

# THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

## Condensed interim statement of financial position

As at September 30, 2021

	Note	Un-audited Sep. 30, 2021	Un-audited June 30, 2021
Rupees in '000'			
<b>ASSETS</b>			
Cash and balances with treasury banks	5	476,087	682,512
Balances with other banks	6	936,828	894,125
Lendings to financial institutions		-	-
Investments	7	3,903,086	3,540,871
Advances	8	8,450,362	8,885,150
Fixed assets	9	7,155,943	7,155,960
Intangible assets	10	11,420	11,420
Deferred tax assets		-	-
Other assets	11	3,884,537	3,717,940
		<b>24,818,263</b>	<b>24,887,978</b>
<b>LIABILITIES</b>			
Bills payable	12	55,119	21,537
Borrowings		-	-
Deposits and other accounts	14	4,003,740	4,154,591
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	15	6,079,050	6,008,966
		<b>10,137,909</b>	<b>10,185,094</b>
<b>NET ASSETS</b>		<b>14,680,354</b>	<b>14,702,884</b>
<b>REPRESENTED BY</b>			
Share capital/ Head office capital account - net		7,885,480	7,885,471
Reserves		922,676	922,701
Surplus on revaluation of assets	16	7,440,682	7,486,456
Unappropriated loss		(1,568,484)	(1,591,744)
		<b>14,680,354</b>	<b>14,702,884</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	17		

The annexed notes 1 to 32 form an integral part of these financial statements.

President/CEO

Chief Financial Officer

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**Condensed interim profit and loss account**  
**For the quarter ended September 30, 2021**

		<b>Un-audited</b>	
		<b>For the quarter ended</b>	
		<b>September</b>	
	<i>Note</i>	<b>2021</b>	<b>2020</b>
		<b>Rupees in '000'</b>	
Mark-up/Return/Interest Earned	<b>18</b>	<b>400,461</b>	404,538
Mark-up/Return/Interest Expensed	<b>19</b>	<b>(51,294)</b>	(84,287)
Net Mark-up/ Interest Income		<u><b>349,167</b></u>	<u>320,251</u>
<b>NON MARK-UP/INTEREST INCOME</b>			
Fee and Commission Income	<b>20</b>	<b>14,905</b>	17,239
Dividend Income		<b>37</b>	38,289
Foreign Exchange Income		-	-
Income / (loss) from derivatives		-	-
Gain / (Loss) on securities		-	-
Other Income	<b>21</b>	<b>14,060</b>	11,248
Total non-markup/interest Income		<u><b>29,002</b></u>	<u>66,776</u>
Total Income		<u><b>378,169</b></u>	<u>387,027</u>
<b>NON MARK-UP/INTEREST EXPENSES</b>			
Operating expenses	<b>22</b>	<b>(354,909)</b>	(334,213)
Workers Welfare Fund		-	-
Other charges	<b>23</b>	-	-
Total non-markup/interest expenses		<u><b>(354,909)</b></u>	<u>(334,213)</u>
Profit / (Loss) Before Provisions		<u><b>23,260</b></u>	52,814
Provisions and write offs - net	<b>24</b>	-	25,591
Extra ordinary / unusual items (to be specified)		-	-
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<u><b>23,260</b></u>	<u><b>27,223</b></u>
Taxation	<b>25</b>	-	-
<b>PROFIT/(LOSS) AFTER TAXATION</b>		<u><u><b>23,260</b></u></u>	<u><u>27,223</u></u>
		<b>Rupees</b>	
<b>Basic Earnings/(Loss) per share</b>	<b>26</b>	<u><u><b>0.29</b></u></u>	<u><u><b>0.35</b></u></u>
<b>Diluted Earnings/(Loss) per share</b>		<u><u>-</u></u>	<u><u>-</u></u>

The annexed notes 1 to 32 form an integral part of these financial statements.

**President/CEO**

**Chief Financial Officer**

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED****Statement of comprehensive income****For the quarter ended September 30, 2021**

**Un-audited**  
**For the quarter ended**  
**September**  
**2021**                      **2020**  
**Rupees in '000'**

Profit after taxation for the year **23,260**                      27,223

**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

-	-
-	-
-	-
<b>(45,774)</b>	319,713
<b>(45,774)</b>	319,713
<b>(22,514)</b>	<b>346,936</b>

**Total comprehensive income**

The annexed notes 1 to 32 form an integral part of these financial statements.

**President/CEO****Chief Financial Officer**

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**Condensed interim statement of changes in equity**  
**For the quarter ended September 30, 2021**

Un-audited September 30, 2021  
**Surplus/(Deficit) on revaluation of**

	Share capital / Head office capital account	Statutory reserve	Investments	Fixed / Non Banking Assets	Common good fund	Unappropriate d loss	Total
<b>Rupees in '000'</b>							
Opening Balance July 1, 2020	7,885,449	840,538	604,865	6,868,774	7,641	(1,597,720)	14,609,547
Profit after taxation for the prior year	-	-	-	-	-	27,223	27,223
Other comprehensive income - net of tax	-	-	319,713	-	-	-	319,713
Transfer to statutory reserve	-	-	-	-	-	-	-
Deficit on revaluation of assets	-	-	-	-	-	-	-
Reissuance of shares	-	-	-	-	-	-	-
Adjustment of defined benefit plan	-	-	-	-	-	-	-
Medical aid to staff	-	-	-	-	-	-	-
Opening Balance October 1, 2020	7,885,449	840,538	924,578	6,868,774	7,641	(1,570,497)	14,956,483
Profit after taxation	-	-	-	-	-	275,690	275,690
Other comprehensive income/(Loss) - net of tax	-	-	-	-	-	(221,209)	(221,209)
Transfer to common good fund	-	-	-	-	(1,206)	-	(1,206)
Transfer to statutory reserve	-	75,728	-	-	-	(75,728)	-
Medical aid to staff	-	-	-	-	-	-	-
Deficit on revaluation of assets	-	-	(306,896)	-	-	-	(306,896)
Refund of shares	22	-	-	-	-	-	22
Closing Balance June 30, 2021	7,885,471	916,266	617,682	6,868,774	6,435	(1,591,744)	14,702,884
<b>Profit after taxation</b>	-	-	-	-	-	<b>23,260</b>	<b>23,260</b>
<b>Medical aid to staff</b>	-	-	-	-	<b>(25)</b>	-	<b>(25)</b>
<b>Deficit on revaluation of assets</b>	-	-	<b>(45,774)</b>	-	-	-	<b>(45,774)</b>
<b>Issue of shares</b>	<b>9</b>	-	-	-	-	-	<b>9</b>
<b>Closing Balance September 30, 2021</b>	<b>7,885,480</b>	<b>916,266</b>	<b>571,908</b>	<b>6,868,774</b>	<b>6,410</b>	<b>(1,568,484)</b>	<b>14,680,354</b>

The annexed notes 1 to 32 form an integral part of these financial statements.

President/CEO

Chief Financial Officer

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**

**Condensed interim statement of cash flows**

For the quarter ended September 30, 2021

**Un-audited**  
**For the quarter ended**  
**September**  
**2021**                      **2020**  
**Rupees in '000**

**CASH FLOW FROM OPERATING ACTIVITIES**

Profit/(Loss) before taxation	23,260	27,223
Less: Dividend income	(37)	(38,289)
	23,223	(11,066)

Adjustments:

Depreciation	2,790	3,593
Amortization	-	-
Provision for employees retirement benefits	-	-
Loss/ (Gain) on sale of fixed assets	-	-
	2,790	3,593
	26,013	(7,473)

(Increase)/ Decrease in operating assets

Advances	434,788	311,004
Others assets (excluding advance taxation)	(166,597)	(140,639)
	268,191	170,365

Increase/ (Decrease) in operating liabilities

Bills Payable	33,582	21,211
Deposits	(150,851)	(359,723)
Other liabilities (excluding current taxation)	95,589	134,065
	(21,680)	(204,447)

Income tax paid

(13,793)                      (6,181)

Contribution to pension fund

(11,711)                      -

Medical aid to employees from common good fund

(25)                                      -

*Net cash flow from / (used in) operating activities*

246,995                      (47,736)

**CASH FLOW FROM INVESTING ACTIVITIES**

Net investments in held-to-maturity securities	(407,989)	(840,960)
Dividends received	37	38,289
Investments in operating fixed assets	(2,774)	(1,014)
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>	(410,726)	(803,685)

**CASH FLOW FROM FINANCING ACTIVITIES**

Issue of share capital

9    -

*Net cash flow from / (used in) financing activities*

9    -

Effects of exchange rate changes on cash and cash equivalents

-    -

**Increase/(Decrease) in cash and cash equivalents**

(163,722)                      (851,421)

Cash and cash equivalents at beginning of the year

1,576,637                      1,928,624

Cash and cash equivalents at end of the quarter

1,412,915                      1,077,203

The annexed notes 1 to 32 form an integral part of these financial statements.

**President/CEO**

**Chief Financial Officer**

# **THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**

## **Notes to the condensed interim financial statements**

### **For the quarter ended September 30, 2021**

#### **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 (2020: 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, 2021**

The State Bank of Pakistan vide letter No.BPRD/RPD/2020-1318 dated 20.01.2020 has approved the timelines for PPCBL as mentioned in the above referred letter. As per current status the Consultant Firm has been hired and the study with regard to implementation on IFRS-9 is in progress. IFRS-16 "leases", have become effective for annual reporting. The Bank through a process will hire a Chartered Accountants Firm for evaluating impact of IFRS-16

**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 letter No. BPRD/RPD/2020-1318 dated 20.01.2020 has revised timeline for Banks with regard to implementation of IFRS-9. As per current status the services of consultant have been hired. All the relevant data demanded by the consultant has been provided to them for further analysis.

For implementation of IFRS-16 the Bank has hired the services of consultant. The agreement has been signed and relevant data is being provided to the consultants

**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.

# **THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**

## **Notes to the condensed interim financial statements**

### **For the quarter ended September 30, 2021**

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, 2021**

	NOTE	Un-audited September 30 2021	Audited June 30 2021
Rupees in '000			
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		146,254	195,488
With State Bank of Pakistan in			
Local currency current account	5.1	274,137	369,455
With National Bank of Pakistan in			
Local currency current account		3,261	61,823
Local currency deposit account (NIDA)	5.2	52,435	55,746
		55,696	117,569
		476,087	682,512

**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 5.50% per annum (June 30, 2021 : 5.50% per annum).

**6 BALANCES WITH OTHER BANKS**

In Pakistan			
In current account		11,739	16,527
In deposit account	6.1	925,089	877,598
		936,828	894,125

**6.1** These accounts carry profit rates ranging from 5.50% to 6.15% per annum (June 30, 2021 : 5.50% to 6.15%) per annum.

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**

**Notes to the condensed interim financial statements**

**For the quarter ended September 30, 2021**

**7 INVESTMENTS**

**7.1 Investments by type:**

	Un-audited September 30, 2021				Audited June 30, 2021			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>Rupees in '000</b>								
<b>Available-for-sale securities</b>								
Shares - Listed companies	7,023	-	571,908	578,931	10,574	(1,589)	617,682	626,667
Shares - Cooperative Institutions	3,551	(1,589)	-	1,962	-	-	-	-
	<b>10,574</b>	<b>(1,589)</b>	<b>571,908</b>	<b>580,893</b>	10,574	(1,589)	617,682	626,667
<b>Held-to-maturity securities</b>								
Market Treasury Bills	3,322,193	-	-	3,322,193	2,914,204	-	-	2,914,204
Pakistan Investment Bonds	-	-	-	-	-	-	-	-
Non-Banking Finance Company	88,059	(88,059)	-	-	88,059	(88,059)	-	-
	<b>3,410,252</b>	<b>(88,059)</b>	<b>-</b>	<b>3,322,193</b>	3,002,263	(88,059)	-	2,914,204
<b>Total Investments</b>	<b>3,420,826</b>	<b>(89,648)</b>	<b>571,908</b>	<b>3,903,086</b>	3,012,837	(89,648)	617,682	3,540,871

**7.2 Investments by segments:**

	Un-audited September 30, 2021				Audited June 30, 2021			
	Cost/ Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost /Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>Federal Government Securities:</b>								
Market Treasury Bills	3,322,193	-	-	3,322,193	2,914,204	-	-	2,914,204
<b>Investment with other financial institutions</b>								
Non-Banking Finance Company	88,059	(88,059)	-	-	88,059	(88,059)	-	-
<b>Shares:</b>								
Listed Companies	7,023	-	571,908	578,931	7,023	-	617,682	624,705
Cooperative institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	<b>10,574</b>	<b>(1,589)</b>	<b>571,908</b>	<b>580,893</b>	10,574	(1,589)	617,682	626,667
<b>Total Investments</b>	<b>3,420,826</b>	<b>(89,648)</b>	<b>571,908</b>	<b>3,903,086</b>	3,012,837	(89,648)	617,682	3,540,871

# THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

## Notes to the condensed interim financial statements

For the quarter ended September 30, 2021

	Un-audited September 30 2021	Audited June 30 2021
	Rupees in '000	
<b>7.2 Provision for diminution in value of investments</b>		
<b>7.2.1</b> Opening balance	89,648	89,648
Exchange adjustments	-	-
Charge / reversals		
Charge for the year	-	-
Reversals for the year	-	-
Reversal on disposals	-	-
	<b>89,648</b>	89,648
Transfers - net	-	-
Amounts written off	-	-
Closing Balance	<b>89,648</b>	89,648

### 7.2.2 Particulars of provision against debt securities

Category of classification	Un-audited September 30, 2021		Audited June 30, 2021	
	NPI	Provision	NPI	Provision
<b>Domestic</b>				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	<b>88,059</b>	<b>88,059</b>	88,059	88,059
	<b>88,059</b>	<b>88,059</b>	88,059	88,059
<b>Overseas</b>				
Not past due but impaired	-	-	-	-
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
365 days	-	-	-	-
	-	-	-	-
Total	<b>88,059</b>	<b>88,059</b>	88,059	88,059

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**

**Notes to the condensed interim financial statements**

For the quarter ended September 30, 2021

**8 ADVANCES**

	Performing		Non Performing		Total	
	Un-audited Sep. 30, 2021	Audited June 30, 2021	Un-audited Sep. 30, 2021	Audited June 30, 2021	Un-audited Sep. 30, 2021	Audited June 30, 2021
	<b>Rupees in '000</b>					
Loans, cash credits, running finances, etc.	7,537,704	8,030,693	2,616,079	2,557,878	10,153,783	10,588,571
Islamic financing and related assets	-	-	-	-	-	-
Bills discounted and purchased	-	-	184	184	184	184
Advances - gross	<b>7,537,704</b>	8,030,693	<b>2,616,263</b>	2,558,062	<b>10,153,967</b>	10,588,755
Provision against advances						
- Specific	-	-	1,703,227	1,703,227	1,703,227	1,703,227
- General	-	-	378	378	378	378
Advances - net of provision	<b>7,537,704</b>	8,030,693	<b>912,658</b>	854,457	<b>8,450,362</b>	8,885,150

**8.1 Particulars of advances (Gross)**

	Un-audited September 30, 2021	Audited June 30, 2021
	<b>Rupees in '000</b>	
In local currency	10,153,967	10,588,755
In foreign currencies	-	-
	<b>10,153,967</b>	<b>10,588,755</b>

**8.2** Advances include Rs.2,616,079 thousand (2021: Rs.2,557,878 thousand) which have been placed under non-performing status as detailed below:-

Category of Classification	Un-audited September 30, 2021		Audited June 30, 2021	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	<b>Rupees in '000</b>			
<b>Domestic</b>				
Other Assets Especially Mentioned	387,127	101	317,563	101
Substandard	335,416	426	330,597	426
Doubtful	187,133	12,396	194,341	12,396
Loss	1,706,403	1,690,682	1,715,377	1,690,682
	<b>2,616,079</b>	<b>1,703,605</b>	2,557,878	1,703,605

**8.3 Particulars of provision against advances**

	Un-audited September 30, 2021			Audited June 30, 2021		
	Specific	General	Total	Specific	General	Total
	<b>Rupees in '000</b>					
Opening balance	1,703,227	378	1,703,605	1,703,227	378	1,703,605
Exchange adjustments	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Reversals	-	-	-	-	-	-
	<b>1,703,227</b>	<b>378</b>	<b>1,703,605</b>	1,703,227	378	1,703,605
Amounts written off	-	-	-	-	-	-
Amounts charged off - agriculture financing	-	-	-	-	-	-
Other movements (to be specified)	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-

**9 FIXED ASSETS**

	Un-audited Sep. 30, 2021	Audited June 30, 2021
	<b>Rupees in '000</b>	
Capital work-in-progress	19,274	19,274
Property and equipment	7,136,669	7,136,686
	<b>7,155,943</b>	<b>7,155,960</b>

**9.1 Capital work-in-progress**

	Un-audited Sep. 30, 2021	Audited June 30, 2021
Civil works	19,274	19,274
Equipment	-	-
	<b>19,274</b>	<b>19,274</b>

Note

9.1

# THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

## Notes to the condensed interim financial statements

For the quarter ended September 30, 2021

	Un-audited Sep. 30, 2021	Un-audited Sep. 30, 2021
	Rupees in '000	
<b>9.2 Additions to fixed assets</b>		
Capital work-in-progress	-	-
<b>Property and equipment</b>		
Freehold land	-	775
Leasehold land	-	-
Buidling on freehold land	2,272	2,164
Buidling on leasehold land	-	790
Furniture and fixture	-	923
Electrical office and computer equipment	480	19,275
Vehicles	22	-
Others	-	-
	<u>2,774</u>	<u>23,927</u>
Total	<u>2,774</u>	<u>23,927</u>
<b>9.3 Disposal of fixed assets</b>		
Freehold land	-	-
Leasehold land	-	-
Buidling on freehold land	-	-
Buidling on leasehold land	-	-
Furniture and fixture	-	29
Electrical office and computer equipment	-	19
Vehicles	-	-
Others	-	729
Total	<u>-</u>	<u>777</u>
<b>10 INTANGIBLE ASSETS</b>	<b>Un-audited Sep. 30, 2021</b>	<b>Audited June 30, 2021</b>
	Rupees in '000	
Capital work in progress	-	-
Computer Software	11,420	11,420
	<u>11,420</u>	<u>11,420</u>
<b>10.1 Additions to intangible assets</b>		
Developed internally	-	-
Directly purchased	-	-
Through business combinations	-	-
Total	<u>-</u>	<u>-</u>
<b>10.2 Disposals of intangible assets</b>		
Developed internally	-	-
Directly purchased	-	-
Through business combinations	-	-
Total	<u>-</u>	<u>-</u>

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**

**Notes to the condensed interim financial statements**

**For the quarter ended September 30, 2021**

		Un-audited September 30, 2021	Audited June 30, 2021
	NOTE	Rupees in '000	
<b>11 OTHER ASSETS</b>			
Income/ Mark-up accrued in local currency - net of provision		784,087	762,828
Advances, deposits, advance rent and other prepayments		1,332	1,147
Sundry debtors		1,837	2,448
Crop insurance recoverable		99,066	96,845
Live stock insurance recoverable		6,020	6,142
Branch adjustment		40,661	8,436
Memorandum account		2,860,845	2,778,043
Others (to be specified, if material)		157,167	128,530
		<u>3,951,015</u>	<u>3,784,419</u>
Less: Provision held against other assets	11.1	<u>(66,478)</u>	<u>(66,479)</u>
Other Assets (Net of Provision)		<u>3,884,537</u>	<u>3,717,940</u>
Other Assets - total		<u>3,884,537</u>	<u>3,717,940</u>
<b>11.1 Provision held against other assets</b>			
Advances, deposits, advance rent & other prepayments		-	-
Non banking assets acquired in satisfaction of claims		-	-
Others (to be specified if material)		<u>(66,478)</u>	<u>(66,479)</u>
		<u>(66,478)</u>	<u>(66,479)</u>
<b>11.1.1 Movement in provision held against other assets</b>			
Opening balance		<u>(66,479)</u>	<u>(66,479)</u>
Charge for the year		-	-
Reversals		-	-
Amount Written off		-	-
Closing balance		<u>(66,479)</u>	<u>(66,479)</u>
<b>12 BILLS PAYABLE</b>		<u>55,119</u>	<u>21,537</u>
<b>13 CONTINGENT ASSETS</b>			
The bank has 99 cases pending with authorities for recoveries and settlement of properties. However inflow of economic benefits from such cases are not probable and therefore are not being disclosed here.			
<b>14 DEPOSITS AND OTHER ACCOUNTS</b>			

	Un-audited September 30, 2021			Audited June 30, 2021		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	.....'Rupees in '000.....					
<b>Customers</b>						
Fixed deposits	243,832	-	243,832	805,221	-	805,221
Savings deposits	2,895,326	-	2,895,326	2,931,517	-	2,931,517
Current accounts - non remunerative	693,694	-	693,694	261,292	-	261,292
Call deposits	2,350	-	2,350	2,363	-	2,363
Other deposits	168,538	-	168,538	154,198	-	154,198
	<u>4,003,740</u>	-	<u>4,003,740</u>	4,154,591	-	4,154,591
<b>Financial Institutions</b>						
Fixed deposits	-	-	-	-	-	-
Savings deposits	-	-	-	-	-	-
Current accounts - non remunerative	-	-	-	-	-	-
Call deposits	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-
	<u>4,003,740</u>	-	<u>4,003,740</u>	4,154,591	-	4,154,591

**14.1** Others deposits include staff security deposits and employees' provident fund deposits.

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**Notes to the condensed interim financial statements**  
**For the quarter ended September 30, 2021**

	Un-audited September 30, 2021	Audited June 30, 2021
<b>Rupees in '000</b>		
<b>15 OTHER LIABILITIES</b>		
Mark-up/ Return/ Interest payable in local currency	22,660	49,285
Accrued expenses	15,725	15,104
Provision for salary payable / VSS Package	-	-
Sundry creditors	29,380	73,558
Advance taxation (payments less provisions)	43,821	57,614
Dissolved bank payable	37,427	37,427
Provision for employees' gratuity	105,849	107,657
Provision for employees' pension fund	2,553,732	2,553,732
Provision for employees' compensated absences	280,856	290,759
Withholding tax payable	2,461	7,536
Branch adjustment	-	-
Memorandum account	2,860,845	2,778,043
Others	126,294	38,251
	<b>6,079,050</b>	<b>6,008,966</b>

	Un-audited September 30, 2021	Audited June 30, 2021
<b>Rupees in '000</b>		

**16 SURPLUS ON REVALUATION OF ASSETS**

Surplus on revaluation of		
- Available for sale securities	8.2	571,908
- Fixed Assets	16.1	6,868,774
		617,682
		6,868,774
		7,440,682
		7,486,456

**16.1 Surplus on revaluation of fixed assets**

Surplus on revaluation of fixed assets as at July 1	6,868,774	6,868,774
Recognised during the quarter	-	-
Realised on disposal during the year - net of deferred tax	-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	-	-
Related deferred tax liability on incremental depreciation charged during the quarter	-	-
Related deferred tax liability on surplus realised on disposal	-	-
Surplus on revaluation of fixed assets as at September 30	6,868,774	6,868,774

**17 CONTINGENCIES AND COMMITMENTS**

-Commitments	17.1	25,342	25,955
-Other Commitments	17.2	9,000	9,000
		<b>34,342</b>	<b>34,955</b>

**17.1 Commitments:**

- Civil work	19,582	19,582
- intangible assets	5,760	6,373
	<b>25,342</b>	<b>25,955</b>

**17.2** 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 the possibility of an outflow of economic resources is remote.

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**Notes to the condensed interim financial statements**  
**For the quarter ended September 30, 2021**

	<b>Un-audited September 30, 2021</b>	Un-audited September 30, 2020
	<b>Rupees in '000</b>	
<b>18 MARK-UP/RETURN/INTEREST EARNED</b>		
On:		
a) Loans and advances	328,223	348,054
b) Investments	55,242	37,223
c) Balances with banks	16,996	19,261
	<b>400,461</b>	<b>404,538</b>
<b>19 MARK-UP/RETURN/INTEREST EXPENSED</b>		
Deposits	51,294	84,287
	<b>51,294</b>	<b>84,287</b>
<b>20 FEE &amp; COMMISSION INCOME</b>		
Branch banking customer fees	628	1,185
Commission on utility bills Collection	2,351	2,626
Advances & guarantees Fee	11,784	13,056
Commission on remittances including home remittances		-
Commission received on deposit category		-
Bank and service charges	-	-
Consumer finance related fees		-
Profit on books for sale		
Rent on lockers	142	372
Others		
	<b>14,905</b>	<b>17,239</b>
<b>21 OTHER INCOME</b>		
Rent on property	14,060	11,248
	<b>14,060</b>	<b>11,248</b>
<b>22 OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	<b>279,519</b>	<b>276,230</b>
<b>Property expense</b>		
Rent & taxes	15,454	13,183
Building Repair and maintenance (including janitorial charges)	535	393
Depreciation	642	-
	<b>16,631</b>	<b>13,576</b>
<b>Information technology expenses</b>		
Amortisation	-	-



**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
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**For the quarter ended September 30, 2021**

**Un-audited**      Un-audited  
**September 30,**    September 30,  
**2021**                      2020  
**Rupees in '000**

**Other operating expenses**

Legal and professional charges	2,996	2,364
Travelling and Conveyance	1,236	-
Depreciation	2,148	3,593
Traning & Development	309	-
Postage and courier charges	1,279	1,596
Communication	3,858	4,152
Stationery and printing	497	592
Marketing, advertisement and publicity	208	360
Donations	-	-
Insurance	1,921	1,820
Utilities cost	12,169	7,586
Security (including guards)	-	-
Repair and maintenance ( Furniture & Electrical)	574	-
Auditors' remuneration	95	-
Others	31,469	22,344
	<b>58,759</b>	<b>44,407</b>
	<b>354,909</b>	<b>334,213</b>

**Total compensation expense**

Salary & Allowances	259,544	255,761
Fees and Allowances etc	230	241
Charge for defined benefit plan	13,663	14,784
Conveyance	6,082	5,169
Others		275
<b>Grand Total</b>	<b>279,519</b>	<b>276,230</b>

**23 OTHER CHARGES**

Penalties imposed by State Bank of Pakistan	-	-
	-	-

**24 PROVISIONS & WRITE OFFS - NET**

Provisions against lending to financial institutions	-	-
Provisions for diminution in value of investments	-	-
Provisions against loans & advances	-	25,591
Provisions for salary payable	-	-
Bad debts written off directly	-	-
Recovery of written off / charged off bad debts	-	-
	-	25,591

**25 TAXATION**

Current	-	-
Prior years	-	-
Deferred	-	-
	-	-

**26 BASIC EARNINGS PER SHARE**

Profit for the year	23,260	27,223
Weighted average number of ordinary shares	7,885,480	7,885,449
Basic earnings per share	0.29	0.35

There is no dilutive effect on basic earnings per share during the year.

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**

**Notes to the condensed interim financial statements**

**For the quarter ended September 30, 2021**

**27 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, 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 other assets, other liabilities, 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.

**27.1 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).

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**Notes to the condensed interim financial statements**  
**For the quarter ended September 30, 2021**

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 September 30, 2021				
	Carrying value	Level 1	Level 2	Level 3	Total
<b>On balance sheet financial instruments</b>					
					Rupees in '000
<b>Financial assets - measured at fair value</b>					
Investments					
Shares	578,931	578,931	-	-	578,931
<b>Financial assets - disclosed but not measured at fair value</b>					
Cash and balances with treasury banks	476,087	-	-	-	-
Balances with other banks	936,828	-	-	-	-
Investments in Treasury bills and NBFCs	3,322,193	-	-	-	-
Advances	8,450,362	-	-	-	-
Other Assets	3,875,897	-	-	-	-
<b>Financial liabilities - measured at fair value</b>					
<b>Financial liabilities - disclosed but not measured at fair value</b>					
Bills payable	55,119	-	-	-	-
Deposits and other accounts	4,003,740	-	-	-	-
Other liabilities	5,906,474	-	-	-	-
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange		-	-	-	-
Forward sale of foreign exchange		-	-	-	-
Forward agreements for lending		-	-	-	-
Forward agreements for borrowing		-	-	-	-
Derivatives purchases		-	-	-	-
Derivatives sales		-	-	-	-

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**Notes to the condensed interim financial statements**  
**For the quarter ended September 30, 2021**

	Audited June 30, 2021				
	Carrying value	Level 1	Level 2	Level 3	Total
<b>On balance sheet financial instruments</b>					
					Rupees in '000
<b>Financial assets - measured at fair value</b>					
Investments					
Shares	624,705	624,705	-	-	624,705
<b>Financial assets - disclosed but not measured at fair value</b>					
Cash and balances with treasury banks	682,512	-	-	-	-
Balances with other banks	894,125	-	-	-	-
Investments in Treasury bills and NBFCs	2,916,166	-	-	-	-
Advances	8,885,150	-	-	-	-
Other Assets	3,717,940	-	-	-	-
<b>Financial liabilities - measured at fair value</b>					
<b>Financial liabilities - disclosed but not measured at fair value</b>					
Bills payable	21,537	-	-	-	-
Deposits and other accounts	4,154,591	-	-	-	-
Other liabilities	6,008,966	-	-	-	-
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange		-	-	-	-
Forward sale of foreign exchange		-	-	-	-
Forward agreements for lending		-	-	-	-
Forward agreements for borrowing		-	-	-	-
Derivatives purchases		-	-	-	-
Derivatives sales		-	-	-	-

27.2 Fair valuation of financial instrument within level 2 is determined on the basis of market value as at the reporting date.

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**

**Notes to the condensed interim financial statements**

**For the quarter ended September 30, 2021**

**28 SEGMENT INFORMATION**

**28.1 Segment Details with respect to Business Activities**

	<b>Un-audited September 30, 2021</b>			
	<b>Retail banking</b>	<b>Retail finance lending</b>	<b>Others</b>	<b>Total</b>
<b>Profit &amp; Loss</b>				
Net mark-up/return/profit	16,996	328,223	55,242	400,461
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	14,905	-	14,097	29,002
<b>Total Income</b>	<b>31,901</b>	<b>328,223</b>	<b>69,339</b>	<b>429,463</b>
Segment direct expenses	(51,294)	-	(354,909)	(406,203)
Inter segment expense allocation	-	-	-	-
<b>Total expenses</b>	<b>(51,294)</b>	<b>-</b>	<b>(354,909)</b>	<b>(406,203)</b>
Provisions	-	-	-	-
<b>Profit before tax</b>	<b>(19,393)</b>	<b>328,223</b>	<b>(285,570)</b>	<b>23,260</b>
<b>Balance Sheet</b>				
Cash & Bank balances	-	1,412,915	-	1,412,915
Investments	-	3,903,086	-	3,903,086
Net inter segment lending	-	-	-	-
Lendings to financial institutions	-	-	-	-
Advances - performing	7,537,704	-	-	7,537,704
Advances - non-performing	912,658	-	-	912,658
Others	7,167,363	3,884,537	-	11,051,900
<b>Total Assets</b>	<b>15,617,725</b>	<b>9,200,538</b>	<b>-</b>	<b>24,818,263</b>
Bills payable	55,119	-	-	55,119
Deposits & other accounts	4,003,740	-	-	4,003,740
Net inter segment borrowing	-	-	-	-
Others	6,056,390	22,660	-	6,079,050
<b>Total liabilities</b>	<b>10,115,249</b>	<b>22,660</b>	<b>-</b>	<b>10,137,909</b>
Equity	14,680,354	-	-	14,680,354
<b>Total Equity &amp; liabilities</b>	<b>24,795,603</b>	<b>22,660</b>	<b>-</b>	<b>24,818,263</b>
<b>Contingencies &amp; Commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**

**Notes to the condensed interim financial statements**

**For the quarter ended September 30, 2021**

	<b>Audited June 30, 2021</b>			
	<b>Retail banking</b>	<b>Retail finance lending</b>	<b>Others</b>	<b>Total</b>
<b>Profit &amp; Loss</b>				
Net mark-up/return/profit	72,046	1,646,650	156,394	1,875,090
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	76,661	-	387,842	464,503
<b>Total Income</b>	<b>148,707</b>	<b>1,646,650</b>	<b>544,236</b>	<b>2,339,593</b>
Segment direct expenses	327,434	-	1,592,440	1,919,874
Inter segment expense allocation	-	-	-	-
<b>Total expenses</b>	<b>327,434</b>	<b>-</b>	<b>1,592,440</b>	<b>1,919,874</b>
Provisions	(97,333)	-	-	(97,333)
<b>Profit before tax</b>	<b>(178,727)</b>	<b>1,646,650</b>	<b>(1,048,204)</b>	<b>322,386</b>

	<b>Retail banking</b>	<b>Retail finance lending</b>	<b>Others</b>	<b>Total</b>
<b>Balance Sheet</b>				
Cash & Bank balances	-	-	1,576,637	1,576,637
Investments	-	-	3,540,871	3,540,871
Net inter segment lending	-	-	-	-
Lendings to financial institutions	-	-	-	-
Advances - performing	-	8,030,693	-	8,030,693
Advances - non-performing	-	854,457	-	854,457
Others	3,838	3,537,033	7,344,449	10,885,320
<b>Total Assets</b>	<b>3,838</b>	<b>12,422,183</b>	<b>12,461,957</b>	<b>24,887,978</b>
Bills payable	21,537	-	-	21,537
Deposits & other accounts	4,154,591	-	-	4,154,591
Net inter segment borrowing	-	-	-	-
Others	49,285	2,778,043	3,181,638	6,008,966
<b>Total liabilities</b>	<b>4,225,413</b>	<b>2,778,043</b>	<b>3,181,638</b>	<b>10,185,094</b>
Equity	-	-	14,702,884	14,702,884
<b>Total Equity &amp; liabilities</b>	<b>4,225,413</b>	<b>2,778,043</b>	<b>17,884,522</b>	<b>24,887,978</b>

**Contingencies & Commitments** - - -

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**

**Notes to the condensed interim financial statements**

**For the quarter ended September 30, 2021**

**29 RELATED PARTY TRANSACTIONS**

Related parties comprise of Key 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 September 30, 2021			Audited June 30, 2021		
	Key management personnel	Provident fund trust	Pension fund trust	Key management personnel	Provident fund trust	Pension fund trust
----- (Rupees in '000) -----						
<b>Advances</b>						
Opening balance	9,328	-	-	10,914	-	-
Addition during the year	947	-	-	9,105	-	-
Recovered during the year	(1,578)	-	-	(10,691)	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	8,697	-	-	9,328	-	-
<b>Other Liabilities</b>						
Payable to staff retirement fund	-	-	2,553,732	-	-	2,553,732
	-	-	2,553,732	-	-	2,553,732
<b>Income</b>						
Mark-up / return / interest earned	316	-	-	1,265	-	-
	316	-	-	1,265	-	-
<b>Expense</b>						
Short term employees benefits	7,251	-	-	29,378	-	-
Contribution for the year	-	1,815	-	-	7,631	523,794
	7,251	1,815	-	29,378	7,631	523,794

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**

**Notes to the condensed interim financial statements**

**For the quarter ended September 30, 2021**

**30 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

	Un-audited September 30, 2021	Audited June 30, 2021
	Rupees in '000	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<b>6,000,000</b>	6,000,000
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<b>7,249,592</b>	7,215,335
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<b>7,249,592</b>	7,215,335
Eligible Tier 2 Capital	<b>2,894,347</b>	2,878,150
Total Eligible Capital (Tier 1 + Tier 2)	<b>10,143,939</b>	10,093,485
Risk Weighted Assets (RWAs):		
Credit Risk	<b>15,920,927</b>	16,137,144
Market Risk	<b>1,157,862</b>	1,249,410
Operational Risk	<b>3,131,826</b>	3,131,826
Total	<b>20,210,615</b>	20,518,380
Common Equity Tier 1 Capital Adequacy ratio	<b>35.87</b>	35.17
Tier 1 Capital Adequacy Ratio	<b>35.87</b>	35.17
Total Capital Adequacy Ratio	<b>50.19</b>	49.19
<p>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 September 30, 2021, the paid up capital of the Bank net of losses amounts to Rs.6,316,996 thousands which is in agreement with regulatory requirements (refer to note 16.3). The State Bank of Pakistan vide its Letter No. BPRD/BA&amp;CPD/629/00343/15 dated 5 January 2015 and BPRD/BA&amp;CPD/629/001346/16 dated 15 January 2016 allowed exemption with respect to CAR returns under Basel III till June 30,2016. Although the period of exemption has expired but the bank could not so far implement Basel III capital instructions. The management is in the process of implementation of Basel III and in the meanwhile have applied for obtaining further extension in this regard. For the time being CAR is being reported under Basel I as per instructions issued under circular No. 12 of 2004.</p> <p>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.</p>		
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<b>7,249,592</b>	7,215,335
Total Exposures	<b>22,034,160</b>	22,093,224
Leverage Ratio	<b>32.90</b>	32.66
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<b>559,785</b>	802,994
Total Net Cash Outflow	<b>113,873</b>	109,249
Liquidity Coverage Ratio	<b>4.92</b>	7.35
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<b>11,958,622</b>	12,073,036
Total Required Stable Funding	<b>5,191,019</b>	5,532,302
Net Stable Funding Ratio	<b>230</b>	218

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**

**Notes to the condensed interim financial statements**

**For the quarter ended September 30, 2021**

**31 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 24.02.2022 by the Administrator of the Bank.

**32 GENERAL**

Rupees in thousands except where stated otherwise.

**President/CEO**

**Chief Financial Officer**