

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

	Note	Un-audited March 31, 2022	Audited June 30, 2021
<b>Rupees in '000'</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks	4	469,892	682,512
Balances with other banks	5	974,077	894,125
Investments	6	4,931,432	3,540,871
Advances	7	7,177,403	8,885,150
Fixed assets	8	7,167,082	7,155,960
Intangible assets	9	8,460	11,420
Deferred tax assets	10	-	-
Other assets	11	3,866,244	3,717,940
		<b>24,594,590</b>	<b>24,887,978</b>
<b>LIABILITIES</b>			
Bills payable	13	23,499	21,537
Borrowings		-	-
Deposits and other accounts	14	3,847,086	4,154,591
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities	15	6,004,160	6,008,966
		<b>9,874,745</b>	<b>10,185,094</b>
<b>NET ASSETS</b>		<b>14,719,845</b>	<b>14,702,884</b>
<b>REPRESENTED BY</b>			
Share capital		7,885,487	7,885,471
Reserves		924,183	922,701
Surplus on revaluation of assets	16	7,351,655	7,486,456
Accumulated losses		<b>(1,441,480)</b>	<b>(1,591,744)</b>
		<b>14,719,845</b>	<b>14,702,884</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	17	-	-

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

**President/CEO**

**Chief Financial Officer**

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	Note	Three months ended		Nine months ended	
		March	March	March	March
		31, 2022	31, 2021	31, 2022	31, 2021
		Rupees in '000'		Rupees in '000'	
Mark-up / return / interest earned	18	469,552	421,479	1,411,510	1,358,242
Mark-up / return / interest expensed	19	(70,132)	(61,963)	(156,644)	(187,673)
Net mark-up / interest income		399,420	359,516	1,254,866	1,170,569
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	20	9,988	14,153	33,798	35,925
Dividend income		13	-	38,658	38,483
Other income	21	20,426	16,925	67,632	68,076
Total non-markup / interest income		30,427	31,078	140,088	142,484
Total income		429,847	390,594	1,394,954	1,313,053
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	22	(332,302)	(462,380)	(1,166,769)	(1,227,191)
Other charges	23	4	(91,700)	(40,369)	(91,730)
Total non-markup / interest expenses		(332,298)	(554,080)	(1,207,138)	(1,318,921)
<b>TAXATION</b>		97,549	(163,486)	187,816	(5,868)
Provisions and write offs - net	24	17,150	-	(5,625)	(78,867)
<b>PROFIT BEFORE TAXATION</b>		114,699	(163,486)	182,191	(84,735)
Taxation	25	-	-	(31,927)	(8,847)
<b>PROFIT AFTER TAXATION</b>		114,699	(163,486)	150,264	(93,582)
<b>Basic and diluted earnings per share</b>	26	1.45	(2.07)	1.91	(1.19)

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

President/CEO

Chief Financial Officer

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>March</b>	<b>March</b>	<b>March</b>	<b>March</b>
	<b>31, 2022</b>	<b>31, 2021</b>	<b>31, 2022</b>	<b>31, 2021</b>
	<b>Rupees in '000'</b>		<b>Rupees in '000'</b>	
Profit after taxation for the period	<b>114,699</b>	(163,486)	<b>150,264</b>	(93,582)
<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>(44,934)</b>	(12,143)	<b>(134,801)</b>	(36,428)
	<b>(44,934)</b>	(12,143)	<b>(134,801)</b>	(36,428)
<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>69,765</b>	(175,629)	<b>15,463</b>	(130,010)

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President/CEO

Chief Financial Officer

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	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, 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 six months ended December 31, 2020	-	-	-	-	-	69,904	69,904
Other comprehensive income - net of tax	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-
Medical aid to staff	-	-	-	-	(440)	-	(440)
Surplus on revaluation of assets	-	-	152,890	-	-	-	152,890
<b>Transactions with owners, recorded directly in equity</b>							
Refund of shares	-	-	-	-	-	-	-
Issue of shares	12	-	-	-	-	-	12
<b>Balance as at January 1, 2021</b>	7,885,461	840,538	757,755	6,868,774	7,201	(1,527,816)	14,831,913
Profit after taxation for the six months ended June 30, 2020	-	-	-	-	-	233,009	233,009
Other comprehensive income - net of tax	-	-	-	-	-	(221,209)	(221,209)
Transfer to common good fund	-	-	-	-	-	-	-
Transfer to statutory reserve	-	75,728	-	-	-	(75,728)	-
Medical aid to staff	-	-	-	-	(766)	-	(766)
Surplus on revaluation of assets	-	-	(140,073)	-	-	-	(140,073)
<b>Transactions with owners, recorded directly in equity</b>							
Issue of shares	10	-	-	-	-	-	10
<b>Balance as at June 30, 2021</b>	7,885,471	916,266	617,682	6,868,774	6,435	(1,591,744)	14,702,884
Profit after taxation for the nine months ended March 31, 2021	-	-	-	-	-	150,264	150,264
Other comprehensive income - net of tax	-	-	(134,801)	-	-	-	(134,801)
Medical aid to staff	-	-	-	-	1,482	-	1,482
<b>Transactions with owners, recorded directly in equity</b>							
Refund of shares	-	-	-	-	-	-	-
Issue of shares	16	-	-	-	-	-	16
<b>Balance as at March 31, 2022</b>	<b>7,885,487</b>	<b>916,266</b>	<b>482,881</b>	<b>6,868,774</b>	<b>7,917</b>	<b>(1,441,480)</b>	<b>14,719,845</b>

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

**President/CEO**

**Chief Financial Officer**

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	<b>Nine months ended</b>	
	<b>March</b>	<b>March</b>
	<b>31, 2022</b>	<b>31, 2021</b>
<b>Note</b>	<b>Rupees in '000'</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	182,191	(84,735)
Less: Dividend income	(38,658)	(38,483)
	<b>143,533</b>	<b>(123,218)</b>
Adjustments:		
Depreciation	22    8,845	10,411
Provision against advances	24    5,625	78,384
Amortization	22    2,961	-
Provision for employees retirement benefits	22.1   209,774	302,741
	<b>227,205</b>	<b>391,536</b>
	<b>370,738</b>	<b>268,318</b>
(Increase) / decrease in operating assets		
Advances	1,707,747	1,534,950
Others assets (excluding advance taxation)	(148,304)	(810,386)
	<b>1,559,443</b>	<b>724,564</b>
Increase / (decrease) in operating liabilities		
Bills payable	1,962	6,567
Deposits	(307,505)	(545,654)
Other liabilities (excluding current taxation)	191,440	739,762
	<b>(114,103)</b>	<b>200,675</b>
Taxes paid(IT, ST, & WHT)	(115,027)	(60,481)
Employees retirement benefits paid	(341,241)	(343,328)
Medical aid to employees from common good fund	1,482	(440)
Net cash flow generated from / (used in) operating activities	<b>1,361,292</b>	<b>789,308</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in held-to-maturity securities	(1,525,362)	(1,007,482)
Dividends received	38,658	38,483
Investments in operating fixed assets	(7,272)	(3,873)
Effect of translation of net investment in foreign branches	-	-
Net cash flow (used in) / generated from investing activities	<b>(1,493,976)</b>	<b>(972,872)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue / (refund) of share capital	16	22
Net cash flow generated from / (used in) financing activities	<b>16</b>	<b>22</b>
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Increase in cash and cash equivalents</b>	<b>(132,668)</b>	<b>(183,542)</b>
Cash and cash equivalents at beginning of the period	4 & 5   1,576,637	1,928,624
Cash and cash equivalents at end of the period	<b>1,443,969</b>	<b>1,745,082</b>

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

President/CEO

Chief Financial Officer

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

**1. STATUS AND NATURE OF BUSINESS**

The Punjab Provincial Cooperative Bank Limited (the Bank) was incorporated in 1924 as a Cooperative Bank under the Cooperative Societies Act, 1912 (repealed) (now the Cooperative Societies Act, 1925). It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) with effect from November 07, 1955. The Bank is operating under the supervision of the Cooperative Department, Government of Punjab and the State Bank of Pakistan (SBP). The 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, 2021: 151) branches in the whole province of Punjab. The registered office of the Bank is located at the Bank Square, The Mall, Lahore, Pakistan.

**2 BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE**

**2.1 BASIS OF PRESENTATION**

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

**2.2 STATEMENT OF COMPLIANCE**

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

-International Financial Accounting Standards (IAS 34, Interim Financial Reporting) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;

-Provisions of and directives issued under the Banking Companies Ordinance, 1962 ("the Ordinance"), the Cooperative Societies Act, 1925 ("the Act"), and the Cooperative Societies Rules, 1927 ("the Rules"), the Companies Act, 2017 and;

-Directives issued by the SBP

Whenever the requirements of the Ordinance, the Act, the Rules, and the Companies Act, 2017 or the directives issued by the SBP differ with the requirements of IFRS, requirements of the Ordinance, the Act, the Rules, and the Companies Act, 2017 and the said directives 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 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, 2021.

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting period beginning on or after Jul 01, 2021 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.

IFRS 16, the accounting standard for leases, became effective for annual reporting period commencing on or after January 01, 2019. For the purpose of implementation of IFRS-16 in the Bank the services of a Consultant has been hired and the relevant data has also been provided to them.

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

The State Bank of Pakistan vide BPRD circular Letter No. 24 of 2021 dated July 5, 2021 has decided to implement the IFRS-9 from January 1, 2022 instead of January 1, 2021. In case of PPCBL the financial year is closed on 30th June therefore, the implementation date would be considered as July 1, 2022. As per current status the relevant data has been provided to the consultant for analysis purpose.

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

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.

**2.5 Critical accounting estimates and judgments**

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements is the same as that applied in the preparation of the audited annual financial statements of the Bank for the year ended June 30, 2021.

**3 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

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	Note	<b>Un-audited</b>	Audited
		<b>March</b>	June
		<b>31, 2022</b>	30, 2021
<b>Rupees in '000'</b>			
<b>4 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		164,085	195,488
With State Bank of Pakistan in			
Local currency current account	4.1	253,658	369,455
With National Bank of Pakistan in			
Local currency current account		28,113	61,823
Local currency deposit account (NIDA)	4.2	24,036	55,746
		52,149	117,569
		469,892	682,512

**4.1** 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.

**4.2** This represents deposit accounts maintained with the National Bank of Pakistan. Rate of profit on NIDA account is at 7.25% per annum (June 30, 2021: 5.50% per annum).

**5 BALANCES WITH OTHER BANKS**

In Pakistan

In current account

In deposit account

	5.1	6,474	16,527
		967,603	877,598
		974,077	894,125

**5.1** These accounts carry profit rates ranging from 5.50% to 9.00% per annum (June 30, 2021: 5.50% to 6.15% 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, 2022**

**6 INVESTMENTS**

**6.1 Investments by type:**

	Un-audited March 31, 2022				Audited June 30, 2021			
	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	-	482,881	489,904	7,023	-	617,682	624,705
Cooperative institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	<b>10,574</b>	<b>(1,589)</b>	<b>482,881</b>	<b>491,866</b>	<b>10,574</b>	<b>(1,589)</b>	<b>617,682</b>	<b>626,667</b>
<b>Held-to-maturity securities</b>								
<b>Federal Government securities</b>								
Market treasury bills	4,439,566	-	-	4,439,566	2,914,204	-	-	2,914,204
<b>Non-Government debt securities</b>								
Non-Banking Finance Company	88,059	(88,059)	-	-	88,059	(88,059)	-	-
	<b>4,527,625</b>	<b>(88,059)</b>	<b>-</b>	<b>4,439,566</b>	<b>3,002,263</b>	<b>(88,059)</b>	<b>-</b>	<b>2,914,204</b>
<b>Total Investments</b>	<b>4,538,199</b>	<b>(89,648)</b>	<b>482,881</b>	<b>4,931,432</b>	<b>3,012,837</b>	<b>(89,648)</b>	<b>617,682</b>	<b>3,540,871</b>

Market treasury bills of Rs. 4,439.566 million are inclusive of Rs. 52.536 million of profit recoverable.

**6.2 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	4,439,566	-	-	4,439,566	2,914,204	-	-	2,914,204
<b>Non-government debt securities:</b>								
Unlisted	88,059	(88,059)	-	-	88,059	(88,059)	-	-
<b>Shares:</b>								
Listed companies	7,023	-	482,881	489,904	7,023	-	617,682	624,705
Cooperative institutions	3,551	(1,589)	-	1,962	3,551	(1,589)	-	1,962
	<b>10,574</b>	<b>(1,589)</b>	<b>482,881</b>	<b>491,866</b>	<b>10,574</b>	<b>(1,589)</b>	<b>617,682</b>	<b>626,667</b>
<b>Total Investments</b>	<b>4,538,199</b>	<b>(89,648)</b>	<b>482,881</b>	<b>4,931,432</b>	<b>3,012,837</b>	<b>(89,648)</b>	<b>617,682</b>	<b>3,540,871</b>

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

	<b>Un-audited</b>	<b>Audited</b>
	<b>March</b>	<b>June</b>
	<b>31, 2022</b>	<b>30, 2021</b>
	<b>Rupees in '000'</b>	
<b>6.3 Provision for diminution in value of investments</b>		
<b>6.3.1 Opening balance</b>	<b>89,648</b>	89,648
Exchange adjustments	-	-
Charge / reversals		
Charge for the period / year	-	-
Reversals for the period / year	-	-
Reversal on disposals	-	-
Transfers - net	-	-
Amounts written off	-	-
Closing balance	<b>89,648</b>	89,648

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

<b>Category of classification</b>	<b>March 31, 2022 (Un-audited)</b>		<b>June 30, 2021 (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, 2022**

**7 ADVANCES**

	Performing		Non Performing		Total	
	Un-audited March 31, 2022	Audited June 30, 2021	Un-audited March 31, 2022	Audited June 30, 2021	Un-audited March 31, 2022	Audited June 30, 2021
	<b>Rupees in '000'</b>					
Loans, cash credits, running finances, etc.	6,427,059	8,030,693	2,459,390	2,557,878	8,886,449	10,588,571
Bills discounted and purchased	-	-	184	184	184	184
Advances - gross	6,427,059	8,030,693	2,459,574	2,558,062	8,886,633	10,588,755
Provision against advances						
- Specific	-	-	1,708,852	1,703,227	1,708,852	1,703,227
- General	-	-	378	378	378	378
	-	-	1,709,230	1,703,605	1,709,230	1,703,605
Advances - net of provision	6,427,059	8,030,693	750,344	854,457	7,177,403	8,885,150

**7.1 Particulars of advances (gross)**

In local currency	8,886,633	10,588,755
In foreign currencies	-	-
	<b>8,886,633</b>	<b>10,588,755</b>

7.2 Advances include Rs. 2,459.390 million (June 30, 2021: Rs. 2,557.87 million) which have been placed under non-performing status as detailed below:

Category of classification	Un-audited March 31, 2022		Audited June 30, 2021	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	<b>Rupees in '000'</b>			
<b>Domestic</b>				
Other assets especially mentioned	275,981	-	317,563	101
Substandard	245,649	2,870	330,597	426
Doubtful	214,815	19,564	194,341	12,396
Loss	1,722,945	1,686,795	1,715,377	1,690,682
Total	2,459,390	1,709,229	2,557,878	1,703,605

**7.3 Particulars of provision against advances**

	Un-audited March 31, 2022			Audited June 30, 2021		
	Specific	General	Total	Specific	General	Total
	<b>Rupees in '000'</b>					
Opening balance	1,703,227	378	1,703,605	1,703,227	378	1,703,605
Exchange adjustments	-	-	-	-	-	-
Charge for the period / year	5,625	-	5,625	-	-	-
Reversals	-	-	-	-	-	-
	1,708,852	378	1,709,230	1,703,227	378	1,703,605
Amounts written off	-	-	-	-	-	-
Closing balance	1,708,852	378	1,709,230	1,703,227	378	1,703,605

7.4 The Bank has not adjusted its non-performing loans amounting to Rs. 706.4 million (June 30, 2021: Rs. 704.98 million) including mark-up thereon, against properties decreed in favor of Bank due to pending possession disputes.

**8 FIXED ASSETS**

	Un-audited	Audited
	March	June
	31, 2022	30, 2021
<b>Rupees in '000'</b>		
Civil works	21,148	19,274
Hardware/equipment	10,821	-
Property and equipment	7,135,113	7,136,686
	<b>7,167,082</b>	<b>7,155,960</b>

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<u>Un-audited</u>	<u>Audited</u>
<u>March</u>	<u>June</u>
<u>31, 2022</u>	<u>30, 2021</u>
<u>Rupees in '000'</u>	

**8.1 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	6,638	1,237
Building on leasehold land	-	-
Furniture and fixture	520	651
Electrical office and computer equipment	837	2,759
Vehicles	-	-
Others	-	-
	<u>7,995</u>	<u>4,647</u>
Total	<u>7,995</u>	<u>4,647</u>

**8.2 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	<u>-</u>	<u>-</u>

- 8.3** The value of land and buildings include properties under litigation / disputes amounts to Rs. 175.687 million (June 30, 2021: 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.

**9 INTANGIBLE ASSETS**

Computer software	<u>8,460</u>	<u>11,420</u>
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**9.1 Additions to intangible assets**

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

Developed internally	-	-
Directly purchased	-	-
Total	<u>-</u>	<u>-</u>

**9.2 Disposals of intangible assets**

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

Developed internally	-	-
Directly purchased	-	-
Total	<u>-</u>	<u>-</u>

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**10 DEFERRED TAX ASSETS**

Un-audited March 31, 20212			
At July 01, 2021	Recognised in P&L A/C	Recognised in OCI	At March 31, 2022

**Deductible Temporary Differences on**

- Post retirement benefits	2,952,148	-	-	2,999,575
- Provision against other assets	66,478	-	-	66,478
- Provision for salary payable	-	-	-	-
- Decelerated tax amortisation	7,994	-	-	9,470
- Provision against advances	1,703,605	-	-	1,726,380
	<b>4,730,225</b>	-	-	<b>4,801,903</b>

**Taxable Temporary Differences on**

- Accelerated tax depreciation	54,529	-	-	63,719
- Surplus on revaluation of investments	528,034	-	-	423,294
	<b>582,563</b>	-	-	<b>487,013</b>
<b>Temporary differences for which no deferred tax is recognized</b>	<b>4,147,662</b>	-	-	<b>4,314,890</b>

Audited June 30, 2021			
At July 01, 2020	Recognised in P&L A/C	Recognised in OCI	At June 30, 2021

**Deductible Temporary Differences on**

- Post retirement benefits	2,964,230	-	-	2,952,148
- Provision against other assets	66,479	-	-	66,478
- Provision for salary payable	264,285	-	-	-
- Decelerated tax amortisation	-	-	-	7,994
- Provision against advances	1,606,271	-	-	1,703,605
	<b>4,901,265</b>	-	-	<b>4,730,225</b>

**Taxable Temporary Differences on**

- Accelerated tax depreciation	36,192	-	-	54,529
- Surplus on revaluation of investments	395,839	-	-	528,034
	<b>432,031</b>	-	-	<b>582,563</b>
<b>Temporary differences for which no deferred tax is recognized</b>	<b>4,469,234</b>	-	-	<b>4,147,662</b>

In the absence of future taxable profit projections due to unanticipated circumstances, amount of Rs. 1,510,211 thousand (June 30, 2021: Rs. 1,451,682 thousand) has not been recognized as deferred tax asset.

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
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	Note	Un-audited	Audited
		March 31, 2022	June 30, 2021
<b>11 OTHER ASSETS</b>		<b>Rupees in '000'</b>	
Income / mark-up accrued in local currency		747,680	762,828
Advances, deposits, advance rent and other prepayments		1,011	1,147
Sundry debtors		2,172	2,448
Profit recoverable from banks		8,478	3,605
Crop insurance recoverable		135,642	96,845
Live stock insurance recoverable		8,543	6,142
Branch adjustment		25,766	8,436
Memorandum account		2,881,045	2,778,043
Others		122,386	124,925
		<b>3,932,723</b>	<b>3,784,419</b>
Less: Provision held against other assets	11.1	<b>(66,479)</b>	<b>(66,479)</b>
Other assets (net of provision)		<b>3,866,244</b>	<b>3,717,940</b>
<b>11.1 Provision held against other assets</b>			
Others		<b>(66,479)</b>	<b>(66,479)</b>

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

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

**12 CONTINGENT ASSETS**

The Bank has 89 cases pending with authorities for recoveries, settlement of properties etc. However, inflow economic benefits from such cases are not probable and therefore are not being disclosed here.

**13 BILLS PAYABLE**

In Pakistan	<b>23,499</b>	21,537
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**14 DEPOSITS AND OTHER ACCOUNTS**

	Un-audited March 31, 2022			Audited June 30, 2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
<b>Rupees in '000'</b>						
<b>Customers</b>						
Fixed deposits	237,167	-	237,167	261,292	-	261,292
Savings deposits - remunerative	2,722,783	-	2,722,783	2,931,517	-	2,931,517
Current deposits - non remunerative	689,075	-	689,075	805,221	-	805,221
Call deposits	2,506	-	2,506	2,363	-	2,363
Other deposits (see note 15.1)	195,555	-	195,555	154,198	-	154,198
	<b>3,847,086</b>	<b>-</b>	<b>3,847,086</b>	<b>4,154,591</b>	<b>-</b>	<b>4,154,591</b>
<b>Financial institutions</b>						
Fixed deposits	-	-	-	-	-	-
Savings deposits - remunerative	-	-	-	-	-	-
Current deposits - non remunerative	-	-	-	-	-	-
Call deposits	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>3,847,086</b>	<b>-</b>	<b>3,847,086</b>	<b>4,154,591</b>	<b>-</b>	<b>4,154,591</b>

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

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	Note	Un-audited	Audited
		March 31, 2022	June 30, 2021
<b>15 OTHER LIABILITIES</b>		<b>Rupees in '000'</b>	
Mark-up / return / interest payable in local currency		23,231	49,285
Accrued expenses		13,787	15,104
Provision for salary payable / VSS package		-	-
Sundry creditors		105,968	73,558
Provision for Taxation(Less Advance Payment)		57,793	57,614
Dissolved bank payable		37,427	37,427
Provision for employees' gratuity		109,728	107,657
Provision for employees' pension fund		2,390,437	2,553,732
Provision for employees' compensated absences		281,876	290,759
Withholding tax payable		3,683	7,536
Branch adjustment		-	-
Memorandum account		2,881,045	2,778,043
Others		99,185	38,251
		<b>6,004,160</b>	<b>6,008,966</b>
		Un-audited	Audited
		March	June
		31, 2022	30, 2021
<b>16 SURPLUS ON REVALUATION OF ASSETS</b>		<b>Rupees in '000'</b>	
Surplus on revaluation of			
Available for sale securities	6.1	482,881	617,682
Fixed assets	16.1	6,868,774	6,868,774
		<b>7,351,655</b>	<b>7,486,456</b>
<b>16.1</b> Surplus on revaluation of fixed assets relates to Land.			
<b>17 CONTINGENCIES AND COMMITMENTS</b>			
Commitments	17.1	62,356	25,955
Other contingent liabilities	17.2	9,000	9,000
		<b>71,356</b>	<b>34,955</b>
<b>17.1 Commitments</b>			
Civil work		19,174	19,582
Intangible assets		43,182	6,373
		<b>62,356</b>	<b>25,955</b>
<b>17.2</b> These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and possibility of an outflow of economic resources is remote.			
<b>17.3</b> 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 - 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.			
3 - 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 PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
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		<b>Un-audited</b>	<b>Un-audited</b>
	<b>Note</b>	<b>March</b>	<b>March</b>
		<b>31, 2022</b>	<b>31, 2021</b>
		<b>Rupees in '000'</b>	
<b>18 MARK-UP / RETURN / INTEREST EARNED</b>			
On:			
a) Loans and advances		1,102,403	1,190,916
b) Investments		242,393	112,548
c) Balances with banks		66,714	54,778
		<b>1,411,510</b>	<b>1,358,242</b>
<b>19 MARK-UP / RETURN / INTEREST EXPENSED</b>			
Deposits		<b>156,644</b>	187,673
<b>20 FEE AND COMMISSION INCOME</b>			
Commission on utility bills		6,819	7,422
Commission on guarantees		24,735	25,636
Commission on remittances including home remittances		176	325
Commission received on deposit category		1,512	1,376
Others		556	1,166
		<b>33,798</b>	<b>35,925</b>
<b>21 OTHER INCOME</b>			
Rent on property		53,514	49,739
Profit on books for sale		-	-
Bank and service charges		-	-
Loan processing fee		13,597	17,427
Rent on lockers		521	910
		<b>67,632</b>	<b>68,076</b>
<b>22 OPERATING EXPENSES</b>			
<b>Total compensation expense</b>	<b>22.1</b>	<b>937,796</b>	1,056,944
<b>Property expense</b>			
Rent and taxes		44,067	36,900
Insurance		4,218	6,091
Utilities cost		30,309	20,474
Security (including guards)		-	-
Repair and maintenance (including janitorial charges)		2,195	1,583
Depreciation		1,945	1,249
		<b>82,734</b>	<b>66,297</b>
<b>Information technology expenses</b>			
Amortisation		2,961	-



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		Un-audited March 31, 2022	Un-audited March 31, 2021
	Note	Rupees in '000'	
<b>Other operating expenses</b>			
Legal and professional charges		6,603	5,114
Depreciation		6,900	9,162
Postage and courier charges		11,188	4,231
Communication		11,608	12,459
Stationery and printing		2,477	1,808
Marketing, advertisement and publicity		2,300	1,463
Donations		-	-
Auditors remuneration		140	190
Others		102,062	69,523
		<b>143,278</b>	<b>103,950</b>
		<b>1,166,769</b>	<b>1,227,191</b>
<b>22.1 Total compensation expense</b>			
Salary and allowances		704,514	735,293
Fees and allowances		651	701
Charge for defined benefit plan		209,774	302,741
Conveyance		21,922	17,487
Others		935	722
		<b>937,796</b>	<b>1,056,944</b>
<b>23 OTHER CHARGES</b>			
Penalties imposed by State Bank of Pakistan		40,369	91,730
		<b>40,369</b>	<b>91,730</b>
<b>24 PROVISIONS AND WRITE OFFS - NET</b>			
Provisions for diminution in value of investments	6.3	-	-
Provisions for salary payable		-	-
Provision for loan and advances	8.3	5,625	78,384
Provision for rent recoverable		-	483
Bad debts written off directly		-	-
Recovery of written off / charged off bad debts		-	-
		<b>5,625</b>	<b>78,867</b>
<b>25 TAXATION</b>			
Current		(52,384)	(19,032)
Prior years	25.1	20,457	10,185
Deferred		-	-
		<b>(31,927)</b>	<b>(8,847)</b>
<b>25.1</b>	The Bank has recognized tax provision in its financial statements amounting to Rs. 68,358,000, and Rs. 45,570,000 for the years ended June 30, 2019, and 2018, respectively. While the tax assessed for these years was Rs. 34,858,926, and Rs. 25,012,139 (based on tax returns) respectively. Therefore, the excess provision recognized in prior years will be adjusted year by year.		
<b>25.2</b>	It is management's assessment that the provision for taxation made in these condensed interim financial statements is sufficient.		
<b>26 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period		150,264	(93,582)
Weighted average number of ordinary shares		7,885,487	7,885,449
Basic and diluted earnings per share		1.91	(1.19)
<b>26.1</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.		

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**27 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.

**27.1 Fair value of financial assets**

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

Un-audited March 31, 2022					
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	489,904	489,904	-	-	489,904
<b>Financial assets - disclosed but not measured at fair value</b>					
Cash and balances with treasury banks	469,892	-	-	-	-
Balances with other banks	974,077	-	-	-	-
Investments in treasury bills	4,439,566	-	-	-	-
Advances	7,177,403	-	-	-	-
Other assets	3,932,723	-	-	-	-

Audited June 30, 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	624,705	624,705	-	-	624,705
<b>Financial assets - disclosed but not measured at fair value</b>					
Cash and balances with treasury banks	682,512	-	-	-	-
Balances with other banks	894,125	-	-	-	-
Investments in treasury bills and NBFCs	2,916,166	-	-	-	-
Advances	8,885,150	-	-	-	-
Other Assets	3,717,940	-	-	-	-

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

	Un-audited March 31, 2022	Audited June 30, 2021
	Level 3	
	Rupees in '000'	
Fixed assets (Freehold land)	6,980,028	6,980,028

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**29 SEGMENT INFORMATION**

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

<b>Un-audited March 31, 2022</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	66,714	1,102,403	242,393	1,411,510
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	33,798	-	106,290	140,088
<b>Total income</b>	<b>100,512</b>	<b>1,102,403</b>	<b>348,683</b>	<b>1,551,598</b>
Segment direct expenses	(156,644)	-	(1,207,138)	(1,363,782)
Inter segment expense allocation	-	-	-	-
<b>Total expenses</b>	<b>(156,644)</b>	<b>-</b>	<b>(1,207,138)</b>	<b>(1,363,782)</b>
Provisions	-	(5,625)	-	(5,625)
<b>Profit before taxation</b>	<b>(56,132)</b>	<b>1,096,778</b>	<b>(858,455)</b>	<b>182,191</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	-	1,443,969	1,443,969	
Investments	-	4,931,432	4,931,432	
Net inter segment lending	-	-	-	
Advances - performing	6,427,059	-	6,427,059	
Advances - non-performing	750,344	-	750,344	
Others	8,478	3,637,203	7,396,106	11,041,786
<b>Total Assets</b>	<b>8,478</b>	<b>10,814,606</b>	<b>13,771,507</b>	<b>24,594,590</b>
Bills payable	23,499	-	-	23,499
Deposits and other accounts	3,847,086	-	-	3,847,086
Net inter segment borrowing	-	-	-	-
Others	23,231	2,881,045	3,099,884	6,004,160
<b>Total Liabilities</b>	<b>3,893,816</b>	<b>2,881,045</b>	<b>3,099,884</b>	<b>9,874,745</b>
Equity	-	-	14,719,845	14,719,845
<b>Total Equity &amp; Liabilities</b>	<b>3,893,816</b>	<b>2,881,045</b>	<b>17,819,729</b>	<b>24,594,590</b>
<b>Contingencies &amp; Commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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**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, 2022			Audited June 30, 2021		
	Key management personnel	Provident fund trust/gratuity	Pension fund trust	Key management personnel	Provident fund trust/gratuity	Pension fund trust
	<b>Rupees in '000'</b>					
<b>Advances</b>						
Opening balance	9,328	-	-	10,914	-	-
Addition during the period / year	4,843	-	-	9,105	-	-
Recovered during the period / year	(5,931)	-	-	(10,691)	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	<b>8,240</b>	-	-	<b>9,328</b>	-	-
<b>Other liabilities</b>						
Payable to staff retirement fund	-	-	2,390,437	-	-	2,553,732
	-	-	<b>2,390,437</b>	-	-	<b>2,553,732</b>
<b>Income</b>						
Mark-up / return / interest earned	2,881	-	-	1,265	-	-
	<b>2,881</b>	-	-	<b>1,265</b>	-	-
<b>Expense</b>						
Short term employees benefits	29,336	-	-	29,378	-	-
Contribution for the period / year	-	4,632	182,765	-	7,631	523,794
	<b>29,336</b>	<b>4,632</b>	<b>182,765</b>	<b>29,378</b>	<b>7,631</b>	<b>523,794</b>

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

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

Un-audited	Audited
March 31, 2022	June 30, 2021
Rupees in '000'	

**31.1 Capital Adequacy**

**Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)	6,000,000	6,000,000
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**Capital Adequacy Ratio (CAR):**

Eligible Common Equity Tier 1 (CET 1) Capital	7,359,731	7,215,335
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	7,359,731	7,215,335
Eligible Tier 2 Capital	2,945,736	2,878,150
Total Eligible Capital (Tier 1 + Tier 2)	10,305,467	10,093,485

**Risk Weighted Assets (RWAs):**

Credit Risk	14,689,576	16,137,144
Market Risk	979,808	1,249,410
Operational Risk	3,131,826	3,131,826
Total	18,801,210	20,518,380

Common Equity Tier 1 Capital Adequacy ratio	39.14%	35.17%
Tier 1 Capital Adequacy Ratio	15.67%	14.04%
Total Capital Adequacy Ratio	54.81%	49.19%

**31.1.1** State Bank of Pakistan (SBP) vide Letter No. BPRD/BACPD/629/023472/15 dated 26.10.2015 required from Bank to have a minimum paid up capital (net of losses) of Rs. 6 billion. Further, the Bank is required to maintain a Capital Adequacy Ratio of 16% at all times. As of March 31, 2022, the paid up capital of the Bank net of losses amounts to Rs. 6,444,007 thousands which is in agreement with regulatory requirements (refer to note 17.3). 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	Audited
March 31, 2022	June 30, 2021
Rupees in '000'	

**31.2 Leverage Ratio (LR):**

Eligible Tier-1 Capital	7,359,731	7,215,335
Total Exposures	21,741,636	22,093,224
Leverage Ratio	33.85%	32.66%

**31.3 Liquidity Requirements**

**Liquidity Coverage Ratio (LCR):**

Total High Quality Liquid Assets	553,000	802,994
Total Net Cash Outflow	101,000	109,249
Liquidity Coverage Ratio	547.52%	735.01%

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

Total Available Stable Funding	11,836,000	12,073,036
Total Required Stable Funding	4,454,000	5,532,302
Net Stable Funding Ratio	265.74%	218.23%

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**32 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 27.04.2022 by the Administrator of the Bank.

**33 GENERAL**

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

**President/CEO**

**Chief Financial Officer**