees and allowances to shariah board		1,085	555
Legal and professional charges		25,105	25,710
Subscription charges		9,171	6,686
Outsourced staff services costs		60,122	67,602
Travelling and conveyance		118,621	101,746
NIFT clearing charges		13,125	12,766
Depreciation		67,962	82,297
Depreciation on non banking assets		18,539	19,344
Depreciation on ijarah assets		82,831	107,520
Training and development		3,807	4,232
Postage and courier charges		31,553	18,354
Stationery and printing		46,837	36,743
Marketing, advertisement and publicity		18,463	26,257
Donations	29.1	1,000	-
Auditors remuneration		267	277
Insurance		29,111	26,360
Deposit protection fee		84,344	-
Repair and maintenance		31,266	31,018
Entertainment expenses		35,363	35,388
Fuel for generator		23,689	17,695
Commission and brokerage		34,642	30,804
Bank charges		12,336	17,762
SMS banking charges		4,664	6,770
ATM charges including ATM maintenance charges		35,905	18,355
Cash remittance charges		47,452	51,483
Branch license fee		12,453	11,964
CNIC verification / ECIB charges		6,239	5,759
Warehouse and storage charges		527	388
Share registrar and share enlistment fee		588	608
Miscellaneous expenses		36,424	32,698
		<b>896,816</b>	<b>797,691</b>
		<b>3,532,989</b>	<b>2,754,618</b>

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

**THE BANK OF PUNJAB AND ITS SUBSIDIARIES**

		(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
	Note	Rupees in '000'	
<b>30 OTHER CHARGES</b>		<b>1,021</b>	<b>-</b>
Penalties imposed by SBP			
<b>31 PROVISIONS AND WRITE OFFS - NET</b>			
Provisions for diminution in value of investments	10.3.1	<b>25,434</b>	<b>-</b>
Provisions / (reversal) against advances	11.3	<b>205,135</b>	<b>(178,765)</b>
Provision against other assets - net	15.1	<b>15,424</b>	<b>22,227</b>
		<b>245,993</b>	<b>(156,538)</b>
<b>32 TAXATION</b>			
Current	32.1	<b>1,109,798</b>	<b>822,220</b>
Prior years	32.2	<b>250,348</b>	<b>-</b>
Deferred		<b>249,072</b>	<b>246,646</b>
		<b>1,609,218</b>	<b>1,068,866</b>

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

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

**33 BASIC EARNINGS PER SHARE**

Profit after tax for the period (Rs in '000')	<b>1,969,130</b>	<b>1,942,695</b>
Weighted average number of ordinary shares (No.).	<b>2,643,692,380</b>	<b>2,643,692,380</b>
Basic earnings per share (Rs).	<b>0.74</b>	<b>0.73</b>

**34 DILUTED EARNINGS PER SHARE**

There is no dilution effect on basic earnings per share.

**35 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

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

## 36 SEGMENT INFORMATION

## 36.1 Segment details with respect to business activities

	(Un-audited)						
	March 31, 2019						
	Wholesale	Retail	Consumer & agri	Treasury	Islamic	Others	Total
	Rupees in '000'						
<b>Profit &amp; loss</b>							
Net mark-up / return / profit	8,149,663	196,677	1,181,741	5,552,600	972,798	54,883	16,108,362
Inter segment revenue - net	(7,110,448)	11,639,158	(724,340)	(4,846,154)	(4,904)	1,046,688	-
Non mark-up / return / interest income	297,120	143,286	40,843	290,600	20,401	27,697	819,947
Total income	1,336,335	11,979,121	498,244	997,046	988,295	1,129,268	16,928,309
Segment direct expenses	800,024	10,516,238	141,266	500,572	738,436	407,432	13,103,968
Inter segment expense allocation	-	-	-	-	-	-	-
Total expenses	800,024	10,516,238	141,266	500,572	738,436	407,432	13,103,968
Provisions	13,718	154,358	44,922	27,132	(1,592)	7,455	245,993
Profit / (loss) before tax	522,593	1,308,525	312,056	469,342	251,451	714,381	3,578,348
<b>Balance sheet</b>							
Cash & bank balances	6,079,211	15,102,028	-	23,630,682	2,872,580	-	47,684,501
Investments - net	2,989,361	14,892	-	191,807,383	8,940,296	-	203,751,932
Net inter segment lending	1,528,871	507,851,692	-	-	-	62,549,673	571,930,236
Lendings to financial institutions	-	-	-	14,027,415	5,906,958	-	19,934,373
Advances - performing	304,094,595	11,422,642	39,990,304	-	21,633,160	2,983,901	380,124,602
- non-performing - net	4,208,468	376,174	260,833	-	74,304	12,201	4,931,980
Others	14,785,118	1,197,725	1,297,901	1,649,461	2,250,186	26,820,354	48,000,745
<b>Total assets</b>	<b>333,685,624</b>	<b>535,965,153</b>	<b>41,549,038</b>	<b>231,114,941</b>	<b>41,677,484</b>	<b>92,366,129</b>	<b>1,276,358,369</b>
Borrowings	20,761,742	90,249	-	9,035,647	-	-	29,887,638
Subordinated debts	-	-	-	-	-	8,797,140	8,797,140
Deposits & other accounts	26,951,705	528,318,080	1,060,659	10,109	36,623,166	78,266	593,041,985
Net inter segment borrowing	313,561,005	2,468,442	29,264,792	221,852,734	850,480	3,932,783	571,930,236
Others	9,680,037	9,508,202	12,025,411	213,300	1,535,018	1,892,902	34,854,870
<b>Total liabilities</b>	<b>370,954,489</b>	<b>540,384,973</b>	<b>42,350,862</b>	<b>231,111,790</b>	<b>39,008,664</b>	<b>14,701,091</b>	<b>1,238,511,869</b>
Equity	(37,268,865)	(4,419,820)	(801,824)	3,151	2,668,820	77,665,038	37,846,500
<b>Total equity &amp; liabilities</b>	<b>333,685,624</b>	<b>535,965,153</b>	<b>41,549,038</b>	<b>231,114,941</b>	<b>41,677,484</b>	<b>92,366,129</b>	<b>1,276,358,369</b>
	-	-	-	-	-	-	-
<b>Contingencies &amp; commitments</b>	<b>101,263,864</b>	<b>23,359,539</b>	<b>-</b>	<b>31,136,281</b>	<b>3,372,614</b>	<b>320,886</b>	<b>159,453,184</b>



THE BANK OF PUNJAB AND ITS SUBSIDIARIES

(Un-audited)

March 31, 2018

	Wholesale	Retail	Consumer & Agri	Treasury	Islamic	Others	Total
	Rupees in '000'						
<b>Profit &amp; loss</b>							
Net mark-up / return / profit	4,439,994	37,082	927,023	3,643,709	627,782	124,174	9,799,764
Inter segment revenue - net	(3,744,926)	7,518,406	(461,174)	(3,104,926)	(20,319)	(187,061)	-
Non mark-up / return / interest income	328,649	204,734	52,719	227,744	16,280	90,636	920,762
Total income	1,023,717	7,760,222	518,568	766,527	623,743	27,749	10,720,526
Segment direct expenses	559,977	6,555,399	98,509	257,850	517,716	(123,948)	7,865,503
Inter segment expense allocation	-	-	-	-	-	-	-
Total expenses	559,977	6,555,399	98,509	257,850	517,716	(123,948)	7,865,503
Provisions	147,135	(239,162)	(92,102)	-	-	27,591	(156,538)
Profit / (loss) before tax	316,605	1,443,985	512,161	508,677	106,027	124,106	3,011,561

(Audited)

December 31, 2018

**Balance sheet**

Cash & bank balances	7,362,336	22,778,391	-	14,890,671	4,396,174	-	49,427,572
Investments - net	1,299,368	-	-	199,154,100	9,599,160	-	210,052,628
Net inter segment lending	-	498,991,218	-	-	-	49,898,663	548,889,881
Lendings to financial institutions	-	-	-	22,093,153	5,350,000	-	27,443,153
Advances - performing	302,276,330	11,840,351	39,641,148	-	19,922,874	2,412,499	376,093,202
- non-performing	5,161,190	291,565	199,217	256,617	72,752	35,220	6,016,561
Others	11,302,445	1,793,055	1,398,214	987,735	2,039,876	28,161,972	45,683,297
<b>Total assets</b>	<b>327,401,669</b>	<b>535,694,580</b>	<b>41,238,579</b>	<b>237,382,276</b>	<b>41,380,836</b>	<b>80,508,354</b>	<b>1,263,606,294</b>
Borrowings	20,624,727	105,248	-	21,071,265	-	-	41,801,240
Subordinated debts	-	-	-	-	-	8,797,140	8,797,140
Deposits & other accounts	29,780,664	528,081,227	1,062,397	10,109	36,501,111	126,455	595,561,963
Net inter segment borrowing	305,080,375	-	28,190,518	214,631,140	987,848	-	548,889,881
Others	7,772,375	8,671,896	11,665,892	97,392	1,500,040	972,731	30,680,326
<b>Total liabilities</b>	<b>363,258,141</b>	<b>536,858,371</b>	<b>40,918,807</b>	<b>235,809,906</b>	<b>38,988,999</b>	<b>9,896,326</b>	<b>1,225,730,550</b>
Equity	(35,856,472)	(1,163,791)	319,772	1,572,370	2,391,837	70,612,028	37,875,744
<b>Total equity &amp; liabilities</b>	<b>327,401,669</b>	<b>535,694,580</b>	<b>41,238,579</b>	<b>237,382,276</b>	<b>41,380,836</b>	<b>80,508,354</b>	<b>1,263,606,294</b>
Contingencies & commitments	108,446,058	10,482,058	-	22,172,986	3,096,732	1,683,210	145,881,044

## 37 RELATED PARTY TRANSACTIONS

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

	(Un-audited) March 31, 2019			(Audited) December 31, 2018		
	Key management personnel	Employee Funds	Other related parties	Key management personnel	Employee Funds	Other related parties
	Rs. in '000'					
<b>Advances :</b>						
Opening balance	210,446	-	-	189,636	-	-
Addition during the period	72,151	-	-	98,028	-	-
Repaid during the period	48,561	-	-	77,218	-	-
Closing balance	234,036	-	-	210,446	-	-
Provision held against advances	-	-	-	-	-	-
<b>Advance rent :</b>	-	-	63,759	-	-	67,317
<b>Deposits and other accounts :</b>						
Opening balance	38,172	2,398,389	7,753	24,423	2,770,528	2,396
Received during the period	119,187	208,406	28,221	561,535	791,508	156,480
Withdrawn during the period	109,459	73,089	15,932	547,786	1,163,647	151,123
Closing balance	47,900	2,533,706	20,042	38,172	2,398,389	7,753
	March 31, 2019 (Un-audited)			March 31, 2018 (Un-audited)		
	Rupees in '000'					
<b>Income :</b>						
Mark-up / return / interest earned	2,216	-	-	2,581	-	-
Net gain on sale of fixed assets	-	-	-	-	-	6,505
<b>Expense :</b>						
Mark-up / return / interest paid	694	58,090	375	401	39,413	100
Compensation expense	76,331	-	-	67,499	-	-
Commission expense	-	-	-	-	-	-

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

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

As at Statement of Financial Position date the loans and advances, deposits and contingencies relating to GoPb and its related entities amounted to Rs. 48,003,041 thousand (December 31, 2018: Rs. 55,256,269 thousand), Rs. 312,227,748 thousand (December 31, 2018: Rs. 306,110,933 thousand) and Rs. 31,675,895 thousand (December 31, 2018: Rs. 30,682,028 thousand) respectively. Further, during the period, the Bank has incurred markup expense of Rs. 52,589 thousand (March 31, 2018: Rs. 31,671 thousand) on subordinated debt of Rs. 2,000,000 thousand received from GoPb in year 2014.

37.3 The Bank made contribution of Rs. 41,737 thousand (March 31, 2018: Rs. 36,420 thousand) to employees provident fund during the period.

37.4 Advances to employees as at March 31, 2019, other than key management personnel, amounted to Rs. 4,633,944 thousand (December 31, 2018: Rs. 3,914,070 thousand).

38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Rupees in '000'	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	28,388,806	28,388,806
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	28,886,916	28,672,062
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	28,886,916	28,672,062
Eligible Tier 2 Capital	9,717,457	9,616,982
Total Eligible Capital (Tier 1 + Tier 2)	38,604,373	38,289,044
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	253,811,972	255,838,950
Market Risk	3,008,671	2,364,970
Operational Risk	36,075,151	36,075,150
Total	292,895,794	294,279,070
Common Equity Tier 1 Capital Adequacy ratio	9.86%	9.74%
Tier 1 CAR (%)	9.86%	9.74%
Total CAR (%)	13.18%	13.01%
<b>38.1 Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	28,886,916	28,672,062
Total Exposures	855,665,546	852,478,531
LR (%)	3.38%	3.36%
<b>38.2 Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	242,566,990	272,221,864
Total Net Cash Outflow	200,439,461	203,539,146
LCR (%)	121.02%	133.74%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	421,733,955	417,010,019
Total Required Stable Funding	389,569,473	371,740,462
NSFR (%)	108.26%	112.18%



## 39 ISLAMIC BANKING BUSINESS

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

**STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2019**

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
	Note	Rupees in '000'	
<b>ASSETS</b>			
Cash and balances with treasury banks		2,609,284	2,753,286
Balances with other banks		263,296	1,642,888
Due from financial institutions	39.1	5,906,958	5,350,000
Investments - net	39.2	8,940,296	9,599,160
Islamic financing and related assets - net	39.3	21,707,464	19,995,626
Fixed assets		312,688	309,063
Other assets		1,937,498	1,730,813
<b>Total assets</b>		<b>41,677,484</b>	<b>41,380,836</b>
<b>LIABILITIES</b>			
Bills payable		235,921	209,762
Due to financial institutions		-	-
Deposits and other accounts	39.4	36,623,166	36,501,111
Due to head office		650,857	187,187
Subordinated debt		-	-
Other liabilities		1,498,720	2,085,897
		<b>39,008,664</b>	<b>38,983,957</b>
<b>NET ASSETS</b>		<b>2,668,820</b>	<b>2,396,879</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		1,500,000	1,500,000
Reserves		11,616	7,313
Surplus on revaluation of assets		36,558	20,372
Unappropriated profit	39.5	1,120,646	869,194
		<b>2,668,820</b>	<b>2,396,879</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	39.6		

ISLAMIC BANKING BUSINESS

PROFIT AND LOSS ACCOUNT

FOR THE THREE MONTHS ENDED MARCH 31, 2019 (UN-AUDITED)

		March 31, 2019	March 31, 2018
	Note	Rupees in '000'	
Profit / return earned	39.7	972,798	627,783
Profit / return expensed	39.8	397,222	244,614
Net Profit / return		575,576	383,169
Fee and commission income		19,381	16,331
Dividend income		-	-
Foreign exchange income		86	(89)
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		(634)	-
Other income		1,568	37
		20,401	16,279
Total income		595,977	399,448
Other expenses			
Operating expenses		345,432	293,425
Workers welfare fund		-	-
Other charges		685	-
		346,117	293,425
Profit before provisions		249,860	106,023
(Reversal) / Provisions against advances - net		(1,592)	-
Profit before taxation		251,452	106,023

## 39.1 DUE FROM FINANCIAL INSTITUTIONS

	March 31, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
			Rupees in '000'			
Placements	5,395,000	-	5,395,000	5,350,000	-	5,350,000
Bai muajjal receivable from SBP	511,958	-	511,958	-	-	-
	5,906,958	-	5,906,958	5,350,000	-	5,350,000

## 39.2 INVESTMENTS - NET

## Investments by segment

## Federal government securities:

-Ijarah sukus

-Sale of sukuk- bai muajjal

## Non government debt securities

-Unlisted

Total investments

	March 31, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Cost/ Amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost /amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
				Rupees in '000'				
	1,500,000	-	(15,900)	1,484,100	2,623,602	-	(32,086)	2,591,516
	2,756,196	-	-	2,756,196	2,756,196	-	-	2,756,196
	4,256,196	-	(15,900)	4,240,296	5,379,798	-	(32,086)	5,347,712
	4,700,000	-	-	4,700,000	4,251,448	-	-	4,251,448
	8,956,196	-	(15,900)	8,940,296	9,631,246	-	(32,086)	9,599,160

## 39.3 ISLAMIC FINANCING AND RELATED ASSETS

Ijarah

Murabaha

Musharaka

Diminishing musharaka

Payment against documents

Istisna

Gross islamic financing and related assets

Less: provision against islamic financings

- Specific

- General

Islamic financing and related assets - net of provision

	(Un-audited)		(Audited)
	March 31, 2019	December 31, 2018	
	Rupees in '000'		
	674,091	552,920	
	1,032,011	1,004,602	
	9,264,626	8,340,625	
	7,235,170	7,630,222	
	220,642	-	
	3,498,460	2,686,385	
	21,925,000	20,214,754	
	217,536	219,128	
	-	-	
	217,536	219,128	
	21,707,464	19,995,626	



## 39.4 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2019 (Un-audited)		December 31, 2018 (Audited)	
	In local currency	In foreign currencies	Total	In local currency
	Rupees in '000'			
<b>Customers :</b>				
Current deposits	8,599,215	185,233	8,784,448	8,829,253
Savings deposits	26,846,912	51,345	26,898,257	26,557,886
Term deposits	793,945	-	793,945	771,556
	36,240,072	236,578	36,476,650	36,158,695
<b>Financial institutions :</b>				
Current deposits	71,295	-	71,295	100,024
Savings deposits	75,221	-	75,221	115,310
	146,516	-	146,516	215,334
	36,386,588	236,578	36,623,166	36,374,029

(Un-audited)	(Audited)
March 31, 2019	December 31, 2018
Rupees in '000'	

## 39.5 UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS

Opening balance  
Islamic banking profit for the period  
Closing balance

869,194	420,873
251,452	448,321
1,120,646	869,194

## 39.6 CONTINGENCIES AND COMMITMENTS

-Guarantees  
-Commitments

1,423,900	1,420,734
1,948,715	2,981,746
3,372,615	4,402,480

## 39.7 PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT

Profit earned on:  
Financing  
Investments  
Placements  
Deposits with financial institutions

(Un-audited)	(Un-audited)
March 31, 2019	March 31, 2018
Rupees in '000'	

606,847	331,396
251,660	119,712
105,698	176,623
8,593	52
972,798	627,783

## 39.8 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED

Deposits and other accounts  
Profit on deposits from conventional head office

392,318	224,296
4,904	20,318
397,222	244,614

39.9	There has been no material change in the existing islamic pools. Further, no new pool has been established in islamic banking operations of the Bank during the three months ended March 31, 2019.			
40	<b>DATE OF AUTHORIZATION FOR ISSUE</b>			
	These consolidated condensed interim financial statements were authorized for issue on May 29, 2019 by the Board of Directors of the Bank.			
41	<b>GENERAL</b>			
41.1	Figures have been rounded off to the nearest thousand rupees.			
41.2	Under BPRD circular letter No. 05 of 2019 dated March 22, 2019 comparative information has been reclassified, rearranged in these consolidated condensed interim financial statements. However, no significant reclassifications have been made.			

Chief Financial Officer

Chairman

Director

Director





*Passion Reborn*

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