

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2021**

	Note	Un-audited March 31, 2021	Audited June 30, 2020
<b>Rupees in '000'</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks	5	460,450	840,207
Balances with other banks	6	1,284,632	1,088,417
Investments	7	3,064,204	2,093,150
Advances	8	8,838,381	10,373,331
Fixed assets	9	7,158,922	7,159,766
Intangible assets	10	11,421	13,589
Deferred tax assets	11	-	-
Other assets	12	4,567,794	3,757,408
		<b>25,385,804</b>	<b>25,325,868</b>
<b>LIABILITIES</b>			
Bills payable	14	29,488	22,921
Borrowings		-	-
Deposits and other accounts	15	4,074,994	4,620,648
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities	16	6,802,203	6,072,752
		<b>10,906,685</b>	<b>10,716,321</b>
<b>NET ASSETS</b>		<b>14,479,119</b>	<b>14,609,547</b>
<b>REPRESENTED BY</b>			
Share capital		7,885,471	7,885,449
Reserves		847,739	848,179
Surplus on revaluation of assets	17	7,437,211	7,473,639
Accumulated losses		(1,691,302)	(1,597,720)
		<b>14,479,119</b>	<b>14,609,547</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	18	-	-

The annexed notes 1 to 33 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, 2021**

Note	Three months ended		Nine months ended		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
	Rupees in '000'		Rupees in '000'		
Mark-up / return / interest earned	19	421,479	466,569	1,358,242	1,508,172
Mark-up / return / interest expensed	20	(61,963)	(139,103)	(187,673)	(277,810)
Net mark-up / interest income		359,516	327,466	1,170,569	1,230,362
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	21	14,153	7,306	35,925	17,783
Dividend income		-	-	38,483	31,007
Other income	22	16,925	26,221	68,076	82,171
Total non-markup / interest income		31,078	33,527	142,484	130,961
Total income		390,594	360,993	1,313,053	1,361,323
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	23	(462,380)	(355,900)	(1,227,191)	(1,270,777)
Other charges	24	(91,700)	(30)	(91,730)	(30)
Total non-markup / interest expenses		(554,080)	(355,930)	(1,318,921)	(1,270,807)
<b>PROFIT BEFORE PROVISIONS AND TAXATION</b>		(163,486)	5,063	(5,868)	90,516
Provisions and write offs - net	25	-	-	(78,867)	-
<b>PROFIT BEFORE TAXATION</b>		(163,486)	5,063	(84,735)	90,516
Taxation	26	-	-	(8,847)	(33,268)
<b>PROFIT AFTER TAXATION</b>		(163,486)	5,063	(93,582)	57,248
<b>Basic and diluted earnings per share</b>	27	(2.07)	0.06	(1.19)	0.73

The annexed notes 1 to 33 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 COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>March</b>	<b>March</b>	<b>March</b>	<b>March</b>
	<b>31, 2021</b>	<b>31, 2020</b>	<b>31, 2021</b>	<b>31, 2020</b>
	<b>Rupees in '000'</b>		<b>Rupees in '000'</b>	
Profit after taxation for the period	<b>(163,486)</b>	5,063	<b>(93,582)</b>	57,248
<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>(18,214)</b>	41,443	<b>(36,428)</b>	134,861
	<b>(18,214)</b>	41,443	<b>(36,428)</b>	134,861
<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>(181,700)</b>	46,506	<b>(130,010)</b>	192,109

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**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Share capital	Statutory reserve	Surplus/(Deficit) on revaluation of		Common good fund	Accumulated losses	Total
			Investments	Fixed / non banking assets			
<b>Rupees in '000'</b>							
<b>Balance as at July 1, 2019</b>	7,885,490	803,213	397,428	6,868,774	5,936	(1,762,760)	14,198,081
Profit after taxation for the six months ended December 31, 2019	-	-	-	-	-	52,185	52,185
Other comprehensive income - net of tax	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-
Medical aid to staff	-	-	-	-	(295)	-	(295)
Surplus on revaluation of assets	-	-	93,418	-	-	-	93,418
<b>Transactions with owners, recorded directly in equity</b>							
Refund of shares	(58)	-	-	-	-	-	(58)
Issue of shares	9	-	-	-	-	-	9
<b>Balance as at January 1, 2020</b>	7,885,441	803,213	490,846	6,868,774	5,641	(1,710,575)	14,343,340
Profit after taxation for the six months ended June 30, 2020	-	-	-	-	-	97,115	97,115
Other comprehensive income - net of tax	-	-	-	-	-	55,065	55,065
Transfer to common good fund	-	-	-	-	2,000	(2,000)	-
Transfer to statutory reserve	-	37,325	-	-	-	(37,325)	-
Medical aid to staff	-	-	-	-	-	-	-
Surplus on revaluation of assets	-	-	114,019	-	-	-	114,019
<b>Transactions with owners, recorded directly in equity</b>							
Issue of shares	8	-	-	-	-	-	8
<b>Balance as at June 30, 2020</b>	7,885,449	840,538	604,865	6,868,774	7,641	(1,597,720)	14,609,547
Profit after taxation for the nine months ended March 31, 2021	-	-	-	-	-	(93,582)	(93,582)
Other comprehensive income - net of tax	-	-	(36,428)	-	-	-	(36,428)
Medical aid to staff	-	-	-	-	(440)	-	(440)
<b>Transactions with owners, recorded directly in equity</b>							
Refund of shares	-	-	-	-	-	-	-
Issue of shares	22	-	-	-	-	-	22
<b>Balance as at March 31, 2021</b>	<b>7,885,471</b>	<b>840,538</b>	<b>568,437</b>	<b>6,868,774</b>	<b>7,201</b>	<b>(1,691,302)</b>	<b>14,479,119</b>

The annexed notes 1 to 33 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, 2021**

		<b>Nine months ended</b>	
		<b>March</b>	<b>March</b>
<b>Note</b>		<b>31, 2021</b>	<b>31, 2020</b>
		<b>Rupees in '000'</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Profit before taxation	(84,735)	90,516
	Less: Dividend income	(38,483)	(31,007)
		(123,218)	59,509
Adjustments:			
	Depreciation	23 10,411	12,909
	Provision against advances	25 78,384	-
	Amortization	23 -	1,079
	Provision for employees retirement benefits	23.1 302,741	296,929
		391,536	310,917
		268,318	370,426
(Increase) / decrease in operating assets			
	Advances	1,534,950	(530,501)
	Others assets (excluding advance taxation)	(810,386)	(200,662)
		724,564	(731,163)
Increase / (decrease) in operating liabilities			
	Bills payable	6,567	(18,516)
	Deposits	(545,654)	(315,258)
	Other liabilities (excluding current taxation)	739,762	(74,074)
		200,675	(407,848)
	Income tax paid	(60,481)	(45,816)
	Employees retirement benefits paid	(343,328)	(402,952)
	Medical aid to employees from common good fund	(440)	(295)
	Net cash flow generated from / (used in) operating activities	789,308	(1,217,648)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Net investments in held-to-maturity securities	(1,007,482)	625,482
	Dividends received	38,483	31,007
	Investments in operating fixed assets	(3,873)	(11,713)
	Effect of translation of net investment in foreign branches	-	-
	Net cash flow (used in) / generated from investing activities	(972,872)	644,776
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Issue / (refund) of share capital	22	(41)
	Net cash flow generated from / (used in) financing activities	22	(41)
Effects of exchange rate changes on cash and cash equivalents			
		-	-
	<b>Increase in cash and cash equivalents</b>	(183,542)	(572,913)
	Cash and cash equivalents at beginning of the period	5 & 6 1,928,624	1,701,785
	Cash and cash equivalents at end of the period	1,745,082	1,128,872

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**Acting President**

**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, 2021**

**1. STATUS AND NATURE OF BUSINESS**

The Punjab Provincial Cooperative Bank Limited (the "Bank") was incorporated in 1924 as a Cooperative Bank under the Cooperative Societies Act, 1912 (repealed) (now the Cooperative Societies Act, 1925). It was given the status of a scheduled bank by the State Bank of Pakistan ("SBP") with effect from November 07, 1955. The Bank is operating under the supervision of the Cooperative Department, Government of Punjab and the State Bank of Pakistan. 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, 2020: 151) branches in the whole province of Punjab. The registered office of the Bank is located at the Bank Square, The Mall, Lahore, Pakistan.

**2. BASIS OF PRESENTATION**

These condensed interim financial statements are presented in Pakistani Rupee, which is the Bank's functional currency. Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

**2.1 STATEMENT OF COMPLIANCE**

These condensed interim financial statements have 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 prepared in accordance with the required format prescribed by SBP vide BPRD Circular letter No. 05 dated 22.03.2019 and international accounting standard 34 Interim Financial Reporting (IAS-34) and document 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, 2020.

The State Bank of Pakistan has deferred the applicability of International Financial Reporting Standard 9, 'Financial Instruments' through BPRD Circular No. 04 of 2019 dated October 23, 2019. The SBP vide letter No. BPRD/RPD/2020-1318, dated January 20, 2020, has given the Bank the timeline of July 1, 2021 for final implementation of IFRS-9. The Bank is currently working with its consultants to identify the nature and quantum of the impact of adoption of IFRS-9. In these condensed interim financial statements, the investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

IFRS 9, 'Financial Instruments: Classification and Measurement', addresses 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 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 PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

The State Bank of Pakistan has deferred the applicability of International Accounting Standards 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. Accordingly, the requirements of this standard have not been considered in the preparation of these condensed interim financial statements.

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

IFRS 16, "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. Moreover, there are new and amended standards and interpretations that are mandatory for accounting period beginning on or after July 01, 2020 but are considered not to be relevant or do not have any significant effect on the Bank's financial statements and or therefore not stated in these financial statements.

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

- a) The following standards and amendments and interpretation of approved accounting standard are not yet effective:

	<b>Effective date (annual periods beginning on or after)</b>
IAS-37 Onerous Contracts (Amendments)	January 1, 2022
IAS-16 Proceeds before intended use (Amendments)	January 1, 2022
IAS-1 Classification of Liabilities as Current or Non Current	January 1, 2022

**2.4 Critical accounting estimates and judgments**

The basis for accounting estimates 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, 2020.

**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 of the Bank for the year ended June 30, 2020.

**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, 2020.

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Note	Un-audited March 31, 2021	Audited June 30, 2020
<b>Rupees in '000'</b>			
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		142,066	325,149
With State Bank of Pakistan in			
Local currency current account	5.1	247,305	366,479
With National Bank of Pakistan in			
Local currency current account		47,043	92,833
Local currency deposit account (NIDA)	5.2	24,036	55,746
		<b>71,079</b>	148,579
		<b>460,450</b>	840,207

**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 5.50% per annum (June 30, 2020: 6.50% per annum).

**6 BALANCES WITH OTHER BANKS**

In Pakistan

In current account

In deposit account

	6.1	6,474	8,297
		1,278,158	1,080,120
		<b>1,284,632</b>	1,088,417

**6.1** These accounts carry profit rates ranging from 5.50% to 6.15% per annum (June 30, 2020: 6.50% to 6.75% 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, 2021**

**7 INVESTMENTS**

**7.1 Investments by type:**

	Un-audited March 31, 2021				Audited June 30, 2020			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>Rupees in '000'</b>								
<b>Available-for-sale securities</b>								
<b>Shares</b>								
Listed companies	7,023	-	568,437	575,460	7,023	-	604,865	611,888
Cooperative institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	<b>10,574</b>	<b>(1,589)</b>	<b>568,437</b>	<b>577,422</b>	<b>10,574</b>	<b>(1,589)</b>	<b>604,865</b>	<b>613,850</b>
<b>Held-to-maturity securities</b>								
<b>Federal Government securities</b>								
Market treasury bills	2,486,782	-	-	2,486,782	1,479,300	-	-	1,479,300
<b>Non-Government debt securities</b>								
Non-Banking Finance Company	88,059	(88,059)	-	-	88,059	(88,059)	-	-
	<b>2,574,841</b>	<b>(88,059)</b>	<b>-</b>	<b>2,486,782</b>	<b>1,567,359</b>	<b>(88,059)</b>	<b>-</b>	<b>1,479,300</b>
<b>Total Investments</b>	<b>2,585,415</b>	<b>(89,648)</b>	<b>568,437</b>	<b>3,064,204</b>	<b>1,577,933</b>	<b>(89,648)</b>	<b>604,865</b>	<b>2,093,150</b>

Market treasury bills of Rs. 2486.782 million are inclusive of Rs. 22.171 million of profit recoverable.

**7.2 Investments by segments:**

	Un-audited March 31, 2021				Audited June 30, 2020			
	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	2,486,782	-	-	2,486,782	1,479,300	-	-	1,479,300
<b>Non-government debt securities:</b>								
Unlisted	88,059	(88,059)	-	-	88,059	(88,059)	-	-
<b>Shares:</b>								
Listed companies	7,023	-	568,437	575,460	7,023	-	604,865	611,888
Cooperative institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	<b>10,574</b>	<b>(1,589)</b>	<b>568,437</b>	<b>577,422</b>	<b>10,574</b>	<b>(1,589)</b>	<b>604,865</b>	<b>613,850</b>
<b>Total Investments</b>	<b>2,585,415</b>	<b>(89,648)</b>	<b>568,437</b>	<b>3,064,204</b>	<b>1,577,933</b>	<b>(89,648)</b>	<b>604,865</b>	<b>2,093,150</b>

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	<b>Un-audited</b>	<b>Audited</b>
	<b>March</b>	<b>June</b>
	<b>31, 2021</b>	<b>30, 2020</b>
	<b>Rupees in '000'</b>	
<b>7.3 Provision for diminution in value of investments</b>		
<b>7.3.1</b> Opening balance	<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**

<b>Category of classification</b>	<b>March 31, 2021 (Un-audited)</b>		<b>June 30, 2020 (Audited)</b>	
	<b>Non performing investments</b>	<b>Provision</b>	<b>Non performing investments</b>	<b>Provision</b>
	<b>Rupees in '000'</b>		<b>Rupees in '000'</b>	
<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, 2021**

**8 ADVANCES**

	Performing		Non Performing		Total	
	Un-audited March 31, 2021	Audited June 30, 2020	Un-audited March 31, 2021	Audited June 30, 2020	Un-audited March 31, 2021	Audited June 30, 2020
	<b>Rupees in '000'</b>					
Loans, cash credits, running finances, etc.	7,737,518	9,427,639	2,785,334	2,551,779	10,522,852	11,979,418
Bills discounted and purchased	-	-	184	184	184	184
Advances - gross	7,737,518	9,427,639	2,785,518	2,551,963	10,523,036	11,979,602
Provision against advances						
- Specific	-	-	1,684,277	1,605,893	1,684,277	1,605,893
- General	378	-	-	378	378	378
	378	-	1,684,277	1,606,271	1,684,655	1,606,271
Advances - net of provision	7,737,140	9,427,639	1,101,241	945,692	8,838,381	10,373,331

**8.1 Particulars of advances (gross)**

In local currency	10,523,036	11,979,602
In foreign currencies	-	-
	<u>10,523,036</u>	<u>11,979,602</u>

**8.2** Advances include Rs. 2785.334 million (June 30, 2020: Rs. 2,551.78 million) which have been placed under non-performing status as detailed below:

Category of classification	Un-audited March 31, 2021		Audited June 30, 2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	<b>Rupees in '000'</b>			
<b>Domestic</b>				
Other assets especially mentioned	590,821	-	432,250	-
Substandard	296,538	471	318,698	11,648
Doubtful	221,063	19,379	197,429	22,170
Loss	1,676,912	1,655,654	1,603,402	1,563,855
Total	2,785,334	1,675,504	2,551,779	1,597,673

**8.3 Particulars of provision against advances**

	Un-audited March 31, 2021			Audited June 30, 2020		
	Specific	General	Total	Specific	General	Total
	<b>Rupees in '000'</b>					
Opening balance	1,605,893	378	1,606,271	1,605,893	378	1,606,271
Exchange adjustments	-	-	-	-	-	-
Charge for the period / year	78,384	-	78,384	-	-	-
Reversals	-	-	-	-	-	-
	1,684,277	378	1,684,655	1,605,893	378	1,606,271
Amounts written off	-	-	-	-	-	-
Closing balance	1,684,277	378	1,684,655	1,605,893	378	1,606,271

**8.4** The Bank has not adjusted its non-performing loans amounting to Rs. 704.98 million (June 30, 2020: Rs. 704.98 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, 2021	June 30, 2020
	<b>Rupees in '000'</b>	
Civil works	19,274	23,762
Hardware/equipment	17,254	7,488
Property and equipment	7,122,394	7,128,516
	<u>7,158,922</u>	<u>7,159,766</u>

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

<b>Un-audited</b>	<b>Audited</b>
<b>March</b>	<b>June</b>
<b>31, 2021</b>	<b>30, 2020</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	-	1,237
Building on leasehold land	-	-
Furniture and fixture	573	651
Electrical office and computer equipment	1,204	2,759
Vehicles	299	-
Others	-	-
	<b>2,076</b>	<b>4,647</b>
Total	<b>2,076</b>	<b>4,647</b>

**9.2 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	-	-

**9.3** The value of land and buildings include properties under litigation / disputes amounts to Rs. 175.687 million (June 30, 2020: 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	<b>11,421</b>	<b>13,589</b>
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**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 intangible assets disposed during the period is as follows:

Developed internally	-	-
Directly purchased	-	-
Total	-	-

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

**11 DEFERRED TAX ASSETS**

Un-audited March 31, 2021			
At July 01, 2020	Recognised in P&L A/C	Recognised in OCI	At March 31, 2021
Rupees in '000'			
<b>Deductible Temporary Differences on</b>			
- Post retirement benefits	2,905,725	-	2,562,397
- Provision against other assets	66,479	-	66,478
- Provision for salary payable	264,285	-	264,285
- Decelerated tax amortisation	2,146	-	16,200
- Provision against advances	1,606,271	-	1,684,655
	<b>4,844,906</b>	-	<b>4,594,015</b>
<b>Taxable Temporary Differences on</b>			
- Accelerated tax depreciation	38,777	-	48,987
- Surplus on revaluation of investments	515,217	-	668,107
	<b>553,994</b>	-	<b>717,094</b>
<b>Temporary differences for which no deferred tax is recognized</b>	<b>4,290,912</b>	-	<b>3,876,921</b>
Audited June 30, 2020			
At July 01, 2019	Recognised in P&L A/C	Recognised in OCI	At June 30, 2020
Rupees in '000'			
<b>Deductible Temporary Differences on</b>			
- Post retirement benefits	2,964,230	-	2,905,725
- Provision against other assets	66,479	-	66,479
- Provision for salary payable	264,285	-	264,285
- Decelerated tax amortisation	-	-	2,146
- Provision against advances	1,606,271	-	1,606,271
	<b>4,901,265</b>	-	<b>4,844,906</b>
<b>Taxable Temporary Differences on</b>			
- Accelerated tax depreciation	36,192	-	38,777
- Surplus on revaluation of investments	395,839	-	515,217
	<b>432,031</b>	-	<b>553,994</b>
<b>Temporary differences for which no deferred tax is recognized</b>	<b>4,469,234</b>	-	<b>4,290,912</b>

In the absence of future taxable profit projections due to unanticipated circumstances, amount of Rs. 1,356,923 thousand (June 30, 2020: Rs. 1,501,819 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, 2021**

	Note	Un-audited	Audited
		March 31, 2021	June 30, 2020
<b>Rupees in '000'</b>			
<b>12 OTHER ASSETS</b>			
Income / mark-up accrued in local currency		773,481	837,107
Advances, deposits, advance rent and other prepayments		1,346	2,349
Sundry debtors		1,533	1,444
Profit recoverable from banks		4,090	3,605
Crop insurance recoverable		117,132	111,393
Live stock insurance recoverable		11,464	7,575
Branch adjustment		16,699	71,849
Memorandum account		3,580,181	2,590,002
Others		128,346	198,563
		<b>4,634,272</b>	<b>3,823,887</b>
Less: Provision held against other assets	12.1	(66,478)	(66,479)
Other assets (net of provision)		<b>4,567,794</b>	<b>3,757,408</b>
<b>12.1 Provision held against other assets</b>			
Others		(66,478)	(66,479)
		<b>(66,478)</b>	<b>(66,479)</b>

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

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

**13 CONTINGENT ASSETS**

The Bank has 112 cases pending with authorities for recoveries and settlement of properties. However, inflow economic benefits from such cases are not probable and therefore are not being disclosed here.

**14 BILLS PAYABLE**

In Pakistan	29,488	22,921
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**15 DEPOSITS AND OTHER ACCOUNTS**

	Un-audited March 31, 2021			Audited June 30, 2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
<b>Rupees in '000'</b>						
<b>Customers</b>						
Fixed deposits	215,883	-	215,883	239,523	-	239,523
Savings deposits - remunerative	3,002,992	-	3,002,992	3,063,609	-	3,063,609
Current deposits - non remunerative	724,106	-	724,106	1,239,856	-	1,239,856
Call deposits	1,603	-	1,603	2,342	-	2,342
Other deposits (see note 15.1)	130,410	-	130,410	75,318	-	75,318
	<b>4,074,994</b>	<b>-</b>	<b>4,074,994</b>	<b>4,620,648</b>	<b>-</b>	<b>4,620,648</b>
<b>Financial institutions</b>						
Fixed deposits	-	-	-	-	-	-
Savings deposits - remunerative	-	-	-	-	-	-
Current deposits - non remunerative	-	-	-	-	-	-
Call deposits	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-
	<b>4,074,994</b>	<b>-</b>	<b>4,074,994</b>	<b>4,620,648</b>	<b>-</b>	<b>4,620,648</b>

**15.1** 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, 2021**

	Note	Un-audited	Audited
		March 31, 2021	June 30, 2020
<b>Rupees in '000'</b>			
<b>16 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		12,835	61,189
Accrued expenses		10,170	6,704
Provision for salary payable / VSS package		264,285	264,285
Sundry creditors	16.1	61,598	69,620
Provision for Taxation(Less Advance Payment)		55,199	105,815
Dissolved bank payable		37,427	37,427
Provision for employees' gratuity		99,294	98,651
Provision for employees' pension fund		2,399,966	2,618,962
Provision for employees' compensated absences		187,193	188,112
Withholding tax payable		5,491	6,509
Branch adjustment		-	-
Memorandum account		3,580,181	2,590,002
Others		88,564	25,476
		<b>6,802,203</b>	<b>6,072,752</b>

**16.1** This includes amounts an amount payable of Rs. 6,274 thousand (June 30, 2020: Rs. 6,274 thousand) on account of Rahwali Sugar Mills and Bid Money of Rs. 12,300 thousand (June 30, 2020: 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. The court has decided the case in favour of the Bank. The matter has been put up before the Bank Administrator for according approval for information and necessary action.

	Note	Un-audited	Audited
		March 31, 2021	June 30, 2020
<b>Rupees in '000'</b>			
<b>17 SURPLUS ON REVALUATION OF ASSETS</b>			
Surplus on revaluation of			
Available for sale securities	7.1	568,437	604,865
Fixed assets	17.1	6,868,774	6,868,774
		<b>7,437,211</b>	<b>7,473,639</b>

**17.1** Surplus on revaluation of fixed assets relates to Land.

**18 CONTINGENCIES AND COMMITMENTS**

Commitments	18.1	9,803	9,760
Other contingent liabilities	18.2	9,000	9,000
		<b>18,803</b>	<b>18,760</b>
<b>18.1 Commitments</b>			
Civil work		3,530	3,530
Intangible assets		6,273	6,230
		<b>9,803</b>	<b>9,760</b>

**18.2** 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.

**18.3** 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 - The Bank will submit a strategic plan to function in a self sustainable manner duly meeting applicable regulatory requirements in the areas of risk management, capital, corporate governance etc. The strategic plan should further outline Bank's business model, proposed commercial banking products / practices and competitive policies, duly supporting the future viability of PPCBL. The plan should be submitted by December 31, 2015.

4 - With the exception of expenses towards banks, sovereigns and PSEs, per party exposure limits for all other customers will be 50% of the PRs limit.

The Bank due to circumstances beyond its control could not fully comply with the requirements as set out above with regard to constitution of Board and strategic plan due to non-existence of Board within the prescribed date, whereas requirement of para 4 as above is not applicable to the Bank. However, the management of the Bank is in process to comply with these conditions fully when the circumstances would allow.

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

		<u>Un-audited</u>	<u>Un-audited</u>
		<u>March</u>	<u>March</u>
	Note	<u>31, 2021</u>	<u>31, 2020</u>
		<u>Rupees in '000'</u>	
<b>19 MARK-UP / RETURN / INTEREST EARNED</b>			
On:			
a) Loans and advances		1,190,916	1,239,626
b) Investments		112,548	175,799
c) Balances with banks		54,778	92,747
		<u>1,358,242</u>	<u>1,508,172</u>
<b>20 MARK-UP / RETURN / INTEREST EXPENSED</b>			
Deposits		<u>187,673</u>	<u>277,810</u>
<b>21 FEE AND COMMISSION INCOME</b>			
Commission on utility bills		7,422	7,808
Commission on guarantees		25,636	5,869
Commission on remittances including home remittances		325	548
Commission received on deposit category		1,376	1,501
Others		1,166	2,057
		<u>35,925</u>	<u>17,783</u>
<b>22 OTHER INCOME</b>			
Rent on property		49,739	45,908
Profit on books for sale		-	6,447
Bank and service charges		-	2,759
Loan processing fee		17,427	26,362
Rent on lockers		910	695
		<u>68,076</u>	<u>82,171</u>
<b>23 OPERATING EXPENSES</b>			
<b>Total compensation expense</b>	<b>23.1</b>	<b>1,056,944</b>	<b>1,075,156</b>
<b>Property expense</b>			
Rent and taxes		36,900	39,911
Insurance		6,091	6,765
Utilities cost		20,474	23,411
Security (including guards)		-	-
Repair and maintenance (including janitorial charges)		1,583	3,389
Depreciation		1,249	1,249
		<u>66,297</u>	<u>74,725</u>
<b>Information technology expenses</b>			
Amortisation		-	1,079



**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

		Un-audited March 31, 2021	Un-audited March 31, 2020
	Note	Rupees in '000'	
<b>Other operating expenses</b>			
Legal and professional charges		5,114	11,967
Depreciation		9,162	11,660
Postage and courier charges		4,231	4,924
Communication		12,459	11,958
Stationery and printing		1,808	2,439
Marketing, advertisement and publicity		1,463	1,165
Donations		-	93
Auditors remuneration		190	95
Others		69,523	75,516
		<b>103,950</b>	<b>119,817</b>
		<b>1,227,191</b>	<b>1,270,777</b>
<b>23.1 Total compensation expense</b>			
Salary and allowances		735,293	754,842
Fees and allowances		701	696
Charge for defined benefit plan		302,741	296,929
Conveyance		17,487	19,710
Others		722	2,979
		<b>1,056,944</b>	<b>1,075,156</b>
<b>24 OTHER CHARGES</b>			
Penalties imposed by State Bank of Pakistan		91,730	30
<b>25 PROVISIONS AND WRITE OFFS - NET</b>			
Provisions for diminution in value of investments	7.3	-	-
Provisions for salary payable		-	-
Provision for loan and advances	8.3	78,384	-
Provision for rent recoverable		483	-
Bad debts written off directly		-	-
Recovery of written off / charged off bad debts		-	-
		<b>78,867</b>	<b>-</b>
<b>26 TAXATION</b>			
Current		(19,032)	(33,268)
Prior years	26.1	10,185	-
Deferred		-	-
		<b>(8,847)</b>	<b>(33,268)</b>
<b>26.1</b> The Bank has recognized tax provision in its financial statements amounting to Rs. 64,136,000, Rs. 68,358,000, Rs. 45,570,000 and Rs. 34,109,000 for the years ended June 30, 2020, 2019, 2018 and 2017, respectively. While the tax assessed for these years was Rs. 63,768,239, Rs. 34,858,926, Rs. 25,012,139 and Rs. 14,472,867 (based on tax returns) respectively. Therefore, the excess provision recognized in prior years will be adjusted year by year.			
<b>26.2</b> It is management's assessment that the provision for taxation made in these condensed interim financial statements is sufficient.			
<b>27 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period		(93,582)	57,248
Weighted average number of ordinary shares		7,885,471	7,885,449
Basic and diluted earnings per share		(1.19)	0.73
<b>27.1</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, 2021**

**28 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.

**28.1 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, 2021**

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

Un-audited March 31, 2021					
Carrying value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Shares	575,460	575,460	-	-	575,460
<b>Financial assets - disclosed but not measured at fair value</b>					
Cash and balances with treasury banks	460,450	-	-	-	-
Balances with other banks	1,284,632	-	-	-	-
Investments in treasury bills	2,486,782	-	-	-	-
Advances	8,838,381	-	-	-	-
Other assets	4,520,771	-	-	-	-

Audited June 30, 2020					
Carrying value	Level 1	Level 2	Level 3	Total	
Rupees in '000'					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Shares	611,888	611,888	-	-	611,888
<b>Financial assets - disclosed but not measured at fair value</b>					
Cash and balances with treasury banks	840,207	-	-	-	-
Balances with other banks	1,088,417	-	-	-	-
Investments in treasury bills and NBFCs	1,479,300	-	-	-	-
Advances	10,373,331	-	-	-	-
Other Assets	3,675,902	-	-	-	-

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

	Un-audited March 31, 2021	Audited June 30, 2020
	Level 3	
	Rupees in '000'	
Fixed assets (Freehold land)	<b>6,979,254</b>	6,979,254

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

**29 SEGMENT INFORMATION**

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

<b>Un-audited March 31, 2021</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	54,778	1,190,916	112,548	1,358,242
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	35,925	-	106,559	142,484
<b>Total income</b>	<b>90,703</b>	<b>1,190,916</b>	<b>219,107</b>	<b>1,500,726</b>
Segment direct expenses	(187,673)	-	(1,318,921)	(1,506,594)
Inter segment expense allocation	-	-	-	-
<b>Total expenses</b>	<b>(187,673)</b>	<b>-</b>	<b>(1,318,921)</b>	<b>(1,506,594)</b>
Provisions	-	(78,867)	-	(78,867)
<b>Profit before taxation</b>	<b>(96,970)</b>	<b>1,112,049</b>	<b>(1,099,814)</b>	<b>(84,735)</b>
<b>Balance Sheet</b>				
	<b>Retail banking</b>	<b>Retail finance lending</b>	<b>Others</b>	<b>Total</b>
<b>Rupees in '000'</b>				
Cash and bank balances	-	-	1,745,082	1,745,082
Investments	-	-	3,064,204	3,064,204
Net inter segment lending	-	-	-	-
Advances - performing	-	7,737,140	-	7,737,140
Advances - non-performing	-	1,101,241	-	1,101,241
Others	4,090	4,357,752	7,376,295	11,738,137
<b>Total Assets</b>	<b>4,090</b>	<b>13,196,133</b>	<b>12,185,581</b>	<b>25,385,804</b>
Bills payable	29,488	-	-	29,488
Deposits and other accounts	4,074,994	-	-	4,074,994
Net inter segment borrowing	-	-	-	-
Others	12,835	3,580,181	3,209,187	6,802,203
<b>Total Liabilities</b>	<b>4,117,317</b>	<b>3,580,181</b>	<b>3,209,187</b>	<b>10,906,685</b>
Equity	-	-	14,479,119	14,479,119
<b>Total Equity &amp; Liabilities</b>	<b>4,117,317</b>	<b>3,580,181</b>	<b>17,688,306</b>	<b>25,385,804</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, 2021**

	Audited June 30, 2020			
	Retail banking	Retail finance lending	Others	Total
	Rupees in '000'			
<b>Profit and Loss</b>				
Net mark-up / return / profit	113,616	1,712,550	217,320	2,043,486
Non mark-up / return / interest income	71,924	-	91,062	162,986
<b>Total income</b>	<b>185,540</b>	<b>1,712,550</b>	<b>308,382</b>	<b>2,206,472</b>
Segment direct expenses	315,370	-	1,677,666	1,993,036
<b>Total expenses</b>	<b>315,370</b>	<b>-</b>	<b>1,677,666</b>	<b>1,993,036</b>
Provisions	-	-	-	-
<b>Profit before taxation</b>	<b>(129,830)</b>	<b>1,712,550</b>	<b>(1,369,284)</b>	<b>213,436</b>
<b>Balance Sheet</b>				
	Retail banking	Retail finance lending	Others	Total
	Rupees in '000'			
Cash and bank balances	-	-	1,928,624	1,928,624
Investments	-	-	2,093,150	2,093,150
Net inter segment lending	-	-	-	-
Lendings to financial institutions	-	-	-	-
Advances - performing	-	9,427,639	-	9,427,639
Advances - non-performing	-	945,692	-	945,692
Others	3,605	3,423,504	7,503,654	10,930,763
<b>Total Assets</b>	<b>3,605</b>	<b>13,796,835</b>	<b>11,525,428</b>	<b>25,325,868</b>
Bills payable	22,921	-	-	22,921
Deposits and other accounts	4,620,648	-	-	4,620,648
Net inter segment borrowing	-	-	-	-
Others	61,189	2,590,002	3,421,561	6,072,752
<b>Total Liabilities</b>	<b>4,704,758</b>	<b>2,590,002</b>	<b>-</b>	<b>10,716,321</b>
Equity	-	-	14,609,547	14,609,547
<b>Total Equity &amp; Liabilities</b>	<b>4,704,758</b>	<b>2,590,002</b>	<b>-</b>	<b>25,325,868</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, 2021**

**30 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, 2021			Audited June 30, 2020		
	Key management personnel	Provident fund trust	Pension fund trust	Key management personnel	Provident fund trust	Pension fund trust
<b>Rupees in '000'</b>						
<b>Advances</b>						
Opening balance	10,914	-	-	6,094	-	-
Addition during the period / year	7,176	-	-	10,205	-	-
Recovered during the period / year	(8,647)	-	-	(5,385)	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	9,443	-	-	10,914	-	-
<b>Other liabilities</b>						
Payable to staff retirement fund	-	-	2,399,966	-	-	2,618,962
	-	-	2,399,966	-	-	2,618,962
<b>Income</b>						
Mark-up / return / interest earned	1,566	-	-	933	-	-
	1,566	-	-	933	-	-
<b>Expense</b>						
Short term employees benefits	22,380	-	-	30,262	-	-
Contribution for the period / year	-	5,342	-	-	9,680	414,785
	22,380	5,342	-	30,262	9,680	414,785

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

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

	Un-audited March 31, 2021	Audited June 30, 2020
<b>Rupees in '000'</b>		
<b>31.1 Capital Adequacy</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	6,000,000	6,000,000
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	7,022,113	7,122,319
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	7,022,113	7,122,319
Eligible Tier 2 Capital	2,798,846	2,814,722
Total Eligible Capital (Tier 1 + Tier 2)	9,820,959	9,937,041
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	16,190,323	20,020,929
Market Risk	1,150,920	1,318,937
Operational Risk	3,150,989	3,125,934
Total	20,492,232	24,465,800
Common Equity Tier 1 Capital Adequacy ratio	34.27%	29.11%
Tier 1 Capital Adequacy Ratio	13.66%	11.51%
Total Capital Adequacy Ratio	47.93%	40.62%
<b>31.1.1</b> 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 June 30, 2020, the paid up capital of the Bank net of losses amounts to Rs. 6,194,169 thousands which is in agreement with regulatory requirements (refer to note 18.3). Currently CAR is being reported under Basel I as per instructions issued under circular No. 12 of 2004 as allowed by SBP.		
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 March 31, 2021	Audited June 30, 2020
<b>Rupees in '000'</b>		
<b>31.2 Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	7,022,113	7,122,319
Total Exposures	21,750,423	25,325,868
Leverage Ratio	32.28%	28.12%
<b>31.3 Liquidity Requirements</b>		
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	541,694	1,147,132
Total Net Cash Outflow	109,125	136,544
Liquidity Coverage Ratio	496.40%	840.12%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	12,196,653	12,588,241
Total Required Stable Funding	5,317,200	6,434,890
Net Stable Funding Ratio	229.38%	195.62%

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

**32 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 28.04.2021 by the Administrator of the Bank.

**33 GENERAL**

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

**Acting President**

**Chief Financial Officer**