

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Condensed interim statement of financial position

As at September 30, 2022

	Note	Un-audited Sep. 30, 2022	Audited June 30, 2022
Rupees in '000'			
ASSETS			
Cash and balances with treasury banks	5	562,303	841,158
Balances with other banks	6	480,610	1,750,165
Lendings to financial institutions		-	-
Investments	7	5,081,122	4,128,609
Advances	8	8,552,179	8,159,485
Fixed assets	9	15,446,674	15,442,990
Intangible assets	10	8,755	8,755
Right of Use Assets	11	80,694	78,534
Deferred tax assets		-	-
Other assets	12	1,021,157	888,531
		31,233,494	31,298,227
LIABILITIES			
Bills payable	13	20,780	30,605
Borrowings		-	-
Deposits and other accounts	15	4,861,139	5,015,374
Lease Liabilities	16	76,375	74,984
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	17	2,706,332	2,739,104
		7,664,626	7,860,067
NET ASSETS		23,568,868	23,438,160
REPRESENTED BY			
Share capital/ Head office capital account - net		7,885,488	7,885,488
Reserves		1,012,475	1,012,675
Surplus on revaluation of assets	18	15,624,725	15,630,838
Unappropriated loss		(953,821)	(1,090,841)
		23,568,868	23,438,160
CONTINGENCIES AND COMMITMENTS	19		

The annexed notes 1 to 34 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, 2022

		Un-audited	
		For the quarter ended	
		September	
	<i>Note</i>	2022	2021
		Rupees in '000'	
Mark-up/Return/Interest Earned	20	569,372	400,461
Mark-up/Return/Interest Expensed	21	(91,067)	(51,294)
Net Mark-up/ Interest Income		<u>478,305</u>	<u>349,167</u>
NON MARK-UP/INTEREST INCOME			
Fee and Commission Income	22	17,695	14,905
Dividend Income		151	37
Foreign Exchange Income		-	-
Income / (loss) from derivatives		-	-
Gain / (Loss) on securities		-	-
Other Income	23	11,856	14,060
Total non-markup/interest Income		<u>29,702</u>	<u>29,002</u>
Total Income		<u>508,007</u>	<u>378,169</u>
NON MARK-UP/INTEREST EXPENSES			
Operating expenses	24	(393,124)	(354,909)
Workers Welfare Fund		-	-
Other charges	25	-	-
Total non-markup/interest expenses		<u>(393,124)</u>	<u>(354,909)</u>
Profit / (Loss) Before Provisions		<u>114,883</u>	23,260
Provisions and write offs - net	26	(22,138)	-
Extra ordinary / unusual items (to be specified)		-	-
PROFIT/(LOSS) BEFORE TAXATION		<u>137,021</u>	<u>23,260</u>
Taxation	27	-	-
PROFIT/(LOSS) AFTER TAXATION		<u><u>137,021</u></u>	<u><u>23,260</u></u>
		Rupees	
Basic Earnings/(Loss) per share	28	<u><u>1.74</u></u>	<u><u>0.29</u></u>
Diluted Earnings/(Loss) per share		<u><u>-</u></u>	<u><u>-</u></u>

The annexed notes 1 to 34 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, 2022**

Un-audited
For the quarter ended
September
2022 **2021**
Rupees in '000'

Profit after taxation for the year **137,021** 23,260

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	(6,113)	(45,774)
	(6,113)	(45,774)
Total comprehensive income	130,908	(22,514)

The annexed notes 1 to 34 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, 2022

Un-audited September 30, 2022

Surplus/(Deficit) on revaluation of

	Share capital / Head office capital	Statutory reserve	Investments	Fixed / Non Banking Assets	Common good fund	Unappropri- ated loss	Total
Rupees in '000'							
Opening Balance July 1, 2021	7,885,471	916,266	617,682	6,868,774	6,435	(1,591,744)	14,702,884
Profit after taxation for the prior year	-	-	-	-	-	23,260	23,260
Other comprehensive income - net of tax	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-
Deficit on revaluation of assets	-	-	(45,774)	-	-	-	(45,774)
Reissuance of shares	9	-	-	-	-	-	9
Adjustment of defined benefit plan	-	-	-	-	-	-	-
Medical aid to staff	-	-	-	-	(25)	-	(25)
Opening Balance October 1, 2021	7,885,480	916,266	571,908	6,868,774	6,410	(1,568,484)	14,680,354
Profit after taxation	-	-	-	-	-	333,447	333,447
Other comprehensive income/(Loss) - net of tax	-	-	-	-	-	230,273	230,273
Transfer to common good fund	-	-	-	-	822	-	822
Transfer to statutory reserve	-	89,177	-	-	-	(89,177)	-
Transfer of Revaluation Surplus on Disposal	-	-	-	(3,100)	-	3,100	-
Surplus/(Deficit) on revaluation of assets	-	-	(76,751)	8,270,007	-	-	8,193,256
Refund of shares	8	-	-	-	-	-	8
Closing Balance June 30, 2022	7,885,488	1,005,443	495,157	15,135,681	7,232	(1,090,841)	23,438,160
Profit after taxation	-	-	-	-	-	137,021	-
Medical aid to staff	-	-	-	-	(200)	-	(200)
Deficit on revaluation of assets	-	-	(6,113)	-	-	-	(6,113)
Issue of shares	-	-	-	-	-	-	-
Closing Balance September 30, 2022	7,885,488	1,005,443	489,044	15,135,681	7,032	(953,821)	23,431,847

The annexed notes 1 to 34 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, 2022

Un-audited
For the quarter ended
September
2022 **2021**
Rupees in '000

CASH FLOW FROM OPERATING ACTIVITIES

Profit/(Loss) before taxation	137,021	23,260
Less: Dividend income	(151)	(37)
	136,870	23,223

Adjustments:

Depreciation	2,478	2,790
Amortization	-	-
Provision for employees retirement benefits	-	-
Loss/ (Gain) on sale of fixed assets	-	-
	2,478	2,790
	139,348	26,013

(Increase)/ Decrease in operating assets

Advances	(392,694)	434,788
Others assets (excluding advance taxation)	(132,626)	(166,597)
	(525,320)	268,191

Increase/ (Decrease) in operating liabilities

Bills Payable	(9,825)	33,582
Deposits	(154,235)	(150,851)
Other liabilities (excluding current taxation)	(16,593)	95,589
	(180,653)	(21,680)

Taxes Paid

(7,592) (13,793)

Contribution to pension fund

(13,099) (11,711)

Medical aid to employees from common good fund

(200) (25)

Net cash flow from / (used in) operating activities

(587,517) 246,995

CASH FLOW FROM INVESTING ACTIVITIES

Net investments in held-to-maturity securities	(958,626)	(407,989)
Dividends received	151	37
Investments in operating fixed assets	(2,419)	(2,774)
Proceeds from sale of fixed assets	-	-
Effect of translation of net investment in foreign branches	-	-
	(960,894)	(410,726)

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

(1,548,411) (163,722)

Cash and cash equivalents at beginning of the year

2,591,323 1,412,915

Cash and cash equivalents at end of the quarter

1,042,913 1,249,193

The annexed notes 1 to 34 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, 2022

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 (2021: 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, 2022

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, 2022

		Un-audited September 30 2022	Audited June 30 2022
	NOTE	Rupees in '000	
5 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		165,092	365,672
With State Bank of Pakistan in			
Local currency current account	5.1	302,947	375,199
With National Bank of Pakistan in			
Local currency current account		59,447	25,368
Local currency deposit account (NIDA)	5.2	34,817	74,919
		94,264	100,287
		562,303	841,158

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 12.25% per annum (June 30, 2022 : 12.25% per annum).

6 BALANCES WITH OTHER BANKS

In Pakistan			
In current account		19,482	819,219
In deposit account	6.1	461,128	931,036
		480,610	1,750,255

6.1 These accounts carry profit rates ranging from 13.50% to 14.00% per annum (June 30, 2022 : 6.15% to 12.75%) per annum.

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Notes to the condensed interim financial statements

For the quarter ended September 30, 2022

7 INVESTMENTS

7.1 Investments by type:

	Un-audited September 30, 2022				Audited June 30, 2022			
	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	-	489,044	496,067	7,023	-	571,908	578,931
Shares - Cooperative Institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	10,574	(1,589)	489,044	498,029	10,574	(1,589)	571,908	580,893
Held-to-maturity securities								
Market Treasury Bills	4,583,093	-	-	4,583,093	3,624,467	-	-	3,624,467
Pakistan Investment Bonds	-	-	-	-	-	-	-	-
Non-Banking Finance Company	88,059	(88,059)	-	-	88,059	(88,059)	-	-
	4,671,152	(88,059)	-	4,583,093	3,712,526	(88,059)	-	3,624,467
Total Investments	4,681,726	(89,648)	489,044	5,081,122	3,723,100	(89,648)	571,908	4,205,360

7.2 Investments by segments:

	Un-audited September 30, 2022				Audited June 30, 2022			
	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	4,583,093	-	-	4,583,093	3,624,467	-	-	3,624,467
Investment with other financial institutions								
Non-Banking Finance Company	88,059	(88,059)	-	-	88,059	(88,059)	-	-
Shares:								
Listed Companies	7,023	-	489,044	496,067	7,023	-	495,157	502,180
Cooperative institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	10,574	(1,589)	489,044	498,029	10,574	(1,589)	495,157	504,142
Total Investments	4,681,726	(89,648)	489,044	5,081,122	3,723,100	(89,648)	495,157	4,128,609

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Notes to the condensed interim financial statements

For the quarter ended September 30, 2022

	Un-audited September 30 2022	Audited June 30 2022
	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, 2022		Audited June 30, 2022	
	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

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Notes to the condensed interim financial statements

For the quarter ended September 30, 2022

8 ADVANCES

	Performing		Non Performing		Total	
	Un-audited Sep. 30, 2022	Audited June 30, 2022	Un-audited Sep. 30, 2022	Audited June 30, 2022	Un-audited Sep. 30, 2022	Audited June 30, 2022
	Rupees in '000					
Loans, cash credits, running finances, etc.	8,011,913	7,671,924	2,219,943	2,189,376	10,231,856	9,861,300
Islamic financing and related assets	-	-	-	-	-	-
Bills discounted and purchased	-	-	184	184	184	184
Advances - gross	8,011,913	7,671,924	2,220,127	2,189,560	10,232,040	9,861,484
Provision against advances						
- Specific	-	-	1,679,483	1,701,621	1,679,483	1,701,621
- General	-	-	378	378	378	378
Advances - net of provision	8,011,913	7,671,924	540,266	487,561	8,552,179	8,159,485

8.1 Particulars of advances (Gross)

	Un-audited September 30, 2022	Audited June 30, 2022
	Rupees in '000	
In local currency	10,232,040	9,861,484
In foreign currencies	-	-
	<u>10,232,040</u>	<u>9,861,484</u>

8.2 Advances include Rs.2,219,943 thousand (2022: Rs.2,189,376 thousand) which have been placed under non-performing status as detailed below:-

Category of Classification	Un-audited September 30, 2022		Audited June 30, 2022	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	Rupees in '000			
Domestic				
Other Assets Especially Mentioned	203,461	50	116,029	50
Substandard	117,917	806	151,746	2,230
Doubtful	216,224	21,001	224,602	26,679
Loss	1,682,341	1,658,003	1,696,999	1,673,040
	<u>2,219,943</u>	<u>1,679,860</u>	<u>2,189,376</u>	<u>1,701,999</u>

8.3 Particulars of provision against advances

	Un-audited September 30, 2022			Audited June 30, 2022		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	1,701,621	378	1,701,999	1,703,227	378	1,703,605
Exchange adjustments	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Reversals	22,139	-	22,139	1,606	-	1,606
	<u>1,679,482</u>	<u>378</u>	<u>1,679,860</u>	<u>1,701,621</u>	<u>378</u>	<u>1,701,999</u>
Amounts written off	-	-	-	-	-	-
Amounts charged off - agriculture financing	-	-	-	-	-	-
Other movements (to be specified)	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-

9 FIXED ASSETS

	Note	Un-audited Sep. 30, 2022	Audited June 30, 2022
		Rupees in '000	
Capital work-in-progress	9.1	43,797	39,989
Property and equipment		15,402,877	15,403,001
		<u>15,446,674</u>	<u>15,442,990</u>

9.1 Capital work-in-progress

Civil works	32,976	19,274
Equipment	10,821	-
	<u>43,797</u>	<u>19,274</u>

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Notes to the condensed interim financial statements

For the quarter ended September 30, 2022

	Un-audited Sep. 30, 2022	Audited June. 30, 2022
9.2 Additions to fixed assets	Rupees in '000	
Capital work-in-progress	-	-
Property and equipment		
Freehold land	-	-
Leasehold land	-	-
Buidling on freehold land	-	5,907
Buidling on leasehold land	-	-
Furniture and fixture	74	695
Electrical office and computer equipment	2,345	4,528
Vehicles	-	21
Others	-	-
Total	<u>2,419</u>	<u>11,151</u>
9.3 Disposal of fixed assets		
Freehold land	-	-
Leasehold land	-	-
Buidling on freehold land	-	-
Buidling on leasehold land	-	-
Furniture and fixture	-	-
Electrical office and computer equipment	-	-
Vehicles	-	-
Others	-	-
Total	<u>-</u>	<u>-</u>
10 INTANGIBLE ASSETS	Rupees in '000	
Capital work in progress	-	-
Computer Software	8,755	8,755
Total	<u>8,755</u>	<u>8,755</u>
10.1 Additions to intangible assets	Rupees in '000	
Developed internally	-	-
Directly purchased	-	-
Through business combinations	-	-
Total	<u>-</u>	<u>-</u>
10.2 Disposals of intangible assets		
Developed internally	-	-
Directly purchased	-	-
Through business combinations	-	-
Total	<u>-</u>	<u>-</u>
11 Right of Use Assets		
Opening Balance as at July 1, 2022	78,534	92,162
Add: Prepaid lease rentals as at 30.09.2022	-	3,613
Add: addition during the period	8,595	8,433
Less: Depreciation charge for the year	(6,435)	(25,674)
Closing Balance	<u>80,694</u>	<u>78,534</u>

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Notes to the condensed interim financial statements

For the quarter ended September 30, 2022

		Un-audited September 30, 2022	Audited June 30, 2022
	NOTE	Rupees in '000	
12 OTHER ASSETS			
Income/ Mark-up accrued in local currency - net of provision		812,264	710,082
Advances, deposits, advance rent and other prepayments		2,464	1,981
Sundry debtors		1,731	2,362
Crop insurance recoverable		91,373	89,227
Live stock insurance recoverable		6,095	5,300
Branch adjustment		54,963	28,585
Memorandum account		-	-
Others (to be specified, if material)		<u>118,745</u>	<u>117,475</u>
		1,087,635	955,012
Less: Provision held against other assets	12.1	<u>(66,478)</u>	<u>(66,479)</u>
Other Assets (Net of Provision)		1,021,157	888,533
Other Assets - total		<u>1,021,157</u>	<u>888,533</u>
12.1 Provision held against other assets			
Advances, deposits, advance rent & other prepayments		-	-
Non banking assets acquired in satisfaction of claims		-	-
Others (to be specified if material)		<u>(66,479)</u>	<u>(66,479)</u>
		(66,479)	(66,479)
12.1.1 Movement in provision held against other assets			
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>
13 BILLS PAYABLE		<u>20,780</u>	<u>30,605</u>
14 CONTINGENT ASSETS			
The bank has 85 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.			
15 DEPOSITS AND OTHER ACCOUNTS			

	Un-audited September 30, 2022			Audited June 30, 2022		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Rupees in '000.....					
Customers						
Fixed deposits	551,367	-	551,367	1,152,546	-	1,152,546
Savings deposits	3,236,128	-	3,236,128	3,227,261	-	3,227,261
Current accounts - non remunerative	1,004,681	-	1,004,681	577,667	-	577,667
Call deposits	2,698	-	2,698	1,904	-	1,904
Other deposits	66,265	-	66,265	55,996	-	55,996
	4,861,139	-	4,861,139	5,015,374	-	5,015,374
Financial Institutions						
Fixed deposits	-	-	-	-	-	-
Savings deposits	-	-	-	-	-	-
Current accounts - non remunerative	-	-	-	-	-	-
Call deposits	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-
	4,861,139	-	4,861,139	5,015,374	-	5,015,374

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

	Un-audited September 30, 2022	Audited June 30, 2022
16 Lease Liabilities		
Opening Balance	74,984	92,162
Add: Accrued lease rentals as at June 30, 2021	-	-
Add: Additions during the year	8,595	8,433
Add: Interest expense	3,339	14,169
Less: Lease payments	(10,543)	(39,780)
Gross liability	-	74,984
Less: Current Portion	-	-
Closing Balance	76,375	74,984

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
Notes to the condensed interim financial statements
For the quarter ended September 30, 2022

	Un-audited September 30, 2022	Audited June 30, 2022
	Rupees in '000	
17 OTHER LIABILITIES		
Mark-up/ Return/ Interest payable in local currency	25,516	61,169
Accrued expenses	18,490	19,229
Provision for salary payable / VSS Package	-	-
Sundry creditors	79,500	70,682
Advance taxation (payments less provisions)	33,023	40,615
Dissolved bank payable	37,427	37,427
Provision for employees' gratuity	108,797	111,739
Provision for employees' pension fund	2,056,264	2,056,265
Provision for employees' compensated absences	267,492	267,485
Withholding tax payable	5,034	5,182
Branch adjustment	-	-
Memorandum account	-	-
Others	74,789	38,882
	2,706,332	2,708,675

	Un-audited September 30, 2022	Audited June 30, 2022
	Rupees in '000	

18 SURPLUS ON REVALUATION OF ASSETS

Surplus on revaluation of			
- Available for sale securities	8.2	489,044	495,157
- Fixed Assets	18.1	15,135,681	15,135,681
		15,624,725	15,630,838

18.1 Surplus on revaluation of fixed assets

Surplus on revaluation of fixed assets as at July 1	15,135,681	15,135,681
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	15,135,681	15,135,681

19 CONTINGENCIES AND COMMITMENTS

-Commitments	19.1	53,070	53,070
-Other Commitments	19.2	9,000	9,000
		62,070	62,070

19.1 Commitments:

- Civil work	9,875	9,875
- intangible assets	43,195	43,195
	53,070	53,070

19.2 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, 2022

	Un-audited September 30, 2022	Un-audited September 30, 2021
	Rupees in '000	
20 MARK-UP/RETURN/INTEREST EARNED		
On:		
a) Loans and advances	380,322	328,223
b) Investments	153,879	55,242
c) Balances with banks	35,171	16,996
	<u>569,372</u>	<u>400,461</u>
21 MARK-UP/RETURN/INTEREST EXPENSED		
Deposits	91,067	51,294
	<u>91,067</u>	<u>51,294</u>
22 FEE & COMMISSION INCOME		
Branch banking customer fees	803	628
Commission on utility bills Collection	2,562	2,351
Advances & guarantees Fee	14,124	11,784
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	206	142
Others	-	-
	<u>17,695</u>	<u>14,905</u>
23 OTHER INCOME		
Rent on property	11,856	14,060
	<u>11,856</u>	<u>14,060</u>
24 OPERATING EXPENSES		
Total compensation expense	302,481	279,519
Property expense		
Rent & taxes	7,812	15,454
Building Repair and maintenance (including janitorial charges)	1,308	535
Interest on Lease Liability	3,339	-
Loss on disposal of property	-	-
Depreciation on right-of-use assets	6,435	-
Depreciation on property & equipments	649	642
	<u>19,543</u>	<u>16,631</u>
Information technology expenses		
Amortisation	-	-

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
Notes to the condensed interim financial statements
For the quarter ended September 30, 2022

	Un-audited September 30, 2022	Un-audited September 30, 2021
	Rupees in '000	
Other operating expenses		
Legal and professional charges	1,334	2,996
Travelling and Conveyance	2,288	1,236
Depreciation	1,829	2,148
Traning & Development	164	309
Postage and courier charges	1,066	1,279
Communication	4,369	3,858
Stationery and printing	426	497
Marketing, advertisement and publicity	291	208
Donations	-	-
Insurance	2,331	1,921
Utilities cost	25,005	12,169
Security (including guards)	-	-
Repair and maintenance (Furniture & Electrical)	924	574
Auditors' remuneration	-	95
Others	31,073	31,469
	71,100	58,759
	393,124	354,909
Total compensation expense		
Salary & Allowances	277,808	259,544
Fees and Allowances etc	214	230
Charge for defined benefit plan	13,099	13,663
Conveyance	11,360	6,082
Others	-	-
Grand Total	302,481	279,519
25 OTHER CHARGES		
Penalties imposed by State Bank of Pakistan	-	-
	-	-
26 PROVISIONS & WRITE OFFS - NET		
Provisions against lending to financial institutions	-	-
Provisions for diminution in value of investments	-	-
Provisions against loans & advances	(22,138)	-
Provisions for salary payable	-	-
Bad debts written off directly	-	-
Recovery of written off / charged off bad debts	-	-
	(22,138)	-
27 TAXATION		
Current	-	-
Prior years	-	-
Deferred	-	-
	-	-
28 BASIC EARNINGS PER SHARE		
Profit for the year	137,021	23,260
Weighted average number of ordinary shares	7,885,488	78,854,881
Basic earnings per share	1.74	0.29

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, 2022

29 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.

29.1 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, 2022

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, 2022				
	Carrying value	Fair Value			Total
	Level 1	Level 2	Level 3		
On balance sheet financial instruments					
					Rupees in '000
Financial assets - measured at fair value					
Investments					
Shares	496,067	496,067	-	-	496,067
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	562,303	-	-	-	-
Balances with other banks	480,610	-	-	-	-
Investments in Treasury bills and NBFCs	4,671,152	-	-	-	-
Advances	8,552,179	-	-	-	-
Other Assets	1,021,157	-	-	-	-
Financial liabilities - measured at fair value					
Financial liabilities - disclosed but not measured at fair value					
Bills payable	20,780	-	-	-	-
Deposits and other accounts	4,861,139	-	-	-	-
Other liabilities	2,706,332	-	-	-	-
Off-balance sheet financial instruments - measured at fair value					
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, 2022

	Audited June 30, 2022				
	Carrying value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments					
					Rupees in '000
Financial assets - measured at fair value					
Investments					
Shares	502,180	502,180	-	-	502,180
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	841,158	-	-	-	-
Balances with other banks	1,750,165	-	-	-	-
Investments in Treasury bills and NBFCs	3,626,429	-	-	-	-
Advances	8,159,485	-	-	-	-
Other Assets	888,531	-	-	-	-
Financial liabilities - measured at fair value					
Financial liabilities - disclosed but not measured at fair value					
Bills payable	30,605	-	-	-	-
Deposits and other accounts	5,015,374	-	-	-	-
Other liabilities	2,739,104	-	-	-	-
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange		-	-	-	-
Forward sale of foreign exchange		-	-	-	-
Forward agreements for lending		-	-	-	-
Forward agreements for borrowing		-	-	-	-
Derivatives purchases		-	-	-	-
Derivatives sales		-	-	-	-

29.2 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, 2022

30 SEGMENT INFORMATION

30.1 Segment Details with respect to Business Activities

	Un-audited September 30, 2022			
	Retail banking	Retail finance lending	Others	Total
Profit & Loss				
Net mark-up/return/profit	35,171	380,322	153,879	569,372
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	17,695	-	12,007	29,702
Total Income	52,866	380,322	165,886	599,074
Segment direct expenses	(91,067)	-	(370,986)	(462,053)
Inter segment expense allocation	-	-	-	-
Total expenses	(91,067)	-	(370,986)	(462,053)
Provisions	-	-	-	-
Profit before tax	(38,201)	380,322	(205,100)	137,021
Balance Sheet				
Cash & Bank balances	-	1,042,913	-	1,042,913
Investments	-	5,081,122	-	5,081,122
Net inter segment lending	-	-	-	-
Lendings to financial institutions	-	-	-	-
Advances - performing	8,011,913	-	-	8,011,913
Advances - non-performing	540,266	-	-	540,266
Right of Use Assets	-	-	-	80,694
Others	15,455,429	1,021,157	-	16,476,586
Total Assets	24,007,608	7,145,192	-	31,233,494
Bills payable	20,780	-	-	20,780
Deposits & other accounts	4,861,139	-	-	4,861,139
Net inter segment borrowing	-	-	-	-
Lease Liability	-	-	-	76,375
Others	2,680,816	25,516	-	2,706,332
Total liabilities	7,562,735	25,516	-	7,664,626
Equity	23,568,868	-	-	23,568,868
Total Equity & liabilities	31,131,603	25,516	-	31,233,494
Contingencies & Commitments	-	-	-	-

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Notes to the condensed interim financial statements

For the quarter ended September 30, 2022

	Audited June 30, 2022			
	Retail banking	Retail finance lending	Others	Total
Profit & Loss				
Net mark-up/return/profit	91,405	1,557,405	352,013	2,000,823
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	68,138	-	88,758	156,896
Total Income	159,543	1,557,405	440,771	2,157,719
Segment direct expenses	251,374	-	1,534,116	1,785,490
Inter segment expense allocation	-	-	-	-
Total expenses	251,374	-	1,534,116	1,785,490
Provisions	(1,606)	-	-	(1,606)
Profit before tax	(93,437)	1,557,405	(1,093,345)	373,835
Balance Sheet				
Cash & Bank balances	-	-	-	-
Investments	-	-	2,591,323	2,591,323
Net inter segment lending	-	-	4,128,609	4,128,609
Lendings to financial institutions	-	-	-	-
Advances - performing	-	7,671,924	-	7,671,924
Advances - non-performing	-	487,561	-	487,561
Right of Use-Assets	-	-	78,534	78,534
Others	6,683	703,399	15,630,194	16,340,276
Total Assets	6,683	8,862,884	22,428,660	31,298,227
Bills payable	30,605	-	-	30,605
Deposits & other accounts	5,015,374	-	-	5,015,374
Net inter segment borrowing	-	-	-	-
Lease Liability	-	-	74,984	74,984
Others	61,169	-	2,677,935	2,739,104
Total liabilities	50,107,148	-	2,752,919	7,860,067
Equity	-	-	23,438,160	23,438,160
Total Equity & liabilities	50,107,148	-	26,191,079	31,298,227
Contingencies & Commitments	-	-	-	-

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Notes to the condensed interim financial statements

For the quarter ended September 30, 2022

31

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, 2022			Audited June 30, 2022		
	Key management personnel	Provident fund trust	Pension fund trust	Key management personnel	Provident fund trust	Pension fund trust
----- (Rupees in '000) -----						
Advances						
Opening balance	8,344	-	-	9,328	-	-
Addition during the year	30	-	-	5,555	-	-
Recovered during the year	(1,418)	-	-	(6,539)	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	6,956	-	-	8,344	-	-
Other Liabilities						
Payable to staff retirement fund	-	-	2,056,264	-	-	2,553,732
	-	-	2,056,264	-	-	2,553,732
Income						
Mark-up / return / interest earned	148	-	-	3,038	-	-
	148	-	-	3,038	-	-
Expense						
Short term employees benefits	17,468	-	-	41,861	-	-
Contribution for the Period	-	2,426	13,099	-	7,623	482,905
	17,468	2,426	13,099	41,861	7,623	482,905

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Notes to the condensed interim financial statements

For the quarter ended September 30, 2022

32 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	Un-audited September 30, 2022	Audited June 30, 2022
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	6,000,000	6,000,000
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	7,938,428	7,798,563
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	7,938,428	7,798,563
Eligible Tier 2 Capital	3,128,599	2,955,879
Total Eligible Capital (Tier 1 + Tier 2)	11,067,027	10,754,442
Risk Weighted Assets (RWAs):		
Credit Risk	23,905,329	23,418,480
Market Risk	992,134	1,004,360
Operational Risk	3,755,305	3,755,305
Total	28,652,768	28,178,145
Common Equity Tier 1 Capital Adequacy ratio	27.71	27.68
Tier 1 Capital Adequacy Ratio	27.71	27.68
Total Capital Adequacy Ratio	38.62	38.17
<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, 2022, the paid up capital of the Bank net of losses amounts to Rs. 6,931,668 thousand which is in agreement with regulatory requirements (refer to note 18.3). For the time being CAR is being reported under Basel I and Basel III as parallel run.</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>		
Leverage Ratio (LR):		
Eligible Tier-1 Capital	7,938,428	7,798,563
Total Exposures	31,252,534	31,210,939
Leverage Ratio	25.40	24.99
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	661,000	989,000
Total Net Cash Outflow	129,000	133,000
Liquidity Coverage Ratio	5.12	7.44
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	12,502,000	13,276,000
Total Required Stable Funding	5,538,000	5,481,000
Net Stable Funding Ratio	226	242

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

Notes to the condensed interim financial statements

For the quarter ended September 30, 2022

33 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 27.10.2022 by the Administrator of the Bank.

34 GENERAL

Figures in the financial statements have been rounded-off to the nearest

President/CEO

Chief Financial Officer