

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

	Un-audited	Audited
Note	March 31, 2023	June 30, 2022
<b>Rupees in '000'</b>		
<b>ASSETS</b>		
Cash and balances with treasury banks	700,453	841,158
Balances with other banks	510,775	1,750,165
Investments	5,336,166	4,128,609
Advances	8,667,216	8,159,485
Fixed assets	15,499,585	15,442,990
Intangible assets	7,614	8,755
Right-of-use assets	90,505	78,534
Deferred tax assets	-	-
Other assets	1,080,620	888,531
	<b>31,892,934</b>	<b>31,298,227</b>
<b>LIABILITIES</b>		
Bills payable	26,390	30,605
Borrowings	-	-
Deposits and other accounts	5,274,256	5,015,374
Lease Liabilities	88,255	74,984
Deferred tax liabilities	-	-
Other liabilities	2,688,413	2,739,104
	<b>8,077,314</b>	<b>7,860,067</b>
<b>NET ASSETS</b>	<b>23,815,620</b>	<b>23,438,160</b>
<b>REPRESENTED BY</b>		
Share capital	7,885,548	7,885,488
Reserves	1,011,971	1,012,675
Surplus on revaluation of assets	15,523,332	15,630,838
Accumulated losses	(605,231)	(1,090,841)
	<b>23,815,620</b>	<b>23,438,160</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	20	-

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

**President/CEO**

**Chief Financial Officer**

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Note	Three months ended		Nine months ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Rupees in '000'		Rupees in '000'	
Mark-up / return / interest earned	21	679,885	469,552	1,969,933	1,411,510
Mark-up / return / interest expensed	22	(169,811)	(70,132)	(350,748)	(156,644)
Net mark-up / interest income		510,074	399,420	1,619,185	1,254,866
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	23	18,252	9,988	49,336	33,798
Dividend income		8	13	42,904	38,658
Other income	24	41,005	20,426	88,690	67,632
Total non-markup / interest income		59,265	30,427	180,930	140,088
Total income		569,339	429,847	1,800,115	1,394,954
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	25	(438,627)	(332,302)	(1,365,426)	(1,166,769)
Other charges	26	-	4	-	(40,369)
Total non-markup / interest expenses		(438,627)	(332,298)	(1,365,426)	(1,207,138)
<b>PROFIT BEFORE PROVISIONS AND TAXATION</b>		130,712	97,549	434,689	187,816
Provisions and write offs - net	27	42,086	17,150	74,184	(5,625)
<b>PROFIT BEFORE TAXATION</b>		172,798	114,699	508,873	182,191
Taxation	28	-	-	(28,946)	(31,927)
<b>PROFIT AFTER TAXATION</b>		172,798	114,699	479,927	150,264
<b>Basic and diluted earnings per share</b>	29	2.19	1.45	6.09	1.91

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

President/CEO

Chief Financial Officer

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>March</b>	<b>March</b>	<b>March</b>	<b>March</b>
	<b>31, 2023</b>	<b>31, 2022</b>	<b>31, 2023</b>	<b>31, 2022</b>
	<b>Rupees in '000'</b>		<b>Rupees in '000'</b>	
Profit after taxation for the period	<b>172,798</b>	114,699	<b>479,927</b>	150,264
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in surplus on revaluation of investments - net of tax	<b>(33,941)</b>	(44,934)	<b>(101,823)</b>	(134,801)
	<b>(33,941)</b>	(44,934)	<b>(101,823)</b>	(134,801)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
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 investments	-	-	-	-
	-	-	-	-
<b>Total comprehensive income</b>	<b>138,857</b>	69,765	<b>378,104</b>	15,463

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

President/CEO

Chief Financial Officer

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Share capital	Statutory reserve	Surplus/(Deficit) on revaluation of		Common good fund	Accumulated losses	Total
			Investments	Fixed / non banking assets			
Rupees in '000'							
<b>Balance as at July 1, 2021</b>	7,885,471	916,266	617,682	6,868,774	6,435	(1,591,744)	14,702,884
Profit after taxation for the six months ended December 31, 2021	-	-	-	-	-	35,565	35,565
Other comprehensive income - net of tax	-	-	(104,740)	-	-	-	(104,740)
Transfer to statutory reserve	-	-	-	-	-	-	-
Medical aid to staff	-	-	-	-	(25)	-	(25)
Surplus on revaluation of assets	-	-	-	-	-	-	-
<b>Transactions with owners, recorded directly in equity</b>							
Refund of shares	-	-	-	-	-	-	-
Issue of shares	12	-	-	-	-	-	12
<b>Balance as at January 1, 2022</b>	7,885,483	916,266	512,942	6,868,774	6,410	(1,556,179)	14,633,696
Profit after taxation	-	-	-	-	-	321,142	321,142
Other comprehensive income - net of tax	-	-	-	-	-	230,273	230,273
Transfer of revaluation surplus on disposal	-	-	-	(3,100)	-	3,100	-
Transfer to statutory reserve	-	89,177	-	-	822	(89,177)	822
Medical aid to staff	-	-	-	-	-	-	-
Surplus on revaluation of assets	-	-	(17,785)	8,270,007	-	-	8,252,222
<b>Transactions with owners, recorded directly in equity</b>							
Issue of shares	5	-	-	-	-	-	5
<b>Balance as at June 30, 2022</b>	7,885,488	1,005,443	495,157	15,135,681	7,232	(1,090,841)	23,438,160
Profit after taxation for the nine months ended March 31, 2021	-	-	-	-	-	479,927	479,927
Other comprehensive income - net of tax	-	-	(101,823)	-	-	-	(101,823)
Medical aid to staff	-	-	-	-	(704)	-	(704)
Surplus on revaluation of assets	-	-	-	(5,683)	-	5,683	-
<b>Transactions with owners, recorded directly in equity</b>							
Refund of shares	-	-	-	-	-	-	-
Issue of shares	60	-	-	-	-	-	60
Refund of shares	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>7,885,548</b>	<b>1,005,443</b>	<b>393,334</b>	<b>15,129,998</b>	<b>6,528</b>	<b>(605,231)</b>	<b>23,815,620</b>

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

President/CEO

Chief Financial Officer

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	<b>Nine months ended</b>	
	<b>March</b>	<b>March</b>
	<b>31, 2023</b>	<b>31, 2022</b>
<b>Note</b>	<b>Rupees in '000'</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	508,873	182,191
Less: Dividend income	(42,904)	(38,658)
	<b>465,969</b>	<b>143,533</b>
Adjustments:		
Depreciation	25    9,138	8,845
Provision against advances	27    (74,184)	5,625
Amortization	25    1,142	2,961
Provision for employees retirement benefits	25.1   218,093	209,774
	<b>138,869</b>	<b>227,205</b>
	<b>604,838</b>	<b>370,738</b>
(Increase) / decrease in operating assets		
Advances	(507,731)	1,707,747
Others assets (excluding advance taxation)	(192,089)	(148,304)
	<b>(699,820)</b>	<b>1,559,443</b>
Increase / (decrease) in operating liabilities		
Bills payable	(4,215)	1,962
Deposits	258,882	(307,505)
Other liabilities (excluding current taxation)	89,178	191,440
	<b>343,845</b>	<b>(114,103)</b>
Income Tax Paid	(35,749)	(115,027)
Employees retirement benefits paid	(314,007)	(341,241)
Medical aid to employees from common good fund	(704)	1,482
Net cash flow generated from / (used in) operating activities	<b>(101,597)</b>	<b>1,361,292</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in held-to-maturity securities	(1,309,380)	(1,525,362)
Dividends received	42,904	38,658
Investments in operating fixed assets	(12,082)	(7,272)
Effect of translation of net investment in foreign branches	-	-
Net cash flow (used in) / generated from investing activities	<b>(1,278,558)</b>	<b>(1,493,976)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue / (refund) of share capital	60	16
Net cash flow generated from / (used in) financing activities	<b>60</b>	<b>16</b>
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Increase/(Dec) in cash and cash equivalents</b>	<b>(1,380,095)</b>	<b>(132,668)</b>
Cash and cash equivalents at beginning of the period	5 & 6   2,591,323	1,576,637
Cash and cash equivalents at end of the period	<b>1,211,228</b>	<b>1,443,969</b>

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

**President/CEO**

**Chief Financial Officer**

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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 objects for which the Bank is established are to carry out the business of agriculture credit and other activities as defined in the Cooperative Societies Act, 1925 and its Rules. The Bank operates through its 151 (June 30, 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 AND STATEMENT OF COMPLIANCE**

**2.1 BASIS OF PRESENTATION**

- 2.1.1** These condensed interim financial statements are presented in Pakistani Rupee, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand.
- 2.1.2** These condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets are stated at revalued amounts and certain investments have been marked to market and are carried at fair value. In addition, obligations in rupees of staff retirement benefits are carried at present value.

**2.2 STATEMENT OF COMPLIANCE**

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

-International Financial Accounting Standards (IAS 34, Interim Financial Reporting) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017. Provisions of and directives issued under the Banking Companies Ordinance, 1962 ("the Ordinance"), the Cooperative Societies Act, 1925 ("the Act"), and the Cooperative Societies Rules, 1927 ("the Rules"), the Companies Act, 2017 and Directives issued by the SBP.

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

These condensed interim financial statements have been prepared in accordance with the required format prescribed by SBP vide BPRD Circular letter No. 05 dated March 29, 2019 and International Accounting Standard 34 Interim Financial Reporting (IAS-34) and do not include all the information and disclosure required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Bank for the year ended June 30, 2022.

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

There are certain new and amended standards, interpretations and amendments which are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these condensed interim Financial Statements.

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

The State Bank of Pakistan vide BPRD circular Letter No. 24 of 2021 dated July 5, 2022 has decided to implement the IFRS-9 from January 1, 2024 instead of January 1, 2022. In case of PPCBL the financial year is closed on 30th June therefore, the implementation date would be considered as July 1, 2024.

<b>Standard or Interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
IAS 8 Amended Definition of Accounting Estimates	01-Jul-23
IAS 12 Deferred tax related to assets and liabilities arising from a single transaction	01-Jul-23
IAS 1 Classification of liabilities as current or non current Amendments	01-Jul-23

The above mentioned standards, interpretations and amendments are not effective in the current period. These are not likely to have material effect on Bank's Financial Statements.

**2.5 Critical accounting estimates and judgments**

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements is the same as that applied in the preparation of the audited annual financial statements of the Bank for the year ended June 30, 2022.

**3 Financial Risk Management**

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual financial statements for the year ended June 30, 2021.

**4 Significant Accounting Policies**

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended June 30, 2022.

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Note	Un-audited	Audited
		March	June
		31, 2023	30, 2022
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>		<b>Rupees in '000'</b>	
In hand			
Local currency		<b>189,433</b>	365,672
With State Bank of Pakistan in			
Local currency current account	<b>5.1</b>	<b>445,684</b>	375,199
With National Bank of Pakistan in			
Local currency current account		<b>43,784</b>	25,368
Local currency deposit account (NIDA)	<b>5.2</b>	<b>21,552</b>	74,919
		<b>65,336</b>	100,287
		<b>700,453</b>	841,158

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

**5.2** This represents deposit accounts maintained with the National Bank of Pakistan. Rate of profit on NIDA account is at 14.50% per annum (June 30, 2022: 12.25% per annum).

**6 BALANCES WITH OTHER BANKS**

In Pakistan			
In current account		<b>6,973</b>	819,129
In deposit account	<b>6.1</b>	<b>503,802</b>	931,036
		<b>510,775</b>	1,750,165

**6.1** These accounts carry profit rates ranging from 14.50% to 15.50% 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 (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

7 INVESTMENTS	Un-audited March 31, 2023				Audited June 30, 2022			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>7.1 Investments by type:</b>	<b>Rupees in '000'</b>							
<b>Available-for-sale securities</b>								
<b>Shares</b>								
Listed companies	7,023	-	393,334	400,357	7,023	-	495,157	502,180
Cooperative institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	<b>10,574</b>	<b>(1,589)</b>	<b>393,334</b>	<b>402,319</b>	<b>10,574</b>	<b>(1,589)</b>	<b>495,157</b>	<b>504,142</b>
<b>Held-to-maturity securities</b>								
<b>Federal Government securities</b>								
Market treasury bills	4,933,847	-	-	4,933,847	3,624,467	-	-	3,624,467
<b>Non-Government debt securities</b>								
Non-Banking Finance Company	88,059	(88,059)	-	-	88,059	(88,059)	-	-
	<b>5,021,906</b>	<b>(88,059)</b>	<b>-</b>	<b>4,933,847</b>	<b>3,712,526</b>	<b>(88,059)</b>	<b>-</b>	<b>3,624,467</b>
<b>Total Investments</b>	<b>5,032,480</b>	<b>(89,648)</b>	<b>393,334</b>	<b>5,336,166</b>	<b>3,723,100</b>	<b>(89,648)</b>	<b>495,157</b>	<b>4,128,609</b>

Market treasury bills of Rs. 4,933.847 million are inclusive of Rs. 133.910 million of profit recoverable.

7.2 Investments by segments:	Un-audited March 31, 2023				Audited June 30, 2022			
	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>Federal government securities:</b>								
Market treasury bills	4,933,847	-	-	4,933,847	3,624,467	-	-	3,624,467
<b>Non-government debt securities:</b>								
Unlisted	88,059	(88,059)	-	-	88,059	(88,059)	-	-
<b>Shares:</b>								
Listed companies	7,023	-	393,334	400,357	7,023	-	495,157	502,180
Cooperative institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	<b>10,574</b>	<b>(1,589)</b>	<b>393,334</b>	<b>402,319</b>	<b>10,574</b>	<b>(1,589)</b>	<b>495,157</b>	<b>504,142</b>
<b>Total Investments</b>	<b>5,032,480</b>	<b>(89,648)</b>	<b>393,334</b>	<b>5,336,166</b>	<b>3,723,100</b>	<b>(89,648)</b>	<b>495,157</b>	<b>4,128,609</b>



**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Un-audited	Audited
	March 31, 2023	June 30, 2022
<b>Rupees in '000'</b>		
<b>7.3 Provision for diminution in value of investments</b>		
<b>7.3.1 Opening balance</b>	<b>89,648</b>	89,648
Exchange adjustments	-	-
Charge / reversals		
Charge for the period / year	-	-
Reversals for the period / year	-	-
Reversal on disposals	-	-
Transfers - net	-	-
Amounts written off	-	-
Closing balance	<b>89,648</b>	89,648

**7.3.2 Particulars of provision against non-listed shares**

Category of classification	March 31, 2023 (Un-audited)		June 30, 2022 (Audited)	
	Non performing investments	Provision	Non performing investments	Provision
	Rupees in '000'		Rupees in '000'	
<b>Domestic</b>				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	<b>1,589</b>	<b>1,589</b>	1,589	1,589
	<b>1,589</b>	<b>1,589</b>	1,589	1,589
<b>Overseas</b>				
Not past due but impaired	-	-	-	-
Overdue by:				
Up to 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
> 365 days	-	-	-	-
	-	-	-	-
Total	<b>1,589</b>	<b>1,589</b>	1,589	1,589

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

**8 ADVANCES**

	Performing		Non Performing		Total	
	Un-audited March 31, 2023	Audited June 30, 2022	Un-audited March 31, 2023	Audited June 30, 2022	Un-audited March 31, 2023	Audited June 30, 2022
	<b>Rupees in '000'</b>					
Loans, cash credits, running finances, etc.	8,297,184	7,671,924	1,997,847	2,189,376	10,295,031	9,861,300
Bills discounted and purchased	-	-	184	184	184	184
Advances - gross	8,297,184	7,671,924	1,998,031	2,189,560	10,295,215	9,861,484
Provision against advances						
- Specific	-	-	1,627,621	1,701,621	1,627,621	1,701,621
- General	-	-	378	378	378	378
	-	-	1,627,999	1,701,999	1,627,999	1,701,999
Advances - net of provision	8,297,184	7,671,924	370,032	487,561	8,667,216	8,159,485

**8.1 Particulars of advances (gross)**

In local currency	10,295,215	9,861,484
In foreign currencies	-	-
	<u>10,295,215</u>	<u>9,861,484</u>

**8.2** Advances include Rs. 1,997.847 million (June 30, 2022: Rs. 2,189.376 million) which have been placed under non-performing status as detailed below:

Category of classification	Un-audited March 31, 2023		Audited June 30, 2022	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	<b>Rupees in '000'</b>			
Domestic				
Other assets especially mentioned	144,557	-	116,029	50
Substandard	72,831	672	151,746	2,230
Doubtful	145,469	14,280	224,602	26,679
Loss	1,634,990	1,612,863	1,696,999	1,673,040
Total	<u>1,997,847</u>	<u>1,627,815</u>	<u>2,189,376</u>	<u>1,701,999</u>

**8.3 Particulars of provision against advances**

	Un-audited March 31, 2023			Audited June 30, 2022		
	Specific	General	Total	Specific	General	Total
Opening balance	1,701,621	378	1,701,999	1,703,227	378	1,703,605
Exchange adjustments	-	-	-	-	-	-
Charge for the period / year	(74,184)	-	(74,184)	(1,606)	-	(1,606)
Reversals	-	-	-	-	-	-
	1,627,437	378	1,627,815	1,701,621	378	1,701,999
Amounts written off	-	-	-	-	-	-
Closing balance	<u>1,627,437</u>	<u>378</u>	<u>1,627,815</u>	<u>1,701,621</u>	<u>378</u>	<u>1,701,999</u>

**8.4** The Bank has not adjusted its non-performing loans amounting to Rs. 706.4 million (June 30, 2022: Rs. 706.4 million) including mark-up thereon, against properties decreed in favor of Bank due to pending possession disputes.

**9 FIXED ASSETS**

	Un-audited	Audited
	March 31, 2023	June 30, 2022
<b>Rupees in '000'</b>		
Civil works	78,320	39,989
Hardware/equipment	7,614	-
Property and equipment	<u>15,421,265</u>	<u>15,403,001</u>
	<u>15,507,199</u>	<u>15,442,990</u>

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

<b>Un-audited</b>	<b>Audited</b>
<b>March</b>	<b>June</b>
<b>31, 2023</b>	<b>30, 2022</b>
<b>Rupees in '000'</b>	

**9.1 Additions to fixed assets**

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

**Property and equipment**

Freehold land	-	-
Building on freehold land	3,838	5,907
Building on leasehold land	-	-
Furniture and fixture	2,562	695
Electrical office and computer equipment	5,441	4,528
Vehicles	3,000	21
Others	-	-
	<b>14,841</b>	<b>11,151</b>
Total	<b>14,841</b>	<b>11,151</b>

**9.2 Disposal of fixed assets**

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

Freehold land/Building	5,683	3,100
Furniture and fixture	-	-
Electrical office and computer equipment	-	-
Vehicles	-	-
Total	<b>5,683</b>	<b>3,100</b>

**10 INTANGIBLE ASSETS**

Computer software	7,614	11,420
	<b>7,614</b>	<b>11,420</b>

**11 Right of Use-Assets**

Opening Balance as at July 1, 2022	78,534.00	92,162.00
Add: prepaid lease rentals 31.03.2022	-	3,613.00
Add: addition during the period 31.03.2023	33,205.00	8,433.00
Less: Depreciation Charge for the year	(21,234.00)	(25,674.00)
Closing Balance	90,505.00	78,534.00
Lease term (1-10 Years)		

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

**12 DEFERRED TAX ASSETS**

**Deductible Temporary Differences on**

- Post retirement benefits
- Provision against other assets
- Provision for salary payable
- Decelerated tax amortisation
- Provision against advances

**Taxable Temporary Differences on**

- Accelerated tax depreciation
- Surplus on revaluation of investments
- Right of use of assets

**Temporary differences for which no deferred tax is recognized**

Un-audited March 31, 2023			
At July 01, 2022	Recognised in P&L A/C	Recognised in OCI	At March 31, 2023
Rupees in '000'			
2,420,696	-	-	2,329,362
66,479	-	-	66,478
-	-	-	-
9,022	-	-	10,581
1,701,999	-	-	1,669,901
4,198,196	-	-	4,076,322
59,897	-	-	76,460
405,509	-	-	311,729
78,534	-	-	82,465
543,940	-	-	470,654
3,654,256	-	-	3,605,668

**Deductible Temporary Differences on**

- Post retirement benefits
- Provision against other assets
- Provision for salary payable
- Decelerated tax amortisation
- Provision against advances

**Taxable Temporary Differences on**

- Accelerated tax depreciation
- Surplus on revaluation of investments
- Right of use of assets

**Temporary differences for which no deferred tax is recognized**

Audited June 30, 2022			
At July 01, 2021	Recognised in P&L A/C	Recognised in OCI	At June 30, 2022
Rupees in '000'			
2,952,148	-	-	2,420,696
66,478	-	-	66,479
-	-	-	-
7,994	-	-	9,022
1,703,605	-	-	1,701,999
4,730,225	-	-	4,198,196
54,529	-	-	59,897
528,034	-	-	405,509
			78,534
582,563	-	-	543,940
4,147,662	-	-	3,654,256

In the absence of future taxable profit projections due to unanticipated circumstances, amount of Rs. 1,406,211 thousand (June 30, 2022: Rs. 1,278,990 thousand) has not been recognized as deferred tax asset.

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

		<u>Un-audited</u>	<u>Audited</u>
		<u>March</u>	<u>June</u>
		<u>31, 2023</u>	<u>30, 2022</u>
		<u>Rupees in '000'</u>	
<b>13 OTHER ASSETS</b>	<b>Note</b>		
Income / mark-up accrued in local currency		<b>889,004</b>	710,082
Advances, deposits, advance rent and other prepayments		<b>3,947</b>	1,981
Sundry debtors		<b>3,134</b>	2,362
Profit recoverable from banks		<b>3,608</b>	
Crop insurance recoverable		<b>148,129</b>	89,227
Live stock insurance recoverable		<b>12,494</b>	5,300
Branch adjustment		-	28,585
Others		<b>86,783</b>	117,473
		<b>1,147,099</b>	955,010
Less: Provision held against other assets	<b>13.1</b>	<b>(66,479)</b>	<b>(66,479)</b>
Other assets (net of provision)		<b>1,080,620</b>	888,531
<b>13.1 Provision held against other assets</b>			
Others		<b>(66,479)</b>	(66,479)
		<b>(66,479)</b>	(66,479)

**13.2 Movement in provision held against other assets**

Opening balance	<b>(66,479)</b>	(66,479)
Charge for the period / year	-	-
Reversals	-	-
Amount written off	-	-
Closing balance	<b>(66,479)</b>	(66,479)

**14 CONTINGENT ASSETS**

The Bank has 96 cases pending with authorities for recoveries, settlement of properties etc. However, inflow economic benefits from such cases are not probable and therefore are not being disclosed here.

**15 BILLS PAYABLE**

In Pakistan	<b>26,390</b>	30,605
-------------	---------------	--------

**16 DEPOSITS AND OTHER ACCOUNTS**

	<u>Un-audited March 31, 2023</u>			<u>Audited June 30, 2022</u>		
	<u>In local currency</u>	<u>In foreign currencies</u>	<u>Total</u>	<u>In local currency</u>	<u>In foreign currencies</u>	<u>Total</u>
	<b>Rupees in '000'</b>					
<b>Customers</b>						
Fixed deposits	<b>851,828</b>	-	<b>851,828</b>	1,152,546	-	1,152,546
Savings deposits - remunerative	<b>3,255,798</b>	-	<b>3,255,798</b>	3,227,261	-	3,227,261
Current deposits - non remunerative	<b>1,057,092</b>	-	<b>1,057,092</b>	577,667	-	577,667
Call deposits	<b>1,169</b>	-	<b>1,169</b>	1,904	-	1,904
Other deposits (see note 16.1)	<b>108,369</b>	-	<b>108,369</b>	55,996	-	55,996
	<b>5,274,256</b>	-	<b>5,274,256</b>	5,015,374	-	5,015,374
<b>Financial institutions</b>						
Fixed deposits	-	-	-	-	-	-
Savings deposits - remunerative	-	-	-	-	-	-
Current deposits - non remunerative	-	-	-	-	-	-
Call deposits	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-
	<b>5,274,256</b>	-	<b>5,274,256</b>	5,015,374	-	5,015,374

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

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	<u>Un-audited</u>	<u>Audited</u>
	<u>March 31,</u>	<u>June 30,</u>
	<u>2023</u>	<u>2022</u>
<b>17 Lease Liability</b>		
Opening Balance	74,984	92,162
Add:Accrued lease rentals as at June 30, 2022	-	-
Add:Additions during the year	33,205	8,433
Add:Interest Expenses	11,287	14,169
Less: Lease payments	(31,221)	(39,780)
Gross Liability	88,255	74,984
Less: Current Portion		
Closing	<u>88,255</u>	<u>74,984</u>

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Note	Un-audited	Audited
		March	June
		31, 2023	30, 2022
<b>18 OTHER LIABILITIES</b>		<b>Rupees in '000'</b>	
Mark-up / return / interest payable in local currency		24,419	61,169
Accrued expenses		10,621	19,229
Accrued rent			30,430
Sundry creditors		147,483	70,682
Provision for Taxation(Less Advance Payment)		33,812	40,615
Dissolved bank payable		37,427	37,427
Provision for employees' gratuity		110,133	111,739
Provision for employees' pension fund		2,046,600	2,056,265
Provision for employees' compensated absences		170,111	267,485
Withholding tax payable		13,546	5,182
Branch adjustment		16,946	-
Others		77,315	38,882
		<b>2,688,413</b>	<b>2,739,105</b>
		Un-audited	Audited
		March	June
		31, 2023	30, 2022
<b>19 SURPLUS ON REVALUATION OF ASSETS</b>		<b>Rupees in '000'</b>	
Surplus on revaluation of			
Available for sale securities	7.1	393,334	495,157
Fixed assets	19.1	15,129,998	15,135,681
		<b>15,523,332</b>	<b>15,630,838</b>
<b>19.1</b> Surplus on revaluation of fixed assets relates to Land.			
<b>20 CONTINGENCIES AND COMMITMENTS</b>			
Commitments	20.1	53,958	53,070
Other contingent liabilities	20.2	9,000	9,000
		<b>62,958</b>	<b>62,070</b>
<b>20.1 Commitments</b>			
Civil work		34,152	9,875
Tangible/Intangible assets		19,806	43,195
		<b>53,958</b>	<b>53,070</b>
<b>20.2</b> These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and possibility of an outflow of economic resources is remote.			

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

		<u>Un-audited</u>	<u>Un-audited</u>
		<u>March</u>	<u>March</u>
	Note	<u>31, 2023</u>	<u>31, 2022</u>
		<u>Rupees in '000'</u>	
<b>21 MARK-UP / RETURN / INTEREST EARNED</b>			
On:			
a) Loans and advances		1,364,347	1,102,403
b) Investments		493,349	242,393
c) Balances with banks		112,237	66,714
		<u>1,969,933</u>	<u>1,411,510</u>
<b>22 MARK-UP / RETURN / INTEREST EXPENSED</b>			
Deposits		<u>350,748</u>	<u>156,644</u>
<b>23 FEE AND COMMISSION INCOME</b>			
Commission on utility bills		6,825	6,819
Commission on guarantees		39,546	24,735
Commission on remittances including home remittances		385	176
Commission received on deposit category		2,400	1,512
Others		180	556
		<u>49,336</u>	<u>33,798</u>
<b>24 OTHER INCOME</b>			
Rent on property		58,423	53,514
Gain on sale of fixed assets-net		15,320	-
Loan processing fee		14,164	13,597
Rent on lockers		783	521
		<u>88,690</u>	<u>67,632</u>
<b>25 OPERATING EXPENSES</b>			
<b>Total compensation expense</b>	<b>25.1</b>	<b>1,086,696</b>	<b>937,796</b>
<b>Property expense</b>			
Rent and taxes		5,188	44,067
Interest on Lease Liability		11,287	-
Depreciation on ROU-Assets		21,234	-
Insurance		3,784	4,218
Utilities cost		52,559	30,309
Repair and maintenance (including janitorial charges)		8,089	2,195
Depreciation		2,765	1,945
		<u>104,906</u>	<u>82,734</u>
<b>Information technology expenses</b>			
Amortisation		1,142	2,961



**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Un-audited March 31, 2023	Un-audited March 31, 2022
Note	Rupees in '000'	
<b>Other operating expenses</b>		
Legal and professional charges	4,817	6,603
Depreciation	6,373	6,900
Postage and courier charges	3,403	11,188
Communication	13,323	11,608
Stationery and printing	3,619	2,477
Marketing, advertisement and publicity	1,741	2,300
Donations	-	-
Auditors remuneration	43	140
Others	139,363	102,062
	<b>172,682</b>	<b>143,278</b>
	<b>1,365,426</b>	<b>1,166,769</b>
<b>25.1 Total compensation expense</b>		
Salary and allowances	828,708	704,514
Fees and allowances	654	651
Charge for defined benefit plan	218,093	209,774
Conveyance	38,614	21,922
Others	627	935
	<b>1,086,696</b>	<b>937,796</b>
<b>26 OTHER CHARGES</b>		
Penalties imposed by State Bank of Pakistan	-	40,369
	-	40,369
<b>27 PROVISIONS AND WRITE OFFS - NET</b>		
Provisions for diminution in value of investments	-	-
Provisions for salary payable	-	-
Provision for loan and advances	8.3 (74,184)	5,625
Provision for rent recoverable	-	-
Bad debts written off directly	-	-
Recovery of written off / charged off bad debts	-	-
	<b>(74,184)</b>	<b>5,625</b>
<b>28 TAXATION</b>		
Current	(62,444)	(52,384)
Prior years	28.1 33,498	20,457
Deferred	-	-
	<b>(28,946)</b>	<b>(31,927)</b>
<b>28.1</b> The Bank has recognized tax provision in its financial statements amounting to Rs. 68,358,000, for the years ended June 30, 2019. While the tax assessed for the year was Rs. 34,858,926 (based on tax returns). Therefore, the excess provision recognized in prior years has been adjusted		
<b>28.2</b> It is management's assessment that the provision for taxation made in these condensed interim financial statements is sufficient.		
<b>29 BASIC AND DILUTED EARNINGS PER SHARE</b>		
Profit for the period	479,927	150,264
Weighted average number of ordinary shares	7,885,548	7,885,504
Basic and diluted earnings per share	6.09	1.91
<b>29.1</b> No effect for diluted earnings per share has been incorporated as the Bank has not issued any instrument which would have an impact on earnings per share when exercised.		

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

**30 FAIR VALUE MEASUREMENTS**

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The carrying amount of unquoted equity securities are determined on the basis of the break-up value of these investments as per their latest available audited financial statements. The fair value of other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

**30.1 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 (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

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:

<b>Un-audited March 31, 2023</b>					
<b>Carrying value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	
<b>Rupees in '000'</b>					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Shares	400,357	400,357	-	-	400,357
<b>Financial assets - disclosed but not measured at fair value</b>					
Cash and balances with treasury banks	700,453	-	-	-	-
Balances with other banks	510,775	-	-	-	-
Investments in treasury bills	4,933,847	-	-	-	-
Advances	8,667,216	-	-	-	-
Other assets	1,147,099	-	-	-	-

<b>Audited June 30, 2022</b>					
<b>Carrying value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	
<b>Rupees in '000'</b>					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Shares	502,180	502,180	-	-	502,180
<b>Financial assets - disclosed but not measured at fair value</b>					
Cash and balances with treasury banks	841,158	-	-	-	841,158
Balances with other banks	1,750,165	-	-	-	1,750,165
Investments in treasury bills and NBFCs	3,626,429	-	-	-	3,626,429
Advances	8,159,485	-	-	-	8,159,485
Other Assets	888,531	-	-	-	888,531

**30.2 Fair value of non-financial assets**

	<b>Un-audited</b>	<b>Audited</b>
	<b>March 31,</b>	<b>June 30,</b>
	<b>2023</b>	<b>2022</b>
	<b>Level 3</b>	
	<b>Rupees in '000'</b>	
Fixed assets (Freehold land)	<b>14,622,936</b>	14,622,936

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

**31 SEGMENT INFORMATION**

**31.1 Segment details with respect to business activities**

	<b>Un-audited March 31, 2023</b>			
	<b>Retail banking</b>	<b>Retail finance lending</b>	<b>Others</b>	<b>Total</b>
	<b>Rupees in '000'</b>			
<b>Profit and Loss</b>				
Net mark-up / return / profit	112,237	1,364,347	493,349	1,969,933
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	49,336	-	131,594	180,930
<b>Total income</b>	<b>161,573</b>	<b>1,364,347</b>	<b>624,943</b>	<b>2,150,863</b>
Segment direct expenses	(350,748)	-	(1,365,426)	(1,716,174)
Inter segment expense allocation	-	-	-	-
<b>Total expenses</b>	<b>(350,748)</b>	<b>-</b>	<b>(1,365,426)</b>	<b>(1,716,174)</b>
Provisions	-	74,184	-	74,184
<b>Profit before taxation</b>	<b>(189,175)</b>	<b>1,438,531</b>	<b>(740,483)</b>	<b>508,873</b>
	<b>Retail banking</b>	<b>Retail finance lending</b>	<b>Others</b>	<b>Total</b>
	<b>Rupees in '000'</b>			
<b>Balance Sheet</b>				
Cash and bank balances	-	-	1,211,228	1,211,228
Investments	-	-	5,336,166	5,336,166
Net inter segment lending	-	-	-	-
Advances - performing	-	8,297,184	-	8,297,184
Advances - non-performing	-	1,997,847	-	1,997,847
Right of use assets	-	-	90,505	90,505
Others	3,608	-	14,956,397	14,960,004
<b>Total Assets</b>	<b>3,608</b>	<b>10,295,031</b>	<b>21,594,296</b>	<b>31,892,934</b>
Bills payable	26,390	-	-	26,390
Deposits and other accounts	5,274,256	-	-	5,274,256
Lease Liabilities	-	-	88,255	88,255
Others	24,419	-	2,663,994	2,688,413
<b>Total Liabilities</b>	<b>5,325,065</b>	<b>-</b>	<b>2,752,249</b>	<b>8,077,314</b>
Equity	-	-	23,815,620	23,815,620
<b>Total Equity &amp; Liabilities</b>	<b>5,325,065</b>	<b>-</b>	<b>26,567,869</b>	<b>31,892,934</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 (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Audited June 30, 2022			
	Retail banking	Retail finance lending	Others	Total
	Rupees in '000'			
<b>Profit and Loss</b>				
Net mark-up / return / profit	91,405	1,557,405	352,013	2,000,823
Non mark-up / return / interest income	68,138	-	88,758	156,896
<b>Total income</b>	<b>159,543</b>	<b>1,557,405</b>	<b>440,771</b>	<b>2,157,719</b>
Segment direct expenses	251,374	-	1,534,116	1,785,490
<b>Total expenses</b>	<b>251,374</b>	<b>-</b>	<b>1,534,116</b>	<b>1,785,490</b>
Provisions	(1,606)	-	-	(1,606)
<b>Profit before taxation</b>	<b>(276,060)</b>	<b>1,557,405</b>	<b>(1,093,345)</b>	<b>373,835</b>
<b>Balance Sheet</b>				
	Retail banking	Retail finance lending	Others	Total
	Rupees in '000'			
Cash and bank balances	-	-	2,591,323	2,591,323
Investments	-	-	4,128,609	4,128,609
Net inter segment lending	-	-	-	-
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
<b>Total Assets</b>	<b>6,683</b>	<b>8,862,884</b>	<b>22,428,660</b>	<b>31,298,227</b>
Bills payable	30,605	-	-	30,605
Deposits and other accounts	5,015,374	-	-	5,015,374
Lease Liabilities	-	-	74,984	74,984
Others	61,169	-	2,677,935	2,739,104
<b>Total Liabilities</b>	<b>5,107,148</b>	<b>-</b>	<b>2,752,919</b>	<b>7,860,067</b>
Equity	-	-	23,438,160	23,438,160
<b>Total Equity &amp; Liabilities</b>	<b>5,107,148</b>	<b>-</b>	<b>26,191,079</b>	<b>31,298,227</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 (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

**32 RELATED PARTY TRANSACTIONS**

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

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

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

	Un-audited March 31, 2023			Audited June 30, 2022		
	Key management personnel	Provident fund trust/gratuity	Pension fund trust	Key management personnel	Provident fund trust/gratuity	Pension fund trust
	<b>Rupees in '000'</b>					
<b>Advances</b>						
Opening balance	8,344	-	-	9,328	-	-
Addition during the period / year	7,694	-	-	5,555	-	-
Recovered during the period / year	(3,801)	-	-	(6,539)	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	<u>12,237</u>	<u>-</u>	<u>-</u>	<u>8,344</u>	<u>-</u>	<u>-</u>
<b>Other liabilities</b>						
Payable to staff retirement fund	-	-	2,046,600	-	-	2,056,265
	<u>-</u>	<u>-</u>	<u>2,046,600</u>	<u>-</u>	<u>-</u>	<u>2,056,265</u>
<b>Income</b>						
Mark-up / return / interest earned	663	-	-	3,038	-	-
	<u>663</u>	<u>-</u>	<u>-</u>	<u>3,038</u>	<u>-</u>	<u>-</u>
<b>Expense</b>						
Short term employees benefits	56,972	-	-	41,861	-	-
Contribution for the period / year	-	8,301	185,709	-	7,623	482,905
	<u>56,972</u>	<u>8,301</u>	<u>185,709</u>	<u>41,861</u>	<u>7,623</u>	<u>482,905</u>

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

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

<b>Un-audited</b>	<b>Audited</b>
<b>March 31,</b>	<b>June 30,</b>
<b>2023</b>	<b>2022</b>
<b>Rupees in '000'</b>	

**33.1 Capital Adequacy**

**Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)	<b>6,000,000</b>	6,000,000
---------------------------------	------------------	-----------

**Capital Adequacy Ratio (CAR):**

Eligible Common Equity Tier 1 (CET 1) Capital	<b>8,286,440</b>	7,798,563
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<b>8,286,440</b>	7,798,563
Eligible Tier 2 Capital	<b>3,278,536</b>	2,955,879
Total Eligible Capital (Tier 1 + Tier 2)	<b>11,564,976</b>	10,754,442

**Risk Weighted Assets (RWAs):**

Credit Risk	<b>23,879,997</b>	23,418,480
Market Risk	<b>800,714</b>	1,004,360
Operational Risk	<b>3,182,953</b>	3,755,305
Total	<b>27,863,664</b>	28,178,145

Common Equity Tier 1 Capital Adequacy ratio	<b>29.74%</b>	27.68%
Tier 1 Capital Adequacy Ratio	<b>11.77%</b>	27.68%
Total Capital Adequacy Ratio	<b>41.51%</b>	38.17%

**33.1.1** State Bank of Pakistan (SBP) vide Letter No. BPRD/BACPD/629/023472/15 dated 26.10.2015 required from Bank to have a minimum paid up capital (net of losses) of Rs. 6 billion. Further, the Bank is required to maintain a Capital Adequacy Ratio of 16% at all times. As of March 31, 2023, the paid up capital of the Bank net of losses amounts to Rs. 7,280,317 thousands which is in agreement with regulatory requirements. For the time being CAR is being reported under Basel I and Basel III as parrallel run.

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

<b>Un-audited</b>	<b>Audited</b>
<b>March 31,</b>	<b>June 30,</b>
<b>2023</b>	<b>2022</b>
<b>Rupees in '000'</b>	

**33.2 Leverage Ratio (LR):**

Eligible Tier-1 Capital	<b>8,286,440</b>	7,798,563
Total Exposures	<b>31,851,267</b>	31,210,939
Leverage Ratio	<b>26.02%</b>	24.99%

**33.3 Liquidity Requirements**

**Liquidity Coverage Ratio (LCR):**

Total High Quality Liquid Assets	<b>824,000</b>	989,000
Total Net Cash Outflow	<b>138,000</b>	133,000
Liquidity Coverage Ratio	<b>597%</b>	743.61%

**Net Stable Funding Ratio (NSFR):**

Total Available Stable Funding	<b>13,153,000</b>	13,276,000
Total Required Stable Funding	<b>5,805,000</b>	5,481,000
Net Stable Funding Ratio	<b>227%</b>	242.22%

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

**34 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 20.04.2023 by the Administrator of the Bank.

**35 GENERAL**

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

**President/CEO**

**Chief Financial Officer**