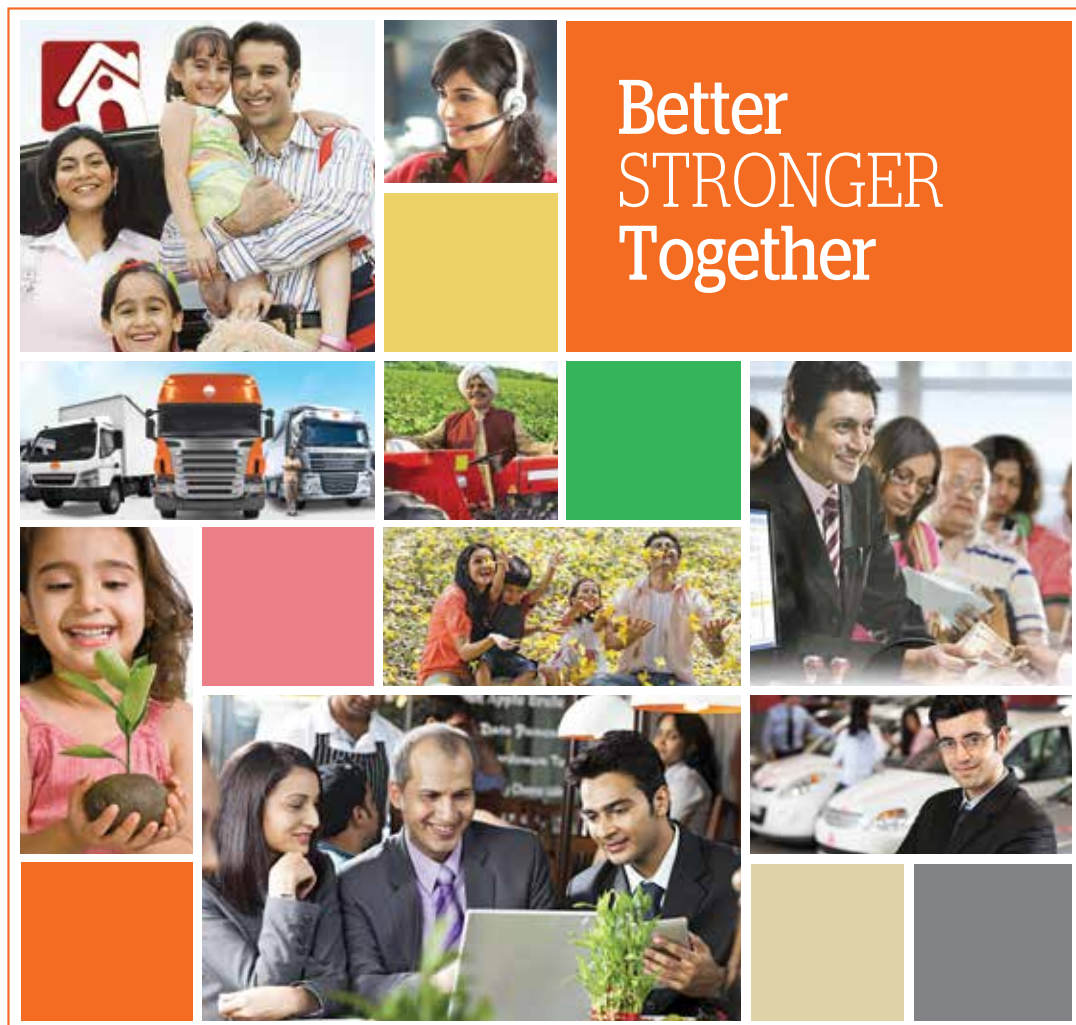


QUARTERLY REPORT
(Un-audited)
JANUARY - SEPTEMBER 2017



Passion Reborn

CONTENTS

Corporate Information	2
Directors' Review	3
Unconsolidated Condensed Interim Financial Information of The Bank of Punjab	5
Consolidated Condensed Interim Financial Information of The Bank of Punjab and its subsidiary Punjab Modaraba Services (Pvt) Ltd.	27

Corporate Information

Board of Directors

Dr. Pervez Tahir	Chairman
Mr. Naeemuddin Khan	President / CEO
Mr. Mohammad Jehanzeb Khan	Director
Mr. Hamed Yaqoob Sheikh	Director
Khawaja Farooq Saeed	Director
Mr. Saeed Anwar	Director
Dr. Umar Saif	Director
Syed Maratib Ali	Director
Mr. Mohammed Afzaal Bhatti	Director
Dr. Muhammad Amjad Saqib	Director
Mr. Raza Saeed	Secretary to the Board

Central Audit Committee (CAC)

Khawaja Farooq Saeed	Chairman
Mr. Mohammed Afzaal Bhatti	Member
Mr. Saeed Anwar	Member

Board Risk Management Committee (BRMC)

Syed Maratib Ali	Chairman
Mr. Saeed Anwar	Member

Human Resource & Remuneration Committee (HR&RC)

Mr. Mohammad Jehanzeb Khan	Chairman
Syed Maratib Ali	Member
Mr. Mohammed Afzaal Bhatti	Member
Mr. Naeemuddin Khan	Ex-officio Member

Auditors

EY Ford Rhodes, Chartered Accountants

Registered Office

BOP Tower, 10-B, Block-E-II,
Main Boulevard, Gulberg-III, Lahore.
Telephones: +92 - 042-35783700-10
Fax No. +92 - 042 - 35783975
UAN: 111-200-100

Website

www.bop.com.pk

Registrar

M/s. Corplink (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.
Telephones: +92 42 35916714, 35916719, 35839182
Fax No. +92 042 35869037

Directors' Review

Quarterly Financial Statements – September 30, 2017

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 nine months period ended September 30, 2017.

As per recently issued Monetary Policy Statement of SBP, credit to private sector recorded year-on-year growth of 21.1% on 15th September 2017 as compared to 7.7% on 16th September 2016, reflecting an increase of Rs. 892 billion during the year. Led by historic low interest rates on the one hand and growing construction activity and consumer durables on the other, demand for credit picked up. At the same time, healthy deposit growth has improved supply of loanable funds with the banking sector and market rates remained stable. Accordingly, the Policy Rate has been maintained at 5.75% by SBP.

Going forward, there are anticipations of gain in exports on account of favorable global economic conditions, improvement in domestic energy supplies, and incentives given to exporting industry. Signs of improvement are visible in the exports growth of the first quarter of FY18. However, imports are also expected to rise due to ongoing CPEC related investments and domestic economic activities. This will accelerate economic growth. External account is likely to improve as a result of regulatory duties imposed on luxury imports and non-tariff barriers to food items. Foreign exchange reserve improvement depends on timely realization of official financial inflows along with thoughtful adoption of structural reforms for trade competitiveness in the medium term.

Financial Highlights:

Rs. in Million

Profit before taxation	5,283.3
Taxation	2,122.7
Profit after taxation	3,160.6
Earnings per share (Rupees)	1.70

During Jan-Sep 2017, Bank's Net Interest Margin significantly improved to Rs. 11,026 million as against Rs. 8,905 million for corresponding period last year. Non Mark-up/Interest Income and Non Mark-up/Interest Expenses remained at Rs. 3,744 million and Rs. 7,497 million, respectively. Accordingly, the Bank was able to post a pre-tax profit of Rs. 5,283 million and the Earnings per Share remained at Rs. 1.70.

As on September 30, 2017, the Deposits increased to Rs. 505.2 billion as against Rs. 453.2 billion as of December 31, 2016, while Total Assets increased to Rs. 614.4 billion as against Rs. 545.2 billion as on December 31, 2016. Investments and Gross Advances stood at Rs. 228.3 billion and Rs. 333.1 billion, respectively. The Tier-I Equity also improved to Rs. 33.4 billion as against Rs. 24.2 billion as on December 31, 2016.

In order to support the business growth and to further strengthen capital structure of the Bank for complying with Basel-III Capital Requirements, the Board of Directors approved issue of 70% right shares in March 2017, which has been successfully completed in 3rd quarter 2017.

The Bank has been assigned long term entity rating of "AA" by M/s PACRA with short term rating being at the highest rank of "A1+". Further, the Bank now has a nationwide network of 465 online branches, including 4 sub-branches, and the Bank has planned to further expand its outreach during the year with a branch network of 542 Branches as on December 31, 2017.

The arrangements regarding the relaxations granted by the State Bank of Pakistan from provisioning against certain advances and capital regulatory requirements, based on the LOCs issued by the Government of the Punjab, have been fully explained in Note 1.2 to the Condensed Interim Financial Statements.

I am thankful to our valued clients and shareholders for their continuous support and confidence and assure that the Bank would continue its efforts to accelerate the current growth trends. I wish to extend my gratitude to the Government of the Punjab and the State Bank of Pakistan for their constant support and guidance. I also appreciate the valuable contribution of the Bank's management and staff in strengthening the financial position of the Bank.

For and on behalf of the Board

Dr. Pervez Tahir
Chairman

دی بینک آف پنجاب نو ماہی مالیاتی حسابات 30 ستمبر 2017ء:

یہ بات میرے لیے باعث مسرت ہے کہ میں دی بینک آف پنجاب کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2017ء کو اختتام پذیر ہونے والی نو ماہی کے غیر آڈٹ شدہ حسابات پیش کر رہا ہوں۔

سٹیٹ بینک آف پاکستان کے حالیہ زری پالیسی بیان کے مطابق نجی شعبے کو قرض میں سال بسال نمبر 15 ستمبر 2017ء کو 21.1 فیصد تک پہنچ گئی ہے جبکہ 16 ستمبر 2016ء کو 7.7 فیصد تھی جس سے سال کے دوران 1892 ارب روپے کے اضافے کی عکاسی ہوتی ہے۔ قرضے کی طلب میں اضافے کی بڑی وجہ ایک طرف تاریخی پست شرح سود اور دوسری طرف بڑھتی ہوئی تعمیراتی سرگرمیاں اور صارفین پائیدار اشیاء تھیں۔ ساتھ ہی امانتوں کی بھرپور نمونے بینکاری شعبے میں قابل قرض رقم کی فراہمی کو بہتر بنا دیا ہے اور مارکیٹ کی شرحیں مستحکم ہیں۔ لہذا سٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 5.75 فیصد پر برقرار رکھا ہے۔

آگے چل کر سازگار معاشی حالات، ملک میں توانائی کی فراہمی میں بہتری اور برآمدی صنعت کو دی گئی ترغیبات کی بنا پر برآمدات میں اضافہ ہونے کی توقعات ہیں۔ مالی سال 2018ء کی پہلی سہ ماہی کے دوران برآمدات میں واضح بہتری دیکھی گئی ہے۔ تاہم سی پیک سے متعلق جاری سرمایہ کاریوں اور ملک میں معاشی سرگرمیوں کی وجہ سے درآمدات کے بھی بڑھنے کی توقع ہے جس سے معاشی ترقی کی رفتار میں اضافہ ہوگا۔ اشیائے تقیش پر لاگو کی جانے والی ریگولیٹری ڈیویٹیز اور کھانے پینے کی اشیاء پر لگائے جانے والی نان ٹیرف پابندیوں کی وجہ سے بیرونی کھاتے میں بہتری کی توقع ہے۔ زرمبادلہ کے ذخائر میں بہتری کا انحصار سرکاری رقم کی بروقت آمد نیز وسط مدت میں تجارتی مسابقت کو بہتر بنانے کے لیے ساتھی تبدیلیوں کو سوچ سمجھ کر اختیار کرنے پر ہے۔

مالیاتی نتائج	روپیہ ملین میں
قبل از ٹیکس منافع	5,283.3
ٹیکس	2,122.7
بعد از ٹیکس منافع	3,160.6
فی حصص منافع (روپیہ)	1.70

سال 2017ء کے پہلے نو ماہ کے دوران بینک کا نیٹ انٹرسٹ مارجن 11,026 ملین روپے کی سطح پر پہنچ گیا جو کہ پچھلے سال اسی مدت کے دوران 8,905 ملین روپے تھا۔ جبکہ نان مارک اپ/ انٹرسٹ انکم اور نان مارک اپ/ انٹرسٹ اخراجات بالترتیب 3,744 ملین روپے اور 7,497 ملین روپے رہے۔ لہذا بینک نے 5,283 ملین روپے کا قبل از ٹیکس منافع کمایا اور بینک کی فی حصص آمدنی 1.70 روپیہ رہی۔

30 ستمبر 2017ء کو بینک کے ڈیپازٹ 505.2 ارب روپے کی سطح پر پہنچ گئے جو کہ 31 دسمبر 2016ء کو 453.2 ارب روپے کی سطح پر تھے۔ اسی طرح بینک کے اثاثہ جات 614.4 ارب روپے کی سطح پر پہنچ گئے جو کہ 31 دسمبر 2016ء کو 545.2 ارب روپے کی سطح پر تھے۔ بینک کی سرمایہ کاری اور قرضہ جات بالترتیب 228.3 ارب روپے اور 333.1 ارب روپے کی سطح پر رہے۔ بینک کی ٹیئرن اکائیوں 33.4 ارب روپے کی سطح پر پہنچ گئی جو کہ 31 دسمبر 2016ء کو 24.2 ارب روپے کی سطح پر تھی۔

بینک کے کاروباری حجم میں اضافہ اور ہیڈ-III کے تحت کمپنیل کی ضروریات کے مطابق اکیویٹی میں مضبوطی کو مدنظر رکھتے ہوئے مارچ 2017ء میں بینک کے بورڈ آف ڈائریکٹرز نے 70 فیصد رانیٹ شیئرز کے اجراء کی منظوری دی جو کہ سال 2017ء کی تیسری سہ ماہی میں کامیابی سے تکمیل کو پہنچ چکا ہے۔

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۔ علاوہ ازیں بینک کی مجموعی شاخوں کی تعداد 465 ہو گئی ہے اور رواں سال بینک کی مزید شاخیں کھولی جائیں گی جس کے بعد 31 دسمبر 2017ء کو بینک کا برانچ نیٹ ورک 542 برانچوں تک پہنچ جائے گا۔

اسٹیٹ بینک آف پاکستان کی طرف سے حکومت پنجاب کے جاری کردہ لیٹرز آف کمفرٹ کی بنیاد پر چند غیر فعال قرضہ جات کی پروڈن پر دی جانے والی رعایت مالیاتی حسابات کے نوٹ نمبر 1.2 میں مکمل طور پر بیان کر دی گئی ہے۔

اپنے معزز صارفین اور حصص داران کے تعاون اور اعتماد کا شکریہ ادا کرتے ہوئے میں اس بات کا یقین دلاتا ہوں کہ بینک کی انتظامیہ ترقی کی موجودہ رفتار کو مزید تیز کرنے کے لیے اپنی کاوشیں جاری رکھے گی۔ میں حکومت پنجاب اور اسٹیٹ بینک آف پاکستان کے مسلسل تعاون اور معاونت کا تہدول سے شکر گزار ہوں۔ میں بینک کی انتظامیہ اور تمام ملازمین کی انتخ مبحث کا معترف ہوں جس کی وجہ سے بینک نے قابل ذکر کارکردگی کا مظاہرہ کیا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈاکٹر پرویز طاہر
چیئرمین



**Unconsolidated Condensed Interim
Financial Information**
for the period ended September 30, 2017

Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2017

	Note	(Un-audited) September 30, 2017 Rupees in '000'	(Audited) December 31, 2016
ASSETS			
Cash and balances with treasury banks		33,453,616	35,756,024
Balances with other banks		5,805,268	3,765,867
Lendings to financial institutions	6	14,080,577	11,562,133
Investments - net	7	228,285,769	199,741,990
Advances - net	8	299,339,280	262,067,924
Operating fixed assets	9	7,926,101	7,692,675
Deferred tax assets - net	10	6,872,523	6,480,256
Other assets - net		18,673,115	18,147,262
		614,436,249	545,214,131
LIABILITIES			
Bills payable		3,573,844	4,183,480
Borrowings from financial institutions	11	48,199,981	39,829,134
Deposits and other accounts	12	505,203,575	453,219,740
Sub-ordinated loans		4,499,500	4,500,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		-	-
Other liabilities		16,913,264	15,627,279
		578,390,164	517,359,633
NET ASSETS		36,046,085	27,854,498
REPRESENTED BY			
Share capital	13	26,436,924	15,551,132
Share deposit money	14	-	7,000,000
Discount on issue of shares		(263,158)	(263,158)
Reserves		3,477,831	1,300,673
Unappropriated profit		3,705,776	658,938
		33,357,373	24,247,585
Surplus on revaluation of assets - net of tax	15	2,688,712	3,606,913
		36,046,085	27,854,498
Contingencies and commitments	16		

The annexed notes from 1 to 21 and Annexure - I form an integral part of this unconsolidated condensed interim financial information.

President

Director

Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For the Nine Months Ended September 30, 2017

	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
	Rupees in '000'			
Mark-up / return / interest earned	8,745,484	24,747,659	7,328,050	21,930,613
Mark-up / return / interest expensed	4,879,530	13,721,468	4,371,674	13,025,201
Net mark-up / return / interest income	3,865,954	11,026,191	2,956,376	8,905,412
Provision / (Reversal of provision) against non-performing advances - net	492,186	1,944,629	(252,609)	883,713
Provision for diminution in the value of investments - net	47,388	45,853	-	97,987
Bad debts written off directly	-	-	-	-
	539,574	1,990,482	(252,609)	981,700
Net mark-up / return / interest income after provisions	3,326,380	9,035,709	3,208,985	7,923,712
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	269,389	839,837	204,762	732,221
Dividend income	17,064	59,816	11,952	42,406
(Loss) / Income from dealing in foreign currencies	(3,201)	44,246	9,760	51,060
Gain on sale and redemption of securities - net	116,811	1,301,673	268,422	2,013,748
Unrealized gain / (loss) on revaluation of investments classified as held for trading	2,409	1,470	(11,050)	(11,668)
Other income	333,824	1,497,396	250,879	1,137,648
Total non-markup / interest income	736,296	3,744,438	734,725	3,965,415
	4,062,676	12,780,147	3,943,710	11,889,127
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	2,577,989	7,419,007	2,149,135	6,243,236
Provision / (Reversal of provision) against other assets	2,493	35,875	(593)	30,042
Reversal of provision against off balance sheet obligations	-	-	-	(453,394)
Other charges	-	42,003	3,855	33,386
Total non-markup / interest expenses	2,580,482	7,496,885	2,152,397	5,853,270
	1,482,194	5,283,262	1,791,313	6,035,857
Extra ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	1,482,194	5,283,262	1,791,313	6,035,857
Taxation - Current	436,034	1,812,691	344,252	712,172
- Prior years	-	264,576	-	-
- Deferred	74,984	45,456	283,476	1,393,183
	511,018	2,122,723	627,728	2,105,355
PROFIT AFTER TAXATION	971,176	3,160,539	1,163,585	3,930,502
Earnings per share - basic and diluted (Rupees) - Note 17	0.52	1.70	0.75	2.53

The annexed notes from 1 to 21 and Annexure - I form an integral part of this unconsolidated condensed interim financial information.

President

Director

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For the Nine Months Ended September 30, 2017

	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017 Rupees in '000'	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Profit after taxation for the period	971,176	3,160,539	1,163,585	3,930,502
Other comprehensive income not to be reclassified to profit and loss account in subsequent periods:				
Remeasurement adjustments on employee benefits - net of tax	-	-	-	-
Comprehensive income transferred to equity	971,176	3,160,539	1,163,585	3,930,502
Components of comprehensive income not reflected in equity:				
Items to be reclassified to profit and loss in subsequent periods:				
Surplus on revaluation of investments - net of tax	(207,711)	(804,987)	(310,004)	501,587
Total comprehensive income for the period	763,465	2,355,552	853,581	4,432,089

The annexed notes from 1 to 21 and Annexure - I form an integral part of this unconsolidated condensed interim financial information.

President

Director

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited) For the Nine Months Ended September 30, 2017

	Nine Months Ended September 30, September 30, 2017 2016 Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,283,262	6,035,857
Less: Dividend income	(59,816)	(42,406)
	5,223,446	5,993,451
Adjustments for:		
Depreciation on property and equipment	578,295	507,298
Depreciation on non banking assets acquired in satisfaction of claims	65,315	82,861
Depreciation on ijarah assets under IFAS - 2	237,274	53,332
Amortization on intangible assets	18,604	17,584
Amortization of premium on debt securities	637,018	513,157
Unrealized (gain) / loss on revaluation of investments classified as held for trading	(1,470)	11,668
Provision against non-performing loans and advances - net	1,944,629	883,713
Provision for diminution in the value of investments - net	45,853	97,987
Provision for employees compensated absences	20,150	7,003
Provision for gratuity	119,465	58,026
Provision against other assets	35,875	30,042
Reversal of provision against off balance sheet obligations	-	(453,394)
Net profit on sale of property and equipment	(19,758)	(17,295)
Net profit on sale of non-banking assets acquired in satisfaction of claims	(12,175)	-
Gain on sale and redemption of securities - net	(1,301,673)	(2,013,748)
	2,367,402	(221,766)
	7,590,848	5,771,685
(Increase) / Decrease in operating assets:		
Lendings to financial institutions	2,063,507	(2,311,980)
Net investments in held for trading securities	(6,018,612)	(22,012,764)
Advances - net	(39,453,259)	(23,046,578)
Other assets - net	(1,061,049)	6,570,285
	(44,469,413)	(40,801,037)
Increase / (Decrease) in operating liabilities:		
Bills payable	(609,636)	1,615,578
Borrowings from financial institutions	8,416,545	2,671,518
Deposits and other accounts	51,983,835	45,503,289
Other liabilities	1,146,370	530,109
	60,937,114	50,320,494
	24,058,549	15,291,142
Income tax paid	(1,902,359)	(826,065)
Net cash flow from operating activities	22,156,190	14,465,077

Nine Months Ended
September 30, 2017 September 30,
2016

Rupees in '000'

CASH FLOWS FROM INVESTING ACTIVITIES

Net investments in available for sale securities	(23,143,337)	(23,877,417)
Net investments in held to maturity securities	-	15,000,000
Dividend received	50,346	53,199
Investments in operating fixed assets	(927,576)	(563,293)
Sale proceeds of property and equipment disposed-off	117,000	22,397
Sale proceeds of non-banking assets disposed-off	280,750	-
Net cash used in investing activities	(23,622,817)	(9,365,114)

CASH FLOWS FROM FINANCING ACTIVITIES

Redemption of subordinated term finance certificates	(500)	-
Issue of right shares at premium during the period	6,062,950	-
Right share issue cost	(231,181)	-
Net cash flow from financing activities	5,831,269	-

Net increase in cash and cash equivalents

Cash and cash equivalents at beginning of the period	39,437,081	30,627,855
Cash and cash equivalents at end of the period	43,801,723	35,727,818

Cash and cash equivalents:

Cash and balances with treasury banks	33,453,616	30,796,480
Balances with other banks	5,805,268	4,931,537
Call money lendings	4,581,951	-
Overdrawn nostro accounts	(39,112)	(199)
	43,801,723	35,727,818

The annexed notes from 1 to 21 and Annexure - I form an integral part of this unconsolidated condensed interim financial information.

President

Director

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the Nine Months Ended September 30, 2017

	Share capital	Share deposit money	Discount on issue of shares	Statutory reserve	Share premium	Revenue Reserve	Total
	Rupees in '000'						
Balance as at January 1, 2016	15,551,132	7,000,000	(263,158)	2,291,119	37,882	(5,220,276)	19,396,699
Total comprehensive income for the nine months ended September 30, 2016	-	-	-	-	-	3,930,502	3,930,502
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated losses) - net of tax	-	-	-	-	-	40,979	40,979
Transfer to unappropriated profit / (accumulated losses)	-	-	-	(2,000,000)	-	2,000,000	-
Balance as at September 30, 2016	15,551,132	7,000,000	(263,158)	291,119	37,882	751,205	23,368,180
Total comprehensive income for the three months ended December 31, 2016	-	-	-	-	-	863,232	863,232
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated losses) - net of tax	-	-	-	-	-	13,660	13,660
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated losses) - net of tax	-	-	-	-	-	2,513	2,513
Transfer to statutory reserve	-	-	-	971,672	-	(971,672)	-
Balance as at December 31, 2016	15,551,132	7,000,000	(263,158)	1,262,791	37,882	658,938	24,247,595
Total comprehensive income for the nine months ended September 30, 2017	-	-	-	-	-	3,160,539	3,160,539
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	38,587	38,587
Transfer from surplus on revaluation of fixed assets to unappropriated profit on disposal	-	-	-	-	-	69,042	69,042
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	1,785	1,785
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	8,066	8,066
Issue of right shares at premium during the period	10,885,792	(7,000,000)	-	-	2,177,158	-	6,062,950
Right share issue cost	-	-	-	-	-	(231,181)	(231,181)
Balance as at September 30, 2017	26,436,924	-	(263,158)	1,262,791	2,215,040	3,705,776	33,357,373

The annexed notes from 1 to 21 and Annexure - I form an integral part of this unconsolidated condensed interim financial information.

President

Director

Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the Nine Months Ended September 30, 2017

1. STATUS AND NATURE OF BUSINESS

1.1 The Bank of Punjab (the Bank) was constituted pursuant to The Bank of Punjab Act, 1989 and was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. The Bank is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg III, Lahore. The Bank operates 465 branches including 04 sub branches and 53 Islamic banking branches (2016: 453 branches including 03 sub branches and 48 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir as 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).

1.2 As at September 30, 2017, paid-up capital, reserves (net of losses) including share deposit money, as allowed by SBP, of the Bank amounts to Rs. 33,357,373 thousand. The Capital Adequacy Ratio (CAR) also remained above the required level. As at the close of the period, net advances aggregating to Rs. 14,363,810 thousand (December 31, 2016: Rs. 17,529,757 thousand) requiring additional provision of Rs. 13,368,304 thousand (December 31, 2016: Rs. 16,505,482 thousand) there against have not been subjected to provisioning criteria as prescribed in SBP prudential regulations in view of the relaxation provided by SBP till December 31, 2017 vide letter No.OSED/Div-01/SEU-03/010(01)-2017/005967 dated March 09, 2017, on the basis of two Letters of Comfort (LOCs) issued by the GoPb as explained in below paragraph.

The GoPb being the majority shareholder, has issued two LOCs on behalf of the Bank, undertaking to inject necessary funds to make good the capital shortfall to the satisfaction of SBP up to a maximum amount of Rs. 3,580,000 thousand (net of tax @ 35%) and Rs. 10,570,000 thousand (net of tax @ 35%) within a period of 90 days after close of the year ending December 31, 2018 if the Bank fails to make provision of Rs. 21,770,000 thousand or if there is a shortfall in meeting the prevailing regulatory capital requirements as a result of the said provisioning. In addition, in terms of aforesaid LOCs, the GoPb being majority shareholder and sponsor of the Bank, has also extended its commitment to support and assist the Bank in ensuring that it remains compliant with the regulatory requirements at all times.

SBP vide above referred letter advised the Bank to record provisioning against exposures covered under LOCs in a staggered manner as follows:

- Staggering of provision at an aggregate rate of 25%, i.e. 12.5% by June 30, 2017 and additional 12.5% by December 31, 2017 against exposure covered under LOCs as of December 31, 2016. The condition of recording of provision of 12.5 % by June 30, 2017 has been complied with by the Bank along with proportionate charge required up till September 30, 2017.
- Going forward, exposure covered under LOCs at the beginning of 2018 would be subject to 25% provision staggering by June 30, 2018 and remaining balance by December 31, 2018.

On the basis of enduring support of GoPb and the arrangements as outlined above, the Board is of the view that the Bank would have adequate resources to continue its business on a sustainable basis in the foreseeable future.

2. STATEMENT OF COMPLIANCE

2.1 This unconsolidated condensed interim financial information has been prepared in accordance with the directives issued by the SBP, requirements of the Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 (repealed - note 2.1.1) and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the provisions of the Companies Ordinance, 1984 (repealed - note 2.1.1). Wherever the requirements of the directives issued by the SBP and Securities and Exchange Commission of Pakistan (SECP), the Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Ordinance, 1984 (repealed - note 2.1.1) differ with the requirements of these standards, the requirements of the said directives, the Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Ordinance, 1984 (repealed - note 2.1.1) take precedence.

- 2.1.1** The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. However, as allowed by the SECP vide its Circular No. 23 dated October 04, 2017 read with related press release, this unconsolidated condensed interim financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 2.2** 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 this unconsolidated condensed interim financial information.
- 2.3** This unconsolidated condensed interim financial information is separate interim financial information of the Bank in which the investment in subsidiary is stated at cost less provision for impairment (if any) and has not been accounted for on the basis of reported results and net assets of the investee.
- 2.4** The financial results of Islamic banking business have been consolidated in this unconsolidated condensed interim financial information for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic banking business are disclosed in Annexure-I to this unconsolidated condensed interim financial information.
- 2.5** The disclosures made in this unconsolidated condensed interim financial information have, however, been limited based on the format prescribed by the SBP vide BSD Circular letter No. 2 dated May 12, 2004, BSD Circular letter No. 7 dated April 20, 2010 and International Accounting Standard – 34 Interim Financial Reporting. They do not include all of the disclosures required for annual financial statements, and this unconsolidated condensed interim financial information should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2016. This unconsolidated condensed interim financial information is being submitted to the shareholders in accordance with the listing regulations of Pakistan Stock Exchange and Section 245 of the Companies Ordinance, 1984 (repealed).

3. BASIS OF MEASUREMENT

This unconsolidated condensed interim financial information has been prepared under the historical cost convention, except for revaluation of free hold land and buildings on free hold 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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The accounting policies, underlying estimates and judgments and methods of computation followed in the preparation of this unconsolidated condensed interim financial information are consistent with those applied in the preparation of annual financial statements of the Bank for the year ended December 31, 2016.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual financial statements of the Bank for the year ended December 31, 2016.

	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
		Rupees in '000'	
6. LENDINGS TO FINANCIAL INSTITUTIONS			
Sukuk Bai - Muajjal	6.1	767,000	-
Call money lending		4,581,951	-
Reverse repurchase agreement lendings	6.2	366,626	6,162,133
Placements		8,365,000	5,400,000
		14,080,577	11,562,133

6.1 This represent outright purchase of Government Ijarah Sukuks by SBP on deferred payment basis (Bai-Muajjal) at returns ranging from 5.65 % to 5.75% per annum (2016: Nil).

6.2 Securities held as collateral against lendings to financial institutions

	(Un-audited) September 30, 2017			(Audited) December 31, 2016		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
Rupees in '000'						
Market treasury bills	146,626	-	146,626	3,302,133	-	3,302,133
Pakistan investment bonds	220,000	-	220,000	2,860,000	-	2,860,000
	366,626	-	366,626	6,162,133	-	6,162,133

Market value of securities held as collateral as at September 30, 2017 amounted to Rs. 371,687 thousand (December 31, 2016: Rs. 6,225,139 thousand). These carry mark-up at the rate of 6.25% per annum (December 31, 2016: 5.90% to 6.25% per annum).

7. INVESTMENTS - NET

	(Un-audited) September 30, 2017			(Audited) December 31, 2016		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
Rupees in '000'						
Held for trading securities:	Note					
Market treasury bills	29,316,269	-	29,316,269	23,298,833	-	23,298,833
Available for sale securities:						
Market treasury bills	126,998,382	27,081,376	154,079,758	80,885,259	9,925,825	90,811,084
Pakistan investment bonds	28,783,533	4,000,472	32,784,005	59,242,027	15,979,961	75,221,988
Ordinary shares / certificates of listed companies and modarabas	1,779,182	-	1,779,182	1,305,364	-	1,305,364
Preference shares	401,739	-	401,739	401,739	-	401,739
Ordinary shares of unlisted company	25,000	-	25,000	25,000	-	25,000
Government of Pakistan ijarah sukuk	5,037,374	-	5,037,374	2,885,472	-	2,885,472
Listed term finance certificates	1,387,358	-	1,387,358	1,193,277	-	1,193,277
Unlisted term finance certificates / sukuks / commercial paper	6,105,166	-	6,105,166	5,954,475	-	5,954,475
	170,517,734	31,081,848	201,599,582	151,892,613	25,905,786	177,798,399
Held to maturity securities:						
Pakistan investment bonds	252,582	-	252,582	253,867	-	253,867
WAPDA bonds	400	-	400	400	-	400
	252,982	-	252,982	254,267	-	254,267
Subsidiary:						
Punjab modaraba services (private) limited	164,945	-	164,945	164,945	-	164,945
Total investments at cost	200,251,930	31,081,848	231,333,778	175,610,658	25,905,786	201,516,444
Provision for diminution in the value of investments - net	(3,105,842)	-	(3,105,842)	(3,068,083)	-	(3,068,083)
Investments net of provision	197,146,088	31,081,848	228,227,936	172,542,575	25,905,786	198,448,361
Surplus on revaluation of available for sale securities	37,772	18,591	56,363	1,264,948	29,857	1,294,805
Deficit on revaluation of held for trading securities	1,470	-	1,470	(1,176)	-	(1,176)
Total investments at market value	197,185,330	31,100,439	228,285,769	173,806,347	25,935,643	199,741,990

7.1 Market value of held to maturity investments is Rs. 259,862 thousand (December 31, 2016: Rs. 263,326 thousand).

	Note	(Un-audited) September 30, 2017 Rupees in '000'	(Audited) December 31, 2016
8. ADVANCES - NET			
Loans, cash credits, running finances, etc. - In Pakistan		268,484,379	237,926,509
Net investment in finance lease - In Pakistan		35,920,719	39,519,683
Net book value of assets in ijarah under IFAS 2 - In Pakistan		858,069	517,073
Islamic financing and related assets		10,033,781	8,419,676
Bills discounted and purchased (excluding treasury bills)			
-Payable in Pakistan		16,297,417	6,043,018
-Payable outside Pakistan		1,541,278	1,495,896
		17,838,695	7,538,914
Advances - gross		333,135,643	293,921,855
Provision for non-performing advances :			
-Specific	8.1 & 8.2	(33,380,967)	(31,462,960)
-General	8.3	(415,396)	(390,971)
		(33,796,363)	(31,853,931)
Advances - net of provision		299,339,280	262,067,924

8.1 Provision against certain net advances amounting to Rs. 14,363,810 thousand (December 31, 2016: Rs. 17,529,757 thousand) requiring additional provisioning of Rs. 13,368,304 thousand (December 31, 2016: Rs. 16,505,482 thousand) has not been considered necessary in this unconsolidated condensed interim financial information on the basis of undertaking given by GoPb as stated in Note 1.2. Further, during the period, in order to meet the SBP's provision staggering requirement, an additional provision, against exposures covered under LOCS, net off recoveries amounting to Rs. 1,777,966 thousand (December 31, 2016: Rs. 1,143,817 thousand) has been recognized.

8.2 Advances include Rs. 53,747,028 thousand (December 31, 2016: Rs. 54,953,553 thousand) which have been placed under non-performing status as on September 30, 2017 as detailed below:

September 30, 2017 (Un-audited)					
Category of classification	Domestic	Overseas	Total	Provision Required	Provision Held
Rupees in '000'					
Other assets especially mentioned	123,454	-	123,454	4,987	4,987
Substandard	2,162,804	-	2,162,804	235,351	235,351
Doubtful	7,313,355	-	7,313,355	3,495,303	3,495,303
Loss	44,147,415	-	44,147,415	29,645,326	29,645,326
	53,747,028	-	53,747,028	33,380,967	33,380,967
December 31, 2016 (Audited)					
Category of classification	Domestic	Overseas	Total	Provision Required	Provision Held
Rupees in '000'					
Other assets especially mentioned	337,806	-	337,806	2,042	2,042
Substandard	1,585,906	-	1,585,906	80,564	80,564
Doubtful	7,450,320	-	7,450,320	3,609,147	3,609,147
Loss	45,579,521	-	45,579,521	27,771,207	27,771,207
	54,953,553	-	54,953,553	31,462,960	31,462,960

8.3 General provision represents provision against consumer and SME financing portfolio as required by the prudential regulations issued by the SBP.

8.4 The SBP amended the prudential regulations vide BSD Circular No.1 of 2011 dated October 21, 2011 in relation to provision for loans and advances there by allowing benefit of Forced Sale Value (FSV) of pledged stocks, mortgaged residential, commercial and industrial properties (land and buildings only) and plant and machinery under charge held as collateral against non-performing advances. The FSV benefit availed in last years have been reduced by Rs. Nil (net of FSV benefit availed during the period) (September 30, 2016: Rs. 152,409 thousand), which has resulted in increased charge for specific provision for the period ended by the same amount. The FSV benefit is not available for cash or stock dividend. Had the FSV benefit not recognized, before and after tax profits for the nine months ended would have been higher by Rs. Nil (September 30, 2016: Rs. 152,409 thousand) and Rs. Nil (September 30, 2016: higher by Rs. 99,066 thousand) respectively.

9. OPERATING FIXED ASSETS

During the period, additions to / disposals (at cost) from operating fixed assets amounted to Rs. 927,576 thousand (September 30, 2016: Rs. 563,293 thousand) and Rs. 171,472 thousand (September 30, 2016: Rs. 54,987 thousand), respectively.

	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
		Rupees in '000'	
10. DEFERRED TAX ASSETS - NET			
Taxable temporary differences:			
Surplus on revaluation of operating fixed assets		(532,021)	(556,582)
Surplus on revaluation of non banking assets		(24,266)	(25,712)
Surplus on available for sale securities		(19,727)	(453,182)
Accelerated tax depreciation		(209,320)	(225,104)
Deductible temporary differences:			
Loan loss provision		7,657,857	7,740,836
		6,872,523	6,480,256
11. BORROWINGS FROM FINANCIAL INSTITUTIONS			
Secured			
Borrowings from SBP:			
-Export refinance (ERF)		9,226,002	10,282,058
-Long term financing facility (LTFF)		5,120,175	3,163,460
-Finance facility for storage of agricultural produce (FFSAP)		17,121	12,834
Repurchase agreement borrowings		1,496,876	15,879,035
Call borrowings	11.1	29,470,368	9,911,835
		45,330,542	39,249,222
Unsecured			
Call borrowings		992,695	495,102
Foreign placement		1,837,632	-
Overdrawn nostro accounts		39,112	84,810
		48,199,981	39,829,134

11.1 These represent secured interbank borrowings, carrying markup rate ranging from 5.75% to 5.83% per annum (2016: 5.77% to 5.80 % per annum) maturing on various dates, latest by September 21, 2018.

	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Rupees in '000'	
12. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	145,800,668	129,533,881
Savings deposits	219,230,452	193,301,179
Current accounts - non-remunerative	119,467,564	117,973,360
Sundry deposits, margin accounts, etc.	16,057,290	6,399,769
	500,555,974	447,208,189
Financial Institutions		
Remunerative deposits	2,691,699	4,722,171
Non-remunerative deposits	1,955,902	1,289,380
	4,647,601	6,011,551
	505,203,575	453,219,740
12.1 Particulars of deposits		
In local currency	497,884,560	445,571,885
In foreign currencies	7,319,015	7,647,855
	505,203,575	453,219,740

13. SHARE CAPITAL

	(Un-audited) September 30, 2017 (No. of shares)	(Audited) December 31, 2016	(Un-audited) September 30, 2017 Rupees in '000'	(Audited) December 31, 2016
--	--	-----------------------------------	--	-----------------------------------

13.1 Authorized capital

5,000,000,000	5,000,000,000	Ordinary or preference shares of Rs. 10/- each	50,000,000	50,000,000
---------------	---------------	--	------------	------------

The authorized capital of the Bank is fifty thousand million rupees divided into five thousand million ordinary or preference shares of rupees ten each.

13.2 Issued, subscribed and paid up capital

	(Un-audited) September 30, 2017 (No. of shares)	(Audited) December 31, 2016		(Un-audited) September 30, 2017 Rupees in '000'	(Audited) December 31, 2016
			Opening balance		
519,333,340	519,333,340		Ordinary shares of Rs. 10/- each paid in cash	5,193,333	5,193,333
526,315,789	526,315,789		Ordinary shares of Rs. 10/- each issued at discount	5,263,158	5,263,158
509,464,036	509,464,036		Issued as bonus shares	5,094,641	5,094,641
1,555,113,165	1,555,113,165			15,551,132	15,551,132
1,088,579,215	-		Movement during the period		
			Issuance of right shares during the period	10,885,792	-
			Closing balance		
1,607,912,555	519,333,340		Ordinary shares of Rs. 10/- each paid in cash	16,079,125	5,193,333
526,315,789	526,315,789		Ordinary shares of Rs. 10/- each issued at discount	5,263,158	5,263,158
509,464,036	509,464,036		Issued as bonus shares	5,094,641	5,094,641
2,643,692,380	1,555,113,165			26,436,924	15,551,132

- 13.3** GoPb held 57.47% shares in the Bank as at September 30, 2017 (December 31, 2016: 57.47%). Further, during the period the Bank has issued 1,088,579,215 (70%) right shares at a price of Rs. 12.00 per share including premium of Rs. 2.00 per share.

	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Rupees in '000'	
14. SHARE DEPOSIT MONEY		
Opening balance	7,000,000	7,000,000
Right shares issued during the year	(7,000,000)	-
Closing balance	-	7,000,000
15. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus on revaluation of operating fixed assets	2,037,990	2,141,837
Surplus on non banking assets acquired in satisfaction of claims	614,086	623,453
Surplus on revaluation of available for sale securities	36,636	841,623
	2,688,712	3,606,913

16. CONTINGENCIES AND COMMITMENTS

16.1 Direct credit substitutes

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

	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Rupees in '000'	
Government	86,930	-
Financial institutions	-	-
Others	7,208,286	2,209,896
	7,295,216	2,209,896

16.2 Transaction related contingent liabilities

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

	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Rupees in '000'	
Government	570,083	601,271
Financial institutions	4,917,707	8,564,597
Others	38,940,854	23,878,852
	44,428,644	33,044,720

	Note	(Un-audited) September 30, 2017 Rupees in '000'	(Audited) December 31, 2016
16.3 Trade related contingent liabilities			
These include letters of credit issued in favour of:			
Government		15,348,787	6,719,311
Financial institutions		-	-
Others		19,336,868	20,163,620
		34,685,655	26,882,931
16.4 Other contingencies			
Claims against the Bank not acknowledged as debts	16.4.1	30,008,984	29,750,928

16.4.1 The amount 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. Up till 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.

16.5 Income tax related contingency

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.

16.6 Commitments to extend credit

The Bank makes commitments to extend credit in the normal course of business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

		(Un-audited) September 30, 2017 Rupees in '000'	(Audited) December 31, 2016
16.7 Commitments in respect of forward exchange contracts			
Purchase		11,309,530	9,594,731
Sale		6,276,454	6,997,174
		17,585,984	16,591,905
16.8 Commitments for the acquisition of operating fixed assets		198,880	27,095

17. EARNINGS PER SHARE - BASIC AND DILUTED

(Un-audited)				
	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017 Rupees in '000'	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Profit after taxation (Rupees in thousand)	971,176	3,160,539	1,163,585	3,930,502
Weighted average number of ordinary shares (thousand)	1,854,173	1,854,173	1,555,113	1,555,113
Earnings per share - basic and diluted (Rupees)	0.52	1.70	0.75	2.53

- 17.1** During the period, the Bank issued (70%) right shares at a price of Rs. 12.00 per share including premium of Rs. 2.00 per share. However, in the absence of element of bonus, earning per share for comparative period has not been restated.

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

	Trading & Sales	Retail Banking	Commercial Banking Rupees in '000'	Payment & Settlement	Agency Services	Total
Nine Months Ended September 30, 2017 (Un-audited)						
Total income	11,632,319	3,374,427	12,936,750	457,547	91,054	28,492,097
Total expenses	1,094,603	2,988,583	19,125,649	-	-	23,208,835
Inter segment transfer (cost) / revenue	(5,118,471)	734,336	4,384,135	-	-	-
Income taxes	-	-	-	-	-	2,122,723
Net income / (loss)	5,419,245	1,120,180	(1,804,764)	457,547	91,054	3,160,539
Segment assets (gross)	280,440,700	51,471,281	311,390,228	-	-	643,302,209
Segment non performing advances / investments	3,105,842	2,460,355	51,286,673	-	-	56,852,870
Segment specific provision required	3,105,842	1,744,599	31,636,368	-	-	36,486,809
Segment liabilities	38,458,393	79,970,742	459,961,029	-	-	578,390,164
Segment return on net assets (ROA) (%)	7.24%	10.42%	8.26%			
Segment cost of funds (%)	5.44%	5.88%	5.66%			

	Trading & Sales	Retail Banking	Commercial Banking Rupees in '000'	Payment & Settlement	Agency Services	Total
Nine Months Ended September 30, 2016 (Un-audited)						
Total income	11,523,089	3,303,947	10,657,677	348,443	62,872	25,896,028
Total expenses	1,578,760	2,652,838	15,628,573	-	-	19,860,171
Inter segment transfer (cost) / revenue	(4,461,117)	659,840	3,801,277	-	-	-
Income taxes	-	-	-	-	-	2,105,355
Net income / (loss)	5,483,212	1,310,949	(1,169,619)	348,443	62,872	3,930,502
Segment assets (gross)	251,559,530	49,972,096	249,207,698	-	-	550,739,324
Segment non performing advances / investments	3,135,169	2,302,301	54,008,531	-	-	59,446,001
Segment specific provision required	3,087,782	1,641,848	29,796,726	-	-	34,526,356
Segment liabilities	50,475,114	69,732,027	379,255,842	-	-	499,462,983
Segment return on net assets (ROA) (%)	8.78%	10.07%	8.95%			
Segment cost of funds (%)	6.10%	6.37%	5.94%			

19. RELATED PARTY TRANSACTIONS

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

	September 30, 2017 (Un-audited)				December 31, 2016 (Audited)			
	Key management personnel	Subsidiary company and managed modaraba Rupees in '000'	Employee funds	Others	Key management personnel	Subsidiary company and managed modaraba Rupees in '000'	Employee funds	Others
Advances								
Opening balance	114,850	1,078,614	-	-	117,456	855,445	-	-
Loans granted during the period	93,879	588,240	-	-	38,064	932,466	-	-
Repayments received during the period	(42,007)	(579,778)	-	-	(40,670)	(709,297)	-	-
Closing balance	166,722	1,087,076	-	-	114,850	1,078,614	-	-
Deposits								
Opening balance	28,730	56,238	2,459,349	51,488	18,544	52,651	2,317,942	262,770
Placements made during the period	420,323	868,429	513,518	5,089,041	305,191	1,157,283	455,520	1,324,912
Withdrawals during the period	(416,583)	(920,250)	(229,870)	(4,861,496)	(295,005)	(1,153,696)	(314,113)	(1,536,194)
Closing balance	32,470	4,417	2,742,997	279,033	28,730	56,238	2,459,349	51,488
Placements	-	400,000	-	-	-	300,000	-	-
	September 30, 2017 (Un-audited)				September 30, 2016 (Un-audited)			
	Rupees in '000'				Rupees in '000'			
Transactions during the period :								
Mark-up/return earned	5,189	68,096	-	-	5,280	51,818	-	-
Mark-up/interest expensed	578	-	109,093	3,032	497	-	102,218	338
Contribution to employees funds	-	-	98,294	-	-	-	68,515	-

- 19.1** Balances pertaining to parties that were related at the beginning of the period 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.
- 19.2** 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. 45,365,732 thousand (December 31, 2016: Rs. 40,923,548 thousand), Rs. 268,819,057 thousand (December 31, 2016: Rs. 212,000,928 thousand) and Rs. 27,398,137 thousand (December 31, 2016: Rs. 11,373,982 thousand) respectively. Further, during the period, the Bank has incurred markup expense of Rs. 93,493 thousand (September 30, 2016: Rs. 95,438 thousand) on subordinated loan of Rs. 2,000,000 thousand received from GoPb in year 2014.

20. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was authorized for issuance on October 25, 2017 by the Board of Directors of the Bank.

21. GENERAL

- 21.1** The corresponding figures have been reclassified or rearranged, wherever necessary, for the purpose of comparison. However, no significant reclassification or rearrangement has been made during the period.
- 21.2** Figures have been rounded off to the nearest thousand, unless otherwise stated.

President

Director

The Bank of Punjab

Islamic Banking Business - Statement of Financial Position

As at September 30, 2017

The Bank is operating 53 Islamic banking branches and 02 sub Islamic banking branches at close of September 30, 2017 (December 31, 2016: 48 branches and 02 sub Islamic banking branches).

	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks		2,062,739	2,302,273
Balance with other banks		1,858,666	1,755,658
Due from financial institutions		8,732,000	5,100,000
Investments		7,630,799	5,512,287
Islamic financing and related assets	A	10,841,429	8,936,749
Operating fixed assets		252,817	272,007
Deferred tax assets		-	-
Other assets		489,072	251,092
TOTAL ASSETS		31,867,522	24,130,066
LIABILITIES			
Bills payable		193,739	227,700
Due to financial institutions		-	-
Deposit and other accounts			
- Current accounts		6,629,237	6,126,472
- Saving accounts		21,104,294	14,680,150
- Term deposits		716,923	813,678
- Others		36,655	225,814
- Deposits from financial institutions - remunerative		82,733	-
- Deposits from financial institutions - non - remunerative		3,101	-
Due to head office		1,600,836	684,727
Other liabilities		118,669	62,053
		30,486,187	22,820,594
NET ASSETS		1,381,335	1,309,472
REPRESENTED BY			
Islamic banking fund		1,000,000	1,000,000
Reserves		-	-
Unappropriated profit		335,452	230,200
		1,335,452	1,230,200
Surplus on revaluation of assets		45,883	79,272
		1,381,335	1,309,472
Remuneration to Shariah Advisor / Board		3,854	3,944

		(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Note	Rupees in '000'	
CHARITY FUND			
Opening balance		533	1,871
Additions during the period		221	533
Payments / utilization during the period		-	(1,871)
Closing balance		754	533
A. Islamic financing and related assets			
Islamic mode of financing	A.1	10,841,429	8,936,749
A.1 Islamic mode of financing			
Financing / Investments / Receivables			
Running Musharakah		1,781,000	1,651,000
Murabaha		717,929	1,009,083
Diminishing musharaka		5,505,011	4,618,083
Istisna		1,979,420	1,141,510
Ijarah		858,069	517,073
		10,841,429	8,936,749

The Bank of Punjab

Islamic Banking Business - Profit and Loss Account

For the Nine Months Ended September 30, 2017 (Un-audited)

	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
	(Rupees in thousand)			
Profit / Return earned on financing, investment and placements	487,993	1,314,512	299,765	740,654
Return on deposits and other dues expensed	182,504	455,492	94,482	220,784
Net spread earned	305,489	859,020	205,283	519,870
Provision against non-performing advances	50,421	50,421	-	-
Provision against consumer financings	-	-	-	-
Provision for diminution in the value of investments	-	-	-	-
Bad debts written off directly	-	-	-	-
	50,421	50,421	-	-
Income after provisions	255,068	808,599	205,283	519,870
Other income				
Fee, commission and brokerage income	4,003	17,975	2,636	11,731
Dividend income	-	-	-	-
(Loss) / Income from dealing in foreign currencies	840	865	(177)	(155)
Gain on sale and redemption of securities	-	-	-	-
Unrealized gain / (loss) on revaluation of investments classified as held for trading	-	-	-	-
Other income	8,020	24,400	4,108	18,295
Total other income	12,863	43,240	6,567	29,871
	267,931	851,839	211,850	549,741
Other expenses				
Administrative expenses	289,261	746,587	174,965	470,807
Other provisions/write offs/reversals	-	-	-	-
Other charges	-	-	-	19
Total other expenses	289,261	746,587	174,965	470,826
	(21,330)	105,252	36,885	78,915
Extra ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	(21,330)	105,252	36,885	78,915



**Consolidated Condensed Interim
Financial Information**
for the period ended September 30, 2017
(The Bank of Punjab & Modaraba Services (Pvt) Ltd.)

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2017

		(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Note	Rupees in '000'	
ASSETS			
Cash and balances with treasury banks		33,453,616	35,756,024
Balances with other banks		5,805,268	3,765,867
Lendings to financial institutions	6	14,080,577	11,562,133
Investments - net	7	228,328,042	199,784,353
Advances - net	8	299,290,025	262,025,131
Operating fixed assets	9	7,926,101	7,692,675
Deferred tax assets - net	10	6,872,523	6,480,256
Other assets - net		18,681,694	18,152,867
		614,437,846	545,219,306
LIABILITIES			
Bills payable		3,573,844	4,183,480
Borrowings from financial institutions	11	48,199,981	39,829,134
Deposits and other accounts	12	505,203,575	453,219,740
Sub-ordinated loans		4,499,500	4,500,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		-	-
Other liabilities		16,913,476	15,627,465
		578,390,376	517,359,819
NET ASSETS		36,047,470	27,859,487
REPRESENTED BY			
Share capital	13	26,436,924	15,551,132
Share deposit money	14	-	7,000,000
Discount on issue of shares		(263,158)	(263,158)
Reserves		3,477,831	1,300,673
Unappropriated profit		3,707,161	663,927
		33,358,758	24,252,574
Surplus on revaluation of assets - net of tax	15	2,688,712	3,606,913
		36,047,470	27,859,487
Contingencies and commitments	16		

The annexed notes from 1 to 21 and Annexure - I form an integral part of this consolidated condensed interim financial information.

President

Director

Consolidated Condensed Interim Profit and Loss Account (Un-audited) For the Nine Months Ended September 30, 2017

	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
	Rupees in '000'			
Mark-up / return / interest earned	8,744,672	24,745,457	7,327,270	21,928,388
Mark-up / return / interest expensed	4,879,530	13,721,468	4,371,674	13,025,201
Net mark-up / return / interest income	3,865,142	11,023,989	2,955,596	8,903,187
Provision / (Reversal of provision) against non-performing advances - net	492,186	1,944,629	(252,609)	883,713
Provision / (Reversal of provision) for diminution in the value of investments - net	45,430	45,941	(4,835)	90,261
Bad debts written off directly	-	-	-	-
	537,616	1,990,570	(257,444)	973,974
Net mark-up / return / interest income after provisions	3,327,526	9,033,419	3,213,040	7,929,213
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	272,061	842,509	206,478	733,937
Dividend income	17,064	59,816	11,952	42,406
(Loss) / Income from dealing in foreign currencies	(3,201)	44,246	9,760	51,060
Gain on sale and redemption of securities - net	116,811	1,301,673	268,422	2,013,748
Unrealized gain / (loss) on revaluation of investments classified as held for trading	2,409	1,470	(11,050)	(11,668)
Other income	333,902	1,497,474	249,979	1,137,648
Total non-markup / interest income	739,046	3,747,188	735,541	3,967,131
	4,066,572	12,780,607	3,948,581	11,896,344
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	2,578,963	7,423,043	2,150,161	6,246,603
Provision / (Reversal of provision) against other assets	2,493	35,875	(593)	30,042
Reversal of provision against off balance sheet obligations	-	-	-	(453,394)
Other charges	-	42,003	3,855	33,386
Total non-markup / interest expenses	2,581,456	7,500,921	2,153,423	5,856,637
	1,485,116	5,279,686	1,795,158	6,039,707
Extra ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	1,485,116	5,279,686	1,795,158	6,039,707
Taxation - Current	436,062	1,812,719	344,260	712,189
- Prior years	-	264,576	-	-
- Deferred	74,984	45,456	283,476	1,393,183
	511,046	2,122,751	627,736	2,105,372
PROFIT AFTER TAXATION	974,070	3,156,935	1,167,422	3,934,335
Earnings per share - basic and diluted (Rupees) - Note 17	0.53	1.70	0.75	2.53

The annexed notes from 1 to 21 and Annexure - I form an integral part of this consolidated condensed interim financial information.

President

Director

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For the Nine Months Ended September 30, 2017

	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017 Rupees in '000'	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Profit after taxation for the period	974,070	3,156,935	1,167,422	3,934,335
Other comprehensive income not to be reclassified to profit and loss account in subsequent periods: Remeasurement adjustments on employee benefits - net of tax	-	-	-	-
Comprehensive income transferred to equity	974,070	3,156,935	1,167,422	3,934,335
Components of comprehensive income not reflected in equity:				
Items to be reclassified to profit and loss in subsequent periods:				
Surplus on revaluation of investments - net of tax	(207,711)	(804,987)	(310,004)	501,587
Total comprehensive income for the period	766,359	2,351,948	857,418	4,435,922

The annexed notes from 1 to 21 and Annexure - I form an integral part of this consolidated condensed interim financial information.

President

Director

Consolidated Condensed Interim Cash Flow Statement (Un-audited) For the Nine Months Ended September 30, 2017

	Nine Months Ended September 30, 2017 September 30, 2016 Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,279,686	6,039,707
Less: Dividend income	(59,816)	(42,406)
	5,219,870	5,997,301
Adjustments for:		
Depreciation on property and equipment	578,295	507,298
Depreciation on non banking assets acquired in satisfaction of claims	65,315	82,861
Depreciation on ijarah assets under IFAS - 2	237,274	53,332
Amortization on intangible assets	18,604	17,584
Amortization of premium on debt securities	637,018	513,157
Unrealized (gain) / loss on revaluation of investments classified as held for trading	(1,470)	11,668
Provision against non-performing loans and advances - net	1,944,629	883,713
Provision for diminution in the value of investments - net	45,941	90,261
Provision for employees compensated absences	20,150	7,003
Provision for gratuity	119,465	58,026
Provision against other assets	35,875	30,042
Reversal of provision against off balance sheet obligations	-	(453,394)
Net profit on sale of property and equipment	(19,758)	(17,295)
Net profit on sale of non-banking assets acquired in satisfaction of claims	(12,175)	-
Gain on sale and redemption of securities - net	(1,301,673)	(2,013,748)
	2,367,490	(229,492)
	7,587,360	5,767,809
(Increase) / Decrease in operating assets:		
Lendings to financial institutions	2,063,507	(2,311,980)
Net investments in held for trading securities	(6,018,612)	(22,012,764)
Advances - net	(39,446,797)	(23,040,684)
Other assets - net	(1,064,023)	6,568,467
	(44,465,925)	(40,796,961)
Increase / (Decrease) in operating liabilities:		
Bills payable	(609,636)	1,615,578
Borrowings from financial institutions	8,416,545	2,671,518
Deposits and other accounts	51,983,835	45,503,399
Other liabilities	1,146,396	529,816
	60,937,140	50,320,311
	24,058,575	15,291,159
Income tax paid	(1,902,387)	(826,082)
Net cash flow from operating activities	22,156,188	14,465,077

Nine Months Ended
September 30, 2017 September 30,
2016

Rupees in '000'

CASH FLOWS FROM INVESTING ACTIVITIES

Net investments in available for sale securities	(23,143,335)	(23,877,417)
Net investments in held to maturity securities	-	15,000,000
Dividend received	50,346	53,199
Investments in operating fixed assets	(927,576)	(563,293)
Sale proceeds of property and equipment disposed-off	117,000	22,397
Sale proceeds of non-banking assets disposed-off	280,750	-
Net cash used in investing activities	(23,622,815)	(9,365,114)

CASH FLOWS FROM FINANCING ACTIVITIES

Redemption of subordinated term finance certificates	(500)	-
Issue of right shares at premium during the period	6,062,950	-
Right share issue cost	(231,181)	-
Net cash flow from financing activities	5,831,269	-

Net increase in cash and cash equivalents

Cash and cash equivalents at beginning of the period	39,437,081	30,627,855
Cash and cash equivalents at end of the period	43,801,723	35,727,818

Cash and cash equivalents:

Cash and balances with treasury banks	33,453,616	30,796,480
Balances with other banks	5,805,268	4,931,537
Call money lendings	4,581,951	-
Overdrawn nostro accounts	(39,112)	(199)
	43,801,723	35,727,818

The annexed notes from 1 to 21 and Annexure - I form an integral part of this consolidated condensed interim financial information.

President

Director

Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the Nine Months Ended September 30, 2017

	Share capital	Share deposit money	Discount on issue of shares	Statutory reserve	Share premium	Revenue Reserve	Total
	Rupees in '000'						
Balance as at January 1, 2016	15,551,132	7,000,000	(263,158)	2,291,119	37,882	(5,220,853)	19,396,122
Total comprehensive income for the nine months ended September 30, 2016	-	-	-	-	-	3,934,335	3,934,335
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated losses) - net of tax	-	-	-	-	-	40,979	40,979
Transfer to unappropriated profit / (accumulated losses)	-	-	-	(2,000,000)	-	2,000,000	-
Balance as at September 30, 2016	15,551,132	7,000,000	(263,158)	291,119	37,882	754,461	23,371,436
Total comprehensive income for the three months ended December 31, 2016	-	-	-	-	-	864,965	864,965
Transfer from surplus on revaluation of fixed assets to unappropriated profit / (accumulated losses) - net of tax	-	-	-	-	-	13,660	13,660
Transfer from surplus on revaluation of non banking assets to unappropriated profit / (accumulated losses) - net of tax	-	-	-	-	-	2,513	2,513
Transfer to statutory reserve	-	-	-	971,672	-	(971,672)	-
Balance as at December 31, 2016	15,551,132	7,000,000	(263,158)	1,262,791	37,882	663,927	24,252,574
Total comprehensive income for the nine months ended September 30, 2017	-	-	-	-	-	3,156,935	3,156,935
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	38,587	38,587
Transfer from surplus on revaluation of fixed assets to unappropriated profit on disposal	-	-	-	-	-	69,042	69,042
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	1,785	1,785
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	8,066	8,066
Issue of right shares at premium during the period	10,885,792	(7,000,000)	-	-	2,177,158	-	6,062,950
Right share issue cost	-	-	-	-	-	(231,181)	(231,181)
Balance as at September 30, 2017	26,436,924	-	(263,158)	1,262,791	2,215,040	3,707,161	33,358,758

The annexed notes from 1 to 21 and Annexure - I form an integral part of this consolidated condensed interim financial information.

President

Director

Notes to the Consolidated Condensed Interim Financial Information (Un-audited) For the Nine Months Ended September 30, 2017

1. STATUS AND NATURE OF BUSINESS

- 1.1** The Bank of Punjab Group comprises The Bank of Punjab (the Bank) and Punjab Modaraba Services (Private) Limited. The Bank of Punjab (the Bank) was constituted pursuant to The Bank of Punjab Act, 1989 and was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. The Bank is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-2, Main Boulevard, Gulberg III, Lahore. The Bank operates 465 branches including 04 sub branches and 53 Islamic banking branches (2016: 453 branches including 03 sub branches and 48 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir as at the period end. The Bank is listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb).

Punjab Modaraba Services (Private) Limited is a wholly owned subsidiary of the Bank and is primarily engaged in the business floating and managing modarabas.

- 1.2** As at September 30, 2017, paid-up capital, reserves (net of losses) including share deposit money, as allowed by SBP, of the Group amounts to Rs. 33,358,758 thousand. The Capital Adequacy Ratio (CAR) also remained above the required level. As at the close of the period, net advances aggregating to Rs. 14,312,867 thousand (December 31, 2016: Rs. 17,486,964 thousand) requiring additional provision of Rs. 13,317,361 thousand (December 31, 2016: Rs. 16,462,689 thousand) there against have not been subjected to provisioning criteria as prescribed in SBP prudential regulations in view of the relaxation provided by SBP till December 31, 2017 vide letter No.OSED/Div-01/SEU-03/010(01)-2017/005967 dated March 09, 2017, on the basis of two Letters of Comfort (LOCs) issued by the GoPb as explained in below paragraph.

The GoPb being the majority shareholder, has issued two LOCs on behalf of the Bank, undertaking to inject necessary funds to make good the capital shortfall to the satisfaction of SBP up to a maximum amount of Rs. 3,580,000 thousand (net of tax @ 35%) and Rs. 10,570,000 thousand (net of tax @ 35%) within a period of 90 days after close of the year ending December 31, 2018 if the Bank fails to make provision of Rs. 21,770,000 thousand or if there is a shortfall in meeting the prevailing regulatory capital requirements as a result of the said provisioning. In addition, in terms of aforesaid LOCs, the GoPb being majority shareholder and sponsor of the Bank, has also extended its commitment to support and assist the Bank in ensuring that it remains compliant with the regulatory requirements at all times.

SBP vide above referred letter advised the Bank to record provisioning against exposures covered under LOCs in a staggered manner as follows:

- Staggering of provision at an aggregate rate of 25%, i.e. 12.5% by June 30, 2017 and additional 12.5% by December 31, 2017 against exposure covered under LOCs as of December 31, 2016. The condition of recording of provision of 12.5 % by June 30, 2017 has been complied with by the Bank along with proportionate charge required up till September 30, 2017.
- Going forward, exposure covered under LOCs at the beginning of 2018 would be subject to 25% provision staggering by June 30, 2018 and remaining balance by December 31, 2018.

On the basis of enduring support of GoPb and the arrangements as outlined above, the Board is of the view that the Bank would have adequate resources to continue its business on a sustainable basis in the foreseeable future.

2. STATEMENT OF COMPLIANCE

- 2.1** This consolidated condensed interim financial information has been prepared in accordance with the directives issued by the SBP, requirements of the Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 (repealed - note 2.1.1) and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the provisions of the Companies Ordinance, 1984 (repealed - note 2.1.1). Wherever the requirements of the directives issued by the SBP and Securities and Exchange Commission of Pakistan (SECP), the Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Ordinance, 1984 (repealed - note 2.1.1) differ with the requirements of these standards, the

requirements of the said directives, the Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Ordinance, 1984 (repealed - note 2.1.1) take precedence.

- 2.1.1** The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. However, as allowed by the SECP vide its Circular No. 23 dated October 04, 2017 read with related press release, this consolidated condensed interim financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 2.2** 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 this consolidated condensed interim financial information.
- 2.3** The financial results of Islamic banking business have been consolidated in this consolidated condensed interim financial information for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic banking business are disclosed in Annexure-I to this consolidated condensed interim financial information.
- 2.4** The disclosures made in this consolidated condensed interim financial information have, however, been limited based on the format prescribed by the SBP vide BSD Circular letter No. 2 dated May 12, 2004, BSD Circular letter No. 7 dated April 20, 2010 and International Accounting Standard – 34 Interim Financial Reporting. They do not include all of the disclosures required for annual financial statements, and this consolidated condensed interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2016. This consolidated condensed interim financial information is being submitted to the shareholders in accordance with the listing regulations of Pakistan Stock Exchange and Section 245 of the Companies Ordinance, 1984 (repealed).

3. BASIS OF MEASUREMENT

This consolidated condensed interim financial information has been prepared under the historical cost convention, except for revaluation of free hold land and buildings on free hold 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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The accounting policies, underlying estimates and judgments and methods of computation followed in the preparation of this consolidated condensed interim financial information are consistent with those applied in the preparation of annual financial statements of the Group for the year ended December 31, 2016.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Group are consistent with those disclosed in the annual financial statements of the Group for the year ended December 31, 2016.

		(Un-audited) September 30, 2017	(Audited) December 31, 2016
		Rupees in '000'	
	Note		
6. LENDINGS TO FINANCIAL INSTITUTIONS			
Sukuk Bai - Muajjal	6.1	767,000	-
Call money lending		4,581,951	-
Reverse repurchase agreement lendings	6.2	366,626	6,162,133
Placements		8,365,000	5,400,000
		14,080,577	11,562,133

6.1 This represent outright purchase of Government Ijarah Sukuks by SBP on deferred payment basis (Bai-Muajjal) at returns ranging from 5.65 % to 5.75% per annum (2016: Nil).

6.2 Securities held as collateral against lendings to financial institutions

	(Un-audited) September 30, 2017			(Audited) December 31, 2016		
	Held by group	Further given as collateral	Total	Held by group	Further given as collateral	Total
R u p e e s i n ' 0 0 0 '						
Market treasury bills	146,626	-	146,626	3,302,133	-	3,302,133
Pakistan investment bonds	220,000	-	220,000	2,860,000	-	2,860,000
	366,626	-	366,626	6,162,133	-	6,162,133

Market value of securities held as collateral as at September 30, 2017 amounted to Rs. 371,687 thousand (December 31, 2016: Rs. 6,225,139 thousand). These carry mark-up at the rate of 6.25% per annum (December 31, 2016: 5.90% to 6.25% per annum).

7. INVESTMENTS - NET

	(Un-audited) September 30, 2017			(Audited) December 31, 2016		
	Held by group	Given as collateral	Total	Held by group	Given as collateral	Total
R u p e e s i n ' 0 0 0 '						
Held for trading securities:						
Market treasury bills	29,316,269	-	29,316,269	23,298,833	-	23,298,833
Available for sale securities:						
Market treasury bills	126,998,382	27,081,376	154,079,758	80,885,259	9,925,825	90,811,084
Pakistan investment bonds	28,783,533	4,000,472	32,784,005	59,242,027	15,979,961	75,221,988
Ordinary shares / certificates of listed companies and modarabas	1,944,125	-	1,944,125	1,470,307	-	1,470,307
Preference shares	401,739	-	401,739	401,739	-	401,739
Ordinary shares of unlisted company	25,000	-	25,000	25,000	-	25,000
Government of Pakistan ijarah sukkuk	5,037,374	-	5,037,374	2,885,472	-	2,885,472
Listed term finance certificates	1,387,358	-	1,387,358	1,193,277	-	1,193,277
Unlisted term finance certificates / sukuks / commercial paper	6,105,166	-	6,105,166	5,954,475	-	5,954,475
	170,682,677	31,081,848	201,764,525	152,057,556	25,905,786	177,963,342
Held to maturity securities:						
Pakistan investment bonds	252,582	-	252,582	253,867	-	253,867
WAPDA bonds	400	-	400	400	-	400
	252,982	-	252,982	254,267	-	254,267
Total investments at cost	200,251,928	31,081,848	231,333,776	175,610,656	25,905,786	201,516,442
Provision for diminution in the value of investments - net	(3,063,567)	-	(3,063,567)	(3,025,718)	-	(3,025,718)
Investments net of provision	197,188,361	31,081,848	228,270,209	172,584,938	25,905,786	198,490,724
Surplus on revaluation of available for sale securities	37,772	18,591	56,363	1,264,948	29,857	1,294,805
Deficit on revaluation of held for trading securities	1,470	-	1,470	(1,176)	-	(1,176)
Total investments at market value	197,227,603	31,100,439	228,328,042	173,848,710	25,935,643	199,784,353

7.1 Market value of held to maturity investments is Rs. 259,862 thousand (December 31, 2016: Rs. 263,326 thousand).

	Note	(Un-audited) September 30, 2017 Rupees in '000'	(Audited) December 31, 2016
8. ADVANCES - NET			
Loans, cash credits, running finances, etc. - In Pakistan		268,435,124	237,883,716
Net investment in finance lease - In Pakistan		35,920,719	39,519,683
Net book value of assets in ijarah under IFAS 2 - In Pakistan		858,069	517,073
Islamic financing and related assets		10,033,781	8,419,676
Bills discounted and purchased (excluding treasury bills)			
- Payable in Pakistan		16,297,417	6,043,018
- Payable outside Pakistan		1,541,278	1,495,896
		17,838,695	7,538,914
Advances - gross		333,086,388	293,879,062
Provision for non-performing advances:			
- Specific	8.1 & 8.2	(33,380,967)	(31,462,960)
- General	8.3	(415,396)	(390,971)
		(33,796,363)	(31,853,931)
Advances - net of provision		299,290,025	262,025,131

8.1 Provision against certain net advances amounting to Rs. 14,312,867 thousand (December 31, 2016: Rs. 17,486,964 thousand) requiring additional provisioning of Rs. 13,317,361 thousand (December 31, 2016: Rs. 16,462,689 thousand) has not been considered necessary in this consolidated condensed interim financial information on the basis of undertaking given by GoPb as stated in Note 1.2. Further, during the period, in order to meet the SBP's provision staggering requirement, an additional provision, against exposures covered under LOCS, net off recoveries amounting to Rs. 1,777,966 thousand (December 31, 2016: Rs. 1,143,817 thousand) has been recognized.

8.2 Advances include Rs. 53,696,085 thousand (December 31, 2016: Rs. 54,910,760 thousand) which have been placed under non-performing status as on September 30, 2017 as detailed below:

September 30, 2017 (Un-audited)					
Category of classification	Domestic	Overseas	Total	Provision Required	Provision Held
Rupees in '000'					
Other assets especially mentioned	123,454	-	123,454	4,987	4,987
Substandard	2,162,804	-	2,162,804	235,351	235,351
Doubtful	7,313,355	-	7,313,355	3,495,303	3,495,303
Loss	44,096,472	-	44,096,472	29,645,326	29,645,326
	53,696,085	-	53,696,085	33,380,967	33,380,967

December 31, 2016 (Audited)					
Category of classification	Domestic	Overseas	Total	Provision Required	Provision Held
Rupees in '000'					
Other assets especially mentioned	337,806	-	337,806	2,042	2,042
Substandard	1,585,906	-	1,585,906	80,564	80,564
Doubtful	7,450,320	-	7,450,320	3,609,147	3,609,147
Loss	45,536,728	-	45,536,728	27,771,207	27,771,207
	54,910,760	-	54,910,760	31,462,960	31,462,960

8.3 General provision represents provision against consumer and SME financing portfolio as required by the prudential regulations issued by the SBP.

8.4 The SBP amended the prudential regulations vide BSD Circular No.1 of 2011 dated October 21, 2011 in relation to provision for loans and advances there by allowing benefit of Forced Sale Value (FSV) of pledged stocks, mortgaged residential, commercial and industrial properties (land and buildings only) and plant and machinery under charge held as collateral against non-performing advances. The FSV benefit availed in last years have been reduced by Rs. Nil (net of FSV benefit availed during the period) (September 30, 2016: Rs. 152,409 thousand), which has resulted in increased charge for specific provision for the period ended by the same amount. The FSV benefit is not available for cash or stock dividend. Had the FSV benefit not recognized, before and after tax profits for the nine months ended would have been higher by Rs. Nil (September 30, 2016: Rs. 152,409 thousand) and Rs. Nil (September 30, 2016: higher by Rs. 99,066 thousand) respectively.

9. OPERATING FIXED ASSETS

During the period, additions to / disposals (at cost) from operating fixed assets amounted to Rs. 927,576 thousand (September 30, 2016: Rs. 563,293 thousand) and Rs. 171,472 thousand (September 30, 2016: Rs. 54,987 thousand), respectively.

	Note	(Un-audited) September 30, 2017 Rupees in '000'	(Audited) December 31, 2016
10. DEFERRED TAX ASSETS - NET			
Taxable temporary differences:			
Surplus on revaluation of operating fixed assets		(532,021)	(556,582)
Surplus on revaluation of non banking assets		(24,266)	(25,712)
Surplus on available for sale securities		(19,727)	(453,182)
Accelerated tax depreciation		(209,320)	(225,104)
Deductible temporary differences:			
Loan loss provision		7,657,857	7,740,836
		6,872,523	6,480,256
11. BORROWINGS FROM FINANCIAL INSTITUTIONS			
Secured			
Borrowings from SBP:			
-Export refinance (ERF)		9,226,002	10,282,058
-Long term financing facility (LTFF)		5,120,175	3,163,460
-Finance facility for storage of agricultural produce (FFSAP)		17,121	12,834
Repurchase agreement borrowings		1,496,876	15,879,035
Call borrowings	11.1	29,470,368	9,911,835
		45,330,542	39,249,222
Unsecured			
Call borrowings		992,695	495,102
Foreign placement		1,837,632	-
Overdrawn nostro accounts		39,112	84,810
		48,199,981	39,829,134

11.1 These represent secured interbank borrowings, carrying markup rate ranging from 5.75% to 5.83% per annum (2016: 5.77% to 5.80 % per annum) maturing on various dates, latest by September 21, 2018.

	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Rupees in '000'	
12. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	145,800,668	129,533,881
Savings deposits	219,230,452	193,301,179
Current accounts - non-remunerative	119,467,564	117,973,360
Sundry deposits, margin accounts, etc.	16,057,290	6,399,769
	500,555,974	447,208,189
Financial Institutions		
Remunerative deposits	2,691,699	4,722,171
Non-remunerative deposits	1,955,902	1,289,380
	4,647,601	6,011,551
	505,203,575	453,219,740
12.1 Particulars of deposits		
In local currency	497,884,560	445,571,885
In foreign currencies	7,319,015	7,647,855
	505,203,575	453,219,740

13. SHARE CAPITAL

	(Un-audited) September 30, 2017 (No. of shares)	(Audited) December 31, 2016		(Un-audited) September 30, 2017	(Audited) December 31, 2016
				Rupees in '000'	
13.1 Authorized capital					
	5,000,000,000	5,000,000,000	Ordinary or preference shares of Rs. 10/- each	50,000,000	50,000,000
The authorized capital of the Bank is fifty thousand million rupees divided into five thousand million ordinary or preference shares of rupees ten each.					
13.2 Issued, subscribed and paid up capital					
	(Un-audited) September 30, 2017 (No. of shares)	(Audited) December 31, 2016		(Un-audited) September 30, 2017	(Audited) December 31, 2016
				Rupees in '000'	
	519,333,340	519,333,340	Opening balance		
			Ordinary shares of Rs. 10/- each paid in cash	5,193,333	5,193,333
	526,315,789	526,315,789	Ordinary shares of Rs. 10/- each issued at discount	5,263,158	5,263,158
	509,464,036	509,464,036	Issued as bonus shares	5,094,641	5,094,641
	1,555,113,165	1,555,113,165		15,551,132	15,551,132
	1,088,579,215	-	Movement during the period		
			Issuance of right shares during the period	10,885,792	-
	1,607,912,555	519,333,340	Closing balance		
			Ordinary shares of Rs. 10/- each paid in cash	16,079,125	5,193,333
	526,315,789	526,315,789	Ordinary shares of Rs. 10/- each issued at discount	5,263,158	5,263,158
	509,464,036	509,464,036	Issued as bonus shares	5,094,641	5,094,641
	2,643,692,380	1,555,113,165		26,436,924	15,551,132

- 13.3** GoPb held 57.47% shares in the Bank as at September 30, 2017 (December 31, 2016: 57.47%). Further, during the period the Bank has issued 1,088,579,215 (70%) right shares at a price of Rs. 12.00 per share including premium of Rs. 2.00 per share.

	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Rupees in '000'	
14. SHARE DEPOSIT MONEY		
Opening balance	7,000,000	7,000,000
Right shares issued during the year	(7,000,000)	-
Closing balance	-	7,000,000
15. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus on revaluation of operating fixed assets	2,037,990	2,141,837
Surplus on non banking assets acquired in satisfaction of claims	614,086	623,453
Surplus on revaluation of available for sale securities	36,636	841,623
	2,688,712	3,606,913

16. CONTINGENCIES AND COMMITMENTS

16.1 Direct credit substitutes

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

	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Rupees in '000'	
Government	86,930	-
Financial institutions	-	-
Others	7,208,286	2,209,896
	7,295,216	2,209,896

16.2 Transaction related contingent liabilities

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

	(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Rupees in '000'	
Government	570,083	601,271
Financial institutions	4,917,707	8,564,597
Others	38,940,854	23,878,852
	44,428,644	33,044,720

	Note	(Un-audited) September 30, 2017 Rupees in '000'	(Audited) December 31, 2016
16.3 Trade related contingent liabilities			
These include letters of credit issued in favour of:			
Government		15,348,787	6,719,311
Financial institutions		-	-
Others		19,336,868	20,163,620
		34,685,655	26,882,931
16.4 Other contingencies			
Claims against the Bank not acknowledged as debts	16.4.1	30,008,984	29,750,928
16.4.1	The amount 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. Up till 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.		
16.5 Income tax related contingency			
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.			
The Punjab Modaraba Services (Private) Limited (PMSL) filed a complaint before the Federal Tax Ombudsman, Lahore (FTO) for the non-issuance of income tax refunds in respect of tax year 2007, 2008 and 2009. Based on the complaint, the FTO recommended the Federal Board of Revenue, through order dated September 23, 2016 to dispose of the Company's refund claims and pay off compensation, if any, and report compliance within 21 days, which is pending to date.			
The PMSL filed the income tax return for the tax year 2013 on January 30, 2014 which was selected for audit in terms of section 214C of the Ordinance. After the conclusion of the audit proceedings, the Inland Revenue Officer issued his order dated January 20, 2017 and has raised income tax demand amounting to Rs. 4.586 million. Being aggrieved, the Company has filed an appeal with CIR(Appeals), which is pending adjudication.			
16.6 Commitments to extend credit			
The Bank makes commitments to extend credit in the normal course of business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.			
		(Un-audited) September 30, 2017 Rupees in '000'	(Audited) December 31, 2016
16.7 Commitments in respect of forward exchange contracts			
Purchase		11,309,530	9,594,731
Sale		6,276,454	6,997,174
		17,585,984	16,591,905
16.8	Commitments for the acquisition of operating fixed assets	198,880	27,095

17. EARNINGS PER SHARE - BASIC AND DILUTED

(Un-audited)				
	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017 Rupees in '000'	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
Profit after taxation (Rupees in thousand)	974,070	3,156,935	1,167,422	3,934,335
Weighted average number of ordinary shares (thousand)	1,854,173	1,854,173	1,555,113	1,555,113
Earnings per share - basic and diluted (Rupees)	0.53	1.70	0.75	2.53

- 17.1** During the period, the Bank issued (70%) right shares at a price of Rs. 12.00 per share including premium of Rs. 2.00 per share. However, in the absence of element of bonus, earning per share for comparative period has not been restated.

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

	Trading & Sales	Retail Banking	Commercial Banking Rupees in '000'	Payment & Settlement	Agency Services	Total
Nine Months Ended September 30, 2017 (Un-audited)						
Total income	11,632,319	3,377,177	12,934,548	457,547	91,054	28,492,645
Total expenses	1,094,691	2,988,583	19,129,685	-	-	23,212,959
Inter segment transfer (cost) / revenue	(5,118,471)	734,336	4,384,135	-	-	-
Income taxes	-	-	-	-	-	2,122,751
Net income / (loss)	5,419,157	1,122,930	(1,811,002)	457,547	91,054	3,156,935
Segment assets (gross)	280,440,700	51,475,976	311,338,504	-	-	643,255,180
Segment non performing advances / investments	3,063,567	2,460,355	51,235,730	-	-	56,759,652
Segment specific provision required	3,063,567	1,744,599	31,636,368	-	-	36,444,534
Segment liabilities	38,458,393	79,970,742	459,961,241	-	-	578,390,376
Segment return on net assets (ROA) (%)	7.24%	10.42%	8.26%			
Segment cost of funds (%)	5.44%	5.88%	5.66%			

	Trading & Sales	Retail Banking	Commercial Banking Rupees in '000'	Payment & Settlement	Agency Services	Total
Nine Months Ended September 30, 2016 (Un-audited)						
Total income	11,523,089	3,303,947	10,657,168	348,443	62,872	25,895,519
Total expenses	1,571,034	2,652,838	15,631,940	-	-	19,855,812
Inter segment transfer (cost) / revenue	(4,461,117)	659,840	3,801,277	-	-	-
Income taxes	-	-	-	-	-	2,105,372
Net income / (loss)	5,490,938	1,310,949	(1,173,495)	348,443	62,872	3,934,335
Segment assets (gross)	251,559,530	49,972,096	249,159,191	-	-	550,690,817
Segment non performing advances / investments	3,090,694	2,302,301	53,960,026	-	-	59,353,021
Segment specific provision required	3,043,307	1,641,848	29,796,726	-	-	34,481,881
Segment liabilities	50,475,114	69,732,027	379,255,911	-	-	499,463,052
Segment return on net assets (ROA) (%)	8.78%	10.07%	8.95%			
Segment cost of funds (%)	6.10%	6.37%	5.94%			

19. RELATED PARTY TRANSACTIONS

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

	September 30, 2017 (Un-audited)				December 31, 2016 (Audited)			
	Key management personnel	Modaraba floated by the wholly owned subsidiary of the Bank	Employee funds	Others	Key management personnel	Modaraba floated by the wholly owned subsidiary of the Bank	Employee funds	Others
	Rupees in '000'				Rupees in '000'			
Advances								
Opening balance	121,393	1,035,922	-	-	129,294	812,834	-	-
Loans granted during the period	93,879	579,486	-	-	38,064	924,735	-	-
Repayments received during the period	(42,406)	(579,275)	-	-	(45,965)	(701,647)	-	-
Closing balance	172,866	1,036,133	-	-	121,393	1,035,922	-	-
Deposits								
Opening balance	28,732	56,238	2,459,349	51,488	18,572	52,542	2,317,942	262,770
Placements made during the period	422,902	868,279	513,518	5,089,041	305,765	1,155,514	455,520	1,324,912
Withdrawals during the period	(419,153)	(920,100)	(229,870)	(4,861,496)	(295,605)	(1,151,818)	(314,113)	(1,536,194)
Closing balance	32,481	4,417	2,742,997	279,033	28,732	56,238	2,459,349	51,488
Placements	-	400,000	-	-	-	300,000	-	-
	September 30, 2017 (Un-audited)				September 30, 2016 (Un-audited)			
	Rupees in '000'				Rupees in '000'			
Transactions during the period :								
Mark-up/return earned	5,402	65,894	-	-	5,692	49,593	-	-
Mark-up/interest expensed	579	-	109,093	3,032	498	-	102,218	338
Contribution to employees funds	-	-	98,294	-	-	-	68,515	-

- 19.1** Balances pertaining to parties that were related at the beginning of the period 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.
- 19.2** 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. 45,365,732 thousand (December 31, 2016: Rs. 40,923,548 thousand), Rs. 268,819,057 thousand (December 31, 2016: Rs. 212,000,928 thousand) and Rs. 27,398,137 thousand (December 31, 2016: Rs. 11,373,982 thousand) respectively. Further, during the period, the Bank has incurred markup expense of Rs. 93,493 thousand (September 30, 2016: Rs. 95,438 thousand) on subordinated loan of Rs. 2,000,000 thousand received from GoPb in year 2014.

20. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorized for issuance on October 25, 2017 by the Board of Directors of the Bank.

21. GENERAL

- 21.1** The corresponding figures have been reclassified or rearranged, wherever necessary, for the purpose of comparison. However, no significant reclassification or rearrangement has been made during the period.
- 21.2** Figures have been rounded off to the nearest thousand, unless otherwise stated.

President

Director

The Bank of Punjab Group

Islamic Banking Business - Statement of Financial Position

As at September 30, 2017

The Bank is operating 53 Islamic banking branches and 02 sub Islamic banking branches at close of September 30, 2017 (December 31, 2016: 48 branches and 02 sub Islamic banking branches).

	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks		2,062,739	2,302,273
Balance with other banks		1,858,666	1,755,658
Due from financial institutions		8,732,000	5,100,000
Investments		7,630,799	5,512,287
Islamic financing and related assets	A	10,841,429	8,936,749
Operating fixed assets		252,817	272,007
Deferred tax assets		-	-
Other assets		489,072	251,092
TOTAL ASSETS		31,867,522	24,130,066
LIABILITIES			
Bills payable		193,739	227,700
Due to financial institutions		-	-
Deposit and other accounts			
- Current accounts		6,629,237	6,126,472
- Saving accounts		21,104,294	14,680,150
- Term deposits		716,923	813,678
- Others		36,655	225,814
- Deposits from financial institutions - remunerative		82,733	-
- Deposits from financial institutions - non - remunerative		3,101	-
Due to head office		1,600,836	684,727
Other liabilities		118,669	62,053
		30,486,187	22,820,594
NET ASSETS		1,381,335	1,309,472
REPRESENTED BY			
Islamic banking fund		1,000,000	1,000,000
Reserves		-	-
Unappropriated profit		335,452	230,200
		1,335,452	1,230,200
Surplus on revaluation of assets		45,883	79,272
		1,381,335	1,309,472
Remuneration to Shariah Advisor / Board		3,854	3,944

		(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Note	Rupees in '000'	
CHARITY FUND			
Opening balance		533	1,871
Additions during the period		221	533
Payments / utilization during the period		-	(1,871)
Closing balance		754	533
A. Islamic financing and related assets			
Islamic mode of financing	A.1	10,841,429	8,936,749
A.1 Islamic mode of financing			
Financing / Investments / Receivables			
Running Musharakah		1,781,000	1,651,000
Murabaha		717,929	1,009,083
Diminishing musharaka		5,505,011	4,618,083
Istisna		1,979,420	1,141,510
Ijarah		858,069	517,073
		10,841,429	8,936,749

The Bank of Punjab Group

Islamic Banking Business - Profit and Loss Account

For the Nine Months Ended September 30, 2017 (Un-audited)

	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
	(Rupees in thousand)			
Profit / Return earned on financing, investment and placements	487,993	1,314,512	299,765	740,654
Return on deposits and other dues expensed	182,504	455,492	94,482	220,784
Net spread earned	305,489	859,020	205,283	519,870
Provision against non-performing advances	50,421	50,421	-	-
Provision against consumer financings	-	-	-	-
Provision for diminution in the value of investments	-	-	-	-
Bad debts written off directly	-	-	-	-
	50,421	50,421	-	-
Income after provisions	255,068	808,599	205,283	519,870
Other income				
Fee, commission and brokerage income	4,003	17,975	2,636	11,731
Dividend income	-	-	-	-
(Loss) / Income from dealing in foreign currencies	840	865	(177)	(155)
Gain on sale and redemption of securities	-	-	-	-
Unrealized gain / (loss) on revaluation of investments classified as held for trading	-	-	-	-
Other income	8,020	24,400	4,108	18,295
Total other income	12,863	43,240	6,567	29,871
	267,931	851,839	211,850	549,741
Other expenses				
Administrative expenses	289,261	746,587	174,965	470,807
Other provisions/write offs/reversals	-	-	-	-
Other charges	-	-	-	19
Total other expenses	289,261	746,587	174,965	470,826
	(21,330)	105,252	36,885	78,915
Extra ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	(21,330)	105,252	36,885	78,915



Better——
STRONGER
Together

Head Office
BOP Tower, 10-B block E/II,
Main boulevard, Gulberg-III, Lahore
UAN: 111-200-100
www.bop.com.pk