



HALF YEARLY REPORT
(UN-AUDITED)
JANUARY-JUNE 2024

BOUND BY
COLLABORATIVE
SPIRIT

CONTENTS

Corporate Information	2
Directors' Review	3
Auditors' Review Report	7
Unconsolidated Condensed Interim Financial Statements of The Bank of Punjab	8
Consolidated Condensed Interim Financial Statements of The Bank of Punjab and its subsidiaries	53

Corporate Information

Board of Directors

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

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

Board Audit Committee (BAC)

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

Chairman
Member
Member
Member

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

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

Chairman
Member
Member
Member

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

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

Chairman
Member
Member
Member

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

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

Chairman
Member
Member
Member

Information Technology and Communications Committee (IT&CC)

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

Member
Member
Member
Member

Environmental, Social & Governance Committee (ES&GC)

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

Chairman
Member
Member
Member
Member

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Registered Office

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

Share Registrar

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

Website

www.bop.com.pk



Directors' Report

Half Yearly Financial Statements – June 30, 2024

On behalf of the Board of Directors, I am pleased to present Un-audited Condensed Interim Financial Statements of The Bank of Punjab for the 1st Half of year 2024.

Macroeconomic conditions have gradually improved since the start of 2024. The real GDP growth increased to 2.4 percent in FY2024 (FY2023: -0.2 percent) as per provisional data, with subdued recovery in industry and services partially offsetting the strong growth in agriculture. The fiscal position improved with a primary surplus of 0.9 percent of GDP in FY2024. The external account position stabilized due to a tangible increase in exports and remittances. The reduction in the current account deficit to \$ 0.7 billion has supported SBP FX reserves build up to \$ 9 billion despite large external debt repayments and weak official inflows. As a result, Pak Rupee remained firm in the first six months of 2024, recording a modest appreciation to 1 percent against the US dollar. Since the start of 2024, fiscal consolidation measures, a stable exchange rate, and improved agriculture supplies have led to a slowdown in inflationary pressures. Headline CPI inflation was recorded at 12.6 percent Y/Y in June 2024 compared to 29.4 percent in December 2023, while the average inflation decelerated to 23.4% in FY2024 compared to 29% in FY2023.

During FY2024, total deposits of the banking industry grew by 22% to Rs 31 trillion, investments grew 44% to Rs 30 trillion while advances remained stable at around Rs 12 trillion. In a high interest rate environment coupled with low demand, outstanding credit to the private sector remained flat at around Rs 9.5 trillion. To meet the growing budgetary requirements of the government, banks continued to invest in sovereign securities while SBP outstanding OMOs increased by 49% to Rs. 11.9 trillion.

In the June Monetary Policy Committee (MPC) meeting, SBP decided to reduce the policy rate by 150 bps to 20.5 percent, effective from June 11, 2024. The MPC decision was based on the sharp slowdown in inflation while stability in the external accounts provided further cushion to reduce the policy rate from the record high level of 22 percent. As a result, short-term secondary market yields have declined sharply up to 400 bps in FY2024.

The Bank has successfully implemented IFSR-9 with effect from January 01, 2024 and the impacts of adoption has been duly disclosed in note 4.1 of these unconsolidated condensed interim financial statements. During 1st Half of year 2024, the Bank has maintained its growth trends as mentioned hereunder:

Financial Highlights:

Rs. in Million

Profit before taxation	7,050,705
Taxation	2,700,214
Profit after taxation	4,350,491
Earnings per share (Rupees)	1.33

During 1st Half of year 2024, Bank earned before tax profit of Rs. 7.05 billion as against 3.92 billion during 1st Half of year of 2023 showing a remarkable growth of 80%. Non-Markup/ Interest Income increased to Rs. 9.93 Billion as against Rs. 5.73 Billion for 1st Half of year 2023 registering a significant growth of 73%. Bank's Net Interest Margin (NIM) remained at Rs. 15.92 billion while Non-Markup Expenses remained at 22.20 Billion. Earnings per Share (EPS) for the 1st Half of year 2024 improved to Rs. 1.33 per share as against Rs. 1.05 per share during 1st Half of year 2023.

As at June 30, 2024, Bank's Total Assets improved to Rs. 2,269 billion as against Rs. 2,054 billion as of June 30, 2023 depicting a growth of 10%. The Deposits of the Bank also improved to Rs. 1,582 billion as against Rs.

1,370 billion as of June 30, 2023 registering a growth of 15%. Investments & Lending to FIs improved to Rs. 1,293 billion registering a growth of 40% over June 30, 2023. Gross Advances were recorded at Rs. 705 billion. Bank's Equity improved to Rs. 77 billion as against Rs. 67 billion as on June 30, 2023 and Capital Adequacy Ratio stood at 1761% against regulatory requirement of 1150%.

The Bank has been assigned long term entity rating of "AA+" by M/s PACRA with short term rating being at the highest rank of "A1+". The Bank currently has a network of 822 online branches, including 163 Taqwa Islamic Banking Branches and 15 sub-branches. Further, the Bank has a network of 835 ATMs providing 24/7 banking services to the customers. Besides, Bank is also offering a wide range of products/services to its valued clients including Branchless Banking, Mobile Banking, Internet Banking, Credit Card and Cash Management services.

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

For and on behalf of the Board



President/ CEO



Director

ڈائریکٹرز کی رپورٹ

دی بینک آف پنجاب کے ششماہی مالیاتی نتائج 30 جون 2024ء

بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 30 جون 2024 کو ختم ہونے والی چھ ماہ کی مدت کے لیے دی بینک آف پنجاب کے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی بیانات پیش کرتے ہوئے خوشی ہو رہی ہے۔

2024 کے آغاز سے میکرو اکنامک حالات میں بتدریج بہتری آئی ہے۔ حاضری اعداد و شمار کے مطابق مالی سال 2024 (-0.2) FY2023: فیصد) میں حقیقی جی ڈی پی کی نمو بڑھ کر 2.4 فیصد ہو گئی، صنعت اور خدمات میں کم بحالی نے زراعت کی مضبوط ترقی کو جزوی طور پر پورا کیا۔ مالیاتی پوزیشن مالی سال 2024 میں جی ڈی پی کے 0.9 فیصد کے بنیادی سرپلس کے ساتھ بہتر ہوئی۔ برآمدات اور ترسیلات زر میں واضح اضافہ کی وجہ سے بیرونی کھاتوں کی پوزیشن مستحکم ہوئی۔ کرنٹ اکاؤنٹ خسارے میں 0.7 بلین ڈالر کی کمی نے بیرونی قرضوں کی بڑی ادائیگیوں اور کمزور سرکاری قروم کے باوجود SBP FX کے ذخائر کو \$9 بلین تک بڑھانے میں مدد فراہم کی ہے۔ نتیجے کے طور پر، پاک روپیہ 2024 کی پہلی ششماہی میں مستحکم رہا، جس نے امریکی ڈالر کے مقابلے میں 1 فیصد تک معمولی اضافہ ریکارڈ کیا۔ 2024 کے آغاز سے، مالیاتی استحکام کے اقدامات، ایک مستحکم شرح مبادلہ، اور بہتر زرعی سپلائی مہنگائی کے دباؤ میں کمی کا باعث بنی ہے۔ ہیڈ لائن CPI افراط زر دسمبر 2023 میں 29.4 فیصد کے مقابلے میں جون 2024 میں 12.6 فیصد سال رسال ریکارڈ کیا گیا، جبکہ اوسط افراط زر FY2023 میں 29 فیصد کے مقابلے میں FY2024 میں 23.4 فیصد تک گر گیا۔

مالی سال 2024 کے دوران شیڈول بینکوں کے کل ڈپازٹس 22 فیصد بڑھ کر 31 ٹریلین روپے ہو گئے، سرمایہ کاری 44 فیصد بڑھ کر 30 ٹریلین روپے ہو گئی جبکہ انڈوائس تقریباً 12 ٹریلین روپے پر مستحکم رہے۔ کم مانگ کے ساتھ اعلیٰ شرح سود کے ماحول میں، نجی شعبے کو بقایا قرضہ تقریباً 9.5 ٹریلین روپے پر برابر رہا۔ حکومت کی بڑھتی ہوئی بجٹ کی ضروریات کو پورا کرنے کے لیے، بینکوں نے خود مختار سیکورٹیز میں سرمایہ کاری جاری رکھی جبکہ اسٹیٹ بینک کے بقایا OMOs 49 فیصد اضافے سے 11.9 ٹریلین روپے ہو گئے۔

جون کی مانیٹری پالیسی کمیٹی (MPC) کے اجلاس میں، SBP نے پالیسی ریٹ کو 150 bps سے کم کر کے 20.5 فیصد کرنے کا فیصلہ کیا، جو کہ 11 جون 2024 سے لاگو ہوگا۔ MPC کا فیصلہ افراط زر میں تیزی سے سست روی پہنچی تھا جبکہ بیرونی کھاتوں میں استحکام نے پالیسی کی شرح کو 22 فیصد کی بلند ترین سطح سے کم کرنے کے لیے مزید کشن فراہم کیا گیا تھا۔ نتیجتاً، مالی سال 2024 میں قلیل مدتی سینڈری مارکیٹ کی پیداوار میں تیزی سے 400bps تک کی توقع ہوئی ہے۔

بینک نے 01 جنوری 2024 سے IFRS-9 کو مابانی کے ساتھ لاگو کیا ہے اور اپنانے کے اثرات کو ان غیر مربوط کنڈینسڈ عبوری مالیاتی بیانات کے نوٹ 4.1 میں واضح طور پر ظاہر کیا گیا ہے۔ سال 2024 کے پہلے چھ مہینوں کے دوران، بینک نے اپنی ترقی کے رجحانات کو برقرار رکھا ہے جیسا کہ یہاں ذکر کیا گیا ہے:

روپے بلین میں:	مالیاتی نتائج:
7,050.705	ٹیکس سے پہلے منافع
2,700.214	ٹیکس
4,350.491	ٹیکس کے بعد منافع
1.33	نی شیئر آمدنی (روپے)


2024 کے پہلے چھ مہینوں کے دوران، بینک نے ٹیکس سے پہلے 7.05 بلین روپے کا منافع کمایا جو 2023 کے پہلے چھ مہینوں کے دوران 3.92 بلین روپے کے مقابلے میں 80 فیصد کی غیر معمولی ترقی کو ظاہر کرتا ہے۔ نان مارک اپر سودی آمدنی بڑھ کر 9.93 ارب روپے ہو گئی جو 2023 کے پہلے چھ مہینوں میں 5.73 بلین روپے کے مقابلے میں 73 فیصد کی نمایاں نمو دکھاتا ہے۔ بینک کا نیٹ انٹرسٹ مارجن (NIM) 15.92 بلین روپے پر رہا۔ جبکہ نان مارک اپ اخراجات 22.20 بلین روپے۔ 2024 کے پہلے چھ ماہ کے لیے فی شیئر آمدنی (EPS) بہتر ہو کر 1.33 روپے فی حصص ہو گئی جو 2023 کے پہلے چھ ماہ کے دوران 1.05 روپے فی شیئر تھی۔


30 جون 2024 تک، بینک کے کل اثاثے بڑھ کر روپے 2,269 ارب ہو گئے جو 30 جون 2023 تک 2,054 بلین روپے کے مقابلے میں 10% کی نمو کو ظاہر کرتا ہے۔ بینک کے اثاثے بھی بہتر ہو کر 1,582 ارب روپے روپے ہو گئے اس طرح 30 جون 2023 تک 1,370 بلین روپے کے مقابلے میں 15% کی نمو درج کی گئی۔ FIs کو سرمایہ کاری اور قرضے میں بہتری آئی جو 1,293 بلین روپے ہو گئی اس طرح 30 جون 2023 کے مقابلے میں 40 فیصد اضافہ ریکارڈ کیا گیا۔ مجموعی ایڈوانسز 705 ارب روپے رہے۔ بینک کی ایکویٹی بہتر ہو کر 177 ارب روپے ہو گئی جو 30 جون 2023 تک 67 بلین روپے تھے اور کیپٹل ایڈیکلیسی ریٹو 11.50 فیصد کی ریگولیٹری ضرورت کے مقابلے میں 17.61 فیصد ہو گئی۔

بینک کو M/s PACRA کی طرف سے "AA+" کی طویل مدتی درجہ بندی تفویض کی گئی ہے جس میں مختصر مدت کی درجہ بندی "A1+" کے اعلیٰ ترین درجے پر ہے۔ بینک کے پاس اس وقت 822 آن لائن برانچز کا نیٹ ورک ہے جس میں 163 تقویٰ اسلامی بینکنگ برانچز اور 15 ذیلی شاخیں شامل ہیں۔ مزید برآں، بینک کے پاس 835 ایٹو ایبز کا نیٹ ورک ہے جو صارفین کو 24/7 بینکنگ خدمات فراہم کرتا ہے۔ اس کے علاوہ، بینک اپنے قابل قدر گاہکوں کو پروڈکٹس سروسز کی ایک وسیع رینج بھی پیش کر رہا ہے جس میں برانچ لیس بینکنگ، موبائل بینکنگ، انٹرنیٹ بینکنگ، کریڈٹ کارڈ اور کیش مینجمنٹ سروسز شامل ہیں۔

بورڈ کی جانب سے، میں اپنے قابل قدر کسٹمرز اور شیئرز ہولڈرز کا ان کی پائیدار حمایت کے لیے شکریہ ادا کرتا ہوں اور انہیں یقین دلاتا ہوں کہ بینک اپنی ترقی کے رجحانات کو برقرار رکھے گا۔ میں حکومت پنجاب اور اسٹیٹ بینک آف پاکستان کا بھی شکریہ ادا کرتا ہوں کہ ان کی مسلسل مدد اور رہنمائی۔ مزید برآں، بورڈ اچھی مالی کارکردگی پر انتظامیہ اور عملے کی کوششوں کو بھی سراہتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے


ڈائریکٹر


پریزیڈنٹ/سی ای او



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of The Bank of Punjab

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of The Bank of Punjab ("the Bank") as at June 30, 2024 and the related unconsolidated condensed interim statement of profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the quarters ended June 30, 2024 and June 30, 2023 in the unconsolidated condensed interim statement of profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Hammad Ali Ahmad.

A.F. Ferguson & Co.
Chartered Accountants
Lahore.

Dated: August 29, 2024

UDIN: RR202410092roA5tePKN

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan.
Tel: +92 (42) 3519 9343-50 / Fax: +92 (42) 3519 9351 www.pwc.com/pk*

■ KARACHI ■ LAHORE ■ ISLAMABAD



Unconsolidated Condensed Interim
FINANCIAL STATEMENTS
for the six months ended June 30, 2024

Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2024

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks - net	7	123,186,971	100,894,255
Balances with other banks - net	8	26,943,011	8,283,392
Lendings to financial institutions - net	9	1,952,026	144,960,933
Investments - net	10	1,291,449,389	913,191,416
Advances - net	11	650,600,727	806,386,880
Property and equipment	12	22,902,992	20,788,845
Right of use assets	13	11,843,057	12,424,136
Intangible assets	14	2,501,118	2,091,021
Deferred tax assets - net	15	14,050,879	10,242,767
Other assets - net	16	123,690,208	196,916,345
Total assets		2,269,120,378	2,216,179,990
LIABILITIES			
Bills payable	18	8,031,852	5,507,855
Borrowings	19	436,134,167	453,965,991
Deposits and other accounts	20	1,582,112,668	1,520,853,642
Lease liabilities	21	15,708,987	15,727,259
Subordinated debts	22	30,823,880	30,204,640
Deferred tax liabilities		-	-
Other liabilities - net	23	119,102,084	109,165,991
Total liabilities		2,191,913,638	2,135,425,378
NET ASSETS		77,206,740	80,754,612
REPRESENTED BY			
Share capital - net	24	32,452,535	32,452,535
Reserves		15,821,827	14,951,729
Surplus on revaluation of assets - net of tax	25	4,554,978	1,828,553
Unappropriated profit		24,377,400	31,521,795
		77,206,740	80,754,612
CONTINGENCIES AND COMMITMENTS			
	26		

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

Unconsolidated Condensed Interim Profit and Loss Account

For the Six Months Ended June 30, 2024 (Un-audited)

	Note	Three Months Ended		Six Months Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		Rupees in '000'			
Mark-up / return / interest earned	27	87,474,723	76,144,421	171,719,257	126,820,289
Mark-up / return / interest expensed	28	80,112,629	66,494,475	155,803,141	109,402,855
Net mark-up / interest income		7,362,094	9,649,946	15,916,116	17,417,434
NON MARK-UP / INTEREST INCOME					
Fee and commission income	29	2,440,015	2,813,244	4,516,885	4,536,489
Dividend income		48,069	108,680	162,706	245,869
Foreign exchange income / (loss)		555,551	(3,886)	763,051	776,495
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities - net	30	1,387,655	(19,838)	2,089,284	39,741
Net gains on derecognition of financial assets measured at amortised cost	31	1,362,018	-	1,362,018	-
Other income	32	485,086	92,512	1,033,458	132,769
Total non-markup / interest income		6,278,394	2,990,712	9,927,402	5,731,363
Total income		13,640,488	12,640,658	25,843,518	23,148,797
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	33	11,677,115	10,309,337	22,110,504	18,657,530
Workers' welfare fund		33,640	37,953	87,010	68,966
Other charges	34	1,495	8,033	1,653	8,630
Total non-markup / interest expenses		11,712,250	10,355,323	22,199,167	18,735,126
Profit before credit loss allowance		1,928,238	2,285,335	3,644,351	4,413,671
(Reversal of credit loss allowance) / provisions and write offs - net	35	(1,610,776)	475,151	(3,406,354)	494,933
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		3,539,014	1,810,184	7,050,705	3,918,738
Taxation - net	36	898,542	(436,469)	2,700,214	470,426
PROFIT AFTER TAXATION		2,640,472	2,246,653	4,350,491	3,448,312
Basic earnings per share - Rupees	37	0.81	0.69	1.33	1.05
Diluted earnings per share - Rupees	38	0.81	0.69	1.33	1.05

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer


President


Chairman


Director


Director

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Six Months Ended June 30, 2024 (Un-audited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	Rupees in '000'			
Profit after taxation for the period	2,640,472	2,246,653	4,350,491	3,448,312
Other comprehensive income / (loss):				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI / AFS investments - net of tax	623,066	2,973,632	(666,521)	(1,063,446)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / loss on defined benefit obligations - net of tax	-	-	-	-
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	371,778	-	273,341	-
Movement in surplus on revaluation of property and equipment - net of tax	-	(285,427)	-	(285,427)
Movement in surplus on revaluation of non-banking assets - net of tax	-	(11,768)	-	(11,768)
	371,778	(297,195)	273,341	(297,195)
Total comprehensive income	3,635,316	4,923,090	3,957,311	2,087,671

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

Unconsolidated Condensed Interim Statement of Changes in Equity

For the Six Months Ended June 30, 2024 (Un-audited)

	Surplus / (Deficit) - net of tax on revaluation of							Total		
	Share capital	Discount on issue of shares	Share capital - net	Share premium	Reserve for issuance of bonus shares	Statutory reserve	Investments		Property & equipment / non banking assets	Unappropriated profit
	Rupees in '000'									
Balance as on January 01, 2023 - audited	29,741,539	(26,3198)	29,478,381	2,215,040	-	10,468,852	(7,819,265)	5,495,835	25,213,170	65,052,013
Profit after taxation for the six months ended June 30, 2023	-	-	-	-	-	-	(1,063,446)	(297,195)	3,448,312	3,448,312
Other comprehensive loss - net of tax	-	-	-	-	-	-	(1,063,446)	(297,195)	3,448,312	(1,350,641)
Total other comprehensive loss / income - net of tax for the six months ended June 30, 2023	-	-	-	-	-	-	(1,063,446)	(297,195)	3,448,312	2,087,671
Transfer to statutory reserve during the period	-	-	-	-	-	689,663	-	(60,653)	(689,663)	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,488)	60,653	57,165
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(9,076)	2,488	(6,588)
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	-	15,591	15,591
Transactions with owners recorded directly in equity:										
Final stock dividend - December 31, 2022 declared subsequent to year end at 10% per share	2,974,154	-	2,974,154	-	-	-	-	-	(2,974,154)	-
Issuance of bonus shares during the period	2,974,154	-	2,974,154	-	-	-	-	-	(2,974,154)	-
Balance as on June 30, 2023 - un-audited	32,715,693	(26,3198)	32,452,535	2,215,040	-	11,158,515	(8,882,711)	5,126,423	25,076,397	67,445,199
Profit after taxation for the six months ended December 31, 2023	-	-	-	-	-	-	-	-	7,890,873	7,890,873
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	(257,339)	(257,339)
Total other comprehensive income / (loss) - net of tax for six months ended December 31, 2023	-	-	-	-	-	-	-	-	7,633,534	7,376,195
Transfer to statutory reserve during the period	-	-	-	-	-	15,781,74	-	(60,653)	(15,781,74)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,383)	60,653	58,270
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(3,671,77)	2,383	(1,288,767)
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	-	327,002	327,002
Balance as on December 31, 2023 - audited	32,715,693	(26,3198)	32,452,535	2,215,040	-	12,736,689	(2,926,006)	4,754,559	31,521,795	80,754,612
Impact of first time adoption of IFRS-09 - net of tax (note 4.2)	-	-	-	-	-	-	3,326,806	-	(764,005,96)	(760,679,16)
Balance as on January 01, 2024 - after the impact of adoption of IFRS-09	32,715,693	(26,3198)	32,452,535	2,215,040	-	12,736,689	400,800	4,754,559	23,881,739	76,441,362
Profit after taxation for the six months ended June 30, 2024	-	-	-	-	-	-	-	-	4,350,491	4,350,491
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-	-	-
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	-	-	-	-	-
Total other comprehensive loss - net of tax for the six months ended June 30, 2024	-	-	-	-	-	-	-	-	(870,098)	(870,098)
Transfer to statutory reserve during the period	-	-	-	-	-	870,098	-	-	(870,098)	-
Transfer of deficit on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	-	-	-	-	(6,354)	(6,354)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	2,731	5,762	8,493
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(1,032)	(1,032)
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(15,279)	2,335,38	2,320,109
Transactions with owners recorded directly in equity:										
Final cash dividend - December 31, 2023 declared subsequent to year end at 10% per share	-	-	-	-	-	-	-	-	(3,271,569)	(3,271,569)
Balance as on June 30, 2024 - un-audited	32,715,693	(26,3198)	32,452,535	2,215,040	-	13,606,787	10,361	4,544,627	24,377,400	77,206,740

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



President



Chairman



Director



Director

Unconsolidated Condensed Interim Cash Flow Statement

For the Six Months Ended June 30, 2024 (Un-audited)

	Note	Six Months Ended	
		June 30, 2024	June 30, 2023
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		7,050,705	3,918,738
Less: Dividend income		(162,706)	(245,869)
		6,887,999	3,672,869
Adjustments:			
Net mark-up / interest income excluding mark-up on lease liability against right of use assets		(16,954,109)	-
Depreciation on property and equipment	33	1,179,264	868,829
Depreciation on non banking assets acquired in satisfaction of claims	33	6,828	11,275
Depreciation on ijarah assets under IFAS - 2	33	156,946	92,635
Depreciation on right of use assets	33	946,422	803,090
Amortization on intangible assets	33	206,976	108,820
Amortization of discount on debt securities - net		(3,608,472)	(3,961,997)
Mark-up on lease liability against right of use assets	28	1,037,993	918,368
Unrealized (gain) / loss on revaluation of investments classified as FVTPL / Held for trading	30	(352,367)	90,657
Realized gain on deliverable future contracts		(7,887)	-
Reversal of credit loss allowance against lending to financial institutions (Reversal of credit loss allowance) / provision for diminution in value of investments - net	35	(58,406)	-
Reversal of credit loss allowance /provision against loans & advances - net	35	(44,945)	854,913
(Reversal of credit loss allowance) / provision against other assets - net	35	(2,405,384)	(401,209)
Reversal of credit loss allowance against off balance sheet obligations	35	(243,605)	41,229
Credit loss allowance against balance with other banks	35	(689,454)	-
Reversal of credit loss allowance against balances with treasury banks Workers' welfare fund	35	216,339	-
Gain on termination of lease liability against right of use assets	32	(180,899)	68,966
Gain on sale of property and equipment - net	32	87,010	(55,416)
Gain on sale of non banking assets acquired in satisfaction of claims - net	32	(161,296)	(4,866)
Realized gain on sale of securities - net	32	(2,487)	(59,101)
Gain on derecognition of financial assets measured at amortised cost	31	(514,223)	(130,398)
Loss on derecognition of financial assets measured at amortised cost	31	(1,729,030)	-
Provision for employees compensated absences		(1,563,972)	-
Provision for gratuity		201,954	11,672
		6,210	222,779
		304,434	
		(241,661,160)	(519,754)
		(17,278,161)	3,153,115
(Increase) / decrease in operating assets:			
Lendings to financial institutions - net		142,975,933	67,510,942
Securities classified as FVTPL		(6,469,583)	(60,417,551)
Advances - net		134,227,381	(272,908,315)
Others assets - net (excluding non-banking assets, markup receivable and advance taxation - net)		77,793,778	(34,085,194)
		348,527,509	(299,900,118)
Increase / (decrease) in operating liabilities:			
Bills payable		2,523,997	1,309,096
Borrowings		(17,653,091)	395,686,488
Deposits and other accounts		61,259,026	142,522,507
Other liabilities - net (excluding taxation - net, markup payable and gratuity fund)		7,623,342	22,711,535
		53,753,274	562,229,626
Payment made to gratuity fund		(690,633)	(171,152)
Mark-up / return / interest received		177,299,561	-
Mark-up / return / interest paid		(148,964,358)	-
Income tax paid		(5,963,779)	(3,768,107)
		21,680,791	(3,939,259)
Net cash flow generated from operating activities		406,683,413	261,543,364

Unconsolidated Condensed Interim Cash Flow Statement (Continued)

For the Six Months Ended June 30, 2024 (Un-audited)

	Note	Six Months Ended June 30, 2024	June 30, 2023
Rupees in '000'			
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI / AFS		(359,236,285)	(222,464,716)
Net investments in amortized cost securities / HTM		158,791	-
Dividends received		164,089	245,869
Investments in property and equipment		(2,082,834)	(1,989,815)
Investments in intangible assets		(617,073)	(195,356)
Proceeds from sale of property and equipment		13,641	9,828
Proceeds from sale of non banking assets acquired in satisfaction of claims		994,473	95,700
Investment in subsidiary		(100,000)	(110,487)
Net cash used in investing activities		(360,705,198)	(224,408,977)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(2,260)	(2,494,860)
Subscription received - subordinated perpetual term finance certificates ADT-I 2nd issue	22	50,000	3,900,000
Subscription received - privately placed term finance certificates - III		-	4,600,000
Subscription received - privately placed term finance certificates - IV		571,500	4,285,000
Payment of cash dividend		(3,271,568)	-
Payment of lease liability against right of use assets		(1,260,309)	(110,245)
Net cash (used in) / flow from financing activities		(3,912,637)	9,184,895
Increase in cash and cash equivalents		42,065,578	46,319,282
Impact of adoption of IFRS-09 on cash and cash equivalents		(934,510)	-
Cash and cash equivalents at beginning of the period		108,977,522	78,017,550
Cash and cash equivalents at end of the period		150,108,590	124,336,832
Cash and cash equivalents:			
Cash and balances with treasury banks - net	7	123,186,971	117,220,195
Balances with other banks - net	8	26,943,011	7,016,637
Call money lendings	9	-	100,000
Overdrawn nostro accounts		(21,392)	-
		150,108,590	124,336,832

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer


President


Chairman


Director


Director

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Six Months Ended June 30, 2024 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

The Bank of Punjab (the Bank) was constituted in Pakistan pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 822 branches including 15 sub branches and 163 Islamic banking branches (December 31, 2023: 815 branches including 16 sub branches and 160 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank also has 155 Islamic banking windows (December 31, 2023: 73). The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ and short term rating of A1+ to the Bank with stable outlook.

2. BASIS OF PREPARATION

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

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

The financial results of Islamic Banking business have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in note 43 of these unconsolidated condensed interim financial statements.

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

The SBP, vide BPRD Circular No. 02 dated February 09, 2023, issued revised forms for the preparation of condensed interim quarterly / half yearly financial statements of the Banks / DFIs which are applicable for quarterly / half yearly periods beginning on or after January 01, 2024 vide BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of these unconsolidated condensed interim financial statements. These includes the right of use assets and corresponding lease liability which are now presented separately on the face of the statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the unconsolidated condensed interim financial statements in terms of recognition and measurement of assets and liabilities.

2.2 Statement of compliance

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

- International Accounting Standard (IAS) 34, "Interim Financial Reporting" and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP);

- Requirements of The Bank of Punjab Act, 1989; and
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017.

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

- 2.2.2** SBP has deferred the applicability of International Accounting Standards 40, "Investment Property" for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The SECP has deferred applicability of IFRS 7 "Financial Instruments: Disclosures" on banks through S.R.O 411(I) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.
- 2.2.3** The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of "Islamic Financial Accounting Standard - 3" for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS). The standard will result in certain new disclosures in these unconsolidated condensed interim financial statements of the Bank.
- 2.2.4** The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective "Consolidated Financial Statements" from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.
- 2.2.5** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 dated February 09, 2023 and IAS-34, "Interim Financial Reporting". Accordingly, these unconsolidated condensed interim financial statements do not include all the information and disclosures required for annual unconsolidated financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for the impact of adoption of IFRS-09 "Financial Instruments" as explained in note 4.1 and 4.2.

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

There are certain new and amended standards, issued by the IASB, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these unconsolidated condensed interim financial statements except for IFRS-09 "Financial Instruments", the impact of which is disclosed in note 4.1 and 4.2 to these unconsolidated condensed interim financial statements.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations except for:

	Effective date (annual periods beginning on or after)
- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	January 01, 2026
- IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027

3. BASIS OF MEASUREMENT

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for the adoption of IFRS-09 "Financial instruments" with effect from January 01, 2024 as mentioned in note 4.1 and 4.2.

4.1 Adoption of 'IFRS-09 - Financial Instruments'

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

The SBP through its BPRD Circular Letter No. 16 dated July 29, 2024 has provided additional clarification on earlier issued 'IFRS 9 - Financial Instruments Application Instructions' to address certain key matters raised by the banks with a direction to ensure compliance by the extended timelines. There are few other matters, including the measurement of unencumbered general provision, income recognition on Islamic financings and the subsidized loans (other than staff loans extended to employees as per HR policy), which are still under deliberation with the SBP. The Bank has continued to follow the existing treatment in respect of these matters till the time SBP issues relevant guidance / clarification.

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

Business model assessment

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

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

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

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

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

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

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

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

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

Classification

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

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

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

Initial recognition and subsequent measurement

a) Financial assets classified as amortized cost

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

b) Fair value through other comprehensive income (FVOCI)

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

FVOCI equity securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Dividend income is recognized in profit and loss account when the right to receive the payment is established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

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

c) Fair value through profit or loss (FVTPL)

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

Financial assets (both equity and debt) at FVTPL are subsequently measured at fair value with changes in fair value are recognized in profit and loss account. Interest income on these instruments is recorded into profit and loss accounts. Dividend income on equity instruments is recorded in profit and loss

account when the right to receive payment is established. On derecognition, capital gain / loss will be recognised in the profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

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

Expected Credit Loss (ECL)

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

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

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

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

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

A default will deem to have occurred either when the obligation has become over 90 days past due (DPD) or ratings have deteriorated to or beyond ORR 9, markup has been suspended as per Prudential Regulations or an event indicating default i.e., bankruptcy has occurred.

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

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

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

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

below:

Stage 1: includes financial instruments that don't have a significant increase in credit risk since initial recognition or those have low credit risk at the reporting date. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. For these assets, 12-month expected credit losses (ECLs) are recognized and markup is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfall over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

Stage 2: includes financial instruments that have or had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. For these assets, lifetime ECL are recognized, but markup is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.

Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). As per BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No. 16 of 2024 dated July 29, 2024, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the provision as per Prudential Regulations or IFRS 9 at borrower / facility level for corporate / commercial / SME loan portfolios and at segment / product basis for retail portfolio. In computing Stage 3 exposures, the Bank considers PD of 100% and LGDs used are based on regulatory prescribed percentages.

Write-offs

The Bank's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

Derecognition of Financial Asset / Financial Liabilities

Financial Assets:

The Bank derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Bank enters into transactions whereby it transfer assets recognised in its unconsolidated condensed interim statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial Liabilities:

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the unconsolidated condensed interim statement of profit and loss account.

4.2 Adoption impacts of IFRS-09

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

	Impact due to:							Adjusted balance as of January 01, 2024	IFRS-09 Category	
	Balances as of December 31, 2023 (Audited)	Recognition of expected credit losses (ECL)	Adoption of revised classifications under IFRS-09	Business model and SPP assessment	Related movement in surplus	Reversal/ adjustment of provisions held	Total impact- gross of tax			Related taxation impact
R u p e e s i n ' 0 0 0 .										
ASSETS										
Cash and balances with treasury banks - net	100,894,255	(663,904)	-	-	-	-	(663,904)	-	100,230,351	Amortised cost
Balances with other banks - net	8,283,332	(235,165)	-	-	-	-	(235,165)	-	8,048,227	Amortised cost
Lendings to financial institutions - net	144,960,933	(91,380)	-	-	-	-	(91,380)	-	144,869,553	Amortised cost
Investments - net:										
- Classified as available for sale	770,408,167	-	(770,408,167)	(101,742,838)	6,523,150	3,303,891	(770,408,167)	-	678,492,370	FVOCI
- Classified as fair value through OCI (FVOCI)	98,547,842	(8,771)	(98,547,842)	89,881,804	-	-	(98,547,842)	-	188,351,935	Amortised cost
- Classified as held to maturity	441,249,200	-	(441,249,200)	11,851,034	2,290,050	(2,321,359)	(441,249,200)	-	53,883,645	FVPL
- Classified as held for trading	110,487	-	-	-	-	-	-	-	110,487	Outside the scope of IFRS-09
- Subsidiary	913,914,116	(8,771)	-	-	6,752,200	982,532	764,702	-	920,838,437	Amortised cost
Advances - net	806,386,880	(135,742,883)	-	-	-	-	(135,742,883)	-	792,812,597	Amortised cost
Property and equipment	20,788,845	-	-	-	-	-	-	-	20,788,845	Outside the scope of IFRS-09
Right of use assets	12,424,136	-	-	-	-	-	-	-	12,424,136	Outside the scope of IFRS-09
Intangible assets	2,091,021	-	-	-	-	-	-	-	2,091,021	Outside the scope of IFRS-09
Deferred tax asset - net	10,242,767	-	-	-	-	-	-	5,308,171	15,550,938	Outside the scope of IFRS-09
Other assets - net	196,916,345	(665,503)	-	-	-	-	(665,503)	-	196,250,842	Amortised cost for financial assets
	2,216,179,990	(153,179,416)	-	-	6,752,200	982,532	(7,583,214)	5,308,171	2,213,904,947	
LIABILITIES										
Bills payable	5,507,855	-	-	-	-	-	-	-	5,507,855	Amortised cost
Borrowings	453,965,991	-	-	-	-	-	-	-	453,965,991	Amortised cost
Deposits and other accounts	1,520,853,642	-	-	-	-	-	-	-	1,520,853,642	Amortised cost
Lease liabilities	15,727,259	-	-	-	-	-	-	-	15,727,259	Amortised cost
Subordinated debts	30,204,640	-	-	-	-	-	-	-	30,204,640	Amortised cost
Other liabilities - net	109,165,991	20,982,207	-	-	-	-	20,982,207	-	111,204,198	Amortised cost for financial liabilities
	2,135,425,378	20,982,207	-	-	-	-	20,982,207	-	2,137,463,586	
NET ASSETS	80,754,612	(17,356,153)	-	-	6,752,200	982,532	(9,621,421)	5,308,171	(4,313,250)	76,441,362
REPRESENTED BY										
Share capital	32,452,535	-	-	-	-	-	-	-	32,452,535	Outside the scope of IFRS-09
Reserves	14,951,729	-	-	-	-	-	-	-	14,951,729	Outside the scope of IFRS-09
Surplus on revaluation of assets - net of tax	18,285,533	-	-	-	6,523,150	-	6,523,150	(3,196,344)	5,155,359	
Unappropriated profit	31,527,795	(17,356,153)	-	-	2,290,050	982,532	(16,144,571)	8,504,515	23,881,739	
	80,754,612	(17,356,153)	-	-	6,752,200	982,532	(9,621,421)	5,308,171	(4,313,250)	76,441,362

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting judgments and key estimates adopted in preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for as explained in note 4.1 and 4.2.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2023 except as explained in note 4.1 & 4.2.

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'		
7. CASH AND BALANCES WITH TREASURY BANKS - NET		
In hand:		
Local currency	24,551,941	22,977,714
Foreign currencies	3,211,417	4,254,423
	27,763,358	27,232,137
With SBP in:		
Local currency current account	73,943,652	53,549,120
Foreign currency current account	2,880,831	2,931,351
Foreign currency deposit accounts	6,635,905	6,592,100
	83,460,388	63,072,571
With National Bank of Pakistan in:		
Local currency current accounts	12,093,165	10,307,990
Prize bonds	353,066	281,557
Less: Credit loss allowance held against cash and balances with treasury banks	(483,006)	-
Cash and balances with treasury banks - net of credit loss allowance	123,186,971	100,894,255
8. BALANCES WITH OTHER BANKS - NET		
In Pakistan:		
Current accounts	55,270	32,515
Deposit accounts	15	1,579
	55,285	34,094
Outside Pakistan:		
Current accounts	18,721,467	3,821,143
Deposit accounts	8,617,763	4,428,155
	27,339,230	8,249,298
	27,394,515	8,283,392
Less: Credit loss allowance held against balances with other banks	(451,504)	-
Balances with other banks - net of credit loss allowance	26,943,011	8,283,392
9. LENDINGS TO FINANCIAL INSTITUTIONS - NET		
Repurchase agreement lendings (Reverse Repo)	-	137,025,933
Placements	1,985,000	7,935,000
	1,985,000	144,960,933
Less: Credit loss allowance held against lendings to financial institutions	(32,974)	-
Lendings to financial institutions - net of credit loss allowance	1,952,026	144,960,933

9.1 Lending to financial institutions- Particulars of credit loss allowance

		June 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
		Lendings	Credit loss allowance held	Lending	Provision
Rupees in '000'					
Performing	Stage 1	1,985,000	32,974	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		1,985,000	32,974	-	-

10. INVESTMENTS - NET

10.1 Investments by type:

		(Un-audited) June 30, 2024				(Audited) December 31, 2023			
		Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Rupees in '000'									
Note									
FVTPL / held for trading									
		59,243,196	-	12,887	59,256,083	44,069,917	-	55,003	44,124,920
		2,108,114	-	341,319	2,449,433	-	-	-	-
		1,323,277	-	(1,839)	1,321,438	-	-	-	-
		6,267,458	-	352,367	6,302,695	44,069,917	-	55,003	44,124,920
FVOCI / available for sale									
	10.2	1,023,885,695	-	85,703	1,023,971,398	756,146,695	-	(6,307,576)	749,839,119
		6,388,097	-	(125,037)	6,263,060	4,827,848	(982,532)	547,733	4,393,049
		65,000	-	14,239	79,239	3,228,680	-	22,283	3,250,963
		8,555,598	(257,350)	45,392	8,343,600	15,493,496	(2,580,709)	292	12,913,079
		11,957	-	-	11,957	11,957	-	-	11,957
		10,389,063,307	(257,350)	20,297	10,386,692,254	779,708,676	(3,563,241)	(5,737,268)	770,408,167
Amortised cost / held to maturity									
		186,974,392	-	-	186,974,392	98,547,842	-	-	98,547,842
		2,613,068	(44,766)	-	2,568,302	-	-	-	-
		400	(400)	-	-	400	(400)	-	-
		189,587,860	(45,166)	-	189,542,694	98,548,242	(400)	-	98,547,842
Subsidiaries									
	10.11	375,432	(164,945)	-	210,487	275,432	(164,945)	-	110,487
Total investments		1,291,544,186	(467,461)	372,664	1,291,449,389	922,602,267	(3,728,586)	(5,682,265)	913,191,416

10.1.1 The Bank has three subsidiary companies i.e. Punjab Modaraba Services (Private) Limited (PMSL), First Punjab Modaraba (FPM) and Punjab Capital Securities (Private) Limited (PCS). The wholly owned subsidiary company of the Bank is PMSL which exercises control over FPM, as its management company and also has a direct economic interest in it. The country of incorporation of all subsidiary companies is Pakistan. Key financial results of subsidiary companies are as follows:

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'		
Investment in Subsidiaries		
Punjab Modaraba Services (Private) Limited	164,945	164,945
Punjab Capital Securities (Private) Limited	210,487	110,487
	375,432	275,432
Provision for diminution held against Punjab Modaraba Services (Private) Limited	(164,945)	(164,945)
Closing balance	210,487	110,487

	PMSL		FPM		PCS	
	June 30, 2024 Un-audited	December 31, 2023 Audited	June 30, 2024 Un-audited	December 31, 2023 Audited	June 30, 2024 Un-audited	December 31, 2023 Audited
	R u p e e s i n ' 0 0 0 '					
Total assets	39,125	40,391	1,915,968	2,189,748	273,895	146,009
Total liabilities	110,074	111,557	1,754,158	1,811,628	62,761	48,617

	PMSL		FPM		PCS	
	June 30, 2024 Un-audited	June 30, 2023 Un-audited	June 30, 2024 Un-audited	June 30, 2023 Un-audited	June 30, 2024 Un-audited	June 30, 2023 Un-audited
	R u p e e s i n ' 0 0 0 '					
Revenue	2,802	54	228,138	167,188	26,058	8,639
Profit / (loss) after tax	218	(4,057)	37,840	(11,241)	13,008	(1,003)
Total comprehensive income / (loss)	218	(4,057)	37,840	(11,241)	13,742	(12,273)

10.1.2 During the period, the Bank has established an exchange company, BOP Exchange (Private) Limited as private limited company registered with SECP. However, the company is in process of obtaining license from SBP regarding commencement of its operations.

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		R u p e e s i n ' 0 0 0 '	
10.2 Investments given as collateral			
Pakistan investment bonds		361,734,967	379,071,721

10.3 Credit loss allowance for diminution in value of investments

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

Opening balance		3,728,586	4,763,091
Impact of adoption of IFRS-09:			
Expected credit loss on debt securities	4.2	87,711	-
Reversal of impairment on equity securities		(982,532)	-
Adjustment of impairment on account of mandatory classification as FVTPL		(2,321,359)	-
		(3,216,180)	-
Charge / (reversals):			
Charge for the period / year		4,668	943,086
Reversals for the period / year		(40,795)	(147,044)
		(36,127)	796,042
Reversal on disposal during the period / year		(8,818)	(1,830,547)
Closing balance		467,461	3,728,586

10.3.2 Particulars of credit loss allowance against debt securities

Category of classification		(Un-audited) June 30, 2024		(Audited) December 31, 2023	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Provision
		R u p e e s i n ' 0 0 0 '			
Performing	Stage 1	2,613,068	44,766	-	-
Under performing	Stage 2	-	-	-	-
Non-performing:					
Substandard		-	-	-	-
Doubtful	Stage 3	-	-	-	-
Loss		257,750	257,750	2,581,109	2,581,109
		257,750	257,750	2,581,109	2,581,109
		2,870,818	302,516	2,581,109	2,581,109

11. ADVANCES - NET

	Performing / underperforming		Non performing		Total	
	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Rupees in '000'					
Loans, cash credits, running finances, etc.	551,497,998	675,092,112	49,577,303	47,728,513	601,075,301	722,820,625
Islamic financing and related assets	83,648,130	105,445,766	3,637,757	3,134,134	87,285,887	108,579,900
Bills discounted and purchased	16,513,881	18,092,079	17,221	17,221	16,531,102	18,109,300
Advances - gross	651,660,009	798,629,957	53,232,281	50,879,868	704,892,290	849,509,825
Credit loss allowance against advances:						
- Stage 1 / general provision	(5,708,576)	(695,731)	-	-	(5,708,576)	(695,731)
- Stage 2	(2,366,524)	-	(76,640)	-	(2,443,164)	-
- Stage 3 / specific provision	(746,109)	-	(45,393,714)	(42,427,214)	(46,139,823)	(42,427,214)
	(8,821,209)	(695,731)	(45,470,354)	(42,427,214)	(54,291,563)	(43,122,945)
Advances - net of credit loss allowance	642,838,800	797,934,226	7,761,927	8,452,654	650,600,727	806,386,880

11.1 Particulars of advances (gross)

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
In local currency	695,103,928	841,674,065
In foreign currencies	9,788,362	7,835,760
	704,892,290	849,509,825

11.2 Advances include Rs. 53,232,281 thousand (December 31, 2023: Rs. 50,879,868 thousand) which have been placed under non-performing / stage 2 and 3 status as detailed below:

	(Un-audited) June 30, 2024		(Audited) December 31, 2023	
	Non performing loans	Credit loss allowance	Non performing loans	Provision
	R u p e e s i n '000'			
Other assets especially mentioned	Stage-2	339,928	76,640	-
Other assets especially mentioned		386,006	161,502	334,350
Substandard	Stage-3	2,696,117	1,263,055	1,735,654
Doubtful		6,327,942	3,119,348	4,718,746
Loss		43,482,288	40,849,809	44,091,118
Total non performing loans		52,506,347	45,232,212	50,545,518
Grand total		53,232,281	45,470,354	50,879,868

11.3 Particulars of credit loss allowance against advances

	(Un-audited) June 30, 2024				(Audited) December 31, 2023		
	Stage 3	Stage 2	Stage 1	Total	Specific Provision	General Provision	Total
	R u p e e s i n '000'						
Opening balance	42,427,214	-	695,731	43,122,945	44,179,521	614,979	44,794,500
Impact of adoption of IFRS-09	2,732,167	4,562,863	6,279,253	13,574,283	-	-	-
Sub total	45,159,381	4,562,863	6,974,984	56,697,228	44,179,521	614,979	44,794,500
Charge for the period / year	3,614,526	935,326	1,786,935	6,336,787	2,108,556	80,752	2,189,308
Reversals for the period / year	(2,633,803)	(3,055,025)	(3,053,343)	(8,742,171)	(3,634,387)	-	(3,634,387)
	980,723	(2,119,699)	(1,266,408)	(2,405,384)	(1,525,831)	80,752	(1,445,079)
Amounts written off	(281)	-	-	(281)	(1,138)	-	(1,138)
Provision transferred from advances to other assets	-	-	-	-	(225,338)	-	(225,338)
Closing balance	46,139,823	2,443,164	5,708,576	54,291,563	42,427,214	695,731	43,122,945

The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in credit loss allowance against non-performing advances by Rs. 292,158 thousand (December 31, 2023: Rs. 356,376 thousand). The FSV benefit availed is not available for cash or stock dividend.

11.4 Advances - Particulars of credit loss allowance

	(Un-audited) June 30, 2024			
	Stage 3	Stage 2	Stage 1	Total
	R u p e e s i n '000'			
Opening balance after adoption of IFRS-09	45,159,381	4,562,863	6,974,984	56,697,228
New advances	599,273	259,578	1,814,649	2,673,500
Advances derecognized or repaid	(2,075,047)	(577,428)	(956,770)	(3,609,245)
Transfer to stage 1	-	(1,146,887)	1,146,887	-
Transfer to stage 2	(26,843)	267,766	(240,923)	-
Transfer to stage 3	219,426	(189,868)	(29,558)	-
	(1,283,191)	(1,386,839)	1,734,285	(935,745)
Amounts written off / charged off	(281)	-	-	(281)
Changes in risk parameters	2,263,914	(732,860)	(3,000,693)	(1,469,639)
Closing balance	46,139,823	2,443,164	5,708,576	54,291,563

11.5 Advances - Category of classification

	(Un-audited) June 30, 2024		(Audited) December 31, 2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision
	R u p e e s i n '000'			
Performing	601,497,341	5,708,576	-	-
Underperforming	48,577,851	2,366,524	-	-
Underperforming / restructured loans	1,584,817	746,109	-	-
	651,660,009	8,821,209	-	-
Non-Performing	339,928	76,640	-	-
Non-Performing: Other assets especially mentioned	386,006	161,502	334,350	9,041
Substandard	2,696,117	1,263,055	1,735,654	330,681
Doubtful	6,327,942	3,119,348	4,718,746	1,973,455
Loss	43,482,288	40,849,809	44,091,118	40,114,037
	52,892,353	45,393,714	50,879,868	42,427,214
Total	704,892,290	54,291,563	50,879,868	42,427,214

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
12. PROPERTY AND EQUIPMENT			
Capital work-in-progress	12.1	657,829	750,114
Property and equipment	12.2	22,245,163	20,038,731
		22,902,992	20,788,845
12.1 Capital work-in-progress			
Civil works		645,409	709,037
Advances to suppliers		12,420	41,077
		657,829	750,114

	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
	Rupees in '000'	
12.2 Additions to property and equipment		
The following additions / transfers have been made to property and equipment during the period:		
Capital work-in-progress - net	(92,285)	(326,391)
Property and equipment:		
Freehold land	2,037,002	-
Building on freehold land	-	64,002
Furniture and fixtures	103,315	166,719
Electrical and office equipments	276,502	282,449
Computer equipments	352,990	760,063
Lease hold improvements	586,085	940,692
Vehicles	40,956	102,281
	3,396,850	2,316,206
	3,304,565	1,989,815
12.3 Disposal of property and equipment:		
The net book value of property and equipment disposed off during the period is as follows:		
Furniture and fixtures	3,203	2,545
Electrical and office equipments	5,355	2,341
Computer equipments	813	76
Lease hold improvements	1,783	-
Vehicles	-	-
	11,154	4,962

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
13. RIGHT OF USE ASSETS		
As at January 01,		
Cost	17,699,453	15,806,579
Accumulated depreciation	(5,275,317)	(3,704,419)
Net carrying amount as at January 01,	12,424,136	12,102,160
Additions during the period / year	437,615	2,355,595
Terminations - at cost during the period / year	(154,183)	(462,721)
Depreciation on terminations during the period / year	81,908	159,978
Terminations - at book value	(72,275)	(302,743)
Depreciation charge for the period / year	(946,419)	(1,730,876)
Net carrying amount	11,843,057	12,424,136

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
14. INTANGIBLE ASSETS			
Intangible in progress		364,441	635,072
Software and long term licenses		2,136,677	1,455,949
	14.1	2,501,118	2,091,021
Rupees in '000'			
14.1 Additions to intangible assets			
The following additions / transfers have been made to intangible assets during the period:			
Intangible in progress - net		(270,631)	118,909
Intangible assets purchased		887,704	76,447
		617,073	195,356
Rupees in '000'			
15. DEFERRED TAX ASSETS - NET			
Deductible temporary differences on:			
Deficit on revaluation of investments classified as available for sale		-	2,811,262
Right of use assets net of lease liabilities		1,894,306	1,618,530
Workers welfare fund		684,690	642,055
Credit loss allowance against off balance sheet obligations		660,889	-
Credit loss allowance against lendings to financial institutions		16,157	-
Credit loss allowance against balance with other banks		221,237	-
Credit loss allowance against balance with treasury banks		236,673	-
Credit loss allowance against investments		20,955	-
Credit loss allowance against acceptance		206,730	-
Credit loss allowance / provision against advances		13,324,365	8,416,444
		17,266,002	13,488,291
Taxable temporary differences on:			
Surplus on revaluation of property and equipment		(2,159,112)	(2,214,474)
Surplus on revaluation of investments classified as FVTPL		(172,660)	-
Surplus on revaluation of investments classified as FVOCI		(9,946)	-
Accelerated tax depreciation		(861,792)	(936,188)
Surplus on revaluation of non banking assets acquired in satisfaction of claims		(11,613)	(94,862)
		(3,215,123)	(3,245,524)
		14,050,879	10,242,767

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
16. OTHER ASSETS - NET			
Income / mark-up accrued in local currency		83,734,542	89,515,734
Income / mark-up accrued in foreign currency		44,020	11,858
Receivable from the Government of Pakistan		-	85,200,400
Advances, deposits, advance rent and other prepayments		3,014,154	1,257,571
Advance taxation (payments less provisions)		685,087	-
Non-banking assets acquired in satisfaction of claims		3,667,872	1,177,222
Acceptances	23	18,859,725	15,888,469
Branch adjustment account		183,401	27,927
Stock of stationery & plastic cards		466,505	375,089
Suspense account		52,861	37,187
Mark to market gain on forward foreign exchange contracts - net	23	303,493	-
Zakat recoverable from National Investment Trust Limited (NITL)		36,790	36,790
Receivable against fraud and forgeries		407,979	399,468
Auto Teller Machine and Point of Sale receivable - net		629,743	650,830
Inter bank fund transfer and RAAST receivable - net		2,995,054	1,761,393
Receivable against settlement arrangements		225,337	225,337
Receivable against litigation expenses		312,218	312,218
Deferred fair value loss on derecognition of financial asset	16.1	7,876,206	-
Others		952,359	641,137
		124,447,346	197,518,630
Less: Credit loss allowance / provision held against other assets	16.2	(1,372,187)	(1,452,895)
Other assets (net of credit loss allowance)		123,075,159	196,065,735
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	25	615,049	850,610
Other assets - total		123,690,208	196,916,345

16.1 As per privatization initiative approved by the Government of Pakistan (GoP), a new public limited company, Pakistan International Airlines Holding Company Limited (PIAHCL), has been formed by GoP to succeed specified assets and liabilities of Pakistan International Airlines Corporation Limited (PIACL). In this regard, the Bank recorded deferred fair value loss, at a benchmark rate corresponding to the tenor of the loan, arising from the restructuring of syndicated exposure to PIACL in accordance with the guidance issued by SBP vide letter NO. BPRD/BRD/PIAHCL/733688 - 2024 dated August 01, 2024. The impact of deferred loss recognition during the period is disclosed in note 31.2 of these unconsolidated condensed interim financial statements.

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
16.2 Credit loss allowance held against other assets			
Income accrued in local currency		-	500,000
Advances, deposits, advance rent & other prepayments		35,723	35,723
Acceptances		105,873	-
Income / markup accrued		308,338	-
Non banking assets acquired in satisfaction of claims		30,876	30,876
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries	16.2.2	317,032	311,952
Receivable against settlement arrangements		225,337	225,337
Receivable against litigation expenses		312,218	312,217
	16.2.1	1,372,187	1,452,895

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
16.2.1	Movement in credit loss allowance held against other assets		
		1,452,895	635,017
	Opening balance		
	Impact of adoption of IFRS-09	4.2	665,503
	Charge for the period / year	159,108	610,065
	Reversals during the period / year	(402,713)	(13,953)
		(243,605)	596,112
	Amount written off	(502,606)	(3,572)
	Provision transferred to other assets from advances	-	225,338
	Closing balance	1,372,187	1,452,895

16.2.2 This includes provision amounted to Rs. 3,256 thousand (December 31, 2023: Rs. 4,795 thousand) maintained against certain closed cases as per approval of the management.

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
17.	CONTINGENT ASSETS		
	Contingent assets	Nil	Nil
18.	BILLS PAYABLE		
	In Pakistan	8,031,852	5,507,855
	Outside Pakistan	-	-
		8,031,852	5,507,855
19.	BORROWINGS		
	Secured		
	Borrowings from SBP under:		
	Export refinance scheme (ERF)	27,080,177	29,950,587
	Long term financing facility (LTFF)	10,134,591	11,368,117
	Financing facility for storage of agriculture produce (FFSAP)	157,561	183,985
	Islamic refinance scheme facility for payment of wages & salaries	78,920	-
	Financing scheme for renewable energy	6,297,685	6,435,548
	Refinancing facility for combating COVID-19	663,278	814,386
	Refinance facility for working capital of small and medium enterprises	-	39,891
	Temporary economic refinance scheme (TERF)	16,775,788	19,310,908
	Refinance and credit guarantee scheme for women entrepreneurs	47,250	900
	Finance facility for SAAF rozgar reimbursement credit	12,650,309	6,954,080
	Finance facility for shamsi tawanai consumer	41,345	47,312
	Islamic temporary economic refinance facility (ITERF)	1,332,819	-
	Refinancing facility for modernization of small and medium enterprises (SMEs)	105,995	137,300
		75,365,718	75,243,014
	Repurchase agreement borrowings	358,451,000	377,025,018
	Borrowing from Pakistan Mortgage Refinance Company Limited	996,057	1,497,834
	Total secured	434,812,775	453,765,866
	Unsecured		
	Call borrowings	1,300,000	-
	Overdrawn nostro accounts	21,392	200,125
	Total unsecured	1,321,392	200,125
		436,134,167	453,965,991

20. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	275,556,359	10,521,690	286,078,049	247,207,834	10,577,445	257,785,279
Savings deposits	730,788,677	5,688,917	736,477,594	622,556,998	5,554,561	628,111,559
Term deposits	463,988,887	40,703,053	504,691,940	497,160,082	41,494,976	538,655,058
Others	43,108,669	-	43,108,669	33,238,862	-	33,238,862
	1,513,442,592	56,913,660	1,570,356,252	1,400,163,776	57,626,982	1,457,790,758
Financial institutions:						
Current deposits	2,383,800	692,594	3,076,394	2,203,132	975,218	3,178,350
Savings deposits	7,221,315	7,095	7,228,410	58,373,600	5,150	58,378,750
Term deposits	1,237,000	-	1,237,000	1,463,890	-	1,463,890
Others	214,612	-	214,612	41,894	-	41,894
	11,056,727	699,689	11,756,416	62,082,516	980,368	63,062,884
	1,524,499,319	57,613,349	1,582,112,668	1,462,246,292	58,607,350	1,520,853,642

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
21. LEASE LIABILITIES			
Outstanding amount at the start of the period / year		15,727,259	14,352,825
Additions during the period / year		437,615	2,355,595
Markup accrued		1,037,993	1,939,763
Terminations during the period / year		(233,571)	(541,304)
Payment of lease liabilities against right of use assets		(1,260,309)	(2,379,620)
Outstanding amount at the end of the period / year		15,708,987	15,727,259
21.1 Maturity of outstanding lease liabilities			
Not later than one year		83,226	84,722
Later than one year and upto five years		1,334,208	1,435,423
Over five years		14,291,553	14,207,114
Total at the end of the period / year		15,708,987	15,727,259
22. SUBORDINATED DEBTS			
Subordinated perpetual term finance certificates - ADT I	22.1	8,017,500	8,017,500
Subordinated perpetual term finance certificates - ADT I 2nd issue	22.2	3,950,000	3,900,000
Privately placed term finance certificates - II	22.3	4,289,680	4,290,540
Privately placed term finance certificates - III	22.4	6,997,200	6,998,600
Privately placed term finance certificates - IV	22.5	7,569,500	6,998,000
		30,823,880	30,204,640

22.1 Subordinated perpetual term finance certificates - ADT I

The Bank issued listed, unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier-I capital under section 66 (1) of the Companies Act, 2017, with each TFC having a face value of PKR 100,000 or multiples thereof.

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

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

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

During the period, the Bank issued listed, unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier -I capital under section 66 (1) of the Companies Act, 2017, with each TFC having a face value of PKR 100,000 or multiples thereof.

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

22.3 Privately placed term finance certificates - II

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

Issue amount:	Rs. 4,300,000 thousand
Issue date:	April 23, 2018
Maturity date:	April 23, 2028
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.

Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 002% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

22.4 Privately placed term finance certificates - III

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

Issue amount:	Rs. 7,000,000 thousand
Issue date:	April 17, 2023
Maturity date:	April 17, 2033
Rating:	'AA' by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 002% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

22.5 Privately placed term finance certificates - IV

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

Issue amount:	Rs. 7,569,500 thousand
Issue date:	June 27, 2024
Maturity date:	June 27, 2034
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.36% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
23. OTHER LIABILITIES - NET			
Mark-up / return / interest payable in local currency		65,999,643	60,632,166
Mark-up / return / interest payable in foreign currencies		1,641,081	1,341,354
Mark-up payable on subordinated debts		1,214,311	1,080,725
Provision for taxation - net		-	4,535,927
Sundry creditors and accrued expenses		2,467,779	2,728,412
Lease key money		18,170,116	15,706,472
Acceptances	16	18,859,725	15,888,469
Payable to gratuity fund		304,434	690,633
Gratuit payable to key management personnel		19,435	19,435
Provision for employees compensated absences		168,140	163,363
Mark to market loss on forward foreign exchange contracts - net	16	-	26,020
Mark to market loss on deliverable future contracts		-	7,887
Unrealized loss on revaluation of foreign bills and trade loans		46,718	153,786
Credit loss allowance against off-balance sheet obligations	23.2	1,392,736	43,983
Taxes / zakat / import fee payable		3,517,305	2,115,471
Dividend payable		1	-
Unclaimed dividends		2,585	2,585
Payable to charity fund		1,223	850
Insurance payable against financing of consumer assets		660,460	584,365
Payable against purchase of shares		402,153	384,367
Workers' welfare fund	23.1	1,682,282	1,595,273
Others		2,551,957	1,464,448
		119,102,084	109,165,991

23.1 Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments

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

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
23.2	Movement in credit loss allowance against off-balance sheet obligations		
	Opening balance	43,983	43,983
	Impact of adoption of IFRS-09	4.2 2,038,207	-
	Charge for the period / year	194,367	-
	Reversals during the period / year	(883,821)	-
	35 (689,454)	-	-
	Closing balance	1,392,736	43,983

24. SHARE CAPITAL - NET

24.1 Authorized capital

(Un-audited) June 30, 2024	(Audited) December 31, 2023		(Un-audited) June 30, 2024	(Audited) December 31, 2023
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

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

24.2 Issued, subscribed and paid up capital

(Un-audited) June 30, 2024	(Audited) December 31, 2023		(Un-audited) June 30, 2024	(Audited) December 31, 2023
Number of shares			Rupees in '000'	
		Opening Balance		
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	839,925,583	Issued as bonus shares	11,373,410	8,399,256
3,271,569,319	2,974,153,927		32,715,693	29,741,539
		Movement during the period / year		
-	297,415,392	Issued as bonus shares	-	2,974,154
		Closing balance		
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	1,137,340,975	Issued as bonus shares	11,373,410	11,373,410
3,271,569,319	3,271,569,319		32,715,693	32,715,693
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
3,271,569,319	3,271,569,319		32,452,535	32,452,535

GoPb held 57.47% shares in the Bank as at June 30, 2024 (December 31, 2023: 57.47%).

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
25. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (deficit) on revaluation of:			
Securities measured at FVOCI - debt instruments / available for sale investments	101	131,095	(5,737,268)
Securities measured at FVOCI - equity investments	101	(110,798)	-
Property and equipment		6,100,303	6,213,285
Non-banking assets acquired in satisfaction of claims	16	615,049	850,610
		6,735,649	1,326,627
Deferred tax on surplus / (deficit) on revaluation of:			
Securities measured at FVOCI - debt instruments / available for sale investments		(64,237)	2,811,262
Securities measured at FVOCI - equity investments		54,291	-
Property and equipment		(2,159,112)	(2,214,474)
Non-banking assets acquired in satisfaction of claims		(11,613)	(94,862)
		(2,180,671)	501,926
		4,554,978	1,828,553
26. CONTINGENCIES AND COMMITMENTS			
Guarantees	26.1	135,031,019	135,621,749
Commitments	26.2	292,105,172	406,852,140
Other contingent liabilities	26.3	291,951	291,951
		427,428,142	542,765,840
26.1 Guarantees:			
Financial guarantees		36,755,150	34,797,867
Performance guarantees		20,372,125	23,965,466
Other guarantees			
Back to back guarantees		52,614,423	54,320,270
Mobilization and bid bond guarantees		10,485,896	9,184,433
Other guarantees		14,803,425	13,353,713
		77,903,744	76,858,416
		135,031,019	135,621,749
26.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		166,400,926	172,670,983
Commitments in respect of:			
- forward foreign exchange contracts	26.2.1	98,997,546	217,833,716
- forward Government securities transactions	26.2.2	6,627,000	-
- deliverable future contracts	26.2.3	-	128,320
- forward lending	26.2.4	19,610,842	15,817,173
Commitments for acquisition of:			
- property and equipment		397,306	240,693
- intangible assets		71,552	161,255
		292,105,172	406,852,140
26.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		51,472,610	121,124,664
Sale		47,524,936	96,709,052
		98,997,546	217,833,716

	Note	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Rupees in '000'			
26.2.2	Commitments in respect of forward Government securities transactions		
	Sale	6,627,000	-
26.2.3	Commitments in respect of deliverable future contracts	-	128,320
26.2.4	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	19,610,842	15,817,173

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

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
26.3	Other contingent liabilities	291,951	291,951

26.3.1 For tax years 2014 - 2023, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans.

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

26.4 Claims against the Bank not acknowledged as debts

An amount of Rs. 46,268,295 (December 31, 2023: Rs. 46,313,295 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

		(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
Rupees in '000'			
27.	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	64,553,174	61,267,605
	Investments	104,175,206	63,009,793
	Lendings to financial institutions	2,554,521	2,333,573
	Balances with banks	436,356	209,318
		171,719,257	126,820,289
27.1	Interest income recognised on:		
	Financial assets measured at amortised cost	76,048,237	-
	Financial assets measured at FVOCI	93,418,616	-
	Financial assets measured at FVTPL	2,252,404	-
		171,719,257	-

	Note	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
Rupees in '000'			
28. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits and other accounts		119,296,354	78,063,099
Borrowings		31,921,506	28,283,955
Subordinated debts		3,547,288	2,137,433
Mark-up on lease liability against right of use assets		1,037,993	918,368
		155,803,141	109,402,855
29. FEE AND COMMISSION INCOME			
Branch banking customer fees		225,080	181,319
Consumer finance related fees		376,851	259,718
Card related fees		895,683	513,266
Credit related fees		450,719	314,088
Investment banking fees		347,199	222,772
Branchless banking fees		49,608	65,441
Commission on trade		827,762	684,809
Commission on guarantees		301,174	212,387
Commission on cash management		108,395	175,560
Commission on remittances including home remittances		388,887	220,107
Commission on bancassurance		121,141	98,023
Commission on wheat financing		27	1,259,096
SMS banking income		424,359	329,903
		4,516,885	4,536,489
30. GAIN / (LOSS) ON SECURITIES - NET			
Realized gain on sale of securities - net	301	1,729,030	130,398
Unrealized gain / (loss) - measured at FVTPL	101	352,367	(90,657)
Realized gain - deliverable future contracts		7,887	-
		2,089,284	39,741
30.1 Realized gain on sale of securities - net:			
Federal government securities		1,414,619	(3,320)
Non government debt securities		17,951	-
Shares		296,460	133,718
		1,729,030	130,398
30.2 Realized gain on sale of securities - net			
Net gain on financial assets measured at FVTPL			
Designated upon initial recognition		408,040	-
Mandatorily measured at FVTPL		17,951	-
Net gain on financial assets measured at FVOCI		1,303,039	-
		1,729,030	-
31. NET GAINS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Gain on derecognition on financial assets measured at amortised cost	311	1,563,972	-
Loss on derecognition on financial assets measured at amortised cost	312	(201,954)	-
		1,362,018	-
31.1	During the period, the Bank has derecognized outstanding exposures of certain borrowers amounting to Rs. 2,436,762 thousand through acquisition of properties, in auction and negotiated purchase. Accordingly, a fair value gain of Rs. 1,563,972 thousand has been recognized in these unconsolidated condensed interim financial statements.		
31.2	This amount includes deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its Circular Letter No. BPRD/BRD/PIAHCL/733688 - 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognized proportionate amount of 1st year's 5% of loss in these unconsolidated condensed interim financial statements.		

	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
	Rupees in '000'	
32. OTHER INCOME		
Gain on sale of property and equipment - net	2,487	4,866
Gain on sale of non banking assets acquired in satisfaction of claims - net	514,223	59,101
Gain on termination of lease liability against right of use assets	161,296	55,416
Notice pay on resignations	23,805	13,386
Claim decided in favour of Bank against litigation	331,647	-
	1,033,458	132,769
33. OPERATING EXPENSES		
Total compensation expense	10,947,009	9,620,477
Property expense:		
Rent and taxes	19,675	11,964
Insurance	8,774	7,721
Utilities cost	816,382	516,275
Security	946	4,286
Repair and maintenance including janitorial charges	140,852	55,709
Depreciation	438,891	363,683
Depreciation on right of use assets	946,422	803,090
	2,371,942	1,762,728
Information technology expenses:		
Software maintenance	679,377	588,018
Hardware maintenance	45,119	31,555
Depreciation on computer equipment	397,892	232,108
Amortization on intangible assets	206,976	108,820
Network charges	282,640	254,486
	1,612,004	1,214,987
Other operating expenses:		
Directors' fees and allowances	32,993	18,464
Fees and allowances to shariah board	5,075	5,042
Legal and professional charges	148,358	136,486
Subscription charges	39,444	7,264
Outsourced staff services costs	498,915	357,075
Travelling and conveyance	1,316,075	959,483
NIFT clearing charges	43,565	50,641
Depreciation	342,481	273,038
Depreciation on non banking assets acquired in satisfaction of claims	6,828	11,275
Depreciation on ijarah assets under IFAS - 2	156,946	92,635
Training and development	66,235	58,030
Postage and courier charges	182,011	140,469
Credit card charges	27,333	7,329
Stationery and printing	398,608	292,261
Marketing, advertisement and publicity	552,419	497,114
Auditors remuneration	4,491	3,265
Insurance	148,295	147,038
Deposit protection fee	374,509	290,514
Repair and maintenance	365,732	285,818
Entertainment expenses	148,979	138,644
Fuel for generator	133,704	154,331
Commission and brokerage	196,446	148,559
Bank charges	27,091	22,856
SMS banking charges	362,198	193,640
ATM charges including mastercard charges	842,071	871,412
Cash remittance charges	328,112	380,873
Branch license fee	24,366	19,442
CNIC verification / ECIB charges	150,384	120,115
Participation and arrangement fee against TFCs	-	77,864
Miscellaneous expenses	255,885	298,361
	7,179,549	6,059,338
	22,110,504	18,657,530

	Note	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
		Rupees in '000'	
34. OTHER CHARGES			
Penalties imposed by SBP		1,496	8,630
Operational loss		157	-
		1,653	8,630

35. (REVERSAL OF CREDIT LOSS ALLOWANCE) / PROVISIONS AND WRITE OFFS - NET			
Reversal of credit loss allowance against lending to financial institutions		(58,406)	-
Credit loss allowance / provision for diminution in value of investments		(44,945)	854,913
Reversal of credit loss allowance / provision against loans & advances	113	(2,405,384)	(401,209)
Reversal of credit loss allowance against balances with treasury banks		(180,899)	-
(Reversal of credit loss allowance) / provision against other assets - net	16.21	(243,605)	41,229
Credit loss allowance against off balance sheet obligations	23.2	(689,454)	-
Credit loss allowance against balance with other banks		216,339	-
		(3,406,354)	494,933

36. TAXATION - NET			
Current	361	742,765	575,229
Deferred		1,957,449	(104,803)
		2,700,214	470,426

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

		(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
		Rupees in '000'	
37. BASIC EARNINGS PER SHARE			
Profit after taxation for the period (Rs in '000')		4,350,491	3,448,312
Weighted average number of ordinary shares (No.).		3,271,569,319	3,271,569,319
Basic earnings per share - Rs.		1.33	1.05

38. DILUTED EARNINGS PER SHARE

There were no convertible dilutive potential ordinary shares outstanding as at reporting dates.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

39.2 Fair value of financial assets

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

June 30, 2024 (Un-audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	1,083,227,481	-	1,083,227,481	-	1,083,227,481
Shares	8,712,493	8,685,923	26,570	-	8,712,493
Non-Government debt securities	8,667,865	-	8,667,865	-	8,667,865
Mutual fund & investment trust units	79,239	-	79,239	-	79,239
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	210,487	-	-	210,487	210,487
Financial assets disclosed but not measured at fair value:					
Government securities	186,974,392	-	173,036,444	-	173,036,444
Non-Government debt securities	3,565,475	-	3,565,475	-	3,565,475
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	51,047,471	-	51,047,471	-	51,047,471
Forward sale of foreign exchange contracts	46,796,304	-	46,796,304	-	46,796,304
Forward sale of Government securities transactions	6,627,000	-	6,627,000	-	6,627,000
December 31, 2023 (Audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	793,964,039	-	793,964,039	-	793,964,039
Shares	4,393,049	4,371,789	21,260	-	4,393,049
Non-Government debt securities	8,725,336	-	8,725,336	-	8,725,336
Mutual funds & investment trust units	3,250,963	-	3,250,963	-	3,250,963
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	110,487	-	-	110,487	110,487
Financial assets disclosed but not measured at fair value:					
Government securities	98,547,842	-	84,546,226	-	84,546,226
Non-Government debt securities	4,187,743	-	4,187,743	-	4,187,743
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	118,317,903	-	118,317,903	-	118,317,903
Forward sale of foreign exchange contracts	93,928,311	-	93,928,311	-	93,928,311
Purchase of deliverable future contracts	120,433	-	120,433	-	120,433

39.3 Fair value of non financial assets

June 30, 2024 (Un-audited)					
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	13,781,399	-	13,781,399	-	13,781,399
Non banking assets acquired in satisfaction of claims	4,252,045	-	4,252,045	-	4,252,045
December 31, 2023 (Audited)					
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	11,977,725	-	11,977,725	-	11,977,725
Non banking assets acquired in satisfaction of claims	1,996,956	-	1,996,956	-	1,996,956

40. SEGMENT INFORMATION

40.1 Segment details with respect to business activities

June 30, 2024 (Un-audited)							
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
Profit & loss							
Net mark-up / return / profit	43,010,044	97,092	11,567,618	102,500,052	14,029,468	514,983	171,719,257
Inter segment (cost) / revenue - net	(25,038,411)	71,888,576	40,112,015	(89,751,253)	(1,916,796)	5,405,869	-
Non mark-up / return / interest income	1,574,817	1,649,127	867,208	3,079,419	208,472	2,548,359	9,927,402
Total income	19,546,450	72,934,795	52,546,841	15,828,218	12,321,144	8,469,211	181,646,659
Segment total expenses	21,398,787	66,626,899	37,934,636	29,528,990	8,163,633	14,349,363	178,002,308
Profit before credit loss allowance and tax	(1,852,337)	6,307,896	14,612,205	(13,700,772)	4,157,511	(5,880,152)	3,644,351
Credit loss allowance	(3,553,526)	9,225	422,450	40,706	(394,852)	69,643	(3,406,354)
Profit / (loss) before tax	1,701,189	6,298,671	14,189,755	(13,741,478)	4,552,363	(5,949,795)	7,050,705
Balance sheet							
Cash and bank balances	-	213,229	36,025,323	102,512,857	11,378,573	-	150,129,982
Investments - net	2,735,312	-	-	1,246,935,229	41,778,848	-	1,291,449,389
Net inter segment lending	-	714,650,801	471,628,306	-	-	22,156,669	1,208,435,776
Lendings to financial institutions	-	-	-	-	1,952,026	-	1,952,026
Advances - performing	403,542,711	1,509,512	130,945,686	-	82,596,983	24,243,908	642,838,800
Advances - non-performing - net	5,069,337	-	1,360,641	-	1,248,136	83,813	7,761,927
Others	40,138,932	86,833	12,204,447	49,565,935	12,181,888	60,810,219	174,988,254
Total assets	451,486,292	716,460,375	652,164,403	1,399,014,021	151,136,454	107,294,609	3,477,556,154
Borrowings	71,811,969	-	2,434,871	359,772,392	2,114,935	-	436,134,167
Subordinated debts	-	-	-	-	-	30,823,880	30,823,880
Deposits and other accounts	195,422,449	701,584,714	564,573,193	-	120,532,312	-	1,582,112,668
Net inter segment borrowing	166,662,542	-	-	1,035,762,609	6,010,625	-	1,208,435,776
Others	17,589,332	14,875,661	85,156,339	3,479,020	7,619,069	14,123,502	142,842,923
Total liabilities	451,486,292	716,460,375	652,164,403	1,399,014,021	136,276,941	44,947,382	3,400,349,414
Equity							77,206,740
Total equity and liabilities							3,477,556,154
Contingencies and commitments	285,096,694	-	13,822,092	103,732,367	24,028,209	748,780	427,428,142

June 30, 2023 (Un-audited)

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
Profit & loss							
Net mark-up / return / profit	46,645,728	1,648	8,687,099	62,114,238	8,979,093	392,483	126,820,289
Inter segment revenue - net	(26,152,140)	53,883,901	30,589,672	(47,532,397)	(411,484)	(10,377,552)	-
Non mark-up / return / interest income	2,126,586	1,104,371	380,802	1,389,581	185,402	544,621	5,731,363
Total income	22,620,174	54,989,920	39,657,573	15,971,422	8,753,011	(9,440,448)	132,551,652
Segment total expenses	15,720,934	41,732,327	26,442,681	26,327,406	6,950,093	10,964,540	128,137,981
Profit before credit loss allowance and tax	6,899,240	13,257,593	13,214,892	(10,355,984)	1,802,918	(20,404,988)	4,413,671
Credit loss allowance	(613,829)	-	21,182	899,311	152,541	45,728	494,933
Profit / (loss) before tax	7,513,069	13,257,593	13,193,710	(11,245,295)	1,650,377	(20,450,716)	3,918,738

December 31, 2023 (Audited)

Cash and bank balances	-	186,246	34,672,274	64,895,673	9,423,454	-	109,177,647
Investments - net	2,756,908	-	-	868,721,723	41,712,785	-	913,191,416
Net inter segment lending	-	645,860,735	416,690,196	-	-	57,079,680	1,119,630,611
Lendings to financial institutions	-	-	-	141,025,933	3,935,000	-	144,960,933
Advances - performing	530,870,534	758,612	138,987,419	-	105,445,766	21,871,895	797,934,226
Advances - non-performing	5,274,559	-	1,843,961	-	1,326,535	7,599	8,452,654
Others	52,959,233	75,427	10,743,167	124,519,862	12,103,448	42,061,977	242,463,114
Total assets	591,861,234	646,881,020	602,937,017	1,199,163,191	173,946,988	121,021,151	3,335,810,601
Borrowings	73,019,677	-	1,497,834	377,225,143	2,223,337	-	453,965,991
Subordinated debts	-	-	-	-	-	30,204,640	30,204,640
Deposits and other accounts	245,281,536	634,070,009	528,169,599	-	113,332,498	-	1,520,853,642
Net inter segment borrowing	258,755,695	-	-	821,938,048	38,936,868	-	1,119,630,611
Others	14,804,326	12,811,011	73,269,584	-	7,991,360	21,524,824	130,401,105
Total liabilities	591,861,234	646,881,020	602,937,017	1,199,163,191	162,484,063	51,729,464	3,255,055,989
Equity							80,754,612
Total equity and liabilities							3,335,810,601
Contingencies and commitments	290,616,339	-	14,715,236	217,962,036	18,778,330	693,899	542,765,840

Due to change in reportable business segments, the figures of comparative periods are realigned for the purposes of comparison.

41. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, employee benefit plans, directors and Key Management Personnel. The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

	June, 2024 (Un-audited)					December 31, 2023 (Audited)				
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties
	Rupees in '000'					Rupees in '000'				
Lendings to financial institutions:										
Opening balance	-	-	1,985,000	-	-	-	-	1,825,000	-	-
Addition during the period / year	-	-	-	-	-	-	-	7,085,000	-	-
Repaid during the period / year	-	-	-	-	-	-	-	6,925,000	-	-
Closing balance	-	-	1,985,000	-	-	-	-	1,985,000	-	-
Credit loss allowance against lendings to financial institutions	-	-	32,974	-	-	-	-	-	-	-
Investments (gross)	-	-	375,432	-	-	-	-	275,432	-	-
Credit loss allowance for diminution in value of investments	-	-	164,945	-	-	-	-	164,945	-	-
Advances (gross):										
Opening balance	-	466,461	-	-	-	-	362,721	-	-	-
Addition during the period / year	-	135,157	-	-	-	-	232,127	-	-	-
Repaid during the period / year	-	91,100	-	-	-	-	128,387	-	-	-
Closing balance	-	510,518	-	-	-	-	466,461	-	-	-
Credit loss allowance held against advances	-	1,962	-	-	-	-	-	-	-	-
Other assets - advance deposits and prepayments	-	-	120,022	-	-	-	-	100,000	-	-
Other assets - markup receivable	-	20,194	101,776	-	-	-	20,018	103,301	-	-
Credit loss allowance against other assets	-	79	-	-	-	-	-	-	-	-
Right of use assets	-	-	-	-	60,397	-	-	-	-	62,610
Lease liability against right of use assets	-	-	-	-	16,258	-	-	-	-	15,208
Deposits and other accounts:										
Opening balance	9,536	95,861	17,454	1,185,599	114,393	239	30,825	40,067	10,36,847	26,391
Received during the period / year	101,057	1,233,079	1,237,056	2,803,063	346,358	69,369	1,530,820	3,548,294	8,849,409	465,652
Withdrawn during the period / year	62,241	1,119,980	1,207,457	2,401,493	363,167	60,072	1,465,784	3,570,907	8,700,657	37,650
Closing balance	48,352	2,08,960	47,053	1,587,169	97,584	9,536	95,861	17,454	1,185,599	114,393
Other liabilities	885	3,457	3,815	-	2,585	217	2,721	1,058	6,906,333	3,466
Contingencies (non funded exposure)	-	-	-	-	49,822	-	-	-	-	49,822

	June 30, 2024 (Un-audited)					June 30, 2023 (Un-audited)				
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Employee funds	Others related parties
	Rupees in '000'					Rupees in '000'				
Income:										
Markup / return / interest earned	-	11,351	184,198	-	-	-	10,239	168,127	-	-
Fee and commission income	2	470	73	-	996	-	881	-	-	-
Expense:										
Markup / return / interest expensed	3,219	5,472	1,383	128,417	5,494	128	226	2,204	123,652	2,047
Depreciation on right of use assets	-	-	-	-	2,213	-	-	-	-	2,213
Markup on lease liability against right of use assets	-	-	-	-	1,050	-	-	-	-	913
Compensation expense	-	447,509	-	-	-	-	344,463	-	-	-
Commission expense	-	-	7,378	-	-	-	-	3,181	-	-
Directors fee and allowances	32,993	-	-	-	-	18,464	-	-	-	-

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

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

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'		
Advances	13,017,493	99,445,479
Credit loss allowance held against advances	249,642	-
Deposits and other accounts	722,021,546	649,339,057
Bills payable	50,731	157,468
Subordinated debts	12,314,038	12,314,304
Acceptances	71,929	71,929
Contingencies and commitments	25,145,677	26,885,973
Credit loss allowance against off balance sheet obligations	41,613	-
Mark-up receivable	1,446,533	17,065,985
Credit loss allowance against other assets	23,576	-
Mark-up payable on subordinated debts	621,316	506,774
Mark-up payable	40,166,129	37,615,613
	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
	Rupees in '000'	
Mark-up earned	3,465,587	17,225,219
Mark-up expensed	67,005,974	46,544,849
Income on contingencies and commitments	102,835	83,576

- 41.3 The Bank made contribution of Rs. 300,956 thousand (June 30, 2023: Rs. 243,336 thousand) to employees provident fund during the period.
- 41.4 BOP has allocated 3rd floor, National Tower, 28-Egerton road, Lahore to PMSL for its utilization and grants PMSL the authority to assign, sub-let or otherwise transfer possession of the premises or any portion thereof, on an arm's length basis, to its associated entities for business and commercial purposes, under its regulatory framework.
- 41.5 Advances to employees as at June 30, 2024, other than key management personnel, amounted to Rs. 27,275,697 thousand (December 31, 2023: Rs. 24,467,885 thousand) with markup receivable of Rs. 949,309 thousand (December 31, 2023: Rs.831,158 thousand) and markup income of Rs.586,284 thousand (June 30, 2023: Rs. 445,845 thousand) and fee & commission income of Rs. 9,831 thousand (June 30, 2023: Rs. 5,540 thousand). The ECL on said advances including markup and unutilized limits amounted to Rs. 201,238 thousand (December 31, 2023: Rs. Nil). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on June 30, 2024 stood at Rs. 112,816 thousand (December 31, 2023: Rs. 90,145 thousand).
- 41.6 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.
- 41.7 The Bank held government securities in fiduciary capacity for its employee fund in IPS account amounting to Rs. 6,349,500 thousand (December 31, 2023: Rs. 5,275,500 thousand)
- 41.8 During the period, the Bank has established an Exchange Company as private limited company registered with SECP. However, BOP Exchange (Pvt) Limited is in process of obtaining license from SBP regarding commencement of its operations. Further, the Bank has incurred Rs.20,022 thousand on account of pre-operational expenses receivable from BOP Exchange (Pvt) Limited. These expenses shall be transferred to BOP Exchange (Pvt) Limited upon its commencement of operations.

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
42. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital including share premium (net of losses)	34,667,575	34,667,575
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	72,876,686	74,275,763
Eligible Additional Tier 1 (ADT 1) Capital	11,967,500	11,917,500
Total Eligible Tier 1 Capital	84,844,186	86,193,263
Eligible Tier 2 Capital	22,981,824	16,484,562
Total Eligible Capital (Tier 1 + Tier 2)	107,826,010	102,677,825
Risk Weighted Assets (RWAs):		
Credit risk	471,354,247	441,962,289
Market risk	59,606,733	35,476,704
Operational risk	81,429,494	81,512,110
Total	612,390,474	558,951,103
Common equity tier I capital adequacy ratio	11.90%	13.29%
Tier I CAR (%)	13.85%	15.42%
Total CAR (%)	17.61%	18.37%
42.1 Leverage Ratio (LR):		
Eligible Tier-I Capital	84,844,186	86,193,263
Total exposures	2,600,595,379	2,553,544,800
LR (%)	3.26%	3.38%
42.2 Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	730,146,679	633,492,844
Total net cash outflow	384,831,577	345,059,142
LCR (%)	189.73%	183.59%
42.3 Net Stable Funding Ratio (NSFR):		
Total available stable funding	1,214,044,289	1,136,308,900
Total required stable funding	892,509,556	911,331,400
NSFR (%)	136.03%	124.69%

42.4 The Bank availed the benefit of stage I and II staggering as allowed by SBP vide IFRS-09 application instructions. Had this relaxation not availed, the CAR, LR and NSFR would have been 15.99%, 2.89% and 135.50% respectively.

43. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the June 30, 2024, the Bank is operating 163 Islamic banking branches (December 31, 2023: 160 Islamic banking branches) and 155 Islamic banking windows (December 31, 2023: 73).

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks - net		10,635,004	8,872,231
Balances with other banks - net		743,569	551,223
Due from financial institutions - net	431	1,952,026	3,935,000
Investments - net	432	41,778,848	41,712,785
Islamic financing and related assets - net	43.3	83,845,119	106,772,301
Property and equipment		1,408,284	1,247,643
Right of use assets		2,326,396	2,522,746
Intangible assets		12,090	9,416
Other assets - net		8,435,118	8,323,643
Total assets		151,136,454	173,946,988
LIABILITIES			
Bills payable		532,197	710,834
Due to financial institutions		2,114,935	2,223,337
Deposits and other accounts	43.4	120,532,312	113,332,498
Due to head office		6,010,625	38,936,868
Lease liabilities		3,039,320	3,158,734
Subordinated debt		-	-
Other liabilities - net		4,047,552	4,121,792
		136,276,941	162,484,063
NET ASSETS		14,859,513	11,462,925
REPRESENTED BY			
Islamic banking fund		2,000,000	2,000,000
Reserves		22,952	98,651
Surplus / (deficit) on revaluation of assets		198,405	(1,029,266)
Unappropriated profit	43.5	12,638,156	10,393,540
		14,859,513	11,462,925
CONTINGENCIES AND COMMITMENTS	43.6		

ISLAMIC BANKING BUSINESS STATEMENT OF PROFIT AND LOSS ACCOUNT

For the Six Months Ended June 30, 2024 (Un-audited)

	Note	Three Months Ended		Six Months Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in '000'					
Profit / return earned	43.7	6,494,877	5,215,169	14,029,468	8,979,093
Profit / return expensed	43.8	3,611,688	2,991,582	7,932,877	5,596,292
Net profit / return		2,883,189	2,223,587	6,096,591	3,382,801
Fee and commission income		122,106	109,645	191,375	179,093
Dividend income	-	-	-	-	-
Foreign exchange (loss) / income		(44,052)	(2,625)	(60,441)	3,307
Gain on securities - net		4	1	1,366	11
Other income		74,067	1,730	76,172	2,991
		152,125	108,751	208,472	185,402
Total income		3,035,314	2,332,338	6,305,063	3,568,203
Operating expenses		1,077,587	1,012,230	2,147,542	1,765,285
Workers' welfare fund		-	-	-	-
Other charges		10	-	10	-
		1,077,597	1,012,230	2,147,552	1,765,285
Profit before credit loss allowance (Reversal of credit loss allowance) / provisions and write offs - net		1,957,717	1,320,108	4,157,511	1,802,918
		376,783	51,129	(394,852)	152,541
Profit before taxation		1,580,934	1,268,979	4,552,363	1,650,377
Taxation	43.9	-	-	-	-
Profit after taxation		1,580,934	1,268,979	4,552,363	1,650,377

43.1 Due From Financial Institutions

	June 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Secured	1,985,000	-	1,985,000	3,935,000	-	3,935,000
Less: Credit loss allowance Stage 1	(32,974)	-	(32,974)	-	-	-
	1,952,026	-	1,952,026	3,935,000	-	3,935,000

43.2 Investments - Net

	June 30, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost / Amortized cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000'							
Investments by segment								
Classified / Measured at FVTPL / held for trading								
Federal government securities	5,937	-	-	5,937	-	-	-	-
	5,937	-	-	5,937	-	-	-	-
Classified / Measured at FVOCI / available for sale								
Federal government securities	21,225,502	-	58,706	21,284,208	31,290,783	-	(113,412)	30,156,371
Non government debt securities	10,911,276	(44,766)	45,393	10,911,903	11,545,574	-	10,840	11,556,414
	32,136,778	(44,766)	104,099	32,196,111	42,836,357	-	(112,572)	41,712,785
Classified / Measured at Amortized cost / held to maturity								
Federal government securities	9,576,800	-	-	9,576,800	-	-	-	-
	9,576,800	-	-	9,576,800	-	-	-	-
Total investments	41,719,515	(44,766)	104,099	41,778,848	42,836,357	-	(112,572)	41,712,785

(Un-audited) (Audited)
June 30, December 31,
2024 2023
Rupees in '000'

43.2.1 Particulars of credit loss allowance

Stage 1	(44,766)	-
Stage 2	-	-
Stage 3	-	-
	(44,766)	-

43.3 Islamic Financing and Related Assets - NET

Ijarah	2,999,250	2,451,160
Murabaha	462,366	977,303
Musharaka	16,282,210	47,100,860
Diminishing musharaka	44,826,987	40,720,767
Payment against documents	55,304	305,304
Waqala	7,940,277	5,155,929
Istisna	8,063,971	7,001,913
Musawamah financing	5,209,196	4,530,852
Tijarah financing	1,446,326	335,812
Gross islamic financing and related assets	87,285,887	108,579,900
Less: credit loss allowance against Islamic financings		
- Stage 1	861,151	-
- Stage 2	227,803	-
- Stage 3	2,351,814	1,807,599
	3,440,768	1,807,599
Islamic financing and related assets - net	83,845,119	106,772,301

43.4 Deposits and Other Accounts

	June 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	R u p e e s i n '000'					
Customers:						
Current deposits	23,592,321	1,040,805	24,633,126	19,828,751	567,074	20,395,825
Savings deposits	81,237,661	759,735	81,997,396	66,146,832	562,048	66,708,880
Term deposits	8,485,579	1,105,300	9,590,879	14,863,624	913,660	15,777,284
Others	3,745,205	-	3,745,205	5,824,378	-	5,824,378
	117,060,766	2,905,840	119,966,606	106,663,585	2,042,782	108,706,367
Financial institutions:						
Current deposits	17,438	29,544	46,982	31,400	19,425	50,825
Savings deposits	511,677	234	511,911	4,574,897	239	4,575,136
Term deposits	-	-	-	-	-	-
Others	6,813	-	6,813	170	-	170
	535,928	29,778	565,706	4,606,467	19,664	4,626,131
	117,596,694	2,935,618	120,532,312	111,270,052	2,062,446	113,332,498

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
43.5 Unappropriated Profit - Islamic Banking Business		
Opening balance	10,393,540	4,640,774
Impact of adoption of IFRS-09	(2,307,747)	-
Add: Islamic banking profit for the period / year	4,552,363	5,752,766
Closing balance	12,638,156	10,393,540

43.6 Contingencies and Commitments

Guarantees:		
Financial guarantees	18,200	18,200
Performance guarantees	1,330,222	877,740
Other guarantees	1,897,288	1,213,877
	3,245,710	2,109,817
Commitments:		
Documentary credits and short-term trade-related transactions - letters of credit	6,297,517	5,782,258
Commitments in respect of forward lending	12,580,775	10,886,255
Commitments in respect of purchase forward foreign exchange contracts	1,892,178	-
Commitments for acquisition of:		
- fixed assets	10,887	-
- intangible assets	1,142	-
	20,782,499	16,668,513
	24,028,209	18,778,330

	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
	Rupees in '000'	
43.7 Profit / Return Earned of Financing, Investments and Placement		
Profit earned on:		
Financing	9,469,036	5,819,431
Investments	3,989,546	2,531,381
Placements	570,817	628,233
Deposits with financial institutions	69	48
	14,029,468	8,979,093
43.8 Profit on Deposits and Other Dues Expensed		
Deposits and other accounts	5,754,236	4,997,626
Markup on lease liability against right of use assets	202,215	174,399
Markup on borrowings from SBP	59,630	12,783
Profit on deposits from conventional head office	1,916,796	411,484
	7,932,877	5,596,292

43.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 1,743,555 thousand (June 30, 2023: Rs. 198,045 thousand).

43.10 During the period, no new pool has been created.

44. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 28th August, 2024 by the Board of Directors of the Bank.

45. GENERAL

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

45.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the period except for as mentioned in notes 2.1, 4.1 and 4.2 to these unconsolidated condensed interim financial statements.


Chief Financial Officer


President


Chairman


Director


Director



Consolidated Condensed Interim FINANCIAL STATEMENTS

for the six months ended June 30, 2024
(The Bank of Punjab and Its Subsidiaries)

Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2024

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks - net	7	123,187,242	100,894,627
Balances with other banks - net	8	27,000,220	8,560,478
Lendings to financial institutions - net	9	354,324	143,325,933
Investments - net	10	1,291,246,758	913,088,050
Advances - net	11	651,690,121	807,544,892
Property and equipment	12	22,908,736	20,794,866
Right of use assets	13	11,843,057	12,424,136
Intangible assets	14	2,508,983	2,099,217
Deferred tax assets - net	15	14,163,707	10,314,627
Other assets - net	16	123,975,376	197,156,815
Total assets		2,268,878,524	2,216,203,641
LIABILITIES			
Bills payable	18	8,031,852	5,507,855
Borrowings	19	436,134,167	453,965,991
Deposits and other accounts	20	1,582,065,616	1,520,836,189
Lease liabilities	21	15,708,987	15,727,259
Subordinated debts	22	30,823,880	30,204,640
Deferred tax liabilities	-	-	-
Other liabilities - net	23	119,341,081	109,390,541
Total liabilities		2,192,105,583	2,135,632,475
NET ASSETS		76,772,941	80,571,166
REPRESENTED BY			
Share capital - net	24	32,452,535	32,452,535
Reserves		15,905,233	15,035,135
Surplus on revaluation of assets - net of tax	25	4,547,505	1,818,506
Non Controlling Interest		867,777	762,170
Unappropriated profit		22,999,891	30,502,820
		76,772,941	80,571,166
CONTINGENCIES AND COMMITMENTS			
	26		

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

President

Chairman

Director

Director

Consolidated Condensed Interim Profit and Loss Account

For the Six Months Ended June 30, 2024 (Un-audited)

	Note	Three Months Ended		Six Months Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
		Rupees in '000'			
Mark-up / return / interest earned	27	87,503,350	76,143,348	171,778,222	126,832,901
Mark-up / return / interest expensed	28	80,111,732	66,493,482	155,801,844	109,400,712
Net mark-up / interest income		7,391,618	9,649,866	15,976,378	17,432,189
NON MARK-UP / INTEREST INCOME					
Fee and commission income	29	2,463,806	2,838,949	4,554,935	4,565,377
Dividend income		48,069	108,680	162,706	245,869
Foreign exchange income / (loss)		555,551	(3,886)	763,051	776,495
Income / (loss) from derivatives	-	-	-	-	-
Gain / (loss) on securities - net	30	1,387,655	(19,838)	2,089,284	39,741
Net gains on derecognition of financial assets measured at amortised cost	31	1,362,018	-	1,362,018	-
Other income	32	485,086	93,512	1,033,458	133,769
Total non-markup / interest income		6,302,185	3,017,417	9,965,452	5,761,251
Total income		13,693,803	12,667,283	25,941,830	23,193,440
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	33	11,765,735	10,359,446	22,236,112	18,754,808
Workers' welfare fund		33,640	37,953	87,010	68,966
Other charges	34	1,495	8,033	1,653	8,630
Total non-markup / interest expenses		11,800,870	10,405,432	22,324,775	18,832,404
Profit before credit loss allowance		1,892,933	2,261,851	3,617,055	4,361,036
(Reversal of credit loss allowance) / provisions and write offs - net	35	(1,661,397)	472,820	(3,437,518)	482,943
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		3,554,330	1,789,031	7,054,573	3,878,093
Taxation - net	36	898,096	(484,168)	2,702,860	422,776
PROFIT AFTER TAXATION		2,656,234	2,273,199	4,351,713	3,455,317
Basic earnings per share - Rupees	37	0.80	0.67	1.30	1.02
Diluted earnings per share - Rupees	38	0.80	0.67	1.30	1.02
PROFIT ATTRIBUTEABLE TO:					
Equity holders of the parent		2,597,247	2,192,760	4,246,106	3,340,135
Non-controlling interest		58,987	80,439	105,607	115,182
		2,656,234	2,273,199	4,351,713	3,455,317

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.


Chief Financial Officer


President


Chairman


Director


Director

Consolidated Condensed Interim Statement of Comprehensive Income

For the Six Months Ended June 30, 2024 (Un-audited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	Rupees in '000'			
Profit after taxation for the period	2,656,234	2,273,199	4,351,713	3,455,317
Other comprehensive income / (loss):				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI / AFS investments - net of tax	623,066	2,973,632	(666,521)	(1,063,446)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / loss on defined benefit obligations - net of tax	-	-	-	-
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	371,941	-	275,915	-
Movement in surplus on revaluation of property and equipment - net of tax	-	(285,427)	-	(285,427)
Movement in surplus on revaluation of non-banking assets - net of tax	-	(11,768)	-	(11,768)
	371,941	(297,195)	275,915	(297,195)
Total comprehensive income	3,651,241	4,949,636	3,961,107	2,094,676
PROFIT ATTRIBUTABLE TO:				
Equity holders of the Bank	3,592,254	4,869,197	3,855,500	1,979,494
Non-controlling interest	58,987	80,439	105,607	115,182
	3,651,241	4,949,636	3,961,107	2,094,676

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.


Chief Financial Officer


President


Chairman


Director


Director

Consolidated Condensed Interim Statement of Changes in Equity

For the Six Months Ended June 30, 2024 (Un-audited)

	Rupees in '000'							Surplus / (Deficit) - net of tax on revaluation of			
	Share capital	Discount on issue of shares	Share capital - net	Share premium	Reserve for issuance of bonus shares	Statutory reserve	Investments	Property & equipment / non banking assets	Non-Controlling Interest	Unappropriated profit	Total
Balance as on January 01, 2023 - audited	29,741,154	(2,631,518)	29,478,381	2,215,040	-	10,554,384	(7,819,265)	5,495,835	627,811	24,411,784	64,936,970
Profit after taxation for the six months ended June 30, 2023	-	-	-	-	-	-	(1,063,446)	(297,959)	115,182	3,340,135	3,455,317
Other comprehensive loss - net of tax	-	-	-	-	-	-	(1,063,446)	(297,959)	115,182	3,340,135	(3,860,641)
Total other comprehensive loss / income - net of tax for the six months ended June 30, 2023	-	-	-	-	-	-	(1,063,446)	(297,959)	115,182	3,340,135	2,094,676
Transfer to statutory reserve during the period	-	-	-	-	-	687,537	-	(606,653)	(687,537)	60,653	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,488)	-	2,488	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(9,076)	-	15,591	6,515
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners recorded directly in equity:											
Final stock dividend - December 31, 2022, declared subsequent to year end at 10% per share	2,974,154	-	2,974,154	-	-	-	-	-	-	(2,974,154)	-
Issuance of bonus shares during the period	2,974,154	-	2,974,154	-	(2,974,154)	-	-	-	-	(2,974,154)	-
Balance as on June 30, 2023 - un-audited	32,715,663	(2,631,518)	32,452,535	2,215,040	-	11,241,921	(8,882,711)	51,264,23	704,254	24,207,699	67,065,161
Profit after taxation for the six months ended December 31, 2023	-	-	-	-	-	-	-	(3,95,717)	57,916	7,740,596	7,798,512
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	17,889	57,916	(257,339)	5,707,208
Total other comprehensive income / (loss) - net of tax for six months ended December 31, 2023	-	-	-	-	-	-	-	17,889	57,916	(257,339)	5,707,208
Transfer to statutory reserve during the period	-	-	-	-	-	15,781,74	-	-	-	7,483,257	13,506,720
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(60,653)	-	60,653	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(2,383)	-	2,383	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	-	-	-	-
Balance as on December 31, 2023 - audited	32,715,663	(2,631,518)	32,452,535	2,215,040	-	12,800,995	(2,936,053)	47,545,59	762,170	30,502,820	80,571,166
Impact of first time adoption of IFRS-09 - net of tax (note 4.2)	-	-	-	-	-	-	3,326,806	-	-	(7,894,205)	(4,567,399)
Balance as on January 01, 2024 - after the impact of adoption of IFRS-09	32,715,663	(2,631,518)	32,452,535	2,215,040	-	12,800,995	3,390,753	47,545,59	762,170	22,608,615	76,003,767
Other comprehensive income / (loss)											
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	-	(666,521)	-	-	-	(666,521)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	-	275,915	-	-	-	275,915
Total other comprehensive loss - net of tax for the six months ended June 30, 2024	-	-	-	-	-	-	(390,606)	-	-	-	(390,606)
Transfer to statutory reserve during the period	-	-	-	-	-	870,098	-	-	-	(870,098)	-
Transfer to deficit on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	-	-	2731	-	-	(6,354)	(2,623)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(5,762)	-	5,762	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(1,032)	-	1,032	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	-	-	(15,279)	-	23,538	8,259
Transactions with owners recorded directly in equity:											
Final cash dividend - December 31, 2023, declared subsequent to year end at 10% per share	-	-	-	-	-	-	-	-	-	(3,271,569)	(3,271,569)
Balance as on June 30, 2024 - un-audited	32,715,663	(2,631,518)	32,452,535	2,215,040	-	13,690,193	2,878	45,446,27	867,777	22,999,891	76,772,941

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.



Chief Financial Officer



President



Chairman



Director



Director

Consolidated Condensed Interim Cash Flow Statement

For the Six Months Ended June 30, 2024 (Un-audited)

	Note	Six Months Ended June 30, 2024	June 30, 2023
Rupees in '000'			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		7,054,573	3,878,093
Less: Dividend income		(162,706)	(245,869)
		6,891,867	3,632,224
Adjustments:			
Net mark-up / interest income excluding mark-up on lease liability against right of use assets		(17,014,371)	-
Depreciation on property and equipment	33	1,180,132	869,744
Depreciation on non banking assets acquired in satisfaction of claims	33	6,828	11,275
Depreciation on ijarah assets under IFAS - 2	33	178,962	142,315
Depreciation on right of use assets	33	946,422	803,090
Amortization on intangible assets	33	207,307	109,153
Amortization of discount on debt securities - net		(3,608,472)	(3,961,997)
Mark-up on lease liability against right of use assets	28	1,037,993	918,368
Unrealized (gain) / loss on revaluation of investments classified as FVTPL / Held for trading	30	(352,367)	90,657
Realized gain on deliverable future contracts		(7,887)	-
Reversal of credit loss allowance against lending to financial institutions (Reversal of credit loss allowance) / provision for diminution in value of investments - net	35	(58,406)	-
Reversal of credit loss allowance /provision against loans & advances - net	35	(44,945)	854,913
(Reversal of credit loss allowance) / provision against other assets - net	35	(2,428,074)	(413,199)
Reversal of credit loss allowance against off balance sheet obligations	35	(252,079)	41,229
Credit loss allowance against balance with other banks	35	(689,454)	-
Reversal of credit loss allowance against balances with treasury banks	35	216,339	-
Workers' welfare fund		(180,899)	-
Gain on termination of lease liability against right of use assets	32	87,010	68,966
Gain on sale of property and equipment - net	32	(161,296)	(55,416)
Gain on sale of non banking assets acquired in satisfaction of claims - net	32	(2,487)	(5,866)
Gain on sale of non banking assets acquired in satisfaction of claims - net	32	(514,223)	(59,101)
Realized gain on sale of securities - net	30	(1,729,030)	(130,398)
Gain on derecognition of financial assets measured at amortised cost	31.1	(1,563,972)	-
Loss on derecognition of financial assets measured at amortised cost	31.2	201,954	-
Provision for employees compensated absences		6,210	11,672
Provision for gratuity		304,434	222,779
		(24,234,371)	(481,816)
		(17,342,504)	3150,408
(Increase) / decrease in operating assets:			
Lendings to financial institutions - net		142,938,635	67,510,942
Securities classified as FVTPL		(6,469,583)	(60,417,551)
Advances - net		134,092,548	(272,919,747)
Others assets - net (excluding non-banking assets, markup receivable and advance taxation - net)		77,566,352	(34,142,946)
		348,127,952	(299,969,302)
Increase / (decrease) in operating liabilities:			
Bills payable		2,523,997	1,309,096
Borrowings		(17,653,091)	395,686,488
Deposits and other accounts		61,229,427	142,475,793
Other liabilities - net (excluding taxation - net, markup payable and gratuity fund)		7,565,606	22,701,121
		53,665,939	562,172,498
Payment made to gratuity fund		(690,633)	(171,152)
Mark-up / return / interest received		177,460,981	-
Mark-up / return / interest paid		(148,890,878)	-
Income tax paid		(5,969,019)	(3,768,215)
		21,910,451	(3,939,367)
Net cash flow generated from operating activities		406,361,838	261,414,237

Consolidated Condensed Interim Cash Flow Statement (Continued)

For the Six Months Ended June 30, 2024 (Un-audited)

	Note	Six Months Ended	
		June 30, 2024	June 30, 2023
		Rupees in '000'	
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI / AFS		(359,234,446)	(222,463,618)
Net investments in amortized cost securities / HTM		158,791	-
Dividends received		164,089	245,869
Investments in property and equipment		(2,083,098)	(1,992,613)
Investments in intangible assets		(617,073)	(195,265)
Proceeds from sale of property and equipment		13,663	10,828
Proceeds from sale of non banking assets acquired in satisfaction of claims		994,473	95,700
Net cash used in investing activities		(360,603,601)	(224,299,099)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(2,260)	(2,494,860)
Subscription received - subordinated perpetual term finance certificates ADT-I 2nd issue	22.2	50,000	3,900,000
Subscription received - privately placed term finance certificates - III		-	4,600,000
Subscription received - privately placed term finance certificates - IV		571,500	4,285,000
Payment of cash dividend		(3,271,568)	-
Payment of lease liability against right of use assets		(1,260,309)	(1,105,245)
Net cash (used in) / flow from financing activities		(3,912,637)	9,184,895
Increase in cash and cash equivalents			
Impact of adoption of IFRS-09 on cash and cash equivalents		41,845,600	46,300,033
		(934,510)	-
Cash and cash equivalents at beginning of the period		109,254,980	78,046,721
Cash and cash equivalents at end of the period		150,166,070	124,346,754
Cash and cash equivalents:			
Cash and balances with treasury banks - net	7	123,187,242	117,220,407
Balances with other banks - net	8	27,000,220	7,026,347
Call money lendings	9	-	100,000
Overdrawn nostro accounts		(21,392)	-
		150,166,070	124,346,754

The annexed notes 1 to 45 form an integral part of these consolidated condensed interim financial statements.


Chief Financial Officer


President


Chairman


Director


Director

Notes to the Consolidated Condensed Interim Financial Statements

For the Six Months Ended June 30, 2024 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

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

The Group consists of:

Parent

The Bank of Punjab

	% age of holding June 2024	% age of holding December 2023
	Rupees in '000'	

Subsidiaries

Punjab Modaraba Services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
Punjab Capital Securities (Private) Limited	100.00%	100.00%

The subsidiary company of the Group, Punjab Modaraba Services (Private) Limited exercises control over First Punjab Modaraba, as its management company and also has a direct economic interest in it. The Group is principally engaged in commercial banking, modaraba management, leasing, brokerage, etc. Brief profile of the Bank and subsidiaries is as follows:

The Bank of Punjab (the Bank) was constituted in Pakistan pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 822 branches including 15 sub branches and 163 Islamic banking branches (December 31, 2023: 815 branches including 16 sub branches and 160 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank also has 155 Islamic banking windows (December 31, 2023: 73). The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AA+ with stable outlook and short term rating of A1+ to the Bank.

Punjab Modaraba Services (Private) Limited

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

First Punjab Modaraba

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

Punjab Capital Securities (Private) Limited

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

1.2 Basis of Consolidation

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

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

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

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

The financial results of Islamic Banking business have been consolidated in these consolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in note 43 of these consolidated condensed interim financial statements.

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

The SBP, vide BPRD Circular No. 02 dated February 09, 2023, issued revised forms for the preparation of condensed interim quarterly / half yearly financial statements of the Banks / DFIs which are applicable for quarterly / half yearly periods beginning on or after January 01, 2024 vide BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of these consolidated condensed interim financial statements. These includes the right of use assets and corresponding lease liability which are now presented separately on the face of the statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the consolidated condensed interim financial statements in terms of recognition and measurement of assets and liabilities.

2.2 Statement of compliance

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

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

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

2.2.2 SBP has deferred the applicability of International Accounting Standards 40, "Investment Property" for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The SECP has deferred applicability of IFRS 7 "Financial Instruments: Disclosures" on banks through S.R.O 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

2.2.3 The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of "Islamic Financial Accounting Standard - 3" for Profit & Loss Sharing on Deposits (IFAS 3) issued by

the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS). The standard will result in certain new disclosures in these consolidated condensed interim financial statements of the Bank.

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

2.2.5 The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 dated February 09, 2023 and IAS-34, "Interim Financial Reporting". Accordingly, these consolidated condensed interim financial statements do not include all the information and disclosures required for annual consolidated financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the annual audited consolidated financial statements of the Bank for the year ended December 31, 2023 except for the impact of adoption of IFRS-09 "Financial Instruments" as explained in note 4.1 and 4.2.

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

There are certain new and amended standards, issued by the IASB, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these consolidated condensed interim financial statements except for IFRS-09 "Financial Instruments", the impact of which is disclosed in note 4.1 and 4.2 to these consolidated condensed interim financial statements.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations except for:

	Effective date (annual periods beginning on or after)
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	January 01, 2026
- IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027

3. BASIS OF MEASUREMENT

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of annual audited consolidated financial statements of the Bank for the year ended December 31, 2023 except for the adoption of IFRS-09 "Financial instruments" with effect from January 01, 2024 as mentioned in note 4.1 and 4.2.

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

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

The SBP through its BPRD Circular Letter No. 16 dated July 29, 2024 has provided additional clarification on earlier issued 'IFRS 9 - Financial Instruments Application Instructions' to address certain key matters raised by the banks with a direction to ensure compliance by the extended timelines. There are few other matters, including the measurement of unencumbered general provision, income recognition on Islamic financings and the subsidized loans (other than staff loans extended to employees as per HR policy), which are still under deliberation with the SBP. The Bank has continued to follow the existing treatment in respect of these matters till the time SBP issues relevant guidance / clarification.

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

Business model assessment

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

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

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

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

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

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

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

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

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

Classification

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

- Financial assets at amortized cost - A financial instrument is measured at amortized cost if these are held with a business model to hold financial assets in order to collect contractual cash flows

and such contractual terms give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

Initial recognition and subsequent measurement

a) Financial assets classified as amortized cost

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

b) Fair value through other comprehensive income (FVOCI)

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

FVOCI equity securities are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Dividend income is recognized in profit and loss account when the right to receive the payment is established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

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

c) Fair value through profit or loss (FVTPL)

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

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

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

Expected Credit Loss (ECL)

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

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

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

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

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

A default will deem to have occurred either when the obligation has become over 90 days past due (DPD) or ratings have deteriorated to or beyond ORR 9, markup has been suspended as per Prudential Regulations or an event indicating default i.e., bankruptcy has occurred.

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

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

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

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

- Stage 1: includes financial instruments that don't have a significant increase in credit risk since initial recognition or those have low credit risk at the reporting date. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. For these assets, 12-month expected credit losses (ECLs) are recognized and markup is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECLs are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected

cash shortfall over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

Stage 2: includes financial instruments that have or had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. For these assets, lifetime ECL are recognized, but markup is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default (PD) as the weight.

Stage 3: includes financial instruments that have objective evidence of impairment at the reporting date. This stage has obligors that already are impaired (defaulted). As per BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No. 16 of 2024 dated July 29, 2024, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the provision as per Prudential Regulations or IFRS 9 at borrower / facility level for corporate / commercial / SME loan portfolios and at segment / product basis for retail portfolio. In computing Stage 3 exposures, the Bank considers PD of 100% and LGDs used are based on regulatory prescribed percentages.

Write-offs

The Bank's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

Derecognition of Financial Asset / Financial Liabilities

Financial Assets:

The Bank derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Bank enters into transactions whereby it transfer assets recognised in its consolidated condensed interim statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial Liabilities:

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the consolidated condensed interim statement of profit and loss account.

4.2 Adoption impacts of IFRS-09

The impacts of adoption of IFRS-09 on Bank's statement of financial position as on January 01, 2024 are as follows:

		Impact due to							Adjusted balance as of January 01, 2024	IFRS-09 Category		
		Balances as of December 31, 2023 (Audited)	Recognition of expected credit losses (ECL)	Adoption of revised classifications under IFRS-09	Business model and SPP assessment	Related movement in surplus	Reversal / adjustment of provisions held	Total impact- gross of tax			Related taxation impact	Total impact- net of tax
R u p e e s i n ' 0 0 0 '												
ASSETS												
Cash and balances with treasury banks - net		100,994,627	(663,904)	-	-	(663,904)	-	(663,904)	-	(663,904)	100,230,723	Amortised cost
Balances with other banks - net		85,604,78	(231,65)	-	-	(231,65)	-	(231,65)	-	(231,65)	83,253,13	Amortised cost
Lending to financial institutions - net		143,329,533	(91,380)	-	-	(91,380)	-	(91,380)	-	(91,380)	143,238,153	Amortised cost
Investments - net:												
- Classified as available for sale		770,415,288	-	(770,415,288)	(01,742,838)	(770,415,288)	3,303,891	(770,415,288)	-	(770,415,288)	678,499,491	FVOCI
- Classified as fair value through OCI (FVOCI)		98,547,842	(8,771)	(98,547,842)	89,881,804	(98,547,842)	-	(98,547,842)	-	(98,547,842)	188,351,935	Amortised cost
- Classified as held to maturity		441,241,920	-	(441,241,920)	11,851,034	(441,241,920)	2,321,359	(441,241,920)	-	(441,241,920)	188,351,935	Amortised cost
- Classified as amortized cost												
- Classified as fair value through P&L		91,088,050	(8,771)	(91,088,050)	-	(91,088,050)	-	(91,088,050)	-	(91,088,050)	53,883,645	FVTPL
Advances - net		807,544,892	(137,35,791)	-	-	(137,35,791)	9,82,532	(137,35,791)	-	(137,35,791)	793,809,101	Amortised cost
Property and equipment		207,94,866	-	-	-	-	-	-	-	-	207,94,866	Outside the scope of IFRS-09
Right of use assets		12,42,136	-	-	-	-	-	-	-	-	12,42,136	Outside the scope of IFRS-09
Intangible assets		2,099,217	-	-	-	-	-	-	-	-	2,099,217	Outside the scope of IFRS-09
Deferred tax asset - net		10,34,627	-	-	-	-	-	-	5,30,871	5,30,871	15,62,798	Outside the scope of IFRS-09
Other assets - net		197,56,815	(7,58,144)	-	-	(7,58,144)	-	(7,58,144)	-	(7,58,144)	196,39,867	Amortised cost for financial assets
		2,216,203,641	(15,572,095)	-	-	(15,572,095)	9,82,532	(15,572,095)	5,30,871	(2,529,912)	2,213,674,449	
LIABILITIES												
Bills payable		5,507,855	-	-	-	-	-	-	-	-	5,507,855	Amortised cost
Borrowings		453,965,991	-	-	-	-	-	-	-	-	453,965,991	Amortised cost
Deposits and other accounts		1,520,836,189	-	-	-	-	-	-	-	-	1,520,836,189	Amortised cost
Lease liabilities		15,727,259	-	-	-	-	-	-	-	-	15,727,259	Amortised cost
Subordinated debts		30,204,640	-	-	-	-	-	-	-	-	30,204,640	Amortised cost
Other liabilities - net		109,390,541	2,038,207	-	-	2,038,207	-	2,038,207	-	2,038,207	111,428,748	Amortised cost for financial liabilities
		21,356,32,475	2,038,207	-	-	2,038,207	-	2,038,207	-	2,038,207	21,376,70,682	
NET ASSETS		80,571,166	(17,610,302)	-	-	(17,610,302)	9,82,532	(17,610,302)	5,30,871	(4,567,399)	76,003,767	
REPRESENTED BY												
Share capital		32,452,535	-	-	-	-	-	-	-	-	32,452,535	Outside the scope of IFRS-09
Reserves		15,035,135	-	-	-	-	-	-	-	-	15,035,135	Outside the scope of IFRS-09
Surplus on revaluation of assets - net of tax		181,850,6	-	-	-	-	-	-	(3,196,344)	3,326,806	51,45,312	
Non controlling interest		76,270	-	-	-	-	-	-	-	-	76,270	
Unappropriated profit		30,502,820	(17,610,302)	-	-	(17,610,302)	9,82,532	(17,610,302)	8,504,515	(7,884,205)	22,608,815	
		80,571,166	(17,610,302)	-	-	(17,610,302)	9,82,532	(17,610,302)	5,30,871	(4,567,399)	76,003,767	

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting judgments and key estimates adopted in preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Bank for the year ended December 31, 2023 except for as explained in note 4.1 and 4.2.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Bank are consistent with those disclosed in the annual audited consolidated financial statements of the Bank for the year ended December 31, 2023 except as explained in note 4.1 & 4.2.

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'		
7. CASH AND BALANCES WITH TREASURY BANKS - NET		
In hand:		
Local currency	24,552,112	22,977,986
Foreign currencies	3,211,417	4,254,423
	27,763,529	27,232,409
With SBP in:		
Local currency current account	73,943,752	53,549,220
Foreign currency current account	2,880,831	2,931,351
Foreign currency deposit accounts	6,635,905	6,592,100
	83,460,488	63,072,671
With National Bank of Pakistan in:		
Local currency current accounts	12,093,165	10,307,990
Prize bonds	353,066	281,557
Less: Credit loss allowance held against cash and balances with treasury banks	(483,006)	-
Cash and balances with treasury banks - net of credit loss allowance	123,187,242	100,894,627
8. BALANCES WITH OTHER BANKS - NET		
In Pakistan:		
Current accounts	133,071	105,437
Deposit accounts	(20,577)	205,743
	112,494	311,180
Outside Pakistan:		
Current accounts	18,721,467	3,821,143
Deposit accounts	8,617,763	4,428,155
	27,339,230	8,249,298
	27,451,724	8,560,478
Less: Credit loss allowance held against balances with other banks	(451,504)	-
Balances with other banks - net of credit loss allowance	27,000,220	8,560,478
9. LENDINGS TO FINANCIAL INSTITUTIONS - NET		
Repurchase agreement lendings (Reverse Repo)	-	137,025,933
Placements	387,298	6,300,000
	387,298	143,325,933
Less: Credit loss allowance held against lendings to financial institutions	(32,974)	-
Lendings to financial institutions - net of credit loss allowance	354,324	143,325,933

9.1 Lendings to financial institutions- particulars of credit loss allowance

		June 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
		Lendings	Credit loss allowance held	Lending	Provision
R u p e e s i n ' 0 0 0 '					
Performing	Stage 1	1,985,000	32,974	-	-
Under performing	Stage 2	-	-	-	-
Non-performing					
Substandard	Stage 3	-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		1,985,000	32,974	-	-

10. INVESTMENTS - NET

10.1 Investments by type:

		(Un-audited) June 30, 2024				(Audited) December 31, 2023			
		Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying value
R u p e e s i n ' 0 0 0 '									
FVTPL / held for trading									
	Note								
Federal government securities		59,243,196	-	12,887	59,256,083	44,069,917	-	55,003	44,124,920
Ordinary shares		2,108,114	-	341,319	2,449,433	-	-	-	-
Non government debt securities		1,323,277	-	(1,839)	1,321,438	-	-	-	-
		62,674,587	-	352,367	63,026,954	44,069,917	-	55,003	44,124,920
FVOCI / available for sale									
Federal government securities	10.2	1,023,885,695	-	85,703	1,023,971,398	756,146,695	-	(6,307,576)	749,839,119
Shares		6,403,426	-	(132,510)	6,270,916	4,845,016	(982,532)	537,686	4,400,170
Mutual fund & investment trust units		65,000	-	14,239	79,239	3,228,680	-	22,283	3,250,963
Non government debt securities		8,555,558	(257,350)	45,392	8,343,600	15,493,496	(2,580,709)	292	12,913,079
Foreign securities		11,957	-	-	11,957	11,957	-	-	11,957
		1,038,921,636	(257,350)	12,824	1,038,677,110	779,725,844	(3,563,241)	(5,747,315)	70,415,288
Amortised cost / held to maturity									
Federal government securities		186,974,392	-	-	186,974,392	98,547,842	-	-	98,547,842
Non government debt securities		2,613,068	(44,766)	-	2,568,302	-	-	-	-
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		189,587,860	(45,166)	-	189,542,694	98,548,242	(400)	-	98,547,842
Total investments		1,291,184,083	(302,516)	365,191	1,291,246,758	922,344,003	(3,563,641)	(5,692,312)	913,088,050

(Un-audited)
June 30,
2024
Rupees in '000'

(Audited)
December 31,
2023

10.2 Investments given as collateral

Pakistan investment bonds	361,734,967	379,071,721
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10.3 Credit loss allowance for diminution in value of investments

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
10.3.1 Movement in credit loss allowance / provision for diminution in value of investments			
Opening balance		3,563,641	4,598,146
Impact of adoption of IFRS-09:			
Expected credit loss on debt securities	4.2	87,711	-
Reversal of impairment on equity securities		(982,532)	-
Adjustment of impairment on account of mandatory classification as FVTPL		(2,321,359)	-
		(3,216,180)	-
Charge / (reversals):			
Charge for the period / year		4,668	943,086
Reversals for the period / year		(40,795)	(147,044)
		(36,127)	796,042
Reversal on disposal during the period / year		(8,818)	(1,830,547)
Closing balance		302,516	3,563,641

10.3.2 Particulars of credit loss allowance against debt securities

Category of classification	(Un-audited) June 30, 2024		(Audited) December 31, 2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision
Rupees in '000'				
Performing	2,613,068	44,766	-	-
Under performing	-	-	-	-
Non-performing:				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	257,750	257,750	2,581,109	2,581,109
	257,750	257,750	2,581,109	2,581,109
	2,870,818	302,516	2,581,109	2,581,109

11. ADVANCES - NET

	Performing / underperforming		Non performing		Total	
	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'						
Loans, cash credits, running finances, etc.	552,368,570	675,933,777	50,218,750	48,286,050	602,587,320	724,219,827
Islamic financing and related assets	83,648,130	105,445,766	3,637,757	3,134,134	87,285,887	108,579,900
Bills discounted and purchased	16,513,881	18,092,079	17,221	17,221	16,531,102	18,109,300
Advances - gross	652,530,581	799,471,622	53,873,728	51,437,405	706,404,309	850,909,027
Credit loss allowance against advances:						
- Stage 1 / general provision	(5,712,880)	(695,731)	-	-	(5,712,880)	(695,731)
- Stage 2	(2,377,608)	-	(76,640)	-	(2,454,248)	-
- Stage 3 / specific provision	(746,109)	-	(45,800,951)	(42,668,404)	(46,547,060)	(42,668,404)
	(8,836,597)	(695,731)	(45,877,591)	(42,668,404)	(54,714,188)	(43,364,135)
Advances - net of credit loss allowance	643,693,984	798,775,891	7,996,137	8,769,001	651,690,121	807,544,892

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
11.1 Particulars of advances (gross)		
In local currency	696,615,947	843,073,267
In foreign currencies	9,788,362	7,835,760
	706,404,309	850,909,027

11.2 Advances include Rs. 53,873,728 thousand (December 31, 2023: Rs. 51,437,405 thousand) which have been placed under non-performing / stage 2 and 3 status as detailed below:

		(Un-audited) June 30, 2024	(Audited) December 31, 2023		
		Non performing loans	Credit loss allowance	Non performing loans	Provision
		R u p e e s i n ' 0 0 0 '			
Category of classification					
Other assets especially mentioned	Stage-2	339,928	76,640	-	-
Other assets especially mentioned		386,006	161,502	388,638	9,041
Substandard		2,696,117	1,263,055	1,776,865	330,681
Doubtful	Stage-3	6,327,942	3,119,348	4,721,891	1,974,548
Loss		44,123,735	41,257,046	44,550,011	40,354,134
Total non performing loans		53,147,794	45,639,449	51,048,767	42,659,363
Grand total		53,873,728	45,877,591	51,437,405	42,668,404

11.3 Particulars of credit loss allowance against advances

		(Un-audited) June 30, 2024				(Audited) December 31, 2023		
		Stage 3	Stage 2	Stage 1	Total	Specific Provision	General Provision	Total
		R u p e e s i n ' 0 0 0 '						
	Note							
Opening balance		42,668,404	-	695,731	43,364,135	44,435,016	614,979	45,049,995
Impact of adoption of IFRS-09	4.2	2,893,675	4,562,863	6,279,253	13,735,791	-	-	-
Sub total		45,562,079	4,562,863	6,974,984	57,099,926	44,435,016	614,979	45,049,995
Charge for the period / year		3,514,468	992,712	1,485,233	5,992,413	2,108,556	80,752	2,189,308
Reversals for the period / year		(2,529,206)	(3,101,327)	(2,747,337)	(8,377,870)	(3,648,692)	-	(3,648,692)
		985,262	(2,108,615)	(1,262,104)	(2,385,457)	(1,540,136)	80,752	(1,459,384)
Amounts written off		(281)	-	-	(281)	(1138)	-	(1,138)
Provision transferred from advances to other assets		-	-	-	-	(225,338)	-	(225,338)
Closing balance		46,547,060	2,454,248	5,712,880	54,714,188	42,668,404	695,731	43,364,135

The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in credit loss allowance against non-performing advances by Rs. 292,158 thousand (December 31, 2023: Rs. 3,563,768 thousand). The FSV benefit availed is not available for cash or stock dividend.

11.4 Advances - Particulars of credit loss allowance

	(Un-audited) June 30, 2024			
	Stage 3	Stage 2	Stage 1	Total
	R u p e e s i n '000'			
Opening balance after adoption of IFRS-09	45,562,079	4,562,863	6,974,984	57,099,926
New advances	2,528,450	(1,094,361)	472,698	1,906,787
Advances derecognized or repaid	(1,543,188)	(1,014,254)	(1,734,801)	(4,292,243)
Transfer to stage 1	1,735,075	1,315,956	(400,307)	2,650,724
Transfer to stage 2	29,175	(1,513,983)	325,527	(1,159,281)
Transfer to stage 3	(1,764,250)	198,027	74,779	(1,491,444)
	985,262	(2,108,615)	(1,262,104)	(2,385,457)
Amounts written off / charged off	(281)	-	-	(281)
Closing balance	46,547,060	2,454,248	5,712,880	54,714,188

11.5 Advances - Category of classification

	(Un-audited) June 30, 2024		(Audited) December 31, 2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Provision
	R u p e e s i n '000'			
Performing Stage 1	602,367,913	5,712,880	-	-
Underperforming Stage 2	48,577,851	2,377,608	-	-
Underperforming/restructured loans Stage 3	1,584,817	746,109	-	-
	652,530,581	8,836,597	-	-
Non-Performing Stage 2	339,928	76,640	-	-
Non-Performing: Other assets especially mentioned	386,006	161,502	388,638	9,041
Substandard	2,696,117	1,263,055	1,776,865	330,681
Doubtful	6,327,942	3,119,348	4,721,891	1,974,548
Loss	44,123,735	41,257,046	44,550,011	40,354,134
	53,533,800	45,800,951	51,437,405	42,668,404
Total	706,404,309	54,714,188	51,437,405	42,668,404

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
12. PROPERTY AND EQUIPMENT			
Capital work-in-progress	12.1	657,829	750,114
Property and equipment	12.2	22,250,907	20,044,752
		22,908,736	20,794,866
12.1 Capital work-in-progress			
Civil works		645,409	709,037
Advances to suppliers		12,420	41,077
		657,829	750,114

	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
	Rupees in '000'	
12.2 Additions to property and equipment		
The following additions / transfers have been made to property and equipment during the period:		
Capital work-in-progress - net	(92,285)	(326,391)
Property and equipment:		
Freehold land	2,037,002	-
Building on freehold land	-	64,002
Furniture and fixtures	103,327	166,733
Electrical and office equipments	276,754	282,449
Computer equipments	352,990	760,234
Lease hold improvements	586,085	940,692
Vehicles	40,956	104,894
	3,397,114	2,319,004
	3,304,829	1,992,613
12.3 Disposal of property and equipment:		
The net book value of property and equipment disposed off during the period is as follows:		
Furniture and fixtures	3,203	2,545
Electrical and office equipments	5,377	2,341
Computer equipments	813	76
Lease hold improvements	1,783	-
	11,176	4,962
	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
13. RIGHT OF USE ASSETS		
As at January 01,		
Cost	17,699,453	15,806,579
Accumulated depreciation	(5,275,317)	(3,704,419)
Net carrying amount as at January 01,	12,424,136	12,102,160
Additions during the period / year	437,615	2,355,595
Terminations - at cost during the period / year	(154,183)	(462,721)
Depreciation on terminations during the period / year	81,908	159,978
Terminations - at book value	(72,275)	(302,743)
Depreciation charge for the period / year	(946,419)	(1,730,876)
Net carrying amount	11,843,057	12,424,136

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
14. INTANGIBLE ASSETS			
Intangible in progress		364,441	635,072
Software and long term licenses		2,144,542	1,464,145
	141	2,508,983	2,099,217
Rupees in '000'			
14.1 Additions to intangible assets			
The following additions / transfers have been made to intangible assets during the period:			
Intangible in progress - net		(270,631)	118,909
Intangible assets purchased		887,704	76,356
		617,073	195,265
Rupees in '000'			
15. DEFERRED TAX ASSETS - NET			
Deductible temporary differences on:			
Deficit on revaluation of investments classified as available for sale		-	2,811,262
Right of use assets net of lease liabilities		1,894,306	1,618,530
Workers welfare fund		684,690	642,055
Credit loss allowance against off balance sheet obligations		660,889	-
Credit loss allowance against lendings to financial institutions		16,157	-
Credit loss allowance against balance with other banks		221,237	-
Credit loss allowance against balance with treasury banks		236,673	-
Credit loss allowance against investments		20,955	-
Credit loss allowance against acceptance		206,730	-
Credit loss allowance / provision against advances		13,324,365	8,416,444
Business loss subsidiary		112,828	72,505
		17,378,830	13,560,796
Taxable temporary differences on:			
Surplus on revaluation of property and equipment		(2,159,112)	(2,214,474)
Surplus on revaluation of investments classified as FVTPL		(172,660)	-
Surplus on revaluation of investments classified as FVOCI		(9,946)	-
Accelerated tax depreciation		(861,792)	(936,833)
Surplus on revaluation of non banking assets acquired in satisfaction of claims		(11,613)	(94,862)
		(3,215,123)	(3,246,169)
		14,163,707	10,314,627

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
16. OTHER ASSETS - NET			
Income / mark-up accrued in local currency		83,734,542	89,618,189
Income / mark-up accrued in foreign currency		44,020	11,858
Receivable from the Government of Pakistan		-	85,200,400
Advances, deposits, advance rent and other prepayments		3,414,766	1,427,101
Advance taxation (payments less provisions)		685,087	-
Non-banking assets acquired in satisfaction of claims		3,667,873	1,177,222
Acceptances	23	18,859,725	15,888,469
Branch adjustment account		183,401	27,927
Stock of stationery & plastic cards		466,505	375,089
Suspense account		52,861	37,187
Mark to market gain on forward foreign exchange contracts - net	23	303,493	-
Zakat recoverable from National Investment Trust Limited (NITL)		36,790	36,790
Receivable against fraud and forgeries		407,979	399,468
Auto Teller Machine and Point of Sale receivable - net		629,743	650,830
Inter bank fund transfer and RAAST receivable - net		2,995,054	1,761,393
Receivable against settlement arrangements		225,337	225,337
Receivable against litigation expenses		312,218	312,218
Deferred fair value loss on derecognition of financial asset	16.1	7876,206	-
Others		1,002,397	707,725
		124,897,997	197,857,203
Less: Credit loss allowance / provision held against other assets	16.2	(1,537,669)	(1,550,998)
Other assets (net of credit loss allowance)		123,360,328	196,306,205
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	25	615,048	850,610
Other assets - total		123,975,376	197,156,815

16.1 As per privatization initiative approved by the Government of Pakistan (GoP), a new public limited company, Pakistan International Airlines Holding Company Limited (PIAHCL), has been formed by GoP to succeed specified assets and liabilities of Pakistan International Airlines Corporation Limited (PIACL). In this regard, the Bank recorded deferred fair value loss, at a benchmark rate corresponding to the tenor of the loan, arising from the restructuring of syndicated exposure to PIACL in accordance with the guidance issued by SBP vide letter NO. BPRD/BRD/PIAHCL/733688 - 2024 dated August 01, 2024. The impact of deferred loss recognition during the period is disclosed in note 31.2 of these consolidated condensed interim financial statements.

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
16.2 Credit loss allowance held against other assets			
Income accrued in local currency		-	500,000
Advances, deposits, advance rent & other prepayments		35,723	35,723
Acceptances		105,873	-
Income / markup accrued		308,338	-
Non banking assets acquired in satisfaction of claims		30,876	30,876
Zakat recoverable from NITL		36,790	36,790
Fraud and forgeries	16.2.2	317,032	311,952
Receivable against settlement arrangements		225,337	225,337
Receivable against litigation expenses		312,218	312,217
Others		165,482	98,103
	16.2.1	1,537,669	1,550,998

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
16.2.1	Movement in credit loss allowance held against other assets		
	Opening balance	1,550,998	787,166
	Impact of adoption of IFRS-09	758,144	-
	Charge for the period / year	159,108	610,065
	Reversals during the period / year	(453,804)	(13,953)
		(294,696)	596,112
	Amount written off	(502,606)	(3,572)
	Provision transferred to other assets from advances	-	225,338
	Other adjustment	25,829	(54,046)
	Closing balance	1,537,669	1,550,998

16.2.2 This includes provision amounted to Rs. 3,256 thousand (December 31, 2023: Rs. 4,795 thousand) maintained against certain closed cases as per approval of the management.

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
17.	CONTINGENT ASSETS		
	Contingent assets	Nil	Nil
18.	BILLS PAYABLE		
	In Pakistan	8,031,852	5,507,855
	Outside Pakistan	-	-
		8,031,852	5,507,855
19.	BORROWINGS		
	Secured		
	Borrowings from SBP under:		
	Export refinance scheme (ERF)	27,080,177	29,950,587
	Long term financing facility (LTFF)	10,134,591	11,368,117
	Financing facility for storage of agriculture produce (FFSAP)	157,561	183,985
	Islamic refinance scheme facility for payment of wages & salaries	78,920	-
	Financing scheme for renewable energy	6,297,685	6,435,548
	Refinancing facility for combating COVID-19	663,278	814,386
	Refinance facility for working capital of small and medium enterprises	-	39,891
	Temporary economic refinance scheme (TERF)	16,775,788	19,310,908
	Refinance and credit guarantee scheme for women entrepreneurs	47,250	900
	Finance facility for SAAF rozgar reimbursement credit	12,650,309	6,954,080
	Finance facility for shamsi tawanai consumer	41,345	47,312
	Islamic temporary economic refinance facility (ITERF)	1,332,819	-
	Refinancing facility for modernization of small and medium enterprises (SMEs)	105,995	137,300
		75,365,718	75,243,014
	Repurchase agreement borrowings	358,451,000	377,025,018
	Borrowing from Pakistan Mortgage Refinance Company Limited	996,057	1,497,834
	Total secured	434,812,775	453,765,866
	Unsecured		
	Call borrowings	1,300,000	-
	Overdrawn nostro accounts	21,392	200,125
	Total unsecured	1,321,392	200,125
		436,134,167	453,965,991

20. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	275,556,359	10,521,690	286,078,049	247,207,834	10,577,445	257,785,279
Savings deposits	730,788,677	5,688,917	736,477,594	622,556,998	5,554,561	628,111,559
Term deposits	463,988,887	40,703,053	504,691,940	497,160,082	41,494,976	538,655,058
Others	43,108,669	-	43,108,669	33,238,862	-	33,238,862
1,513,442,592	56,913,660	1,570,356,252	1,400,163,776	5,762,982	1,457,790,758	
Financial institutions:						
Current deposits	2,378,691	692,594	3,071,285	2,190,540	975,218	3,165,758
Savings deposits	717,9372	7,095	718,647	58,368,739	5,150	58,373,889
Term deposits	1,237,000	-	1,237,000	1,463,890	-	1,463,890
Others	214,612	-	214,612	41,894	-	41,894
	11,009,675	699,689	11,709,364	62,065,063	980,368	63,045,431
	1,524,452,267	57,613,349	1,582,065,616	1,462,228,839	58,607,350	1,520,836,189

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
21. LEASE LIABILITIES			
Outstanding amount at the start of the period / year		15,727,259	14,352,825
Additions during the period / year		437,615	2,355,595
Markup accrued		1,037,993	1,939,763
Terminations during the period / year		(233,571)	(541,304)
Payment of lease liabilities against right of use assets		(1,260,309)	(2,379,620)
Outstanding amount at the end of the period / year		15,708,987	15,727,259
21.1 Maturity of outstanding lease liabilities			
Not later than one year		83,226	84,722
Later than one year and upto five years		1,334,208	1,435,423
Over five years		14,291,553	14,207,114
Total at the end of the period / year		15,708,987	15,727,259
22. SUBORDINATED DEBTS			
Subordinated perpetual term finance certificates - ADT I	22.1	8,017,500	8,017,500
Subordinated perpetual term finance certificates - ADT I 2nd issue	22.2	3,950,000	3,900,000
Privately placed term finance certificates - II	22.3	4,289,680	4,290,540
Privately placed term finance certificates - III	22.4	6,997,200	6,998,600
Privately placed term finance certificates - IV	22.5	7,569,500	6,998,000
		30,823,880	30,204,640

22.1 Subordinated perpetual term finance certificates - ADT I

The Bank issued listed, unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier -I capital under section 66 (1) of the Companies Act, 2017, with each TFC having a face value of PKR 100,000 or multiples thereof.

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

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

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

During the period, the Bank issued listed, unsecured, subordinated, perpetual and non cumulative term finance certificates in the form of Additional Tier -I capital under section 66 (1) of the Companies Act, 2017, with each TFC having a face value of PKR 100,000 or multiples thereof.

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

22.3 Privately placed term finance certificates - II

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

Issue amount:	Rs. 4,300,000 thousand
Issue date:	April 23, 2018
Maturity date:	April 23, 2028
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security:	Unsecured and subordinated to all other indebtedness of the Bank including deposits.

Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 002% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

22.4 Privately placed term finance certificates - III

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

Issue amount:	Rs. 7,000,000 thousand
Issue date:	April 17, 2023
Maturity date:	April 17, 2033
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 002% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

22.5 Privately placed term finance certificates - IV

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

Issue amount:	Rs. 7,569,500 thousand
Issue date:	June 27, 2024
Maturity date:	June 27, 2034
Rating:	"AA" by Pakistan Credit Rating Agency Limited (PACRA)
Tenor:	10 Years.
Security	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency:	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate:	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment:	The TFC has been structured to redeem 0.36% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option:	Callable after a period of 05 years. However no put option is available to the investors.
Lock in clause:	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
23. OTHER LIABILITIES - NET			
Mark-up / return / interest payable in local currency		66,071,826	60,632,166
Mark-up / return / interest payable in foreign currencies		1,641,081	1,341,354
Mark-up payable on subordinated debts		1,214,311	1,080,725
Provision for taxation - net		-	4,535,927
Sundry creditors and accrued expenses		2,619,915	2,912,244
Lease key money		18,170,116	15,706,472
Acceptances	16	18,859,725	15,888,469
Payable to gratuity fund		304,434	690,633
Gratuity payable to key management personnel		19,435	19,435
Provision for employees compensated absences		168,140	163,363
Mark to market loss on forward foreign exchange contracts - net	16	-	26,020
Mark to market loss on deliverable future contracts		-	7,887
Unrealized loss on revaluation of foreign bills and trade loans		46,718	153,786
Credit loss allowance against off-balance sheet obligations	23.2	1,392,736	43,983
Taxes / zakat / import fee payable		3,517,305	2,115,471
Dividend payable		1	-
Unclaimed dividends		2,585	2,585
Payable to charity fund		1,223	850
Insurance payable against financing of consumer assets		660,460	584,365
Payable against purchase of shares		402,153	384,367
Workers' welfare fund	23.1	1,682,282	1,595,273
Others		2,566,635	1,505,166
		119,341,081	109,390,541

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

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
23.2	Movement in credit loss allowance against off-balance sheet obligations		
		43,983	43,983
	Opening balance		
	Impact of adoption of IFRS-09	4.2 2,038,207	-
	Charge for the period / year	194,367	-
	Reversals during the period / year	(883,821)	-
		35 (689,454)	-
	Closing balance	1,392,736	43,983

24. SHARE CAPITAL - NET

24.1 Authorized capital

(Un-audited) June 30, 2024	(Audited) December 31, 2023		(Un-audited) June 30, 2024	(Audited) December 31, 2023
Number of shares			Rupees in '000'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	50,000,000	50,000,000

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

24.2 Issued, subscribed and paid up capital

(Un-audited) June 30, 2024	(Audited) December 31, 2023		(Un-audited) June 30, 2024	(Audited) December 31, 2023
Number of shares			Rupees in '000'	
Opening Balance				
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	839,925,583	Issued as bonus shares	11,373,410	8,399,256
3,271,569,319	2,974,153,927		32,715,693	29,741,539
Movement during the period / year				
-	297,415,392	Issued as bonus shares	-	2,974,154
Closing balance				
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash	16,079,125	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount	5,263,158	5,263,158
1,137,340,975	1,137,340,975	Issued as bonus shares	11,373,410	11,373,410
3,271,569,319	3,271,569,319		32,715,693	32,715,693
-	-	Less: Discount on issue of shares	(263,158)	(263,158)
3,271,569,319	3,271,569,319		32,452,535	32,452,535

GoPb held 57.47% shares in the Bank as at June 30, 2024 (December 31, 2023: 57.47%).

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
		Rupees in '000'	
25. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (deficit) on revaluation of:			
Securities measured at FVOCI - debt instruments / available for sale investments	101	131,095	(5,747,315)
Securities measured at FVOCI - equity investments	101	(118,271)	-
Property and equipment		6,100,303	6,213,285
Non-banking assets acquired in satisfaction of claims	16	615,048	850,610
		6,728,175	1,316,580
Deferred tax on surplus / (deficit) on revaluation of:			
Securities measured at FVOCI - debt instruments / available for sale investments		(64,237)	2,811,262
Securities measured at FVOCI - equity investments		54,291	-
Property and equipment		(2,159,112)	(2,214,474)
Non-banking assets acquired in satisfaction of claims		(11,613)	(94,862)
		(2,180,671)	501,926
		4,547,504	1,818,506
26. CONTINGENCIES AND COMMITMENTS			
Guarantees	26.1	135,031,019	135,621,749
Commitments	26.2	292,105,172	406,852,140
Other contingent liabilities	26.3	291,951	291,951
		427,428,142	542,765,840
26.1 Guarantees:			
Financial guarantees		36,755,150	34,797,867
Performance guarantees		20,372,125	23,965,466
Other guarantees			
Back to back guarantees		52,614,423	54,320,270
Mobilization and bid bond guarantees		10,485,896	9,184,433
Other guarantees		14,803,425	13,353,713
		77,903,744	76,858,416
		135,031,019	135,621,749
26.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		166,400,926	172,670,983
Commitments in respect of:			
- forward foreign exchange contracts	26.2.1	98,997,546	217,833,716
- forward Government securities transactions	26.2.2	6,627,000	-
- deliverable future contracts	26.2.3	-	128,320
- forward lending	26.2.4	19,610,842	15,817,173
Commitments for acquisition of:			
- property and equipment		397,306	240,693
- intangible assets		71,552	161,255
		292,105,172	406,852,140
26.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		51,472,610	121,124,664
Sale		47,524,936	96,709,052
		98,997,546	217,833,716

	Note	(Un-audited) March 31, 2024 Rupees in '000'	(Audited) December 31, 2023
26.2.2 Commitments in respect of forward Government securities transactions			
Sale		6,627,000	-
26.2.3 Commitments in respect of deliverable future contracts		-	128,320
26.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	26.2.41	19,610,842	15,817,173
26.2.41	These represent wcommitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		
		(Un-audited) June 30, 2024 Rupees in '000'	(Audited) December 31, 2023
26.3 Other contingent liabilities	26.31	291,951	291,951
26.3.1	For tax years 2014 - 2023, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans. The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these consolidated condensed interim financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the tax department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate authorities.		
26.4 Claims against the Bank not acknowledged as debts	An amount of Rs. 46,268,295 (December 31, 2023: Rs. 46,313,295 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Uptill now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.		
		(Un-audited) June 30, 2024 Rupees in '000'	(Un-audited) June 30, 2023
27. MARK-UP / RETURN / INTEREST EARNED			
Loans and advances		64,629,011	61,450,603
Investments		104,285,765	63,009,793
Lendings to financial institutions		2,368,940	2,163,187
Balances with banks		494,506	209,318
		171,778,222	126,832,901
27.1	Interest income recognised on:		
Financial assets measured at amortised cost		76,107,202	-
Financial assets measured at FVOCI		93,418,616	-
Financial assets measured at FVTPL		2,252,404	-
		171,778,222	-

	Note	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
		Rupees in '000'	
28. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits and other accounts		119,480,638	78,063,099
Borrowings		31,735,925	28,281,812
Subordinated debts		3,547,288	2,137,433
Mark-up on lease liability against right of use assets		1,037,993	918,368
		155,801,844	109,400,712
29. FEE AND COMMISSION INCOME			
Branch banking customer fees		228,585	181,319
Consumer finance related fees		397,980	265,176
Card related fees		895,683	513,266
Credit related fees		464,135	314,088
Investment banking fees		347,199	222,772
Branchless banking fees		49,608	65,441
Commission on trade		827,762	708,239
Commission on guarantees		301,174	212,387
Commission on cash management		108,395	175,560
Commission on remittances including home remittances		388,887	220,107
Commission on bancassurance		121,141	98,023
Commission on wheat financing	27	1,259,096	-
SMS banking income		424,359	329,903
		4,554,935	4,565,377
30. GAIN / (LOSS) ON SECURITIES - NET			
Realized gain on sale of securities - net	301	1,729,030	130,398
Unrealized gain / (loss) - measured at FVTPL		352,367	(90,657)
Realized gain - deliverable future contracts		7,887	-
		2,089,284	39,741
30.1 Realized gain on sale of securities - net:			
Federal government securities		1,414,619	(3,320)
Non government debt securities		17,951	-
Shares		296,460	133,718
		1,729,030	130,398
30.2 Realized gain on sale of securities - net			
Net gain on financial assets measured at FVTPL			
Designated upon initial recognition		408,040	-
Mandatorily measured at FVTPL		17,951	-
Net gain on financial assets measured at FVOCI		1,303,039	-
		1,729,030	-
31. NET GAINS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Gain on derecognition on financial assets measured at amortised cost	311	1,563,972	-
Loss on derecognition on financial assets measured at amortised cost	312	(201,954)	-
		1,362,018	-

31.1 During the period, the Bank has derecognized outstanding exposures (advances) of certain borrowers amounting to Rs. 2,436,762 thousand through acquisition of properties, in auction and negotiated purchase. Accordingly, a fair value gain of Rs. 1,563,972 thousand has been recognized in these consolidated condensed interim financial statements.

31.2 This amount includes deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL) SBP through its Circular Letter No. BPRD/BRD/PIAHCL/733688 - 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Bank has recognized proportionate amount of 1st year's 5% of loss in these consolidated condensed interim financial statements.

	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
	Rupees in '000'	
32. OTHER INCOME		
Gain on sale of property and equipment - net	2,487	5,866
Gain on sale of non banking assets acquired in satisfaction of claims - net	514,223	59,101
Gain on termination of lease liability against right of use assets	161,296	55,416
Notice pay on resignations	23,805	13,386
Claim decided in favour of Bank against litigation	331,647	-
	1,033,458	133,769
33. OPERATING EXPENSES		
Total compensation expense	10,983,277	9,652,026
Property expense:		
Rent and taxes	20,279	12,345
Insurance	8,774	7,721
Utilities cost	818,424	518,022
Security	946	4,286
Repair and maintenance including janitorial charges	141,213	55,709
Depreciation	438,891	363,683
Depreciation on right of use assets	946,422	803,090
	2,374,949	1,764,856
Information technology expenses:		
Software maintenance	679,377	588,018
Hardware maintenance	45,119	31,555
Depreciation on computer equipment	397,892	232,108
Amortization on intangible assets	207,307	109,153
Network charges	282,640	254,486
	1,612,335	1,215,320
Other operating expenses:		
Directors' fees and allowances	33,093	18,464
Fees and allowances to shariah board	5,075	5,042
Legal and professional charges	149,845	137,188
Subscription charges	45,357	10,359
Outsourced staff services costs	498,915	357,075
Travelling and conveyance	1,317,052	960,302
NIFT clearing charges	43,565	50,641
Depreciation	343,349	273,953
Depreciation on non banking assets acquired in satisfaction of claims	6,828	11,275
Depreciation on ijarah assets under IFAS - 2	178,962	142,315
Training and development	66,235	58,030
Postage and courier charges	182,739	140,469
Credit card charges	27,333	7,329
Stationery and printing	399,587	292,861
Marketing, advertisement and publicity	558,338	499,246
Auditors remuneration	4,491	3,265
Insurance	149,236	149,903
Deposit protection fee	374,509	290,514
Repair and maintenance	367,444	286,867
Entertainment expenses	149,984	139,311
Fuel for generator	133,704	154,331
Commission and brokerage	189,068	148,559
Bank charges	27,091	22,856
SMS banking charges	362,198	193,640
ATM charges including mastercard charges	842,071	871,412
Cash remittance charges	328,112	380,873
Branch license fee	24,366	19,442
CNIC verification / ECIB charges	150,384	120,115
Participation and arrangement fee against TFCs	-	77,864
Miscellaneous expenses	306,620	299,105
	7,265,551	6,122,606
	22,236,112	18,754,808

	Note	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
Rupees in '000'			
34. OTHER CHARGES			
Penalties imposed by SBP		1,496	8,630
Operational loss		157	-
		1,653	8,630
35. (REVERSAL OF CREDIT LOSS ALLOWANCE) / PROVISIONS AND WRITE OFFS - NET			
Reversal of credit loss allowance against lending to financial institutions		(58,406)	-
Credit loss allowance / provision for diminution in value of investments		(44,945)	854,913
Reversal of credit loss allowance / provision against loans & advances	11.3	(2,428,074)	(413,199)
Reversal of credit loss allowance against balances with treasury banks		(180,899)	-
(Reversal of credit loss allowance) / provision against other assets - net	16.2.1	(252,079)	41,229
Credit loss allowance against off balance sheet obligations	23.2	(689,454)	-
Credit loss allowance against balance with other banks		216,339	-
		(3,437,518)	482,943
36. TAXATION - NET			
Current	36.1	748,005	575,337
Deferred		1,954,855	(152,561)
		2,702,860	422,776

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

	Note	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
Rupees in '000'			
37. BASIC EARNINGS PER SHARE			
Profit after taxation for the period (Rs in '000)		4,246,106	3,340,135
Weighted average number of ordinary shares (No.).		3,271,569,319	3,271,569,319
Basic earnings per share - Rs.		1.30	1.02

38. DILUTED EARNINGS PER SHARE

There were no convertible dilutive potential ordinary shares outstanding as at reporting dates.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

39.2 Fair value of financial assets

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

June 30, 2024 (Un-audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	1,083,227,481	-	1,083,227,481	-	1,083,227,481
Shares	8,720,349	8,693,779	26,570	-	8,720,349
Non-Government debt securities	8,667,865	-	8,667,865	-	8,667,865
Mutual fund & investment trust units	79,239	-	79,239	-	79,239
Foreign securities	11,957	-	-	11,957	11,957
Subsidiary companies	-	-	-	-	-
Financial assets disclosed but not measured at fair value:					
Government securities	186,974,392	-	173,036,444	-	173,036,444
Non-Government debt securities	3,565,475	-	3,565,475	-	3,565,475
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	51,047,471	-	51,047,471	-	51,047,471
Forward sale of foreign exchange contracts	46,796,304	-	46,796,304	-	46,796,304
Forward sale of Government securities transactions	6,627,000	-	6,627,000	-	6,627,000
December 31, 2023 (Audited)					
Carrying value / Notional value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets measured at fair value:					
Government securities	793,964,039	-	793,964,039	-	793,964,039
Shares	4,393,049	4,371,789	21,260	-	4,393,049
Non-Government debt securities	8,725,336	-	8,725,336	-	8,725,336
Mutual funds & investment trust units	3,250,963	-	3,250,963	-	3,250,963
Foreign securities	11,957	-	-	11,957	11,957
Financial assets disclosed but not measured at fair value:					
Government securities	98,547,842	-	84,546,226	-	84,546,226
Non-Government debt securities	4,187,743	-	4,187,743	-	4,187,743
Off balance sheet financial instruments:					
Forward purchase of foreign exchange contracts	118,317,903	-	118,317,903	-	118,317,903
Forward sale of foreign exchange contracts	93,928,311	-	93,928,311	-	93,928,311
Purchase of deliverable future contracts	120,433	-	120,433	-	120,433

39.3 Fair value of non financial assets

June 30, 2024 (Un-audited)					
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	13,781,399	-	13,781,399	-	13,781,399
Non banking assets acquired in satisfaction of claims	4,252,045	-	4,252,045	-	4,252,045
December 31, 2023 (Audited)					
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
Rupees in '000'					
Non financial assets measured at fair value:					
Property and equipment (land & building)	11,977,725	-	11,977,725	-	11,977,725
Non banking assets acquired in satisfaction of claims	1,996,956	-	1,996,956	-	1,996,956

40. SEGMENT INFORMATION

40.1 Segment details with respect to business activities

June 30, 2024 (Un-audited)							
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
Profit & loss							
Net mark-up / return / profit	43,069,009	97,092	11,567,618	102,500,052	14,029,468	51,983	171,778,222
Inter segment (cost) / revenue - net	(25,038,411)	71,888,576	40,112,015	(89,751,253)	(1,916,796)	5,405,869	-
Non mark-up / return / interest income	1,612,867	1,649,127	867,208	3,079,419	208,472	2,548,359	9,965,452
Total income	19,643,465	72,934,795	52,546,841	15,828,218	12,321,144	8,469,211	181,743,674
Segment total expenses	21,523,098	66,626,899	37,934,636	29,528,990	8,163,633	14,349,363	178,126,619
Profit before credit loss allowance and tax	(1,879,633)	6,307,896	14,612,205	(13,700,772)	4,157,511	(5,880,152)	3,617,055
Credit loss allowance	(3,584,690)	9,225	422,450	40,706	(394,852)	69,643	(3,437,518)
Profit / (loss) before tax	1,705,057	6,298,671	14,189,755	(13,741,478)	4,552,363	(5,949,795)	7,054,573
Balance sheet							
Cash and bank balances	-	213,229	36,082,803	102,512,857	11,378,573	-	150,187,462
Investments - net	2,532,681	-	-	1,246,935,229	41,778,848	-	1,291,246,758
Net inter segment lending	-	714,650,801	471,570,826	-	-	23,320,572	1,209,542,199
Lendings to financial institutions	-	-	-	-	-	354,324	354,324
Advances - performing	404,397,895	1,509,512	130,945,686	-	82,596,983	24,243,908	643,693,984
Advances - non-performing - net	5,303,547	-	1,360,641	-	1,248,136	83,813	7,996,137
Others	40,550,537	86,833	12,204,447	49,565,935	12,181,888	60,810,219	175,399,859
Total assets	452,784,660	716,460,375	652,164,403	1,399,014,021	149,184,428	108,812,836	3,478,420,723
Borrowings	71,811,969	-	2,434,871	359,772,392	2,114,935	-	4,361,341,67
Subordinated debts	-	-	-	-	-	30,823,880	30,823,880
Deposits and other accounts	195,375,397	701,584,714	564,573,193	-	120,532,312	-	1,582,065,616
Net inter segment borrowing	167,768,965	-	-	1,035,762,609	6,010,625	-	1,209,542,199
Others	17,828,329	14,875,661	85,156,339	3,479,020	761,906,9	14,123,502	143,081,920
Total liabilities	452,784,660	716,460,375	652,164,403	1,399,014,021	136,276,941	44,947,382	3,401,647,782
Equity							76,772,941
Total equity and liabilities							3,478,420,723
Contingencies and commitments	285,096,694	-	13,822,092	103,732,367	24,028,209	748,780	427,428,142

June 30, 2023 (Un-audited)

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
Profit and loss							
Net mark-up / return / profit	46,658,340	1,648	8,687,099	62,114,238	8,979,093	392,483	126,832,901
Inter segment revenue - net	(26,152,140)	53,883,901	30,589,672	(47,532,397)	(411,484)	(10,377,552)	-
Non mark-up / return / interest income	2,156,474	1,104,371	380,802	1,389,581	185,402	544,621	5,761,251
Total income	22,662,674	54,989,920	39,657,573	15,971,422	8,753,011	(9,440,448)	132,594,152
Segment total expenses	15,816,069	41,732,327	26,442,681	26,327,406	6,950,093	10,964,540	128,233,116
Profit before credit loss allowance and tax	6,846,605	13,257,593	13,214,892	(10,355,984)	1,802,918	(20,404,988)	4,361,036
Credit loss allowance	(625,819)	-	21,182	889,311	152,541	45,728	482,943
Profit / (loss) before tax	7,472,424	13,257,593	13,193,710	(11,245,295)	1,650,377	(20,450,716)	3,878,093

December 31, 2023 (Audited)

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
Rupees in '000'							
Balance sheet							
Cash and bank balances	-	186,246	34,672,274	64,895,673	9,423,454	277,458	109,455,105
Investments - net	2,756,908	-	-	868,618,357	41,712,785	-	913,088,050
Net inter segment lending	-	645,860,735	416,690,196	-	-	55,358,767	1,117,909,698
Lendings to financial institutions	-	-	-	139,390,933	3,935,000	-	143,325,933
Advances - performing	530,870,534	758,612	138,987,419	-	105,445,766	22,713,560	798,775,891
- non-performing	5,274,559	-	1,843,961	-	1,326,535	323,946	8,769,001
Others	52,959,233	75,427	10,743,167	124,519,862	12,103,448	42,388,524	242,789,661
Total assets	591,861,234	646,881,020	602,937,017	1,197,424,825	173,946,988	121,062,255	3,334,113,339
Borrowings	73,019,677	-	1,497,834	377,225,143	2,223,337	-	453,965,991
Subordinated debts	-	-	-	-	-	30,204,640	30,204,640
Deposits and other accounts	245,264,083	634,070,009	528,169,599	-	113,332,498	-	1,520,836,189
Net inter segment borrowing	258,773,148	-	-	820,199,682	38,936,868	-	1,117,909,698
Others	14,804,326	12,811,011	73,269,584	-	7,991,360	21,749,374	130,625,655
Total liabilities	591,861,234	646,881,020	602,937,017	1,197,424,825	162,484,063	51,954,014	3,253,542,173
Equity	-	-	-	-	-	-	80,571,166
Total equity and liabilities							3,334,113,339
Contingencies and commitments	290,616,339	-	14,715,236	217,962,036	18,778,330	693,899	542,765,840

Due to change in reportable business segments, the figures of comparative periods are realigned for the purposes of comparison.

41. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, employee benefit plans, directors and Key Management Personnel. The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements are as follows:

	June 30, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Directors	Key management personnel	Employee funds	Others related parties	Directors	Key management personnel	Employee funds	Others related parties
	R u p e e s i n '000'							
Advances (gross):								
Opening balance	-	474,755	-	-	-	368,701	-	-
Addition during the period / year	-	138,480	-	-	-	237,145	-	-
Repaid during the period / year	-	100,284	-	-	-	131,091	-	-
Closing balance	-	512,951	-	-	-	474,755	-	-
Credit loss allowance held against advances	-	1,969	-	-	-	-	-	-
Other assets - markup receivable	-	20,194	-	-	-	20,062	-	-
Credit loss allowance against other assets	-	79	-	-	-	-	-	-
Right of use assets	-	-	-	60,397	-	-	-	62,610
Lease liability against right of use assets	-	-	-	16,258	-	-	-	15,208
Deposits and other accounts:								
Opening balance	9,536	107,198	1,185,599	114,393	239	32,751	1,036,847	26,391
Received during the period / year	101,057	1,247,096	2,803,063	346,358	69,369	1,560,580	8,849,409	465,652
Withdrawn during the period / year	62,241	1,143,673	2,401,493	363,167	60,072	1,486,133	8,700,657	377,650
Closing balance	48,352	210,621	1,587,169	97,584	9,536	107,198	1,185,599	114,393
Other liabilities	885	3,479	-	2,585	217	2,852	690,633	3,466
Contingencies (non funded exposure)	-	-	-	49,822	-	-	-	49,822

	June 30, 2024 (Un-audited)				June 30, 2023 (Un-audited)			
	Directors	Key management personnel	Employee funds	Others related parties	Directors	Key management personnel	Employee funds	Others related parties
	R u p e e s i n '000'							
Income:								
Mark-up / return / interest earned	-	12,274	-	-	-	10,769	-	-
Fee and commission income	2	470	-	996	-	881	-	-
	-	-	-	-	-	-	-	-
Expense:								
Mark-up / return / interest expensed	3,219	5,603	128,417	5,494	128	242	123,652	2,047
Depreciation on right of use assets	-	-	-	2,213	-	-	-	2,213
Mark-up on lease liability against right of use assets -	-	-	-	1,050	-	-	-	913
Compensation expense	-	458,251	-	-	-	353,777	-	-
Directors fee and allowances	32,993	-	-	-	18,464	-	-	-

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

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

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'		
Advances	13,017,493	99,445,479
Credit loss allowance held against advances	249,642	-
Deposits and other accounts	722,021,546	649,339,057
Bills payable	50,731	157,468
Subordinated debts	12,314,038	12,314,304
Acceptances	71,929	71,929
Contingencies and commitments	25,145,677	26,885,973
Credit loss allowance against off balance sheet obligations	41,613	-
Mark-up receivable	1,446,533	17,065,985
Credit loss allowance against other assets	23,576	-
Mark-up payable on subordinated debts	621,316	506,774
Mark-up payable	40,166,129	37,615,613
	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
	Rupees in '000'	
Mark-up earned	3,465,587	17,225,219
Mark-up expensed	67,005,974	46,544,849
Income on contingencies and commitments	102,835	83,576

- 41.3** The Bank made contribution of Rs. 300,956 thousand (June 30, 2023: Rs. 243,336 thousand) to employees provident fund during the period.
- 41.4** BOP has allocated 3rd floor, National Tower, 28-Egerton road, Lahore to PMSL for its utilization and grants PMSL the authority to assign, sub-let or otherwise transfer possession of the premises or any portion thereof, on an arm's length basis, to its associated entities for business and commercial purposes, under its regulatory framework.
- 41.5** Advances to employees as at June 30, 2024, other than key management personnel, amounted to Rs. 27,281,793 thousand (December 31, 2023: Rs. 24,476,686 thousand) with markup receivable of Rs. 949,309 thousand (December 31, 2023: Rs.831,158 thousand) and markup income of Rs.587,014 thousand (June 30, 2023: Rs. 445,845 thousand) and fee & commission income of Rs. 9,831 thousand (June 30, 2023: Rs. 5,540 thousand). The ECL on said advances including markup and unutilized limits amounted to Rs. 201,266 thousand (December 31, 2023: Rs. Nil). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on June 30, 2024 stood at Rs. 112,816 thousand (December 31, 2023: Rs. 90,145 thousand).
- 41.6** In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.
- 41.7** The Bank held government securities in fiduciary capacity for its employee fund in IPS account amounting to Rs. 6,349,500 thousand (December 31, 2023: Rs. 5,275,500 thousand)
- 41.8** During the period, the Bank has established an Exchange Company as private limited company registered with SECP. However, BOP Exchange (Pvt) Limited is in process of obtaining license from SBP regarding commencement of its operations. Further, the Bank has incurred Rs.20,022 thousand on account of pre-operational expenses receivable from BOP Exchange (Pvt) Limited. These expenses shall be transferred to BOP Exchange (Pvt) Limited upon its commencement of operations.

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Rupees in '000'	
42. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital including share premium (net of losses)	34,667,575	34,667,575
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	72,300,791	74,004,137
Eligible Additional Tier 1 (ADT 1) Capital	11,967,500	11,917,500
Total Eligible Tier 1 Capital	84,268,291	85,921,637
Eligible Tier 2 Capital	22,975,897	16,474,516
Total Eligible Capital (Tier 1 + Tier 2)	107,244,188	102,396,153
Risk Weighted Assets (RWAs):		
Credit risk	470,720,668	442,180,669
Market risk	59,622,445	35,234,308
Operational risk	81,699,903	81,726,967
Total	612,043,016	559,141,944
Common equity tier I capital adequacy ratio	11.81%	13.24%
Tier I CAR (%)	13.77%	15.37%
Total CAR (%)	17.52%	18.31%
42.1 Leverage Ratio (LR):		
Eligible Tier-I Capital	84,268,291	85,921,637
Total exposures	2,600,190,116	2,553,341,907
LR (%)	3.24%	3.37%
42.2 Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	730,146,679	633,492,844
Total net cash outflow	384,831,577	345,059,142
LCR (%)	189.73%	183.59%
42.3 Net Stable Funding Ratio (NSFR):		
Total available stable funding	1,214,044,289	1,136,308,900
Total required stable funding	892,509,556	911,331,400
NSFR (%)	136.03%	124.69%

42.4 The Bank availed the benefit of stage I and II staggering as allowed by SBP vide IFRS-09 application instructions. Had this relaxation not availed, the CAR, LR and NSFR would have been 15.86%, 2.87% and 135.50% respectively.

43. ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the June 30, 2024, the Bank is operating 163 Islamic banking branches (December 31, 2023: 160 Islamic banking branches) and 155 Islamic banking windows (December 31, 2023: 73).

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	(Un-audited) June 30, 2024	(Audited) December 31, 2023
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks - net		10,635,004	8,872,231
Balances with other banks - net		743,569	551,223
Due from financial institutions - net	431	1,952,026	3,935,000
Investments - net	432	41,778,848	41,712,785
Islamic financing and related assets - net	433	83,845,119	106,772,301
Property and equipment		1,408,284	1,247,643
Right of use assets		2,326,396	2,522,746
Intangible assets		12,090	9,416
Other assets - net		8,435,118	8,323,643
Total assets		151,136,454	173,946,988
LIABILITIES			
Bills payable		532,197	710,834
Due to financial institutions		2,114,935	2,223,337
Deposits and other accounts	434	120,532,312	113,332,498
Due to head office		6,010,625	38,936,868
Lease liabilities		3,039,320	3,158,734
Subordinated debt		-	-
Other liabilities - net		4,047,552	4,121,792
		136,276,941	162,484,063
NET ASSETS		14,859,513	11,462,925
REPRESENTED BY			
Islamic banking fund		2,000,000	2,000,000
Reserves		22,952	98,651
Surplus / (deficit) on revaluation of assets		198,405	(1,029,266)
Unappropriated profit	435	12,638,156	10,393,540
		14,859,513	11,462,925
CONTINGENCIES AND COMMITMENTS	436		

ISLAMIC BANKING BUSINESS STATEMENT OF PROFIT AND LOSS ACCOUNT

For the Six Months Ended June 30, 2024 (Un-audited)

	Note	Three Months Ended		Six Months Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in '000'					
Profit / return earned	43.7	6,494,877	5,215,169	14,029,468	8,979,093
Profit / return expensed	43.8	3,611,688	2,991,582	7,932,877	5,596,292
Net profit / return		2,883,189	2,223,587	6,096,591	3,382,801
Fee and commission income		122,106	109,645	191,375	179,093
Dividend income		-	-	-	-
Foreign exchange (loss) / income		(44,052)	(2,625)	(60,441)	3,307
Gain on securities - net		4	1	1,366	11
Other income		74,067	1,730	76,172	2,991
		152,125	108,751	208,472	185,402
Total income		3,035,314	2,332,338	6,305,063	3,568,203
Operating expenses		1,077,587	1,012,230	2,147,542	1,765,285
Workers' welfare fund		-	-	-	-
Other charges		10	-	10	-
		1,077,597	1,012,230	2,147,552	1,765,285
Profit before credit loss allowance		1,957,717	1,320,108	4,157,511	1,802,918
(Reversal of credit loss allowance) / provisions and write offs - net		376,783	51,129	(394,852)	152,541
Profit before taxation		1,580,934	1,268,979	4,552,363	1,650,377
Taxation	43.9	-	-	-	-
Profit after taxation		1,580,934	1,268,979	4,552,363	1,650,377

43.1 Due From Financial Institutions

		June 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'							
Secured		1,985,000	-	1,985,000	3,935,000	-	3,935,000
Less: Credit loss allowance	Stage 1	(32,974)	-	(32,974)	-	-	-
		1,952,026	-	1,952,026	3,935,000	-	3,935,000

43.2 Investments - Net

		June 30, 2024 (Un-audited)				December 31, 2023 (Audited)			
		Cost / Amortized cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost / Amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
Rupees in '000'									
Investments by segment									
Classified / Measured at FVTPL / held for trading									
Federal government securities		5,937	-	-	5,937	-	-	-	-
		5,937	-	-	5,937	-	-	-	-
Classified / Measured at FVOCI / available for sale									
Federal government securities		21,225,502	-	58,706	21,284,208	31,290,783	-	(113,412)	30,156,371
Non government debt securities		10,911,276	(44,766)	45,393	10,911,903	11,545,574	-	10,840	11,556,414
		32,136,778	(44,766)	104,099	32,196,111	42,836,357	-	(112,572)	41,712,785
Classified / Measured at Amortised cost / held to maturity									
Federal government securities		9,576,800	-	-	9,576,800	-	-	-	-
		9,576,800	-	-	9,576,800	-	-	-	-
Total investments		41,719,515	(44,766)	104,099	41,778,848	42,836,357	-	(112,572)	41,712,785

(Un-audited) (Audited)
June 30, **December 31,**
2024 **2023**
Rupees in '000'

43.2.1 Particulars of credit loss allowance

Stage 1	(44,766)	-
Stage 2	-	-
Stage 3	-	-
	(44,766)	-

43.3 ISLAMIC FINANCING AND RELATED ASSETS - NET

Ijarah	2,999,250	2,451,160
Murabaha	462,366	977,303
Musharaka	16,282,210	47,100,860
Diminishing musharaka	44,826,987	40,720,767
Payment against documents	55,304	305,304
Waqala	7,940,277	5,155,929
Istisna	8,063,971	7,001,913
Musawamah financing	5,209,196	4,530,852
Tijarah financing	1,446,326	335,812
Gross islamic financing and related assets	87,285,887	108,579,900
Less: credit loss allowance against Islamic financings		
- Stage 1	861,151	-
- Stage 2	227,803	-
- Stage 3	2,351,814	1,807,599
	3,440,768	1,807,599
Islamic financing and related assets - net	83,845,119	106,772,301

43.4 Deposits and Other Accounts

	June 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	R u p e e s i n ' 0 0 0 '					
Customers:						
Current deposits	23,592,321	1,040,805	24,633,126	19,828,751	567,074	20,395,825
Savings deposits	81,237,661	759,735	81,997,396	66,146,832	562,048	66,708,880
Term deposits	8,485,579	1,105,300	9,590,879	14,863,624	913,660	15,777,284
Others	3,745,205	-	3,745,205	5,824,378	-	5,824,378
	117,060,766	2,905,840	119,966,606	106,663,585	2,042,782	108,706,367
Financial institutions:						
Current deposits	17,438	29,544	46,982	31,400	19,425	50,825
Savings deposits	511,677	234	511,911	4,574,897	239	4,575,136
Term deposits	-	-	-	-	-	-
Others	6,813	-	6,813	170	-	170
	535,928	29,778	565,706	4,606,467	19,664	4,626,131
	117,596,694	2,935,618	120,532,312	111,270,052	2,062,446	113,332,498

(Un-audited) (Audited)
June 30, December 31,
2024 2023
Rupees in '000'

43.5 Unappropriated Profit - Islamic Banking Business

Opening balance	10,393,540	4,640,774
Impact of adoption of IFRS-09	(2,307,747)	-
Add: Islamic banking profit for the period / year	4,552,363	5,752,766
Closing balance	12,638,156	10,393,540

43.6 Contingencies and Commitments

Guarantees:		
Financial guarantees	18,200	18,200
Performance guarantees	1,330,222	877,740
Other guarantees	1,897,288	1,213,877
	3,245,710	2,109,817
Commitments:		
Documentary credits and short-term trade-related transactions - letters of credit	6,297,517	5,782,258
Commitments in respect of forward lending	12,580,775	10,886,255
Commitments in respect of purchase forward foreign exchange contracts	1,892,178	-
Commitments for acquisition of:		
- fixed assets	10,887	-
- intangible assets	1,142	-
	20,782,499	16,668,513
	24,028,209	18,778,330

	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
	Rupees in '000'	
43.7 Profit / Return Earned of Financing, Investments and Placement		
Profit earned on:		
Financing	9,469,036	5,819,431
Investments	3,989,546	2,531,381
Placements	570,817	628,233
Deposits with financial institutions	69	48
	14,029,468	8,979,093
43.8 Profit on Deposits and Other Dues Expensed		
Deposits and other accounts	5,754,236	4,997,626
Markup on lease liability against right of use assets	202,215	174,399
Markup on borrowings from SBP	59,630	12,783
Profit on deposits from conventional head office	1,916,796	411,484
	7,932,877	5,596,292

43.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 1,743,555 thousand (June 30, 2023: Rs. 198,045 thousand).

43.10 During the period, no new pool has been created.

44. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 28th August 2024 by the Board of Directors of the Bank.

45. GENERAL

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

45.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the period except for as mentioned in notes 2.1, 4.1 and 4.2 to these consolidated condensed interim financial statements.


Chief Financial Officer




President


Chairman


Director


Director



 10-B, E-II, Main Boulevard, Gulberg III, Lahore
 www.bop.com.pk
111 267 200