



INDEPENDENT AUDITOR'S REVIEW REPORT
The Punjab Provincial Cooperative Bank Limited
Report on review of Condensed interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of The Punjab Provincial Cooperative Bank Limited ("the Bank") as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Adverse Conclusion

Our review indicates that, because of the signification of matters discussed in paragraphs (a) to (c) below, these accompanying condensed interim financial statements as at and for the six-months period ended December 31, 2023 are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

- a) The bank has not charged of loan and advances outstanding for more than three years, which are 100% provided for and already classify as "loss", as per the requirement of Prudential regulations for agricultural Financing, R-II Annexure II. In the absence of relevant information, resultant adjustments and consequential quantification effects thereof, if any, on the financial statements remains unascertained.
- b) As at December 31, 2023 Advances as disclosed in note 9 to the condensed interim financial statements include advances amounting to Rs. 49.543 million (June 30, 2023 Rs: 51.042 million) and markup on these advances amounting to Rs. 23.662 million (June 30, 2023 Rs: 34.003) included in "Other assets" as disclosed in note 13, and balance of Rs. 37.427 million (June 30, 2023: 37.427 million) included in "Other liabilities", remain unverified. These balances have been inherited from Central Bank at the time of its dissolution in 1976.



For the purpose of this review engagement, we were unable to determine the plausibility of these figures due to lack of information on the balances. The Bank intends to seek Board's consultation and approval on whether these balances should be removed from Bank's statement of financial position.

c) As at December 31, 2023, the Bank has a provision of Rs. 74.58 million (as disclosed in note 13.1) which remained unchanged as compared to June 30, 2023. We were unable to determine the plausibility (including sufficiency of provision) due to non-availability of workings underlying the assumptions and inputs used to reach to the conclusion that no change in the provision was necessary in the six- months period ended December 31, 2023.

Emphasis of Matter

Without further qualifying our report, we draw attention to the following matters:

a) As referred in note 9.4 to the condensed interim financial statements, the Bank has not adjusted its non-performing loans amounting to Rs. 316.140 million (June 30, 2023: Rs. 361.817 million) including mark-up thereon against properties decreed in favor of the Bank due to pending possession disputes.

b) As referred in note 10.4 to the condensed interim financial statements, the disputed properties amounting to Rs. 459.900 million (June 30, 2023: Rs. 459.900 million) are under litigation. Hence, management has not recorded impairment in this context in these condensed interim financial statements.

c) As referred in note 21.3, State Bank of Pakistan (SBP) vide letter No. BPRD/BACPD/629/023472/15 dated October 26, 2015 relaxed the Minimum Capital Requirement ("MCR") for the Bank to Rs. 6 billion (net of losses) subject to the conditions as fully disclosed in the referred note.

d) As referred in note 34 to the condensed interim financial statements regarding compliance status of Capital Adequacy Ratio ("CAR") reporting under BASEL I for the time being instead of BASEL III.

Other Matter

a) The condensed interim financial statements for the six-months period ended December 31, 2022 and the annual financial statements for the year ended June 30, 2023 were reviewed / audited by another auditor whose review report dated February 22, 2023 and audit report dated September 28, 2023 expressed adverse conclusion (on the six-month s' review) and adverse opinion (on the annual audit).

b) As part of our engagement, we were only required to review the cumulative figures for the six-months period ended December 31, 2023. Accordingly, we have not reviewed the figures for the quarters ended December 31, 2023 and December 31, 2022 in the condensed interim profit and loss account and the condensed interim statement of comprehensive income and therefore, we do not express conclusion thereon.

The engagement partner on the review resulting in this independent auditor's review report is Arqum Naveed.

Muniff Ziauddin & Co

Chartered Accountants

Place: Lahore

Date: 26 FEB 2024

UDIN: RR202310123oLsG2npi9

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

	Un-audited 31-Dec-23	Audited 30-Jun-23
Note	Rupees in '000'	
ASSETS		
Cash and balances with treasury banks	975,111	739,719
Balances with other banks	1,608,744	1,261,162
Investments	5,420,091	3,311,637
Advances	9,392,946	10,625,612
Fixed assets	15,540,390	15,538,777
Intangible assets	6,472	6,472
Right of Use-Assets	73,225	88,527
Other assets	1,479,305	1,093,221
	34,496,284	32,665,127
LIABILITIES		
Bills payable	177,337	20,187
Deposits and other accounts	6,898,993	6,223,905
Lease Liability	77,882	89,890
Deferred tax liabilities	140,134	15,644
Other liabilities	2,967,712	2,317,887
	10,262,058	8,667,513
NET ASSETS	24,234,226	23,997,614
REPRESENTED BY		
Share capital	7,885,547	7,885,547
Reserves	1,165,756	1,167,339
Surplus on revaluation of assets	15,645,162	15,529,872
Accumulated Loss	(462,239)	(585,144)
	24,234,226	23,997,614
CONTINGENCIES AND COMMITMENTS		
	21	

The annexed notes, from 1 to 36, form an integral part of these condensed interim financial statements.



A. President / Chief Executive Officer



Chief Financial Officer

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

Note	Un-audited				
	Three months ended		Six months ended		
	December 31,		December 31,		
	2023	2022	2023	2022	
	Rupees in '000'		Rupees in '000'		
Mark-up/Return/Interest Earned	22	809,212	720,675	1,695,148	1,290,048
Mark-up/Return/Interest Expensed	23	(238,637)	(89,870)	(485,234)	(180,937)
Net Mark-up/ Interest Income		570,575	630,805	1,209,914	1,109,111
NON MARK-UP/INTEREST INCOME					
Fee and Commission Income	24	50,797	13,389	92,192	31,084
Dividend Income		46,809	42,745	46,820	42,896
Other Income	25	28,908	35,829	48,709	47,685
Total non-markup/interest Income		126,514	91,963	187,721	121,665
Total income		697,089	722,768	1,397,635	1,230,776
NON MARK-UP/INTEREST EXPENSES					
Operating expenses	26	(543,560)	(533,675)	(1,077,186)	(926,799)
Other charges	27	-	-	-	-
Total Non-Markup Interest Exp		(543,560)	(533,675)	(1,077,186)	(926,799)
Profit before provisions		153,529	189,093	320,449	303,977
Provisions and write offs - net	28	31,217	9,960	30,659	32,098
PROFIT BEFORE TAXATION		184,746	199,053	351,108	336,075
Taxation	29	(50,177)	(28,946)	(110,407)	(28,946)
PROFIT AFTER TAXATION		134,569	170,107	240,701	307,129
Basic Earnings per share	30	1.71	2.16	3.05	3.89
Diluted Earnings/(Loss) per share		-	-	-	-

The annexed notes, from 1 to 36, form an integral part of these condensed interim financial statements.



A. President / Chief Executive Officer




Chief Financial Officer

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Un-audited			
	Three months ended December 31,		Six months ended December 31,	
	2023	2022	2023	2022
	Rupees in '000'		Rupees in '000'	
Profit after taxation for the period	134,569	170,107	240,701	307,129
Other comprehensive income / (loss)				
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	87,645	(46,890)	175,290	(93,780)
	87,645	(46,890)	175,290	(93,780)
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	-	-	-	-
Others(Recognition of deferred Tax Assets/Liabilities	-	-	(124,490)	-
Interest Accrued on Govt securities(PIBs)	6,694	-	6,694	-
	6,694	-	(117,796)	-
Total comprehensive income	228,908	123,217	298,195	213,349

The annexed notes, from 1 to 36, form an integral part of these condensed interim financial statements.


A. President / Chief Executive Officer


Chief Financial Officer

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

	Un-audited December 31, 2023						Total	
	Share capital / Head office capital account	General Reserves		Surplus/(Deficit) on revaluation of Investments	Fixed / Non Banking Assets			Accumulated loss
		Statutory reserve	Common good fund					
				Rupees in '000'				
Opening Balance July 1, 2022	7,885,488	1,005,443	7,232	495,157	15,135,681	(1,090,841)	23,438,160	
Profit after taxation for the prior year	-	-	-	-	-	307,129	307,129	
Other comprehensive income - net of tax	-	-	-	(93,780)	-	-	(93,780)	
Medical aid to staff	-	-	(301)	-	-	-	(301)	
Transactions with owners, recorded directly in equity								
Issue of shares	59	-	-	-	-	-	59	
Opening Balance January 1, 2023	7,885,547	1,005,443	6,931	401,377	15,135,681	(783,712)	23,651,267	
Profit after taxation	-	-	-	-	-	315,682	315,682	
Other comprehensive income/(Loss) - net of tax	-	-	-	(1,700)	-	33,103	31,403	
Transfer of revaluation surplus on disposal	-	-	-	-	(5,486)	5,486	-	
Transfer to statutory reserve	-	155,703	-	-	-	(155,703)	-	
Medical aid to staff	-	-	(739)	-	-	-	(739)	
Surplus on revaluation of assets	-	-	-	-	-	-	-	
Transactions with owners, recorded directly in equity								
Issue of shares	-	-	-	-	-	-	-	
Closing Balance June 30, 2023	7,885,547	1,161,146	6,192	399,677	15,130,195	(585,144)	23,997,614	
Profit after taxation	-	-	-	-	-	240,701	240,701	
Other comprehensive income - net of tax	-	-	-	175,290	-	(117,796)	57,494	
Medical aid to staff	-	-	(1,582)	-	-	-	(1,582)	
Transfer of revaluation surplus on disposal	-	-	-	-	(60,000)	-	(60,000)	
Transactions with owners, recorded directly in equity								
Issue of shares	-	-	-	-	-	-	-	
Closing Balance December 31, 2023	7,885,547	1,161,146	4,610	574,967	15,070,195	(462,239)	24,234,227	

The annexed notes, from 1 to 36, form an integral part of these condensed interim financial statements.



A. President / Chief Executive Officer



Chief Financial Officer

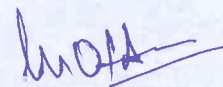
THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

Note	Un-audited Six months period ended December 31,	
	2023	2022
Rupees in '000'		
CASH FLOW FROM OPERATING ACTIVITIES		
	351,108	336,075
Profit/(Loss) before taxation		
Less. Dividend income	(46,820)	(42,896)
	<u>304,288</u>	<u>293,179</u>
Adjustments:		
Depreciation	26 11,355	7,201
Provision against advances	28 (30,659)	(32,098)
Provision for employees retirement benefits	180,734	183,247
	<u>161,430</u>	<u>158,350</u>
	<u>465,718</u>	<u>451,529</u>
(Increase)/ Decrease in operating assets		
Advances	1,232,666	(723,929)
Others assets (excluding advance taxation)	(386,084)	(131,472)
	<u>846,582</u>	<u>(855,401)</u>
Increase/ (Decrease) in operating liabilities		
Bills Payable	157,150	(9,027)
Deposits	675,088	589,876
Other liabilities (excluding current taxation)	128,661	85,452
	<u>960,899</u>	<u>666,301</u>
Taxes Paid	136,530	(53,724)
Employees retirement benefits paid	56,090	(289,376)
Medical aid to employees from common good fund	(1,582)	-
Net cash flow generated from operating activities	<u>2,464,237</u>	<u>(80,670)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in held-to-maturity securities	(1,926,470)	775,628
Dividends received	46,820	42,896
Investments in operating fixed assets	(1,612)	(36,696)
Net cash flow used in investing activities	<u>(1,881,262)</u>	<u>781,828</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	59
Net cash flow generated in financing activities	-	<u>59</u>
Increase in cash and cash equivalents	<u>582,974</u>	<u>701,217</u>
Cash and cash equivalents at beginning of the year	<u>2,000,881</u>	<u>2,591,323</u>
Cash and cash equivalents at end of the year	<u>2,583,855</u>	<u>3,292,540</u>

The annexed notes, from 1 to 36, form an integral part of these condensed interim financial statements.



A. President / Chief Executive Officer



Chief Financial Officer

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 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, 2023: 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 PREPARATION

2.1 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 and Securities and Exchange Commission of Pakistan

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 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, 2023.

2.2 BASIS OF MEASUREMENT

2.2.1 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.

2.2.2 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 started 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.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual financial statements of the Bank for the year ended December 31, 2023.

3.1 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 that are mandatory for the Bank's accounting period beginning on or after Jul 01, 2023 but 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.

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

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 22, 2020 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, 2023.

The State Bank of Pakistan vide BPRD circular Letter No.3 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.

Standard or interpretation

Effective date

IAS 1 Classification of liabilities as current or non-current -Amendments

1-Jan-24

There are various other standards, interpretations and amendments to accounting standards as applicable in Pakistan that are not yet effective in the current period. These are not likely to have material effect on the Bank's Financial Statements.

The Bank expects that the adoption of the above standards will have no significant material effect on the Bank's financial statements, in the period of initial application.

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

4 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, 2023.

5 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, 2023.

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

		Un-audited December 31, 2023	Audited June 30 2023
	Note	Rupees in '000'	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand:-			
Local currency		388,864	212,064
With State Bank of Pakistan in:-			
Local currency current account	6.1	426,438	421,867
With National Bank of Pakistan in:-			
Local currency current account		134,160	30,869
Local currency deposit account (NIDA)	6.2	25,649	74,919
		159,809	105,788
		975,111	739,719

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

6.2 This represents deposit accounts maintained with the National Bank of Pakistan. Rate of profit on National Income Daily Account (NIDA) account is at 20.50% per annum (June 30, 2023: 20.50% per annum).

		Un-audited December 31, 2023	Audited June 30 2023
	Note	Rupees in '000'	
7 BALANCES WITH OTHER BANKS			
In Pakistan:-			
In current account		40,665	4,983
In deposit account	7.1	1,568,079	1,256,179
		1,608,744	1,261,162

7.1 These accounts carry profit at 20.50% per annum (June 30, 2023: 20.50% per annum).

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

	Un-audited December 31, 2023	Audited June 30, 2023
	Rupees in '000'	
8.3 Provision for diminution in value of investments	89,648	89,648
8.3.1 Opening balance	-	-
Exchange adjustments	-	-
Charge / reversals	-	-
Charge for the year	-	-
Reversals for the year	-	-
Reversal on disposals	-	-
Transfers - net	-	-
Amounts written off	-	-
Closing Balance	89,648	89,648

8.3.2 Particulars of provision against debt securities

Category of classification	December 31, 2023 (Un-audited)		June 30, 2023 (Audited)	
	Non performing investments	Provision	Non performing investments	Provision
	Rupees in '000'		Rupees in '000'	
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	-	-	-	-
	-	-	-	-
	88,059	88,059	88,059	88,059

9 Advances

	Performing		Non Performing		Total	
	Un-audited Dec. 31,	Audited June 30, 2023	Un-audited Dec. 31,	Audited June 30, 2023	Un-audited Dec. 31,	Audited June 30, 2023
	Rupees in '000					
Loans, cash credits, running finances, etc.	9,166,530	10,391,556	1,751,526	1,789,825	10,918,056	12,181,381
Islamic financing and related assets	-	-	-	-	-	-
Bills discounted and purchased	-	-	184	184	184	184
Advances - gross	9,166,530	10,391,556	1,751,710	1,790,009	10,918,240	12,181,565
Provision against advances						
- Specific	-	-	1,524,916	1,555,575	1,524,916	1,555,575
- General	-	-	378	378	378	378
	-	-	1,525,294	1,555,953	1,525,294	1,555,953
Advances - net of provision	9,166,530	10,391,556	226,416	234,056	9,392,946	10,625,612

	Un-audited December 31, 2023	Audited June 30, 2023
	Rupees in '000'	
9.1 Particulars of advances (Gross)		
In local currency	10,918,240	12,181,565
In foreign currencies	-	-
	10,918,240	12,181,565

9.2 Advances include Rs.2,527,686 thousand (June 30, 2023: Rs.2,189,376 thousand) which have been placed under non-performing status as detailed below:-

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

Category of Classification	Un-audited December 31, 2023		Audited June 30, 2023	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	Rupees in '000'			
Domestic				
Other Assets Especially Mentioned	103,738	-	44,322	-
Substandard	53,070	585	60,453	589
Doubtful	51,869	3,820	92,870	7,851
Loss	1,542,849	1,520,889	1,592,180	1,547,413
	1,751,526	1,525,294	1,789,825	1,555,853

9.3 Particulars of provision against advances

	Un-audited December 31, 2023			Audited June 30, 2023		
	Specific	General	Total	Specific	General	Total
	Rupees in '000'					
Opening balance	1,555,575	378	1,555,953	1,701,621	378	1,701,999
Exchange adjustments	-	-	-	-	-	-
Charge for the year	(30,659)	-	(30,659)	(146,046)	-	(146,046)
Reversals	-	-	-	-	-	-
	1,524,916	378	1,525,294	1,555,575	378	1,555,953
Amounts written off	-	-	-	-	-	-
Amounts charged off - agriculture financing	-	-	-	-	-	-
Other movements (to be specified)	-	-	-	-	-	-
Closing balance	1,524,916	378	1,525,294	1,555,575	378	1,555,953

9.4 The Bank has non performing loans amounting to Rs. 316.140 million (June 30, 2023: Rs. 361.817 million) including mark-up thereon, against properties decreed in favor of the Bank

	Note	Un-audited December 31, 2023	Audited June 30, 2023
		Rupees in '000'	
10 FIXED ASSETS			
Capital work-in-progress		66,771	95,531
Property and equipment		15,473,619	15,443,246
		15,540,390	15,538,777
10 Capital work-in-progress			
Civil works		15,187	45,357
Equipment		51,584	50,174
		66,771	95,531

10 Additions to fixed assets

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

Property and equipment

Freehold land	-	-
Leasehold land	-	-
Building on freehold land	-	29,875
Building on leasehold land	-	-
Furniture and fixture	5,492	7,110
Electrical office and computer equipment	15,474	15,125
Vehicles	29,798	10,143
Others	-	42
	50,764	62,295

10 Disposal of fixed assets

Freehold land	-	5,684
Leasehold land	-	-
Building on freehold land	-	2,880
Building on leasehold land	-	-
Furniture and fixture	45	232
Electrical office and computer equipment	-	5
Vehicles	-	-
Others	-	-
	45	8,801

10 The value of land and buildings include properties under litigation / disputes amounts to Rs. 459.900 million (June 30, 2023: Rs. 459.900 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

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
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14 CONTINGENT ASSETS

The Bank has 90 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.

	Un-audited December 31, 2023	Audited June 30, 2023
	Rupees in '000'	
15 BILLS PAYABLE		
In Pakistan	177,337	20,188

16 DEPOSITS AND OTHER ACCOUNTS

	Un-audited December 31, 2023			Audited June 30, 2023		
	In Local Currency	In Foreign currency	Total	In Local Currency	In Foreign currency	Total
Customers						
Fixed deposits	609,546	-	609,546	594,257	-	594,257
Savings deposits	4,637,529	-	4,637,529	4,386,802	-	4,386,802
Current accounts - non remunerative	1,530,403	-	1,530,403	1,127,638	-	1,127,638
Call deposits	1,730	-	1,730	829	-	829
Other deposits	119,785	-	119,785	114,379	-	114,379
	6,898,993	-	6,898,993	6,223,905	-	6,223,905
Financial Institutions						
Fixed deposits	-	-	-	-	-	-
Savings deposits	-	-	-	-	-	-
Current accounts - non remunerative	-	-	-	-	-	-
Call deposits	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-
	6,898,993	-	6,898,993	6,223,905	-	6,223,905

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

	Un-audited December 31, 2023	Audited June 30, 2023
	Rupees in '000'	
17 Lease Liability		
Opening Balance	89,890	74,984
Add: Accrued lease rentals as at June 30, 2023	-	-
Add: Additions during the year	1,143	39,347
Add: Interest Expenses	8,275	17,927
Less: Lease payments	(21,426)	(42,368)
Gross Liability	77,882	89,890
Less: Current Portion	-	-
Closing	77,882	89,890

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18 DEFERRED TAX ASSETS/LIABILITIES

Un-audited December 31, 2023			
At July 01, 2023	Recognised in P&L	Recognised in OCI	At Dec 31, 2023
Rupees in '000'			
Deductible Temporary Differences on			
Post retirement benefits	178,279	(200,002)	(21,723)
Provision against other assets	-	-	-
Provision for salary payable	-	-	-
Decelerated tax amortisation	7,076	1,091	8,167
Provision against advances	-	-	-
Liabilities against assets - Finance Lease	89,890	(12,008)	77,882
	185,355	(210,919)	64,326
Taxable Temporary Differences on			
Accelerated tax depreciation	65,002	56,173	121,176
Surplus on revaluation of investments-T Bills & U Shares	-	-	-
Surplus on revaluation of investments-L Shares	399,677	-	574,967
Provision against other assets	8,106	-	8,106
Right-of-Use Assets	88,527	(15,302)	73,225
	65,002	40,871	777,474
	120,353	(251,790)	(713,147)
Temporary differences for which no deferred tax is recognized			
Allocation of Temporary differences on basis of Tax Rate			
@ 39%	113,610	(251,790)	(138,180)
@ 15%	(399,677)	-	(574,967)
		(175,290)	(713,147)
		(251,790)	(713,147)
	(15,644)	(98,197)	(140,134)

Deferred Tax Assets/(Liabilities)

DEFERRED TAX ASSETS/LIABILITIES

Audited June 30, 2023			
At July 01, 2022	Recognised in P&L	Recognised in OCI	At June 30, 2023
Rupees in '000'			
Deductible Temporary Differences on			
Post retirement benefits	-	178,279	178,279
Provision against other assets	-	-	-
Provision for salary payable	-	-	-
Decelerated tax amortisation	-	7,076	7,076
Provision against advances	-	-	-
Liabilities against assets - Finance Lease	-	89,890	89,890
	-	275,245	275,245
Taxable Temporary Differences on			
Accelerated tax depreciation	-	65,002	65,002
Surplus on revaluation of investments-T Bills & U Shares	-	-	-
Surplus on revaluation of investments-L Shares	-	-	399,677
Provision against other assets	-	8,106	8,106
Right-of-Use Assets	-	88,527	88,527
	-	161,635	561,312
	-	113,610	(286,067)
Temporary differences for which no deferred tax is recognized			
Allocation of Temporary differences on basis of Tax Rate			
@ 39% (2022: 35%)	113,610	-	113,610
@ 15% (2022: 15%)	-	(399,677)	(399,677)
			(286,067)
	113,610	(399,677)	(286,067)
	44,308	(59,952)	(15,644)

Deferred Tax Assets/(Liabilities)

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		Un-audited December 31, 2023	Audited June 30, 2023
	Note	Rupees in '000'	
19 OTHER LIABILITIES			
Mark-up/ Return/ Interest payable in local currency		397,216	51,208
Accrued expenses		13,220	39,752
Accrued Rent		-	-
Provision for SBP Penalty		-	-
Sundry creditors		81,701	106,076
Advance taxation (payments less provisions)		80,725	(1,680)
Dissolved bank payable		37,427	37,427
Provision for employees' gratuity		152,221	142,263
Provision for employees' pension fund		1,833,029	1,513,299
Provision for employees' compensated absences		-	314,666
Withholding tax payable		15,722	56,290
Memorandum account			
Others		356,451	58,586
		<u>2,967,712</u>	<u>2,317,887</u>
20 SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of			
- Available for sale securities	8.1	574,967	399,677
- Fixed Assets	20.1	15,070,195	15,130,195
		15,645,162	15,529,872
20.1 Surplus on revaluation of fixed assets relates to Land.			

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		Un-audited December 31, 2023	Audited June 30, 2023
21 CONTINGENCIES AND COMMITMENTS	Note	Rupees in '000'	
-Commitments	21.1	54,247	40,808
-Other Contingent liabilities	21.2	9,000	9,000
		<u>63,247</u>	<u>49,808</u>
21.1 Commitments:			
- Civil work		44,264	21,002
- intangible assets		9,983	19,806
		<u>54,247</u>	<u>40,808</u>
21.2	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.		
21.3	State Bank of Pakistan (SBP) vide letter No. BPRD/BACPD/629/023472/15 dated October 26, 2015 relaxed the Minimum Capital Requirement (MCR) for the Bank to Rs. 6 Billion (net of losses) subject to the conditions given below:		
	1 - Increase the Bank's paid up capital (net of losses) to Rs. 6 billion by December 31, 2015.		
	2 - Appointment of Bank's full time / regular president and constitution of its Board of Directors in line with the SBP's Fit and Proper Test (FPT) criteria and other applicable laws, rules and regulations by November 30, 2015.		
	3 - With the exception of expenses towards banks, sovereigns and public sector enterprise (PSEs), per party exposure limits for all other customers will be 50% of the Prudential regulations (PRs) limit.		
22 MARK-UP/RETURN/INTEREST EARNED			
On:-			
- Loans and advances		1,054,279	908,741
- Investments		497,771	308,278
- Balances with banks		143,098	73,029
		<u>1,695,148</u>	<u>1,290,048</u>
23 MARK-UP/RETURN/INTEREST EXPENSED			
Deposits		485,234	180,937
		<u>485,234</u>	<u>180,937</u>
24 FEE & COMMISSION INCOME			
Branch banking customer fees		-	-
Commission on utility bills		4,930	4,745
Commission on Advances guarantees		84,946	24,572
Commission on remittances including home remittances		382	228
Commission received on deposit category		1,719	1,439
Commission received on cheque book issuance		-	-
Others		215	100
		<u>92,192</u>	<u>31,084</u>
25 OTHER INCOME			
Rental income		41,604	38,051
Loan processing fee		3,983	9,229
Rent on lockers		492	405
Profit on sale of fixed assets		2,630	-
		<u>48,709</u>	<u>47,685</u>
26 OPERATING EXPENSES			
Total compensation expense	26.1	837,318	727,697
Property expense			
Rent & taxes		3,731	4,596
Interest on Lease Liability		8,275	7,189
Depreciation on ROU-Assets		16,445	13,079
Repair & maintenance (including janitorial charges)		4,161	1,243
Depreciation		2,138	2,188
		<u>34,750</u>	<u>28,295</u>

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		Un-audited December 31, 2023	Un-audited December 31, 2022
	Note	Rupees in '000'	
Other operating expenses			
Legal & professional charges		4,740	3,048
Depreciation		9,217	5,013
Postage & courier charges		3,334	1,907
Insurance		2,275	2,388
Utilities cost		45,605	40,165
Communication		9,451	8,693
Stationery & printing		5,459	1,046
Marketing, advertisement & publicity		5,245	1,285
Auditors Remuneration		-	48
Others		119,792	107,214
		205,118	170,807
		1,077,186	926,799
26.1 Total compensation expense			
Salary & Allowances		619,276	518,635
Fees and Allowances etc		565	448
Charge for defined benefit plan		217,477	208,614
		837,318	727,697
27 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		-	-
		-	-
28 PROVISIONS & WRITE OFFS - NET			
Provisions for diminution in value of investments	8.3	-	-
Provisions for salary payable		-	-
Provisions against loans & advances	9.3	(30,659)	(32,098)
Provision for rent recoverable		-	-
		(30,659)	(32,098)
29 TAXATION			
Current		110,407	62,444
Prior years		-	(33,498)
Deferred		-	-
		110,407	28,946
29.1	It is management's assessment that the provision for taxation made in these condensed interim financial statements is sufficient.		
30 BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the year		240,701	307,129
Weighted average number of ordinary shares		7,885,461	7,885,461
Basic earnings per share		3.05	3.89
30.1	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.		

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31 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 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.

31.1 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 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 December 31, 2023				
Carrying value	Level 1	Level 2	Level 3	Total
Rupees in '000'				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares	581,990	581,990	-	581,990
Financial assets - disclosed but not measured at fair value				
Cash and balances with treasury banks	975,111	-	-	-
Balances with other banks	1,608,744	-	-	-
Investments in treasury bills	3,189,636	-	-	-
Advances	9,392,946	-	-	-
Other assets	1,479,305	-	-	-

Audited June 30, 2023				
Carrying value	Level 1	Level 2	Level 3	Total
Rupees in '000'				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares	406,700	406,700	-	406,700
Financial assets - disclosed but not measured at fair value				
Cash and balances with treasury banks	739,719	-	-	739,719
Balances with other banks	1,261,162	-	-	1,261,162
Investments in treasury bills and NBFCs	2,904,937	-	-	2,904,937
Advances	10,625,612	-	-	10,625,612
Other Assets	1,093,222	-	-	1,093,222

Un-audited December 31, 2023	Audited June 30, 2023
Level 3	
Rupees in '000'	
14,622,935	14,622,935

31.2 Fair value of non-financial assets

Fixed assets (Freehold land)

32 SEGMENT INFORMATION

32.1 Segment details with respect to business activities

Un-audited December 31, 2023				
Profit and Loss	Retail banking	Retail finance lending	Others	Total
Rupees in '000'				
Net mark-up / return / profit	143,098	1,054,279	497,771	1,695,148
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	92,192	-	95,529	187,721
Total income	235,290	1,054,279	593,300	1,882,869
Segment direct expenses	(485,234)	-	(1,077,186)	(1,562,420)
Inter segment expense allocation	-	-	-	-
Total expenses	(485,234)	-	(1,077,186)	(1,562,420)
Provisions	-	-	30,659	30,659
Profit before taxation	(249,944)	1,054,279	(453,227)	351,108

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	Retail banking	Retail finance lending	Others	Total
Rupees in '000'				
Statement of Financial Position				
Cash and bank balances	-	-	2,583,855	2,583,855
Investments	-	-	5,420,091	5,420,091
Net inter segment lending	-	-	-	-
Lendings to financial institutions	-	-	-	-
Advances - performing	-	9,166,530	-	9,166,530
Advances - non-performing	-	226,416	-	226,416
Others	-	1,229,768	15,869,625	17,099,392
Total Assets	-	10,622,714	23,873,571	34,496,284
Bills payable	177,337	-	-	177,337
Deposits and other accounts	6,898,993	-	-	6,898,993
Net inter segment borrowing	-	-	-	-
Others	397,216	-	2,788,512	3,185,728
Total Liabilities	7,473,546	-	2,788,512	10,262,058
Equity	-	-	24,234,226	24,234,226
Total Equity & Liabilities	7,473,546	-	27,022,738	34,496,284
Contingencies & Commitments	-	-	-	-

Audited June 30, 2023				
	Retail banking	Retail finance lending	Others	Total
Rupees in '000'				
Profit and Loss				
Net mark-up / return / profit	165,753	1,851,606	671,689	2,689,048
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	91,062	-	190,042	281,104
Total income	256,815	1,851,606	861,731	2,970,152
Segment direct expenses	649,070	-	1,762,221	2,411,291
Inter segment expense allocation	-	-	-	-
Total expenses	649,070	-	1,762,221	2,411,291
Provisions	(146,046)	-	-	(146,046)
Profit before taxation	(538,301)	1,851,606	(900,490)	704,907

	Retail banking	Retail finance lending	Others	Total
Rupees in '000'				
Statement of Financial Position				
Cash and bank balances	-	-	2,000,881	2,000,881
Investments	-	-	3,311,637	3,311,637
Net inter segment lending	-	-	-	-
Lendings to financial institutions	-	-	-	-
Advances - performing	-	10,391,556	-	10,391,556
Right of Use-Assets	-	-	88,527	88,527
Advances - non-performing	-	234,056	-	234,056
Others	12,631	821,519	15,804,321	16,638,471
Total Assets	12,631	11,447,131	21,205,366	32,665,128
Bills payable	20,188	-	-	20,188
Deposits and other accounts	6,223,905	-	-	6,223,905
Lease Liability	-	-	89,890	89,890
Deferred Tax Liability	-	-	15,644	15,644
Others	51,208	-	2,266,679	2,317,887
Total Liabilities	6,295,301	-	2,372,213	8,667,514
Equity	-	-	23,997,614	23,997,614
Total Equity & Liabilities	6,295,301	-	26,369,827	32,665,128
Contingencies & Commitments	-	-	-	-

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33 RELATED PARTY TRANSACTIONS

Related parties comprise of key bank executives, president of the Bank, provident fund trust, pension fund trust, member societies, Registrar Co-
 The Banks 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 condensed interim financial statements are as follows:

	Un-audited December 31, 2023			Audited June 30, 2023		
	Key management personnel	Provident fund trust	Pension fund trust	Key management personnel	Provident fund trust	Pension fund trust
	(Rupees in '000)					
Advances						
Opening balance	13,021	-	-	8,344	-	-
Addition during the year	206	-	-	10,231	-	-
Repaid during the year	(1,700)	-	-	(4,778)	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	11,527	-	-	13,797	-	-
Other Liabilities						
Payable to staff retirement fund	-	-	1,833,029	-	-	-
	-	-	1,833,029	-	-	-
Income						
Mark-up / return / interest earned	318	-	-	869	-	-
	318	-	-	869	-	-
Expense						
Total Compensation Expenses	40,307	-	-	77,758	-	-
Contribution for the year	-	7,994	164,569	-	11,935	583,428
	40,307	7,994	164,569	77,758	11,935	583,428

34 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	Un-audited December 31, 2023	Audited June 30, 2023
	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	8,787,130	8,398,988
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	8,787,130	8,398,988
Eligible Tier 2 Capital	3,476,463	3,317,056
Total Eligible Capital (Tier 1 + Tier 2)	12,263,593	11,716,044
Risk Weighted Assets (RWAs):		
Credit Risk	25,212,719	25,207,163
Market Risk	1,163,980	813,400
Operational Risk	3,197,927	3,182,953
Total	29,574,626	29,203,516
Common Equity Tier 1 Capital Adequacy ratio	29.71%	28.76%
Tier 1 Capital Adequacy Ratio	11.75%	11.37%
Total Capital Adequacy Ratio	41.47%	40.12%

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 Dec 31, 2023, the paid up capital of the Bank net of losses amounts to Rs. 7,406,861 thousands which is in agreement with regulatory requirements. For the time being CAR is being reported under Basel I and Basel III as parallel 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.

	Un-audited December 31, 2023	Audited June 30, 2023
	Rupees in '000	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	8,787,130	8,398,988
Total Exposures	34,459,257	32,731,666
Leverage Ratio	25.50%	25.66%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,136,000	870,000
Total Net Cash Outflow	217,000	161,000
Liquidity Coverage Ratio	523.50%	540.37%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	14,952,000	14,119,000
Total Required Stable Funding	7,665,000	7,190,000
Net Stable Funding Ratio	195.07%	196.37%

35 DATE OF AUTHORIZATION FOR ISSUE

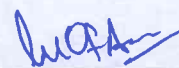
These condensed interim financial statements were issue for authorize on 22.02.24 by the Board of Directors of the Bank.

36 GENERAL

Figures in condensed interim financial statements have been rounded-off to the nearest Rupees in thousands except where stated otherwise.



A. President / Chief Executive Officer



Chief Financial Officer