

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Un-audited	Audited
Note	March 31, 2024	June 30, 2023
Rupees in '000'		
ASSETS		
Cash and balances with treasury banks	6 738,678	739,719
Balances with other banks	7 506,160	1,261,162
Investments	8 6,856,177	3,311,637
Advances	9 9,634,279	10,625,612
Fixed assets	10 15,609,783	15,538,777
Intangible assets	11 16,557	6,472
Right-of-use assets	12 74,380	88,527
Other assets	13 1,360,262	1,093,221
	34,796,276	32,665,127
LIABILITIES		
Bills payable	15 47,633	20,188
Borrowings	-	-
Deposits and other accounts	16 7,581,876	6,223,905
Lease Liabilities	17 83,869	89,890
Deferred tax liabilities	18 140,134	15,644
Other liabilities	19 2,838,839	2,317,886
	10,692,351	8,667,513
NET ASSETS	24,103,925	23,997,614
REPRESENTED BY		
Share capital	7,885,547	7,885,548
Reserves	1,165,396	1,167,338
Surplus on revaluation of assets	20 15,611,496	15,529,872
Accumulated losses	(558,514)	(585,144)
	24,103,925	23,997,614
CONTINGENCIES AND COMMITMENTS	21	-

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.

A.President/CEO

Chief Financial Officer

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

Note	Three months ended		Nine months ended		
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
	Rupees in '000'		Rupees in '000'		
Mark-up / return / interest earned	22	762,462	679,885	2,457,610	1,969,933
Mark-up / return / interest expensed	23	(282,665)	(169,811)	(767,899)	(350,748)
Net mark-up / interest income		479,797	510,074	1,689,711	1,619,185
NON MARK-UP / INTEREST INCOME					
Fee and commission income	24	52,046	18,252	144,238	49,336
Dividend income		10,648	8	57,468	42,904
Other income	25	34,769	41,005	83,478	88,690
Total non-markup / interest income		97,463	59,265	285,184	180,930
Total income		577,260	569,339	1,974,895	1,800,115
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	26	(679,746)	(438,627)	(1,756,932)	(1,365,426)
Other charges	27	-	-	-	-
Total non-markup / interest expenses		(679,746)	(438,627)	(1,756,932)	(1,365,426)
PROFIT BEFORE PROVISIONS AND TAXATION		(102,486)	130,712	217,963	434,689
Provisions and write offs - net	28	27,916	42,086	58,575	74,184
PROFIT BEFORE TAXATION		(74,570)	172,798	276,538	508,873
Taxation	29	(15,012)	-	(125,419)	(28,946)
PROFIT AFTER TAXATION		(89,582)	172,798	151,119	479,927
Basic and diluted earnings per share	30	(1.14)	2.19	1.92	6.09

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.

A.President/CEO

Chief Financial Officer

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Three months ended		Nine months ended	
	March	March	March	March
	31, 2024	31, 2023	31, 2024	31, 2023
	Rupees in '000'		Rupees in '000'	
Profit after taxation for the period	(89,582)	172,798	151,119	479,927
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of investments - net of tax	47,208	(33,941)	141,624	(101,823)
	47,208	(33,941)	141,624	(101,823)
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 operating fixed assets - net of tax	-	-	-	-
Others(Recognition of deferred tax liability)	-	-	(124,490)	-
Net change in fair value of available for sale investments	-	-	-	-
	-	-	(124,490)	-
Total comprehensive income	(42,374)	138,857	168,253	378,104

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.

A.President/CEO

Chief Financial Officer

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Share capital	Statutory reserve	Surplus/(Deficit) on revaluation of		Common good fund	Accumulated losses	Total
			Investments	Fixed / non banking assets			
Rupees in '000'							
Balance as at July 1, 2022	7,885,488	1,005,443	495,157	15,135,681	7,231	(1,090,841)	23,438,160
Profit after taxation for the six months ended December 31, 2022	-	-	-	-	-	307,129	307,129
Other comprehensive income - net of tax	-	-	(93,780)	-	-	-	(93,780)
Transfer to statutory reserve	-	-	-	-	-	-	-
Medical aid to staff	-	-	-	-	(301)	-	(301)
Surplus on revaluation of assets	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity							
Refund of shares	-	-	-	-	-	-	-
Issue of shares	59	-	-	-	-	-	59
Balance as at January 1, 2023	7,885,547	1,005,443	401,377	15,135,681	6,930	(783,712)	23,651,267
Profit after taxation	-	-	-	-	-	315,683	315,683
Other comprehensive income - net of tax	-	-	(1,700)	-	-	33,103	31,403
Transfer of revaluation surplus on disposal	-	-	-	(5,486)	-	5,486	-
Transfer to statutory reserve	-	155,703	-	-	-	(155,703)	-
Medical aid to staff	-	-	-	-	(739)	-	(739)
Surplus on revaluation of assets	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity							
Issue of shares	-	-	-	-	-	-	-
Balance as at June 30, 2023	7,885,547	1,161,146	399,677	15,130,195	6,191	(585,143)	23,997,614
Profit after taxation for the nine months ended March 31, 2023	-	-	-	-	-	151,119	151,119
Other comprehensive income - net of tax	-	-	141,624	-	-	(124,490)	17,134
Medical aid to staff	-	-	-	-	(1,941)	-	(1,941)
Surplus on revaluation of assets	-	-	-	(60,000)	-	-	(60,000)
Transactions with owners, recorded directly in equity							
Refund of shares	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-
Refund of shares	-	-	-	-	-	-	-
Balance as at March 31, 2024	7,885,547	1,161,146	541,301	15,070,195	4,250	(558,514)	24,103,925

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.

A.President/CEO

Chief Financial Officer

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

		Nine months ended	
		March	March
Note		31, 2024	31, 2023
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before taxation	276,538	508,873
	Less: Dividend income	(57,468)	(42,904)
		219,070	465,969
	Adjustments:		
	Depreciation	26 19,640	9,138
	Provision against advances	27 (58,575)	(74,184)
	Amortization	25 1,713	1,142
	Provision for employees retirement benefits	25.1 271,102	218,093
	Loss / (gain) on sale of fixed assets	(8,313)	-
		225,567	138,869
		444,637	604,838
	(Increase) / decrease in operating assets		
	Advances	991,333	(507,731)
	Others assets (excluding advance taxation)	(267,041)	(192,089)
		724,292	(699,820)
	Increase / (decrease) in operating liabilities		
	Bills payable	27,445	(4,215)
	Deposits	1,357,971	258,882
	Other liabilities (excluding current taxation)	306,566	89,178
		1,691,982	343,845
	Income Tax Paid	(56,483)	(35,749)
	Employees retirement benefits paid	(116,933)	(314,007)
	Medical aid to employees from common good fund	(1,941)	(704)
	Net cash flow generated from / (used in) operating activities	2,685,554	(101,597)
CASH FLOW FROM INVESTING ACTIVITIES			
	Net investments in held-to-maturity securities	(3,402,916)	(1,309,380)
	Dividends received	57,468	42,904
	Investments in operating fixed assets	(96,149)	(12,082)
	Effect of translation of net investment in foreign branches	-	-
	Net cash flow (used in) / generated from investing activities	(3,441,597)	(1,278,558)
CASH FLOW FROM FINANCING ACTIVITIES			
	Issue / (refund) of share capital	-	60
	Net cash flow generated from / (used in) financing activities	-	60
	Effects of exchange rate changes on cash and cash equivalents	-	-
	Increase/(Dec) in cash and cash equivalents	(756,043)	(1,380,095)
	Cash and cash equivalents at beginning of the period	5 & 6 2,000,881	2,591,323
	Cash and cash equivalents at end of the period	1,244,838	1,211,228

The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.

A.President/CEO

Chief Financial Officer

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED MARCH 31, 2024

1. STATUS AND NATURE OF BUSINESS

The Punjab Provincial Cooperative Bank Limited (the Bank) was incorporated in 1924 as a Cooperative Bank under the Cooperative Societies Act, 1912 (repealed) (now the Cooperative Societies Act, 1925). It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) with effect from November 07, 1955. The Bank is operating under the supervision of the Cooperative Department, Government of Punjab and the State Bank of Pakistan (SBP). The objects for which the Bank is established are to carry out the business of agriculture credit and other activities as defined in the Cooperative Societies Act, 1925 and its Rules. The Bank operates through its 151 (June 30, 2023: 151) branches in the whole province of Punjab. The registered office of the Bank is located at the Bank Square, The Mall, Lahore, Pakistan.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

-International Financial Accounting Standards (IAS 34, Interim Financial Reporting) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;

-Provisions of and directives issued under the Banking Companies Ordinance, 1962 ("the Ordinance"), the Cooperative Societies Act, 1925 ("the Act"), and the Cooperative Societies Rules, 1927 ("the Rules"), the Companies Act, 2017 and;

-Directives issued by the SBP and Securities and Exchange Commission of Pakistan

Whenever the requirements of the Ordinance, the Act, the Rules, and the Companies Act, 2017 or the directives issued by the SBP differ with the requirements of IFRS, requirements of the Ordinance, the Act, the Rules, and the Companies Act, 2017 and the said directives shall prevail.

2.2 BASIS OF MEASUREMENT

2.2.1 These condensed interim financial statements are presented in Pakistani Rupee, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand.

2.2.2 These condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets are stated at revalued amounts and certain investments have been marked to market and are carried at fair value. In addition, obligations in rupees of staff retirement benefits are carried at present value.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual financial statements of the Bank for the year ended June 30, 2023

3.1 Standards, interpretations of and amendments to published approved accounting and reporting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting period beginning on or after Jul 01, 2023 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these condensed interim Financial Statements.

3.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective.

These condensed interim financial statements have been prepared in accordance with the required format prescribed by SBP vide BPRD Circular letter No. 05 dated March 22, 2019 and International Accounting Standard 34 Interim Financial Reporting (IAS-34) and do not include all the information and disclosure required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Bank for the year ended June 30, 2023.

The State Bank of Pakistan vide BPRD circular Letter No.3 of 2021 dated July 5, 2022 has decided to implement the IFRS-9 from January 1, 2024 instead of January 1, 2022. In case of PPCBL, the financial year is closed on 30th June therefore, the implementation date would be considered as July 1, 2024.

Standard or interpretation

Effective date

IAS 1 Classification of liabilities as current or non-current -Amendments

1-Jan-24

There are various other standards, interpretations and amendments to accounting standards as applicable in Pakistan that are not yet effective in the current period. These are not likely to have material effect on the Bank's Financial Statements.

The Bank expects that the adoption of the above standards will have no significant material effect on the Bank's financial statements, in the period of initial application.

4 Critical accounting estimates and judgments

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements is the same as that applied in the preparation of the audited annual financial statements of the Bank for the year ended June 30, 2023.

5 Financial Risk Management

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual financial statements for the year ended June 30, 2023.

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

		Un-audited	Audited
	Note	March 31, 2024	June 30, 2023
Rupees in '000'			
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		145,359	212,064
With State Bank of Pakistan in			
Local currency current account	6.1	513,432	421,867
With National Bank of Pakistan in			
Local currency current account		11,176	30,869
Local currency deposit account (NIDA)	6.2	68,711	74,919
		79,887	105,788
		738,678	739,719

6.1 This represents current accounts maintained with the State Bank of Pakistan under the Cash Reserve Requirement of section 22 of the Banking Companies Ordinance, 1962.

6.2 This represents deposit accounts maintained with the National Bank of Pakistan. Rate of profit on NIDA account is at 20.50% per annum (June 30, 2023: 20.50% per annum).

7 BALANCES WITH OTHER BANKS

In Pakistan			
In current account		17,063	4,983
In deposit account	7.1	489,097	1,256,179
		506,160	1,261,162

7.1 These accounts carry profit rates at 20.50% per annum (June 30, 2023: 20.50% per annum).

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

8 INVESTMENTS	Un-audited March 31, 2024				Audited June 30, 2023			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
8.1 Investments by type:	Rupees in '000'							
Available-for-sale securities								
Shares								
Listed companies	7,023	-	541,301	548,324	7,023	-	399,677	406,700
Cooperative institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	10,574	(1,589)	541,301	550,286	10,574	(1,589)	399,677	408,662
Held-to-maturity securities								
Federal Government securities								
Market treasury bills	4,660,072	-	-	4,660,072	2,902,975	-	-	2,902,975
Pakistan Investment Bonds	1,045,819	-	-	1,045,819	-	-	-	-
Investment in TDRs	600,000	-	-	600,000	-	-	-	-
Non-Government debt securities								
Non-Banking Finance Company	88,059	(88,059)	-	-	88,059	(88,059)	-	-
	6,393,950	(88,059)	-	6,305,891	2,991,034	(88,059)	-	2,902,975
Total Investments	6,404,524	(89,648)	541,301	6,856,177	3,001,608	(89,648)	399,677	3,311,637

Market treasury bills of Rs. 4,660.072 million are inclusive of Rs. 276.000 million of profit recoverable.

8.2 Investments by segments:	Un-audited March 31, 2024				Audited June 30, 2023			
	Cost/ Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost /Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	Rupees in '000'							
Federal government securities:								
Market treasury bills	4,660,072	-	-	4,660,072	2,902,975	-	-	2,902,975
Pakistan Investment Bonds	1,045,819	-	-	1,045,819	-	-	-	-
	-	-	-	-	-	-	-	-
Non-government debt securities:								
Unlisted	88,059	(88,059)	-	-	88,059	(88,059)	-	-
Investment in TDRs	600,000	-	-	600,000	-	-	-	-
Shares:								
Listed companies	7,023	-	541,301	548,324	7,023	-	399,677	406,700
Cooperative institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	10,574	(1,589)	541,301	550,286	10,574	(1,589)	399,677	408,662
Total Investments	6,404,524	(89,648)	541,301	6,856,177	3,001,608	(89,648)	399,677	3,311,637

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Un-audited	Audited
	March 31, 2024	June 30, 2023
Rupees in '000'		
8.3 Provision for diminution in value of investments		
8.3.1 Opening balance	89,648	89,648
Exchange adjustments	-	-
Charge / reversals		
Charge for the period / year	-	-
Reversals for the period / year	-	-
Reversal on disposals	-	-
Transfers - net	-	-
Amounts written off	-	-
Closing balance	89,648	89,648

8.3.2 Particulars of provision against non-listed shares

Category of classification	March 31, 2024 (Un-audited)		June 30, 2023 (Audited)	
	Non performing investments	Provision	Non performing investments	Provision
	Rupees in '000'		Rupees in '000'	
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	1,589	1,589	88,059	88,059
	1,589	1,589	88,059	88,059
Overseas				
Not past due but impaired	-	-	-	-
Overdue by:				
Up to 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
> 365 days	-	-	-	-
	-	-	-	-
Total	1,589	1,589	88,059	88,059

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

9 ADVANCES

	Performing		Non Performing		Total	
	Un-audited March 31, 2024	Audited June 30, 2023	Un-audited March 31, 2024	Audited June 30, 2023	Un-audited March 31, 2024	Audited June 30, 2023
	Rupees in '000'					
Loans, cash credits, running finances, etc.	8,966,212	10,391,556	2,165,261	1,789,825	11,131,473	12,181,381
Bills discounted and purchased	-	-	184	184	184	184
Advances - gross	8,966,212	10,391,556	2,165,445	1,790,009	11,131,657	12,181,565
Provision against advances						
- Specific	-	-	1,497,000	1,555,575	1,497,000	1,555,575
- General	-	-	378	378	378	378
	-	-	1,497,378	1,555,953	1,497,378	1,555,953
Advances - net of provision	8,966,212	10,391,556	668,067	234,056	9,634,279	10,625,612

9.1 Particulars of advances (gross)

In local currency	11,131,657	12,181,565
In foreign currencies	-	-
	11,131,657	12,181,565

9.2 Advances include Rs. 2165,261 thousand (June 30, 2023: Rs. 1,789,825 thousand) which have been placed under non-performing status as detailed below:

Category of classification	Un-audited March 31, 2024		Audited June 30, 2023	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	Rupees in '000'			
Domestic				
Other assets especially mentioned	532,605	-	44,322	-
Substandard	115,954	21,460	60,453	589
Doubtful	81,406	40,691	92,870	7,851
Loss	1,435,296	1,435,227	1,592,180	1,547,413
Total	2,165,261	1,497,378	1,789,825	1,555,853

9.3 Particulars of provision against advances

	Un-audited March 31, 2024			Audited June 30, 2023		
	Specific	General	Total	Specific	General	Total
Opening balance	1,555,575	378	1,555,953	1,701,621	378	1,701,999
Exchange adjustments	-	-	-	-	-	-
Charge for the period / year	(58,575)	-	(58,575)	(146,046)	-	(146,046)
Reversals	-	-	-	-	-	-
	1,497,000	378	1,497,378	1,555,575	378	1,555,953
Amounts written off	-	-	-	-	-	-
Closing balance	1,497,000	378	1,497,378	1,555,575	378	1,555,953

9.4 The Bank has not adjusted its non-performing loans amounting to Rs. 710.175 million (June 30, 2023: Rs. 707.259 million) including mark-up thereon, against properties decreed in favor of Bank due to pending possession disputes.

10 FIXED ASSETS

	Un-audited	Audited
	March 31, 2024	June 30, 2023
	Rupees in '000'	
Civil works	81,715	95,531
Property and equipment	15,528,068	15,443,246
	15,609,783	15,538,777

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

Un-audited	Audited
March	June
31, 2024	30, 2023
Rupees in '000'	

10.1 Additions to fixed assets

The following additions have been made to fixed assets during the period:

Property and equipment

Freehold land	-	-
Building on freehold land	51,217	29,875
Building on leasehold land	-	-
Furniture and fixture	14,189	7,110
Electrical office and computer equipment	58,398	15,125
Vehicles	29,798	10,143
Others	-	42
	153,602	62,295
Total	153,602	62,295

10.2 Disposal of fixed assets

The net book value of assets disposed during the period is as follows:

Freehold land/Building	-	8,564
Furniture and fixture	45	232
Electrical office and computer equipment	-	5
Vehicles	7,172	-
Total	7,217	8,801

11 INTANGIBLE ASSETS

Computer software	16,557	7,105
	16,557	7,105

12 Right of Use-Assets

Opening Balance as at July 1, 2023	88,527	78,534
Add: prepaid lease rentals 31.03.2023	-	
Add: addition during the period 31.03.2024	13,019	41,439
Less: Depreciation Charge for the year	(27,166)	(31,446)
Closing Balance	74,380	88,527
Lease term (1-10 Years)		

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	Note	Un-audited	Audited
		March	June
		31, 2024	30, 2023
		Rupees in '000'	
13 OTHER ASSETS			
Income / mark-up accrued in local currency		1,158,065	834,150
Advances, deposits, advance rent and other prepayments		2,248	2,497
Sundry debtors		1,058	1,387
Crop insurance recoverable		92,374	93,192
Live stock insurance recoverable		9,335	8,561
Branch adjustment		10,650	114,706
Others		161,117	113,314
		1,434,847	1,167,807
Less: Provision held against other assets	13.1	(74,585)	(74,585)
Other assets (net of provision)		1,360,262	1,093,222

13.1 Provision held against other assets

Others		(74,585)	(74,585)
		(74,585)	(74,585)

13.2 Movement in provision held against other assets

Opening balance		(74,585)	(66,479)
Charge for the period / year		-	(8,106)
Reversals		-	-
Amount written off		-	-
Closing balance		(74,585)	(74,585)

14 CONTINGENT ASSETS

The Bank has 93 cases pending with authorities for recoveries, settlement of properties etc. However, inflow economic benefits from such cases are not probable and therefore are not being disclosed here.

15 BILLS PAYABLE

In Pakistan		47,633	20,188
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16 DEPOSITS AND OTHER ACCOUNTS

	Un-audited March 31, 2024			Audited June 30, 2023		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
Customers						
Fixed deposits	690,008	-	690,008	594,257	-	594,257
Savings deposits - remunerative	5,448,549	-	5,448,549	4,386,802	-	4,386,802
Current deposits - non remunerative	1,387,901	-	1,387,901	1,127,638	-	1,127,638
Call deposits	1,455	-	1,455	829	-	829
Other deposits (see note 16.1)	53,963	-	53,963	114,379	-	114,379
	7,581,876	-	7,581,876	6,223,905	-	6,223,905
Financial institutions						
Fixed deposits	-	-	-	-	-	-
Savings deposits - remunerative	-	-	-	-	-	-
Current deposits - non remunerative	-	-	-	-	-	-
Call deposits	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-
	7,581,876	-	7,581,876	6,223,905	-	6,223,905

16.1 Others deposits include staff security deposits and employees' provident fund deposits.

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
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FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

	<u>Un-audited</u>	<u>Audited</u>
	<u>March 31,</u>	<u>June 30,</u>
	<u>2024</u>	<u>2023</u>
17 Lease Liability		
Opening Balance	89,890	74,984
Add:Accrued lease rentals as at June 30, 2023	-	-
Add:Additions during the year	13,019	39,347
Add:Interest Expenses	13,479	17,927
Less: Lease payments	(32,519)	(42,368)
Gross Liability	83,869	
Less: Current Portion		
Closing	83,869	89,890

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
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18 DEFERRED TAX ASSETS/LIABILITIES

Un-audited March 31, 2024			
At July 01, 2023	Recognised in P&L	Recognised in OCI	At Mar 31, 2024
Rupees in '000'			

Deductible Temporary Differences on

Post retirement benefits	178,279	(200,002)	-	(21,723)
Provision against other assets	-	-	-	-
Provision for salary payable	-	-	-	-
Decelerated tax amortisation	7,076	1,091	-	8,167
Provision against advances	-	-	-	-
Liabilities against assets - Finance Lease	89,890	(12,008)	-	77,882
	<u>275,245</u>	<u>(210,919)</u>	-	<u>64,326</u>

Taxable Temporary Differences on

Accelerated tax depreciation	65,002	56,173	-	121,176
Surplus on revaluation of investments-T.Bills & U Shares	-	-	-	-
Surplus on revaluation of investments-L. Shares	399,677	-	175,290	574,967
Provision against other assets	8,106	-	-	8,106
Right-of-Use Assets	88,527	(15,302)	-	73,225
	-	-	-	-
	<u>561,312</u>	<u>40,871</u>	<u>175,290</u>	<u>777,474</u>

Temporary differences for which no deferred tax is (286,067) (251,790) (175,290) (713,147)

Allocation of Temporary differences on basis of Tax Rate

@ 39%	113,610	(251,790)	-	(138,180)
@ 15%	(399,677)	-	(175,290)	(574,967)
		<u>(251,790)</u>	<u>(175,290)</u>	<u>(713,147)</u>

Deferred Tax Assets/(Liabilities) (15,644) (98,197) (26,293) (140,134)

DEFERRED TAX ASSETS/LIABILITIES

Audited June 30, 2023			
At July 01, 2022	Recognised in P&L	Recognised in OCI	At June 30, 2023
Rupees in '000'			

Deductible Temporary Differences on

Post retirement benefits	-	178,279	-	178,279
Provision against other assets	-	-	-	-
Provision for salary payable	-	-	-	-
Decelerated tax amortisation	-	7,076	-	7,076
Provision against advances	-	-	-	-
Liabilities against assets - Finance Lease	-	89,890	-	89,890
	-	<u>275,245</u>	-	<u>275,245</u>

Taxable Temporary Differences on

Accelerated tax depreciation	-	65,002	-	65,002
Surplus on revaluation of investments-T.Bills & U Shares	-	-	-	-
Surplus on revaluation of investments-L. Shares	-	-	399,677	399,677
Provision against other assets	-	8,106	-	8,106
Right-of-Use Assets	-	88,527	-	88,527
	-	-	-	-
	-	<u>161,635</u>	<u>399,677</u>	<u>561,312</u>

Temporary differences for which no deferred tax is - 113,610 (399,677) (286,067)

Allocation of Temporary differences on basis of Tax Rate

@ 39% (2022: 35%)	113,610	-	113,610
@ 15% (2022: 15%)	-	(399,677)	(399,677)
	<u>113,610</u>	<u>(399,677)</u>	<u>(286,067)</u>

Deferred Tax Assets/(Liabilities) 44,308 (59,952) (15,644)

19 OTHER LIABILITIES		Rupees in '000'	
Mark-up / return / interest payable in local currency		307,662	51,208
Accrued expenses		12,750	39,752
Sundry creditors		81,430	106,076
Provision for Taxation(Less Advance Payment)		67,256	(1,680)
Dissolved bank payable		37,427	37,427
Provision for employees' gratuity		159,446	142,263
Provision for employees' pension fund		1,900,939	1,513,299
Provision for employees' compensated absences		15,232	314,666
Withholding tax payable		17,239	56,290
Branch adjustment		2,147	-
Others		236,476	58,586
		2,838,839	2,317,887
		Un-audited	Audited
		March	June
		31, 2024	30, 2023
20 SURPLUS ON REVALUATION OF ASSETS		Rupees in '000'	
Surplus on revaluation of			
Available for sale securities	8.1	541,301	399,677
Fixed assets	20.1	15,070,195	15,130,195
		15,611,496	15,529,872
20.1	Surplus on revaluation of fixed assets relates to Land.		
21 CONTINGENCIES AND COMMITMENTS			
Commitments	21.1	86,236	40,808
Other contingent liabilities	21.2	9,000	9,000
		95,236	49,808
21.1 Commitments			
Civil work		66,430	21,002
Tangible/Intangible assets		19,806	19,806
		86,236	40,808
21.2	These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and possibility of an outflow of economic resources is remote.		

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		<u>Un-audited</u>	<u>Un-audited</u>
		March	March
	Note	31, 2024	31, 2023
		<u>Rupees in '000'</u>	
22 MARK-UP / RETURN / INTEREST EARNED			
On:			
a) Loans and advances		1,470,418	1,364,347
b) Investments		755,097	493,349
c) Balances with banks		232,095	112,237
		<u>2,457,610</u>	<u>1,969,933</u>
23 MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		<u>767,899</u>	<u>350,748</u>
24 FEE AND COMMISSION INCOME			
Commission on utility bills		7,170	6,825
Commission on guarantees		132,915	39,546
Commission on remittances including home remittances		660	385
Commission received on deposit category		3,160	2,400
Others		333	180
		<u>144,238</u>	<u>49,336</u>
25 OTHER INCOME			
Rent on property		68,282	58,423
Gain on sale of fixed assets-net		8,313	15,320
Loan processing fee		5,984	14,164
Rent on lockers		899	783
		<u>83,478</u>	<u>88,690</u>
26 OPERATING EXPENSES			
Total compensation expense	26.1	1,423,169	1,086,696
Property expense			
Rent and taxes		6,638	5,188
Interest on Lease Liability		13,479	11,287
Depreciation on ROU-Assets		27,166	21,234
Insurance		4,777	3,784
Utilities cost		65,128	52,559
Repair and maintenance (including janitorial charges)		16,289	8,089
Depreciation		3,354	2,765
		<u>136,831</u>	<u>104,906</u>
Information technology expenses			
Amortisation		1,713	1,142

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	Un-audited March 31, 2024	Un-audited March 31, 2023
Note	Rupees in '000'	
Other operating expenses		
Legal and professional charges	4,738	4,817
Depreciation	16,286	6,373
Postage and courier charges	5,182	3,403
Communication	14,318	13,323
Stationery and printing	8,447	3,619
Marketing, advertisement and publicity	7,795	1,741
Donations	190	-
Auditors remuneration	-	43
Others	138,263	139,363
	195,219	172,682
	1,756,932	1,365,426
26.1 Total compensation expense		
Salary and allowances	1,076,209	828,708
Fees and allowances	1,243	654
Charge for defined benefit plan	315,389	218,093
Conveyance	28,808	38,614
Others	1,520	627
	1,423,169	1,086,696
27 OTHER CHARGES		
Penalties imposed by State Bank of Pakistan	-	-
28 PROVISIONS AND WRITE OFFS - NET		
Provisions for diminution in value of investments	-	-
Provisions for salary payable	-	-
Provision for loan and advances	8.3 (58,575)	(74,184)
Provision for rent recoverable	-	-
Bad debts written off directly	-	-
Recovery of written off / charged off bad debts	-	-
	(58,575)	(74,184)
29 TAXATION		
Current	(125,419)	(62,444)
Prior years	29.1 -	33,498
Deferred	-	-
	(125,419)	(28,946)
29.1 It is management's assessment that the provision for taxation made in these condensed interim financial statements is sufficient.		
30 BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the period	151,119	479,927
Weighted average number of ordinary shares	7,885,547	7,885,548
Basic and diluted earnings per share	1.92	6.09
30.1 No effect for diluted earnings per share has been incorporated as the Bank has not issued any instrument which would have an impact on earnings per share when exercised.		

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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31 FAIR VALUE MEASUREMENTS

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 carrying amount of unquoted equity securities are determined on the basis of the break-up value of these investments as per their latest available audited financial statements. The fair value of other assets, other liabilities and fixed term deposits 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.

31.1 Fair value of financial assets

The Bank measures fair values 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 measurements using inputs other than quoted prices included within Level 1 that are observable for the assets 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).

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

Un-audited March 31, 2024					
Carrying value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Shares	548,324	548,324	-	-	548,324
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	738,678	-	-	-	-
Balances with other banks	506,160	-	-	-	-
Investments in treasury bills	4,660,072	-	-	-	-
Advances	9,634,279	-	-	-	-
Other assets	1,434,847	-	-	-	-

Audited June 30, 2023					
Carrying value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Shares	406,700	406,700	-	-	406,700
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	739,719	-	-	-	739,719
Balances with other banks	1,261,162	-	-	-	1,261,162
Investments in treasury bills and NBFCs	2,904,937	-	-	-	2,904,937
Advances	10,625,612	-	-	-	10,625,612
Other Assets	1,093,222	-	-	-	1,093,222

31.2 Fair value of non-financial assets

	Un-audited	Audited
	March 31,	June 30,
	2024	2023
	Level 3	
	Rupees in '000'	
Fixed assets (Freehold land)	14,622,936	14,622,936

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

32 SEGMENT INFORMATION

32.1 Segment details with respect to business activities

Un-audited March 31, 2024				
	Retail banking	Retail finance lending	Others	Total
Rupees in '000'				
Profit and Loss				
Net mark-up / return / profit	232,095	1,470,418	755,097	2,457,610
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	144,238	-	140,946	285,184
Total income	376,333	1,470,418	896,043	2,742,794
Segment direct expenses	(767,899)	-	(1,756,932)	(2,524,831)
Inter segment expense allocation	-	-	-	-
Total expenses	(767,899)	-	(1,756,932)	(2,524,831)
Provisions	-	58,575	-	58,575
Profit before taxation	(391,566)	1,528,993	(860,889)	276,538
Balance Sheet				
	Retail banking	Retail finance lending	Others	Total
Rupees in '000'				
Cash and bank balances	-	-	1,244,838	1,244,838
Investments	-	-	6,856,177	6,856,177
Net inter segment lending	-	-	-	-
Advances - performing	-	8,966,212	-	8,966,212
Advances - non-performing	-	2,165,261	-	2,165,261
Right of use assets	-	-	74,380	74,380
Others	-	-	15,489,409	15,489,408
Total Assets	-	11,131,473	23,664,804	34,796,276
Bills payable	47,633	-	-	47,633
Deposits and other accounts	7,581,876	-	-	7,581,876
Lease Liabilities	-	-	83,869	83,869
Others	307,662	-	2,671,311	2,978,973
Total Liabilities	7,937,171	-	2,755,180	10,692,351
Equity	-	-	24,103,925	24,103,925
Total Equity & Liabilities	7,937,171	-	26,859,105	34,796,276
Contingencies & Commitments	-	-	-	-

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	Audited June 30, 2023			
	Retail banking	Retail finance lending	Others	Total
	Rupees in '000'			
Profit and Loss				
Net mark-up / return / profit	165,753	1,851,606	671,689	2,689,048
Non mark-up / return / interest income	91,062	-	190,042	281,104
Total income	256,815	1,851,606	861,731	2,970,152
Segment direct expenses	649,070	-	1,762,221	2,411,291
Total expenses	649,070	-	1,762,221	2,411,291
Provisions	(146,046)	-	-	(146,046)
Profit before taxation	(276,060)	1,851,606	(900,490)	704,907
	Retail banking	Retail finance lending	Others	Total
	Rupees in '000'			
Balance Sheet				
Cash and bank balances	-	-	2,000,881	2,000,881
Investments	-	-	3,311,637	3,311,637
Net inter segment lending	-	-	-	-
Lendings to financial institutions	-	-	-	-
Advances - performing	-	10,391,556	-	10,391,556
Advances - non-performing	-	234,056	-	234,056
Right of use assets	-	-	88,527	88,527
Others	12,631	821,519	15,804,320	16,638,470
Total Assets	12,631	11,447,131	21,205,365	32,665,127
Bills payable	20,188	-	-	20,188
Deposits and other accounts	6,223,905	-	-	6,223,905
Lease Liabilities	-	-	89,890	89,890
Deffered tax liability	-	-	15,644	15,644
Others	51,207	-	2,266,679	2,317,886
Total Liabilities	6,295,300	-	2,372,213	8,667,513
Equity	-	-	23,997,614	23,997,614
Total Equity & Liabilities	6,295,300	-	26,369,827	32,665,127
Contingencies & Commitments	-	-	-	-

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
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33 RELATED PARTY TRANSACTIONS

Related parties comprise of key bank executives, President of the Bank, provident fund trust, pension fund trust, member societies, Registrar Co-operative Societies and the Government of Punjab.

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

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

	Un-audited March 31, 2024			Audited June 30, 2023		
	Key management personnel	Provident fund trust/gratuity	Pension fund trust	Key management personnel	Provident fund trust/gratuity	Pension fund trust
	Rupees in '000'					
Advances						
Opening balance	13,797	-	-	8,344	-	-
Addition during the period / year	14,108	-	-	10,231	-	-
Recovered during the period / year	(9,837)	-	-	(4,778)	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	18,068	-	-	13,797	-	-
Other liabilities						
Payable to staff retirement fund	-	-	1,900,939	-	-	1,513,299
	-	-	1,900,939	-	-	1,513,299
Income						
Mark-up / return / interest earned	1,053	-	-	869	-	-
	1,053	-	-	869	-	-
Expense						
Short term employees benefits	60,712	-	-	77,758	-	-
Contribution for the period / year	-	12,597	248,017	-	11,935	583,428
	60,712	12,597	248,017	77,758	11,935	583,428

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34 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Un-audited	Audited
March 31,	June 30,
2024	2023
Rupees in '000'	

34.1 Capital Adequacy

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

6,000,000	6,000,000
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

8,621,334	8,398,988
-	-
8,621,334	8,398,988
3,276,853	3,317,056
11,898,187	11,716,044

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

25,980,939	25,207,163
1,096,648	813,400
3,197,927	3,182,953
30,275,514	29,203,516

Common Equity Tier 1 Capital Adequacy ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

28.48%	28.76%
10.82%	28.76%
39.30%	40.12%

State Bank of Pakistan (SBP) vide Letter No. BPRD/BACPD/629/023472/15 dated 26.10.2015 required from Bank to have a minimum paid up capital (net of losses) of Rs. 6 billion. Further, the Bank is required to maintain a Capital Adequacy Ratio of 16% at all times. As of March 31, 2024, the paid up capital of the Bank net of losses amounts to Rs. 7,327,032 thousands which is in agreement with regulatory requirements. For the time being CAR is being reported under Basel I and Basel III as parrallel run.

Standardized Approach is used for calculating the Credit and Market risk, whereas, Basic Indicator Approach is used for Operational Risk in the Capital Adequacy Calculation.

Un-audited	Audited
March 31,	June 30,
2024	2023
Rupees in '000'	

34.2 Leverage Ratio (LR):

Eligible Tier-1 Capital

Total Exposures

Leverage Ratio

8,621,334	8,398,988
31,851,267	32,731,666
27.07%	25.66%

34.3 Liquidity Requirements

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

824,000	870,000
138,000	161,000
597%	540.37%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

13,153,000	14,119,000
5,805,000	7,190,000
227%	196.37%

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35 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 04.05.2024 by the Board of Directors of the Bank.

36 GENERAL

Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.