

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Condensed interim statement of financial position

As at September 30, 2023

	Note	Un-audited Sep. 30, 2023	Audited June 30, 2023
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks	5	632,159	739,719
Balances with other banks	6	647,293	1,261,162
Lendings to financial institutions		-	-
Investments	7	6,004,571	3,311,637
Advances	8	8,960,500	10,625,612
Fixed assets	9	15,515,020	15,538,777
Intangible assets	10	6,472	6,472
Right of Use Assets	11	81,963	88,527
Deferred tax assets		-	-
Other assets	12	1,387,817	1,093,222
		33,235,795	32,665,127
LIABILITIES			
Bills payable	13	56,067	20,188
Borrowings		-	-
Deposits and other accounts	15	6,208,216	6,223,904
Lease Liabilities	16	84,780	89,890
Subordinated debt		-	-
Deferred tax liabilities		15,644	15,644
Other liabilities	17	2,776,961	2,317,887
		9,141,668	8,667,513
NET ASSETS			
		24,094,127	23,997,614
REPRESENTED BY			
Share capital/ Head office capital account - net		7,885,547	7,885,547
Reserves		1,167,338	1,167,338
Surplus on revaluation of assets	18	15,520,254	15,529,873
Unappropriated loss		(479,012)	(585,144)
		24,094,127	23,997,614

CONTINGENCIES AND COMMITMENTS 19

The annexed notes 1 to 34 form an integral part of these financial statements.


A.President/CEO

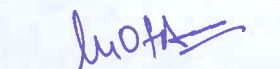

Chief Financial Officer

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
Condensed interim profit and loss account
For the quarter ended September 30, 2023

		Un-audited For the quarter ended September	
	Note	2023	2022
		Rupees in '000'	
Mark-up/Return/Interest Earned	20	885,936	569,372
Mark-up/Return/Interest Expensed	21	(246,597)	(91,067)
Net Mark-up/ Interest Income		639,339	478,305
NON MARK-UP/INTEREST INCOME			
Fee and Commission Income	22	41,395	17,695
Dividend Income		11	151
Foreign Exchange Income		-	-
Income / (loss) from derivatives		-	-
Gain / (Loss) on securities		-	-
Other Income	23	19,801	11,856
Total non-markup/interest Income		61,207	29,702
Total Income		700,546	508,007
NON MARK-UP/INTEREST EXPENSES			
Operating expenses	24	(533,626)	(393,124)
Workers Welfare Fund		-	-
Other charges	25	-	-
Total non-markup/interest expenses		(533,626)	(393,124)
Profit / (Loss) Before Provisions		166,920	114,883
Provisions and write offs - net	26	558	(22,138)
Extra ordinary / unusual items (to be specified)		-	-
PROFIT/(LOSS) BEFORE TAXATION		166,362	137,021
Taxation	27	60,230	-
PROFIT/(LOSS) AFTER TAXATION		106,132	137,021
		Rupees	
Basic Earnings/(Loss) per share	28	1.35	1.74
Diluted Earnings/(Loss) per share		-	-

The annexed notes 1 to 34 form an integral part of these financial statements.


A. President/CEO


Chief Financial Officer

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
Statement of comprehensive income
For the quarter ended September 30, 2023

Un-audited
For the quarter ended
September
2023 2022
Rupees in '000'

Profit after taxation for the Quarter

106,132 137,021

Other comprehensive income

Items that may be reclassified to profit and loss account in subsequent periods:

Effect of translation of net investment in foreign branches
Movement in surplus / (deficit) on revaluation of investments - net of tax
Others (to be specified)

-	-
-	-
-	-
-	-

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
Movement in surplus on revaluation of non-banking assets - net of tax
Net change in fair value of available for sale investment

-	-
-	-
-	-
50,381	(6,113)
50,381	(6,113)
156,513	130,908

Total comprehensive income

The annexed notes 1 to 34 form an integral part of these financial statements.


A.President/CEO


Chief Financial Officer

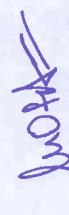
THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
Condensed interim statement of changes in equity
For the quarter ended September 30, 2023

Un-audited September 30, 2023

	Surplus/(Deficit) on revaluation of					Total	
	Share capital / Head office capital	Statutory reserve	Investments	Fixed / Non Banking Assets	Common good fund		Unappropriate d loss
	Rupees in '000'						
Opening Balance July 1, 2022	7,885,488	1,005,443	495,157	15,135,681	7,232	(1,090,841)	23,438,160
Profit after taxation for the prior year	-	-	-	-	-	137,021	137,021
Other comprehensive income - net of tax	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-
Deficit on revaluation of assets	-	-	(6,113)	-	-	-	(6,113)
issuance of shares	-	-	-	-	-	-	-
Transfer of Revaluation Surplus on Disposal	-	-	-	-	-	-	-
Medical aid to staff	-	-	-	-	(200)	-	(200)
Opening Balance October 1, 2022	7,885,488	1,005,443	489,044	15,135,681	7,032	(953,821)	23,568,868
Profit after taxation	-	-	(89,367)	-	-	485,791	485,791
Other comprehensive income/(Loss) - net of tax	-	-	-	-	-	33,103	(56,264)
Transfer to common good fund	-	-	-	-	-	-	-
Transfer to statutory reserve	-	155,703	-	(5,486)	-	(155,703)	-
Transfer of Revaluation Surplus on Disposal	-	-	-	-	(840)	5,486	-
Medical aid to staff	-	-	-	-	-	-	(840)
Refund of shares	59	-	-	-	-	-	59
Closing Balance June 30, 2023	7,885,547	1,161,146	399,677	15,130,195	6,192	(585,144)	23,997,614
Profit after taxation	-	-	-	-	-	106,132	106,132
Medical aid to staff	-	-	50,381	(60,000)	-	-	(9,619)
Surplus on revaluation of assets	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-
Closing Balance September 30, 2023	7,885,547	1,161,146	450,058	15,070,195	6,192	(479,012)	24,094,127

The annexed notes 1 to 34 form an integral part of these financial statements.


A. President/CEO


Chief Financial Officer

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
Condensed interim statement of cash flows
For the quarter ended September 30, 2023

Un-audited
For the quarter ended
September
2023 2022
Rupees in '000

CASH FLOW FROM OPERATING ACTIVITIES

Profit/(Loss) before taxation	166,362	137,021
Less: Dividend income	(11)	(151)
	166,351	136,870
Adjustments:		
Depreciation	4,971	2,478
Amortization	-	-
Provision for employees retirement benefits	-	-
Loss/ (Gain) on sale of fixed assets	-	-
	4,971	2,478
	171,322	139,348
(Increase)/ Decrease in operating assets		
Advances	1,665,112	(392,694)
Others assets (excluding advance taxation)	(294,595)	(132,626)
	1,370,517	(525,320)
Increase/ (Decrease) in operating liabilities		
Bills Payable	35,879	(9,825)
Deposits	(15,688)	(154,235)
Other liabilities (excluding current taxation)	407,610	(16,593)
	427,801	(180,653)
Taxes Paid	(2,624)	(7,592)
Contribution to pension fund	(14,550)	(13,099)
Medical aid to employees from common good fund	-	(200)
<i>Net cash flow from / (used in) operating activities</i>	1,952,466	(587,517)

CASH FLOW FROM INVESTING ACTIVITIES

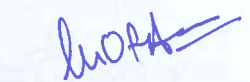
Net investments in held-to-maturity securities	(2,642,553)	(958,626)
Dividends received	11	151
Investments in operating fixed assets	(31,352)	(2,419)
Proceeds from sale of fixed assets	-	-
Effect of translation of net investment in foreign branches	-	-
<i>Net cash flow from / (used in) investing activities</i>	(2,673,894)	(960,894)

CASH FLOW FROM FINANCING ACTIVITIES

Issue of share capital	-	-
<i>Net cash flow from / (used in) financing activities</i>	-	-
Effects of exchange rate changes on cash and cash equivalents	-	-
Increase/(Decrease) in cash and cash equivalents	(721,428)	(1,548,411)
Cash and cash equivalents at beginning of the year	2,000,881	2,591,323
Cash and cash equivalents at end of the quarter	1,279,453	1,042,913

The annexed notes 1 to 34 form an integral part of these financial statements.


A. President/CEO


Chief Financial Officer

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
Notes to the condensed interim financial statements
For the quarter ended September 30, 2023

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 principal activity of the Bank is 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 (2022: 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 PRESENTATION

The financial statements are presented in Pakistani Rupee, which is the Bank's functional currency. Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

2.1 Statement of compliance

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. Approved accounting standards comprise of:

-International Financial Reporting Standards (IFRS) 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"), the Cooperative Societies Rules, 1927 ("the Rules"), and

-Directives issued by the SBP.

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

In addition, the Companies Act, 2017 also became effective for the financial statements for the year ended December 31, 2017. As the Bank's financial statements are prepared in accordance with the format prescribed by SBP, it did not have a direct impact on the financial statements. It is further added that under Section 68 of Cooperative Societies Act 1925, the provision of Companies Act shall not apply to societies registered under this Act.

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Notes to the condensed interim financial statements

For the quarter ended September 30, 2023

2.2 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year

The State Bank of Pakistan vide BPRD circular Letter No. 3 of 2022 dated 05.07.2022 has decided to implement the IFRS-9 from 01.01.2024 instead of 01.01.2022. In case of PPCBL the financial year is closed on 30th June therefore, the implementation date would be considered as 01.07.2024.

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

The following other standards, amendments and interpretations of approved accounting standards are not effective for accounting periods beginning on January 1, 2022:

<u>Standards</u>	<u>Effective Date</u>
IAS-37 Onerous Contracts (Amendments)	January 01, 2022
IAS-16 Proceeds Before Intended Use (Amendments)	January 01, 2022
IAS-1 Classification of Liabilities as Current or Non-Current	January 01, 2022

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized prospectively in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumption and estimates are significant to the financial statements are as follows:-

- i) Classification and provisioning against investment
- ii) Impairment of 'available for sale' equity investments
- iii) Income taxes
- iv) Classification and provisioning against advances
- v) Depreciation and revaluation of operating fixed assets
- vi) Amortisation of intangible assets
- vii) Staff retirement benefits

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except as otherwise stated under relevant policy notes.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements have been applied consistently to all periods presented.

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
Notes to the condensed interim financial statements
For the quarter ended September 30, 2023

		Un-audited September 30 2023	Audited June 30 2023
	NOTE	Rupees in '000	
5 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		127,698	212,064
With State Bank of Pakistan in			
Local currency current account	5.1	399,575	421,867
With National Bank of Pakistan in			
Local currency current account		39,479	30,869
Local currency deposit account (NIDA)	5.2	65,407	74,919
		104,886	105,788
		632,159	739,719

5.1 Deposits with SBP are maintained to comply with the statutory requirements issued from time to time.

5.2 Rate of profit on NIDA account is at 20.50% per annum (June 30, 2022 : 19.50% per annum).

6 BALANCES WITH OTHER BANKS

In Pakistan			
In current account		8,344	4,983
In deposit account	6.1	638,949	1,256,179
		647,293	1,261,162

6.1 These accounts carry profit rates ranging from 19.75% to 20.50% per annum (June 30, 2022 : 12.75% to 19.75%) per annum.

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Notes to the condensed interim financial statements
For the quarter ended September 30, 2023

7 INVESTMENTS

7.1 Investments by type:

	Un-audited September 30, 2023			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								
Available-for-sale securities								
Shares - Listed companies	7,023	-	450,058	457,081	7,023	-	399,677	406,700
Shares - Cooperative Institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	10,574	(1,589)	450,058	459,043	10,574	(1,589)	399,677	408,662
Held-to-maturity securities								
Market Treasury Bills	5,545,528	-	-	5,545,528	2,902,975	-	-	2,902,975
Pakistan Investment Bonds	-	-	-	-	-	-	-	-
Non-Banking Finance Company	88,059	(88,059)	-	-	88,059	(88,059)	-	-
	5,633,587	(88,059)	-	5,545,528	2,991,034	(88,059)	-	2,902,975
Total Investments	5,644,161	(89,648)	450,058	6,004,571	3,001,608	(89,648)	399,677	3,311,637

7.2 Investments by segments:

	Un-audited September 30, 2023			Audited June 30, 2023				
	Cost/ Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost /Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Federal Government Securities:								
Market Treasury Bills	5,545,528	-	-	5,545,528	2,902,975	-	-	2,902,975
Investment with other financial institutions								
Non-Banking Finance Company	88,059	(88,059)	-	-	88,059	(88,059)	-	-
Shares:								
Listed Companies	7,023	-	450,058	457,081	7,023	-	399,677	406,700
Cooperative institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	10,574	(1,589)	450,058	459,043	10,574	(1,589)	399,677	408,662
Total Investments	5,644,161	(89,648)	450,058	6,004,571	3,001,608	(89,648)	399,677	3,311,637

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Notes to the condensed interim financial statements

For the quarter ended September 30, 2023

	Un-audited September 30 2023	Audited June 30 2023
	Rupees in '000	
7.3 Provision for diminution in value of investments		
7.3.1 Opening balance	89,648	89,648
Exchange adjustments	-	-
Charge / reversals		
Charge for the year	-	-
Reversals for the year	-	-
Reversal on disposals	-	-
	89,648	89,648
Transfers - net	-	-
Amounts written off	-	-
Closing Balance	89,648	89,648

7.3.2 Particulars of provision against debt securities

Category of classification	Un-audited September 30, 2023		Audited June 30, 2023	
	NPI	Provision	NPI	Provision
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	88,059	88,059	88,059	88,059
	88,059	88,059	88,059	88,059
Overseas				
Not past due but impaired	-	-	-	-
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
> 365 days	-	-	-	-
	-	-	-	-
Total	88,059	88,059	88,059	88,059