

The Punjab Provincial Cooperative Bank Limited

Condensed interim statement of financial position

As at March 31, 2015

	Note	Un-audited March 31, 2015 Rupees in '000	Audited June 30, 2014 Rupees in '000
Assets			
Cash and balances with treasury banks		351,314	779,550
Balances with other banks		954,221	1,240,883
Lending to financial institutions		-	500,000
Investments - net	7	2,270,444	2,150,672
Advances - net	8	8,812,487	7,975,705
Operating fixed assets		4,615,292	4,594,887
Deferred tax assets - net		-	-
Other assets - net	9	921,408	743,700
Total Assets		17,925,166	17,985,397
Liabilities			
Bills payable		16,738	27,065
Borrowings from financial institutions		-	-
Deposits and other accounts	10	3,453,216	3,707,719
Deferred tax liabilities - net		-	-
Other liabilities		2,898,390	2,789,285
Total Liabilities		6,368,344	6,524,069
Net assets		11,556,822	11,461,328
Represented by :			
Share capital		1,938,243	1,938,210
Reserves		6,581,435	6,581,685
Accumulated loss		(1,588,974)	(1,656,708)
		6,930,704	6,863,187
Fair value reserve - investments		275,331	247,354
Surplus on revaluation of assets		4,350,787	4,350,787
		11,556,822	11,461,328

Contingencies and commitments

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*The annexed notes 1 to 14 form an integral part of this condensed interim financial information.***ZAHID MANSOOR**
CHIEF FINANCIAL OFFICER

PRESIDENT / CEO

The Punjab Provincial Cooperative Bank Limited

Condensed interim profit and loss account

For the quarter ended March 31, 2015 (Un-audited)

	Nine month ended March,		Quarter ended March,	
	2015	2014	2015	2014
	Rupees in '000		Rupees in '000	
Mark-up / return / interest earned	1,207,481	1,130,294	353,879	330,240
Mark-up / return / interest expensed	154,042	103,737	49,328	39,684
Net Mark-up / interest income	1,053,439	1,026,557	304,551	290,556
Less: provisions:				
Against non-performing loans and advances	-	-	-	-
Against bill purchased	-	-	-	-
	-	-	-	-
Net mark-up / interest income after provisions	1,053,439	1,026,557	304,551	290,556
Non mark-up / interest income				
Fee, commission and brokerage income	12,533	18,084	3,794	6,337
Dividend income	12,408	17,193	-	5,327
Income from dealing in foreign currency	-	-	-	-
Gain on sale of operating fixed assets	-	1,015	-	-
Other income	46,817	44,500	14,074	12,740
Total non-markup / interest income	71,758	80,792	17,868	24,404
Total Income	1,125,197	1,107,349	322,419	314,960
Non mark-up / interest expenses				
Administrative expenses	1,043,369	941,598	246,415	409,786
Other provisions / write - offs	-	-	-	-
Other charges	-	-	-	-
Total non-markup / interest expenses	1,043,369	941,598	246,415	409,786
Extra ordinary / unusual items	-	-	-	-
Profit before taxation	81,828	165,751	76,004	(94,826)
Taxation				
Current	14,094	31,944	-	-
Prior years	-	-	-	-
Deferred	-	-	-	-
	14,094	31,944	-	-
Profit after taxation	67,734	133,807	76,004	(94,826)
Basic / diluted earnings per share - Rupees	5.17	12.14	5.80	10.13

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

PRESIDENT / CEO

The Punjab Provincial Cooperative Bank Limited

Condensed interim statement of comprehensive income

For the quarter ended March 31, 2015 (Un-audited)

	Nine month ended March,	
	2015	2014
	Rupees in '000	
Profit after taxation for the period	67,734	133,807
Other comprehensive income		
Comprehensive income transferred to equity	67,734	133,807
Components of comprehensive income not reflected in quity		
Net change in fair value of available for sale investment	27,977	40,858
Total comprehensive income for the period	95,711	174,665

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The Punjab Provincial Cooperative Bank Limited

Condensed interim statement of cash flows

For the quarter ended March 31, 2015 (Un-audited)

	March 31, 2015	March 31, 2014
Rupees in '000		
Cash flow from operating activities		
Profit before taxation	81,828	165,751
Less: Dividend income	(12,408)	(17,193)
	<u>69,420</u>	<u>148,558</u>
Adjustments for non-cash charges:		
Depreciation	7,175	7,464
Charge for defined benefit plans	247,376	-
Provision against non-performing advances	-	-
Provision for other assets	-	-
Gain on sale of operating fixed assets	-	(1,003)
	<u>254,551</u>	<u>6,461</u>
	<u>323,971</u>	<u>155,019</u>
(Increase) / decrease in operating assets		
Advances	(836,782)	366,807
Lending to financial institutions	500,000	-
Others assets (excluding advance taxation) - net	(155,569)	(67,110)
	<u>(492,351)</u>	<u>299,697</u>
	<u>(168,380)</u>	<u>454,716</u>
Increase/ (decrease) in operating liabilities		
Bills payable	(10,327)	4,706
Borrowings from financial institutions	-	-
Deposits	(254,503)	174,048
Other liabilities (excluding current taxation)	(138,271)	142,348
	<u>(403,101)</u>	<u>321,102</u>
	<u>(571,481)</u>	<u>775,818</u>
Income tax paid - net	(34,918)	(1,542)
Net cash flows from operating activities	<u>(606,399)</u>	<u>774,276</u>
Cash flow from investing activities		
Dividend income received	12,408	17,193
Investment in operating fixed assets	(8,490)	(9,487)
Cost incurred on capital work in progress	(15,900)	(12,081)
Net (investments in) / encashment of 'held-to-maturity' securities	(91,795)	(943,888)
Proceeds of operating fixed assets disposed-off	(4,505)	1,814
Net cash (used in) / flows from investing activities	<u>(108,282)</u>	<u>(946,449)</u>
Cash flow from financing activities		
Issue of share capital	33	1,743
Medical aid to employees from Common Good Fund	(250)	(40)
Net cash flows from / (used in) financing activities	<u>(217)</u>	<u>1,703</u>
Increase in cash and cash equivalents during the period	<u>(714,898)</u>	<u>(170,470)</u>
Cash and cash equivalents at beginning of the period	<u>2,020,433</u>	<u>2,621,566</u>
Cash and cash equivalents at end of the period	<u>1,305,535</u>	<u>2,451,096</u>
Cash and cash equivalents are comprised of:		
Cash and balances with treasury banks	351,314	346,945
Balances with other banks	954,221	2,104,151
	<u>1,305,535</u>	<u>2,451,096</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

ZAHID MANSOOR
 CHIEF FINANCIAL OFFICER

PRESIDENT / CEO

The Punjab Provincial Cooperative Bank Limited

Condensed interim statement of changes in equity

For the quarter ended March 31, 2015 (Un-audited)

	Share capital	Statutory reserves	Common Good Fund	Other reserve (Note)	Un-appropriated profit / (loss)	Total
Rupees in 000						
Balance as on June 30, 2013	436,410	609,793	2,433	7,448,573	(1,836,133)	6,661,076
Issue of share capital	1,501,743	-	-	(1,500,000)	-	1,743
Medical aid to staff	-	-	(40)	-	-	(40)
Funds received from the Government of Punjab	-	-	-	-	-	-
Transfer of surplus on revaluation of asset	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	133,807	133,807
Balance as on March 31, 2013	1,938,153	609,793	2,393	5,948,573	(1,702,326)	6,796,586
Transfer to statutory reserve	-	20,965	-	-	-	20,965
Issue of share capital	57	-	-	-	-	57
Medical aid to staff	-	-	(39)	-	-	(39)
Comprehensive income for the period	-	-	-	-	45,618	45,618
Balance as on June 30, 2014	1,938,210	630,758	2,354	5,948,573	(1,656,708)	6,863,187
Issue of share capital	33	-	-	-	-	33
Medical aid to staff	-	-	(250)	-	-	(250)
Funds received from the Government of Punjab	-	-	-	-	-	-
Transfer of surplus on revaluation of asset	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	67,734	67,734
Balance as on March 31, 2015	1,938,243	630,758	2,104	5,948,573	(1,588,974)	6,930,704

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

PRESIDENT / CEO

Notes to the condensed interim financial information

For the quarter ended March 31, 2015 (Un-audited)

1 Status and nature of business

1.1 The Punjab Provincial Cooperative Bank Limited (the Bank) was incorporated in Punjab in the year 1924 as a Cooperative Bank under the Cooperative Societies Act, 1912 (repealed) and commenced its operations from 1924. It was given status of a Scheduled Bank by the State Bank of Pakistan (SBP) w.e.f. November 07, 1955. The Bank is operating under the supervision of the Cooperative Department Government of Punjab and the SBP. The objects for which the Bank is established are to carry out the business of agricultural credit and other activities as defined in the Cooperative Societies Act, 1925 and its Rules. The Bank operates through its 151 (June 30, 2014 : 151) branches in the province of Punjab. The Registered Office of the Bank is located at Bank Square, The Mall, Lahore.

1.2 The State Bank of Pakistan has exempted the Bank from meeting Minimum Capital Requirement (MCR) vide their letter no. BPRD (RU-43)512-09(B) / X /15161/98 dated September 08, 1998 and No. BSD (RU-43)512-09(B) / X / 1138 /2001 dated January 25, 2001. Restructuring plans have been submitted vide letter no. MD / COO /025-27 dated December 31, 2009 and letter no. PA/PS/063 dated December 10, 2013. Accordingly, the financial information have been prepared on going concern assumption.

2 Basis of presentation

This financial information has been prepared in conformity with the format of financial statements prescribed by the SBP vide BSD Circular No. 04 dated February 17, 2006.

3 Statement of compliance

These financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, the requirements of the Banking Companies Ordinance, 1962, or the directives issued by the SBP, the Cooperative Societies Act, 1925 and the Cooperative Societies Rules, 1927. Wherever, the requirements of the Act, Rules, or the directives issued by the SBP differ with the requirements of IFRS, the requirements of the Act, Rules, or the said directives shall prevail.

The SBP has deferred the applicability of IAS - 39, 'Financial Instruments: Recognition and Measurement' and IAS - 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also deferred the applicability of IFRS - 7, 'Financial Instruments: Disclosures' through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of this financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

4 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts and certain investments have been marked to market and are carried at fair value.

This condensed interim financial information is presented in Pak Rupees, which is the Bank's functional and presentation currency.

5 Summary of significant accounting policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual published financial statements of the Bank for the year ended June 30, 2014.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2014, were either considered not to be relevant to the Bank's operations or did not have significant effect on the accounting policies of the Bank.

6 Significant accounting estimates and judgments

6.1 The basis for significant accounting estimates and judgments adopted in the preparation of this condensed interim financial information is the same as those applied in the preparation of the annual financial statements of the Bank for the year ended June 30, 2014.

6.2 The Bank follows a consistent practice of conducting actuarial valuation annually at each year end and also considers that the above does not have material impact on Bank's Condensed Interim Balance Sheet, Profit and Loss Account and basic & diluted EPS.

Notes to the condensed interim financial information

For the quarter ended March 31, 2015 (Un-audited)

7 Investments

	Un-audited			Audited		
	March 31, 2015			June 30, 2014		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
Rupees in '000						

7.1 Investments by types:

Available-for-sale securities

Shares of Listed Companies	7,023	-	7,023	7,023	-	7,023
Shares of Cooperative Institutions	3,551	-	3,551	3,551	-	3,551

Held to maturity securities

Treasury Bills	984,058	-	984,058	1,375,545	-	1,375,545
Pakistan Investment Bonds	1,002,070	-	1,002,070	518,788	-	518,788
Investment with NBFIs	88,059	-	88,059	88,059	-	88,059
	2,084,761	-	2,084,761	1,992,966	-	1,992,966

Provision for diminution in value of shares of Cooperative Institutions and NBFIs	(89,648)	-	(89,648)	(89,648)	-	(89,648)
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Investment (net of provisions)	1,995,113	-	1,995,113	1,903,318	-	1,903,318
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Surplus on revaluation of 'available-for-sale' securities	275,331	-	275,331	247,354	-	247,354
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Total investments at market value	2,270,444	-	2,270,444	2,150,672	-	2,150,672
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	Un-audited	Audited
	March 31, 2015	June 30, 2014
Rupees in '000		

8 Advances

Loans, cash credits, running finances, etc.

In Pakistan	10,418,380	9,581,598
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Bills discounted and purchased (excluding treasury bills)

Payable in Pakistan	184	184
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Advances - gross

	10,418,564	9,581,782
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Provision for non-performing advances

Specific	(1,602,549)	(1,602,549)
General	(3,528)	(3,528)

	(1,606,077)	(1,606,077)
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Advances - net of provision

	8,812,487	7,975,705
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Notes to the condensed interim financial information

For the quarter ended March 31, 2015 (Un-audited)

8.1 Advances include Rs. 2,325,972 thousand (June 30, 2014 : Rs. 2,265,220 thousand) which have been placed under non-performing status as detailed below:-

	Un-audited March 31, 2015				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				

Category of classification

Other Assets Especially Mentioned	396,637	-	396,637	-	-
Substandard	206,767	-	206,767	3,964	3,964
Doubtful	274,310	-	274,310	28,405	28,405
Loss	1,473,258	-	1,473,258	1,267,794	1,573,708
	2,350,972	-	2,350,972	1,300,163	1,606,077

	Audited June 30, 2014				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				

Category of classification

Other Assets Especially Mentioned	274,309	-	274,309	-	-
Substandard	352,743	-	352,743	7,293	7,293
Doubtful	192,993	-	192,993	18,465	18,465
Loss	1,445,175	-	1,445,175	1,418,912	1,580,319
	2,265,220	-	2,265,220	1,444,670	1,606,077

	Un-audited	Audited
	March 31, 2015	June 30, 2014
	Rupees in '000	

9 Other assets - net

Income / markup accrued on loans and advances in local currency	666,155	514,878
Advances, deposits, advance rent and other prepayments	753	1,639
Advance taxation (payments less provisions)	34,449	12,310
Sundry debtors	7,028	7,209
Profit receivable from banks	-	20,036
Crop insurance recoverable	162,484	118,624
Others	91,187	83,519
Branch adjustment account	13,160	39,293
Other assets - gross	975,216	797,508
Less: Provision held against other assets	(53,808)	(53,808)
Other assets net of provision	921,408	743,700

Notes to the condensed interim financial information

For the quarter ended March 31, 2015 (Un-audited)

	Note	Un-audited	Audited
		March 31, 2015	June 30, 2014
		Rupees in '000	
10 Deposits and other accounts			
Customers			
Fixed deposits		582,808	363,084
Savings deposits		2,088,349	2,073,742
Current accounts - non-remunerative		719,318	1,206,465
Call deposits		2,073	27,873
Other deposits	10.1	60,668	36,555
		3,453,216	3,707,719

10.1 Others deposits include staff security deposits and employee's provident fund deposits.

11 Contingencies and commitments

11.1 There is no material change in the status of contingencies and commitments as disclosed in notes to the financial statements for the year ended June 30, 2014.

12 Related party transactions

Related parties comprise of key bank executives, provident fund trust, pension fund trust and the Government of Punjab. Transactions with related parties are as follows:

	Un-audited	Audited
	March 31, 2015	June 30, 2014
		Rupees in '000
Loan to executives		
Loans disbursed during the period	2,408	4,363
Repayments during the period	2,771	11,064
Mark-up earned	647	1,488
Contribution to Pension Fund Trust	31,074	9,012
Contributions to Provident Fund Trust	633	202,827
Shares issued to GoPb	-	1,500,000

13 Date of authorization

The un-audited condensed interim financial information were authorised for issue on 27.04.2015 by the Administrator of the Bank.

14 General

Figures in the condensed interim financial information have been rounded off to the nearest thousand rupees.

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

PRESIDENT / CEO