

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	Un-audited March 31, 2020	Audited June 30, 2019
Note	Rupees in '000'	
ASSETS		
Cash and balances with treasury banks	519,038	742,268
Balances with other banks	609,834	959,517
Lendings to financial institutions	-	-
Investments	2,385,777	2,876,398
Advances	10,392,269	9,861,768
Fixed assets	7,178,539	7,179,735
Intangible assets	699	1,778
Deferred tax assets	-	-
Other assets	1,034,446	833,784
	22,120,602	22,455,248
LIABILITIES		
Bills payable	34,119	52,635
Borrowings	-	-
Deposits and other accounts	4,264,724	4,579,982
Liabilities against assets subject to finance lease	-	-
Subordinated debt	-	-
Deferred tax liabilities	-	-
Other liabilities	3,431,905	3,624,550
	7,730,748	8,257,167
NET ASSETS	14,389,854	14,198,081
REPRESENTED BY		
Share capital - net	7,885,449	7,885,490
Reserves	808,852	809,147
Surplus on revaluation of assets	7,401,063	7,266,202
Accumulated losses	(1,705,510)	(1,762,758)
	14,389,854	14,198,081
CONTINGENCIES AND COMMITMENTS	17	

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

Acting President

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, 2020

Note	Three months ended		Nine months ended		
	March	March	March	March	
	31, 2020	31, 2019	31, 2020	31, 2019	
	Rupees in '000'		Rupees in '000'		
Mark-up / return / interest earned	18	466,569	435,733	1,508,172	1,332,719
Mark-up / return / interest expensed	19	(139,103)	(80,009)	(277,810)	(163,474)
Net mark-up / interest income		327,466	355,724	1,230,362	1,169,245
NON MARK-UP / INTEREST INCOME					
Fee and commission income	20	7,306	3,757	17,783	14,220
Dividend income		-	4,254	31,007	38,398
Gain on securities		-	-	-	-
Other income	21	26,221	26,773	82,171	74,625
Total non-markup / interest Income		33,527	34,784	130,961	127,243
Total income		360,993	390,508	1,361,323	1,296,488
NON MARK-UP/INTEREST EXPENSES					
Operating expenses	22	(355,900)	(322,119)	(1,270,777)	(1,105,584)
Workers welfare fund		-	-	-	-
Other charges	23	(30)	-	(30)	(2)
Total non-markup / interest expenses		(355,930)	(322,119)	(1,270,807)	(1,105,586)
Profit before provisions		5,063	68,389	90,516	190,902
Provisions and write offs - net	24	-	-	-	-
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		5,063	68,389	90,516	190,902
Taxation	25	-	-	(33,268)	(32,527)
PROFIT AFTER TAXATION		5,063	68,389	57,248	158,375
Basic and diluted (loss) / earnings per share - Rupees	26	0.06	0.87	0.73	2.01

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

Acting President

Chief Financial Officer

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Three months ended		Nine months ended	
	March	March	March	March
	31, 2020	31, 2019	31, 2020	31, 2019
	Rupees in '000'		Rupees in '000'	
Profit after taxation for the period	5,063	68,389	57,248	158,375
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	41,443	(2,775)	134,861	(139,555)
Others	-	-	-	-
	41,443	(2,775)	134,861	(139,555)
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	-	-	-	-
	-	-	-	-
Total comprehensive income / (loss)	46,506	65,614	192,109	18,820

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

Acting President

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, 2020

	Share capital	Statutory reserve	Surplus/(Deficit) on revaluation of		Common good fund	Unappropriated losses	Total
			Investments	Fixed / non banking assets			
Rupees in '000'							
Balance as at July 1, 2018	7,885,556	737,622	516,704	6,868,774	4,486	(1,780,620)	14,232,522
Profit after taxation for the nine months ended March 31, 2019	-	-	-	-	-	158,375	158,375
Other comprehensive (loss) - net of tax	-	-	(139,555)	-	-	-	(139,555)
Transfer to statutory reserve	-	-	-	-	-	-	-
Medical aid to staff	-	-	-	-	(250)	-	(250)
Transactions with owners, recorded directly in equity							
Refund of shares	(66)	-	-	-	-	-	(66)
Balance as at April 1, 2019	7,885,490	737,622	377,149	6,868,774	4,236	(1,622,245)	14,251,026
Profit after taxation for the six months ended June 30, 2019	-	-	-	-	-	103,983	103,983
Other comprehensive (loss) - net of tax	-	-	20,279	-	-	(176,907)	(156,628)
Transfer to common good fund	-	-	-	-	2,000	(2,000)	-
Transfer to statutory reserve	-	65,589	-	-	-	(65,589)	-
Medical aid to staff	-	-	-	-	(300)	-	(300)
Transactions with owners, recorded directly in equity							
Issue of shares	-	-	-	-	-	-	-
Balance as at June 30, 2019	7,885,490	803,211	397,428	6,868,774	5,936	(1,762,758)	14,198,081
Profit after taxation for the nine months ended March 31, 2020	-	-	-	-	-	57,248	57,248
Other comprehensive income - net of tax	-	-	134,861	-	-	-	134,861
Medical aid to staff	-	-	-	-	(295)	-	(295)
Transactions with owners, recorded directly in equity							
Issue of shares	17	-	-	-	-	-	17
Refund of shares	(58)	-	-	-	-	-	(58)
Balance as at March 31, 2020	7,885,449	803,211	532,289	6,868,774	5,641	(1,705,510)	14,389,854

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

Acting President

Chief Financial Officer

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

Note	Nine months ended	
	March	March
	31, 2020	31, 2019
	Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
	90,516	190,902
	(31,007)	(38,398)
	59,509	152,504
Adjustments:		
Depreciation	22 12,909	14,237
Amortization	22 1,079	1,079
Provision for employees retirement benefits	22 296,929	181,143
Loss / (gain) on sale of fixed assets	-	-
	310,917	196,459
	370,426	348,963
(Increase)/ decrease in operating assets		
Advances	(530,501)	849,167
Others assets (excluding advance taxation)	(200,662)	(11,359)
	(731,163)	837,808
Increase/ (decrease) in operating liabilities		
Bills payable	(18,516)	(34,372)
Deposits	(315,258)	(777,126)
Other liabilities (excluding current taxation)	(74,074)	(343,407)
	(407,848)	(1,154,905)
Income tax paid	(45,816)	(20,652)
Employees retirement benefits paid	(402,952)	-
Medical aid to employees from common good fund	(295)	(250)
Net cash flow generated from / (used in) operating activities	(1,217,648)	10,964
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in held-to-maturity securities	625,482	1,101,402
Dividends received	31,007	38,398
Investments in operating fixed assets	(11,713)	(18,550)
Proceeds from sale of fixed assets	-	-
Effect of translation of net investment in foreign branches	-	-
Net cash flow generated from / (used in) investing activities	644,776	1,121,250
CASH FLOW FROM FINANCING ACTIVITIES		
Issue / (refund) of share capital	(41)	(66)
Net cash flow generated from / (used in) financing activities	(41)	(66)
Effects of exchange rate changes on cash and cash equivalents		
	-	-
Increase in cash and cash equivalents	(572,913)	1,132,148
Cash and cash equivalents at beginning of the period	5 & 6 1,701,785	2,024,321
Cash and cash equivalents at end of the period	1,128,872	3,156,469

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

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

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, 2019: 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

2.1 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with approved accounting 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), 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 and the SECP differ with the requirements of IFRS, requirements of the Ordinance, the Act, the Rules, and the Companies Act, 2017 and the said directives shall prevail.

These condensed interim financial statements have been presented in accordance with the requirements of format prescribed by SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and International Accounting Standard 34 'Interim Financial Reporting' (IAS 34) and do not include all the information and disclosures 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, 2019.

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

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

IFRS 16, the accounting standard for leases, became effective for annual reporting periods commencing on or after January 1, 2019. However, the Bank is in process of evaluating the impact of IFRS 16.

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

- a) The following new standards and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard or amendment:

		Effective date (annual periods beginning on or after)
IFRS 3	Business Combinations (Amendments)	January 1, 2020
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2020

- b) Following standards and amendments to published accounting standards will be effective in future periods and have not been early adopted by the Bank:

**Effective date (annual periods
beginning on or after)**

IFRS - 9 Financial Instruments	June 30, 2019
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The SECP, through SRO 229(I)/2019 dated February 14, 2019, has notified that IFRS 9, Financial Instruments, is applicable for accounting periods ending on or after June 30, 2019. However, based on the guidance received from the SBP, the requirements of IFRS 9 have not been considered for Pakistan and Azad Jammu and Kashmir operations of the Bank in preparation of these condensed interim financial statements.

IFRS 9, Financial Instruments, addresses the recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of an impairment charge based on an 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk. The Bank is in the process of assessing the full impact of this standard.

The Bank expects that adoption of the remaining amendments will not affect its financial statements in the period of initial application.

2.4 Critical accounting estimates and judgments

The basis for accounting estimates adopted in the preparation of this condensed interim financial information is the same as that applied in the preparation of the financial statements for the year ended June 30, 2019.

3 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements for the year ended June 30, 2019.

4 SUMMARY OF 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, 2019.

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	Un-audited	Audited
		March 31, 2020	June 30, 2019
5 CASH AND BALANCES WITH TREASURY BANKS			
Rupees in '000'			
In hand			
Local currency		208,104	294,797
With State Bank of Pakistan in			
Local currency current account	5.1	248,219	302,599
With National Bank of Pakistan in			
Local currency current account		8,583	72,419
Local currency deposit account (NIDA)	5.2	54,132	72,453
		62,715	144,872
		519,038	742,268

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 11.25% per annum (June 30, 2019 : 10.25% per annum).

6 BALANCES WITH OTHER BANKS

In Pakistan			
In current account		14,009	7,321
In deposit account	6.1	595,825	952,196
		609,834	959,517

6.1 These accounts carry profit rates ranging from 6.25% to 12.00% per annum (June 30, 2019 : 8.75% to 10.25%) per annum.

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

7 INVESTMENTS

7.1 Investments by type:

	Un-audited March 31, 2020				Audited June 30, 2019			
	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	7,023	-	532,289	539,312	7,023	-	397,428	404,451
- Cooperative institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	10,574	(1,589)	532,289	541,274	10,574	(1,589)	397,428	406,413
Held-to-maturity securities								
Federal Government securities								
- Market Treasury Bills	1,844,503	-	-	1,844,503	2,469,985	-	-	2,469,985
- Pakistan Investment Bonds	-	-	-	-	-	-	-	-
Non-Government debt securities								
- Non-Banking Finance Company	88,059	(88,059)	-	-	88,059	(88,059)	-	-
	1,932,562	(88,059)	-	1,844,503	2,558,044	(88,059)	-	2,469,985
Total Investments	1,943,136	(89,648)	532,289	2,385,777	2,568,618	(89,648)	397,428	2,876,398

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

7.2 Provision for diminution in value of investments

	Un-audited	Audited
	March	June
	31, 2020	30, 2019
	Rupees in '000'	
7.2.1 Opening balance	89,648	89,648
Exchange adjustments	-	-
Charge / reversals		
Charge for the period	-	-
Reversals for the period	-	-
Reversal on disposals	-	-
	-	-
Transfers - net	-	-
Amounts written off	-	-
Closing balance	89,648	89,648

7.2.2 Particulars of provision against debt securities

Category of classification	March 31, 2020 (Un-audited)		June 30, 2019 (Audited)	
	Non performing investments	Provision	Non performing investments	Provision
	Rupees in '000'		Rupees in '000'	
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	1,589	1,589	1,589	1,589
	1,589	1,589	1,589	1,589
Overseas				
Not past due but impaired	-	-	-	-
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
365 days	-	-	-	-
	-	-	-	-
Total	1,589	1,589	1,589	1,589

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

8 ADVANCES

	Performing		Non Performing		Total	
	Un-audited March 31, 2020	Audited June 30, 2019	Un-audited March 31, 2020	Audited June 30, 2019	Un-audited March 31, 2020	Audited June 30, 2019
	Rupees in '000					
Loans, cash credits, running finances, etc.	9,333,549	9,089,123	2,664,807	2,378,732	11,998,356	11,467,855
Islamic financing and related assets	-	-	-	-	-	-
Bills discounted and purchased	184	184	-	-	184	184
Advances - gross	9,333,733	9,089,307	2,664,807	2,378,732	11,998,540	11,468,039
Provision against advances						
- Specific	-	-	1,605,893	1,605,893	1,605,893	1,605,893
- General	378	378	-	-	378	378
	378	378	1,605,893	1,605,893	1,606,271	1,606,271
Advances - net of provision	9,333,355	9,088,929	1,058,914	772,839	10,392,269	9,861,768

8.1 Particulars of advances (Gross)

In local currency	11,998,540	11,468,039
In foreign currencies	-	-
	11,998,540	11,468,039

8.2 Advances include Rs.2,664,807 thousand (June 30, 2019: Rs. 2,378,732 thousand) which have been placed under non-performing status as detailed below:-

Category of Classification	Un-audited March 31, 2020		Audited June 30, 2019	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	Rupees in '000			
Domestic				
Other Assets Especially Mentioned	608,124	60	391,316	92
Substandard	311,665	11,892	304,444	4,070
Doubtful	196,187	19,969	168,928	14,330
Loss	1,548,831	1,517,497	1,514,044	1,473,235
Total	2,664,807	1,549,418	2,378,732	1,491,727

8.3 Particulars of provision against advances

	Un-audited March 31, 2020			Audited June 30, 2019		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	1,605,893	378	1,606,271	1,605,893	378	1,606,271
Exchange adjustments	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Reversals	-	-	-	-	-	-
	1,605,893	378	1,606,271	1,605,893	378	1,606,271
Amounts written off	-	-	-	-	-	-
Amounts charged off - agriculture financing	-	-	-	-	-	-
Other movements (to be specified)	-	-	-	-	-	-
Closing balance	1,605,893	378	1,606,271	1,605,893	378	1,606,271

8.4 The bank has not adjusted its non-performing loans amounting to Rs. 678.68 /- million (2019: 678.68 /- million including mark-up thereon, against properties decreed in favor of Bank due to pending possession disputes.

9 FIXED ASSETS

	Note	Un-audited	Audited
		March 31, 2020	June 30, 2019
		Rupees in '000'	
Capital work-in-progress	9.1	44,930	37,351
Property and equipment		7,133,609	7,142,384
		7,178,539	7,179,735

9.1 Capital work-in-progress

Civil works	23,762	23,762
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THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

Un-audited	Audited
March	June
31, 2020	30, 2019
Rupees in '000'	

9.2 Additions to fixed assets

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

Capital work-in-progress

7,579 -

Property and equipment

Freehold land

- -

Building on freehold land

3,445 2,448

Building on leasehold land

- -

Furniture and fixture

2,794 2,475

Electrical office and computer equipment

5,412 4,838

Vehicles

7,018 7,038

Others

25 24

18,694 16,823

Total

26,273 16,823

9.3 Disposal of fixed assets

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

Freehold land

- -

Furniture and fixture

- -

Electrical office and computer equipment

- -

Vehicles

- -

Total

- -

9.4 The value of land and buildings include properties under litigation / disputes amounts to Rs. 175.687 million (June 30, 2019: Rs. 175.687 million) for which legal title has been acquired but the physical possession is under dispute. The ultimate outcome of disputes can not be determined properly and management is of the view that no impairment is required to be recognised in these condensed interim financial statements.

10 INTANGIBLE ASSETS

Computer Software

699 1,778

10.1 Additions to intangible assets

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

Developed internally

- -

Directly purchased

- -

Total

- -

10.2 Disposals of intangible assets

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

Developed internally

- -

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	Un-audited	Audited
		March	June
		31, 2020	30, 2019
		Rupees in '000'	
11 OTHER ASSETS			
Income / mark-up accrued in local currency - net of provision		831,887	650,743
Advances, deposits, advance rent and other prepayments		2,799	3,326
Sundry debtors		1,633	2,361
Profit recoverable from banks		4,220	5,673
Crop insurance recoverable		134,254	139,003
Live stock insurance recoverable		13,411	12,732
Branch		9,343	-
Others (to be specified, if material)		103,378	86,425
		1,100,925	900,263
Less: Provision held against other assets	11.1	(66,479)	(66,479)
Other Assets (Net of Provision)		1,034,446	833,784
Other Assets - total		1,034,446	833,784
11.1 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)		(66,479)	(66,479)
		(66,479)	(66,479)
11.1.1 Movement in provision held against other assets			
Opening balance		(66,479)	(66,479)
Charge for the year		-	-
Reversals		-	-
Amount Written off		-	-
Closing balance		(66,479)	(66,479)
12 CONTINGENT ASSETS			
There were no contingent assets of the Bank as at December 31, 2019 (June 30, 2019: Nil).			
13 BILLS PAYABLE			
		34,119	52,635

14 DEPOSITS AND OTHER ACCOUNTS

	Un-audited March 31, 2020			Audited June 30, 2019		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000'						
Customers						
Fixed deposits	241,929	-	241,929	246,447	-	246,447
Savings deposits	2,927,796	-	2,927,796	3,043,218	-	3,043,218
Current accounts - non remunerative	1,052,648	-	1,052,648	1,232,982	-	1,232,982
Call deposits	1,860	-	1,860	3,339	-	3,339
Other deposits	40,491	-	40,491	53,996	-	53,996
	4,264,724	-	4,264,724	4,579,982	-	4,579,982
Financial Institutions						
Fixed deposits	-	-	-	-	-	-
Savings deposits	-	-	-	-	-	-
Current accounts - non remunerative	-	-	-	-	-	-
Call deposits	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-
	4,264,724	-	4,264,724	4,579,982	-	4,579,982

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	Un-audited	Audited
		March 31, 2020	June 30, 2019
Rupees in '000'			
15 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		35,640	58,329
Accrued expenses		6,591	8,745
Provision for salary payable / VSS package		264,285	264,285
Sundry creditors	15.1	68,442	66,357
Advance taxation (payments less provisions)		82,766	88,587
Dissolved bank payable		37,427	37,427
Provision for employees' gratuity		85,945	80,392
Provision for employees' pension fund		2,572,421	2,693,886
Provision for employees' compensated absences		199,841	189,952
Withholding tax payable		3,729	10,456
Branch adjustment		-	102,322
Others		74,818	23,812
		3,431,905	3,624,550

15.1 This includes amounts of Rs. 6,274 thousand payable on account of Rahwali Sugar Mills and Bid Money of Rs. 12,300 thousand for sale of land at Thokar Niaz Baig. The bid money was forfeited by the Bank as per settled agreement with respect to auction of the land in 1999 on failure of the purchaser to deposit the remaining purchase money. However, the purchaser has filed a suit in the court against the Bank for recovery of the above said amounts that is pending for adjudication.

		Un-audited	Audited
		March 31, 2020	June 30, 2019
Rupees in '000'			
16 SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of			
- Available for sale securities	7.1	532,289	397,428
- Fixed assets	16.1	6,868,774	6,868,774
		7,401,063	7,266,202

16.1 Surplus on revaluation of fixed assets relates to Land.

17 CONTINGENCIES AND COMMITMENTS

- Commitments	17.1	9,760	10,464
- Other contingent liabilities	17.2	267,544	259,043
		277,304	269,507
17.1 Commitments:			
- Civil work		3,530	3,530
- Intangible assets		6,230	6,934
		9,760	10,464

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 possibility of an outflow of economic resources is remote.

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Un-audited March 31, 2020	Un-audited March 31, 2019
18 MARK-UP/RETURN/INTEREST EARNED	Rupees in '000	
On:		
a) Loans and advances	1,239,626	1,104,733
b) Investments	175,799	148,897
c) Balances with banks	92,747	79,089
	1,508,172	1,332,719
19 MARK-UP/RETURN/INTEREST EXPENSED		
Deposits	277,810	163,474
20 FEE & COMMISSION INCOME		
Branch banking customer fees	-	-
Commission on utility bills	7,808	8,031
Commission on guarantees	5,869	389
Commission on remittances including home remittances	548	2,701
Commission received on deposit category	1,501	1,153
Commission received on cheque book issuance	-	-
Others	2,057	1,946
	17,783	14,220
21 OTHER INCOME		
Rent on property	45,908	45,673
Profit on Books for Sale.	6,447	4,936
Gain on sale of fixed assets-net	-	-
Bank and service charges	2,759	1,928
Loan processing fee	26,362	21,187
Rent on lockers	695	901
	82,171	74,625
22 OPERATING EXPENSES		
Total compensation expense	22.1 1,075,156	942,913
Property expense		
Rent & taxes	39,911	29,283
Insurance	6,765	4,324
Utilities cost	23,411	20,025
Security (including guards)	-	-
Repair & maintenance (including janitorial charges)	3,389	3,279
Depreciation	1,249	1,255
	74,725	58,166
Information technology expenses		
Amortisation	1,079	1,079

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FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	Un-audited	Un-audited
		March 31, 2020	December 31, 2018
		Rupees in '000	
Other operating expenses			
Legal & professional charges		11,967	5,406
Depreciation		11,660	11,903
Postage & courier charges		4,924	4,290
Communication		11,958	12,403
Stationery & printing		2,439	3,010
Marketing, advertisement & publicity		1,165	1,068
Donations		93	-
Auditors Remuneration		95	45
Others		75,516	65,301
		119,817	103,426
		1,270,777	1,105,584
22.1 Total compensation expense			
Salary & allowances		754,842	703,307
Fees and allowances etc		696	1,169
Charge for defined benefit plan		296,929	220,710
Conveyance		19,710	17,367
Others		2,979	360
Grand Total		1,075,156	942,913
23 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		30	2
24 PROVISIONS & WRITE OFFS - NET			
Provisions against lending to financial institutions		-	-
Provisions for diminution in value of investments	7.2	-	-
Provisions against loans & advances	8.3	-	-
Provisions for salary payable		-	-
Bad debts written off directly		-	-
Recovery of written off / charged off bad debts		-	-
		-	-
25 TAXATION			
Current		33,268	(32,527)
Prior years	25.1	-	-
Deferred		-	-
		33,268	(32,527)
25.1	The Bank has recognized tax provision in its financial statements amounting to Rs. 68,358,000, Rs. 45,570,000 and Rs. 34,109,000 for the years ended June 30, 2019, 2018 and 2017, respectively, whilst the tax assessed for these years was Rs. 4,076,840, Rs. 3,633,784 and Rs. 23,307,687 (based on tax returns) respectively. Therefore, the extra provision recognized in prior years has been reversed.		
25.2	It is management's assessment that the provision for taxation made in these condensed interim financial statements is sufficient.		
26 BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the year		57,248	158,375
Weighted average number of ordinary shares		7,885,449	7,885,490

26.1 No effect for diluted earnings per share has been incorporated as the Bank has not issued any instrument which would have an impact on earnings per share when exercised.

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
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27 FAIR VALUE MEASUREMENTS

The fair value of unquoted equity securities, other than investments in associates and subsidiaries, 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 unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings 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).

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

Un-audited March 31, 2020				
Level 1	Level 2	Level 3	Total	
Rupees in '000'				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares	539,312	1,962	-	541,274
Financial assets - disclosed but not measured at fair value				
Investments - Federal Government Securities	-	1,844,503	-	1,844,503
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	-	-	-	-

Audited June 30, 2019				
Level 1	Level 2	Level 3	Total	
Rupees in '000'				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares	404,451	1,962	-	406,413
Financial assets - disclosed but not measured at fair value				
Investments - Federal Government Securities	-	2,469,985	-	2,469,985
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	-	-	-	-

Un-audited	Audited
March 31,	June 30,
2020	2019
Level 3	
Rupees in '000	
6,979,254	6,979,254

27.2 Fair value of non-financial assets

Fixed assets (Freehold land)

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
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FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

28 SEGMENT INFORMATION

28.1 Segment Details with respect to Business Activities

Un-audited March 31, 2020			
	Retail financing	Commercial banking	Total
Rupees in '000'			
Profit & Loss			
Net mark-up/return/profit	1,239,626	399,507	1,639,133
Inter segment revenue - net	-	-	-
Non mark-up / return / interest income	-	-	-
Total Income	1,239,626	399,507	1,639,133
Segment direct expenses	(1,270,807)	(277,810)	(1,548,617)
Inter segment expense allocation	-	-	-
Total expenses	(1,270,807)	(277,810)	(1,548,617)
Provisions	-	-	-
Profit before tax	(31,181)	121,697	90,516
Balance Sheet			
Cash & Bank balances	-	1,128,872	1,128,872
Investments	-	2,385,777	2,385,777
Net inter segment lending	-	-	-
Lendings to financial institutions	-	-	-
Advances - performing	9,333,355	-	9,333,355
Advances - non-performing	1,058,914	-	1,058,914
Others	8,209,464	4,220	8,213,684
Total Assets	18,601,733	3,518,869	22,120,602
Bills payable	34,119	-	34,119
Deposits & other accounts	4,264,724	-	4,264,724
Net inter segment borrowing	-	-	-
Others	3,396,265	35,640	3,431,905
Total liabilities	7,695,108	35,640	7,730,748
Equity	14,389,854	-	14,389,854
Total Equity & liabilities	22,084,962	35,640	22,120,602

Contingencies & Commitments

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Audited June 30, 2019

Retail financing	Commercial banking	Total
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Rupees in '000'

Profit & Loss

Net mark-up/return/profit	1,589,896	481,062	2,070,958
Inter segment revenue - net	-	-	-
Non mark-up / return / interest income	-	-	-
Total Income	1,589,896	481,062	2,070,958
Segment direct expenses	(1,432,733)	(207,511)	(1,640,244)
Inter segment expense allocation	-	-	-
Total expenses	(1,432,733)	(207,511)	(1,640,244)
Provisions	-	-	-
Profit before tax	157,163	273,551	430,714

Retail financing	Commercial banking	Total
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Balance Sheet

Cash & Bank balances	-	1,701,785	1,701,785
Investments	-	2,876,398	2,876,398
Net inter segment lending	-	-	-
Lendings to financial institutions	-	-	-
Advances - performing	9,088,929	-	9,088,929
Advances - non-performing	772,839	-	772,839
Others	8,009,624	5,673	8,015,297
Total Assets	17,871,392	4,583,856	22,455,248
Bills payable	52,635	-	52,635
Deposits & other accounts	4,579,982	-	4,579,982
Net inter segment borrowing	-	-	-
Others	3,566,221	58,329	3,624,550
Total liabilities	8,198,838	58,329	8,257,167
Equity	14,198,081	-	14,198,081
Total Equity & liabilities	22,396,919	58,329	22,455,248

Contingencies & Commitments

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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29 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, 2020			Audited June 30, 2019		
	Key management personnel	Provident fund trust	Pension fund trust	Key management personnel	Provident fund trust	Pension fund trust
----- (Rupees in '000) -----						
Advances						
Opening balance	6,094	-	-	7,059	-	-
Addition during the year	10,053	-	-	6,734	-	-
Recovered during the year	(4,985)	-	-	(7,699)	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	11,162	-	-	6,094	-	-
Other Liabilities						
Payable to staff retirement fund	-	-	2,572,421	-	-	2,693,886
	-	-	2,572,421	-	-	2,693,886
Income						
Mark-up / return / interest earned	851	-	-	1,096	-	-
	851	-	-	1,096	-	-
Expense						
Short term employees benefits	23,686	-	-	37,211	-	-
Contribution for the year	-	7,563	350,736	-	11,519	540,027
	23,686	7,563	350,736	37,211	11,519	540,027

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
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30 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Un-audited	Audited
March 31, 2020	June 30, 2019
Rupees in '000	

30.1 Capital Adequacy

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

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

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

4,129,885	6,931,879
-	2,966,008
4,129,885	3,965,871
1,496,289	1,440,325
5,626,174	5,406,196

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

17,347,065	16,540,725
1,078,624	808,902
3,125,934	3,014,004
21,551,622	20,363,631

Common Equity Tier 1 Capital Adequacy ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

19.16%	19.48%
6.94%	7.07%
26.11%	26.55%

30.1.1 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 December 31, 2019, the paid up capital of the Bank net of losses amounts to Rs. 6,179,939 thousands which is in agreement with regulatory requirements.

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

Un-audited	Audited
March 31, 2020	June 30, 2019
Rupees in '000	

30.2 Leverage Ratio (LR):

Eligible Tier-1 Capital

Total Exposures

Leverage Ratio

4,129,885	4,043,603
22,120,602	22,402,490
18.67%	18.05%

30.3 Liquidity Requirements

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

611,000	3,384,442
107,000	484,583
571.03%	698.42%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

12,030,000	12,488,584
6,625,000	6,589,914
181.58%	189.51%

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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31 DATE OF AUTHORIZATION FOR ISSUE

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

32 GENERAL

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

Acting President

Chief Financial Officer