# Condensed interim statement of financial position

## As at September 30, 2014

	Note	Un-audited Sep. 30, 2014 Rupees in '000	Audited June 30, 2014 Rupees in '000
Assets			
Cash and balances with treasury banks		347,617	779,550
Balances with other banks		1,103,595	1,240,883
Lending to financial institutions		-	500,000
Investments - net	7	2,127,266	2,150,672
Advances - net	8	8,303,850	7,975,705
Operating fixed assets		4,610,095	4,594,887
Deferred tax assets - net		-	-
Other assets - net	9	922,967	743,700
Total Assets		17,415,390	17,985,397
Liabilities			
Bills payable		17,766	27,065
Borrowings from financial institutions		-	-
Deposits and other accounts	10	3,101,236	3,707,719
Deferred tax liabilities - net		-	-
Other liabilities		2,858,908	2,789,285
Total Liabilities		5,977,910	6,524,069
Net assets		11,437,480	11,461,328
Represented by :			
Share capital		1,938,218	1,938,210
Reserves		6,581,660	6,581,685
Accumulated loss		(1,662,647)	(1,656,708)
		6,857,231	6,863,187
Fair value reserve - investments		229,462	247,354
Surplus on revaluation of assets		4,350,787	4,350,787
		11,437,480	11,461,328

#### **Contingencies and commitments**

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

ZAHID MANSOOR CHIEF FINANCIAL OFFICER

### The Punjab Provincial Cooperative Bank Limited

## Condensed interim profit and loss account

# For the quarter ended September 30, 2014

	Un-audited For the Quarter ended September				
	2014	2013			
	Rupees in '000				
Mark-up / return / interest earned	300,651	268,911			
Mark-up / return / interest expensed	58,195	30,697			
Net Mark-up / interest income	242,456	238,214			
Less: provisions:					
Against non-performing loans and advances	-	-			
Against bill purchased		-			
Net mark-up / interest income after provisions	242,456	238,214			
Non mark-up / interest income					
Fee, commission and brokerage income	4,588	5,938			
Dividend income	12,408	11,817			
ncome from dealing in foreign currency	-	-			
Gain on sale of operating fixed assets	-	-			
Other income	13,535	12,708			
Total non-markup / interest income	30,531	30,463			
Total Income	272,987	268,677			
Non mark-up / interest expenses					
Administrative expenses	278,926	264,431			
Other provisions / write - offs	-	-			
Other charges	-	-			
Total non-markup / interest expenses	278,926	264,431			
Extra ordinary / unusual items	-	-			
Profit before taxation	(5,939)	4,246			
Taxation					
Current	-	-			
Prior years	-	-			
Deferred	-	-			
	-	-			
Profit after taxation	(5,939)	4,246			

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

ZAHID MANSOOR CHIEF FINANCIAL OFFICER

### THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED

# Statement of comprehensive income For the quarter ended September 30, 2014

	Un-audited				
		For the Quarter ended September			
	2014	2013			
	Rupees in	n '000			
Profit after taxation	(5,939)	4,246			
Other comprehensive income	-	-			
Comprehensive income transferred to equity	(5,939)	4,246			
Components of comprehensive income not reflected in equity					
Net change in fair value of available for sale investment	(17,892)	(13,738)			
Total comprehensive income	(23,831)	(9,492)			

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

ZAHID MANSOOR CHIEF FINANCIAL OFFICER

### The Punjab Provincial Cooperative Bank Limited

### Condensed interim statement of cash flows

## For the quarter ended September 30, 2014

Cash flow from operating activities       Profit before taxition     (5,339)       Profit before taxition     (12,406)       Less: Divided income     (12,406)       Adjustments for non-cash charges:     (15,347)       Depreciation     1,524       Charge for defined banefit plans     1,524       Provision against non-performing advances     -       Provision against non-performing advances     -       Provision against non-performing advances     -       Charge for defined banefit plans     -       Provision against non-performing advances     -       Gain on sale of operating field assets     -       Cherease in operating assets     -       Others assets (excluding advance taxation) - net     (16,233)       Increase/ (decrease) in operating liabilities     6       Bilip payable     (9,299)       Borrowings from financial institutions     -       Depresits     (15,232,206)       Cash flow from investing activities     (23,37,185)       Cher labilities (excluding current taxation)     -       Cash flow from investing activities     (15,240,06)       Dividend income received </th <th></th> <th>Un-audited</th> <th></th>		Un-audited	
Cash flow from operating activities     Profit before taxation   (5,939)     Lass:   Dividend income     (12,408)   (11)     Adjustments for non-cash charges:   (16,837)     Depreciation   1,524     Provision option against non-performing advances   -     Provision of optimer assets   -     Gain on sale of operating fixed assets   1,524     (Increase) / decrease in operating assets   (16,823)     Advances   (16,823)     (Increase) / decrease in operating fixed assets   (16,823)     (Increase) / decrease in operating assets   (16,823)     Advances   (16,823)     Others assets (excluding advance taxation) - net   (16,840,011)     (Trease) / decrease) in operating liabilities   (9,299)     Bits payable   (9,299)     Borrowings from financial institutions   (9,299)     Deposits   (353,7195)     Other liabilities (excluding curvent taxation)   (27,356)     Net cash flows from operating fixed assets   (55,500)     Cash flow from investing activities   (23,925)     Dividend income received   (14,2408     Increase (used in) / flows		September 30, 2014 Se	ptember 30, 2013
Profit before taxation (5,939) (12,406) (11 Less: Dividend income (12,406) (11 Adjustments for non-cash charges: Depreciation (15,244) (21 Adjustments for non-cash charges: Depreciation (15,244) (21 Provision against non-performing advances Provision of orbit easets (21 Gain on sale of operating taxet assets (21) (Increase) / decrease in operating assets (15,244) (16,823) (21) Advances (22,445) (16,823) (21) (Increase) / decrease in operating assets (24,450) (24) Advances (24,450) (24) (16,823) (24) (Increase) / decrease in operating liabilities (24) Bills payable (24,930,46) 9 (659,869) (24) (15,230, (144) (27,336) (144) (23,346) (24) (24) (24) (24) (24) (24) (24) (24		Rupees in '00	0
Less: Dividend income   (12,408)   (11)     Adjustments for non-cash charges:   (16,847)   (1)     Depreciation   1,524   (2)     Charge for defined benefit plans   1,524   (2)     Provision against non-performing advances   1   (16,6323)   (16,6323)     Gain on sale of operating fixed assets   1   (16,6323)   (16,632)   <	Cash flow from operating activities		
Less: Dividend income   (12,408)   (11)     Adjustments for non-cash charges:   (16,847)   (1)     Depreciation   1,524   (2)     Charge for defined benefit plans   1,524   (2)     Provision for other assets   1   (16,823)   (1)     Gain on sale of operating fixed assets   1   (16,823)   (16,823)   (1)     (Increase) / decrease in operating assets   (16,823)   (16,823)   (1)	Profit before taxation	(5,939)	4,246
Adjustments for non-cash charges:   (16,347)   (1)     Depreciation   1,524   2     Charge for defined benefit plans   -   -     Provision against non-performing advances   -   -     Gain on sale of operating ixed assets   -   -     (Increase) / decrease in operating assets   -   -     Advances   (16,323)   (0)     (Increase) / decrease in operating assets   -   -     Advances   (1328,145)   160     Others assets (excluding advance taxation) - net   (144,301)   (16,323)     Increase/ (decrease) in operating liabilities   (9,299)   -     Bits payable   (9,299)   -   -     Deposits   (14,430,461)   (2,7326)   (14,430,461)     (16,637,195)   (5)   (5,568,451)   (5)     Not cash flows from operating activities   (2,326,51)   (5)     Not cash flows from operating activities   (2,408)   11     (Income tax paid - net   (2,408)   11     (Income tax paid - net   (2,408)   (2,408)   (2,408)     Net cash flows from operating fated asets			(11,817)
Depretation 1,524 Charge for defined benefit plans 1,524 Charge for defined benefit plans 2,702 (14) Gain on sale of operating fixed assets 1,524 Charge assets (excluding advance taxation) - net 1,524 Charge assets (excluding current taxation) 1, 1,525 Charge assets (excluding exclusites 1, 1,52,555 Charge assets (excluding exclusites 1, 1,52,555 Charge assets (excluding exclusites 1, 1,52,555 Charge asset (exclu			(7,571)
Charge for defined benefit plans   -     Provision against non-performing advances   -     Provision of nother assets   -     Gain on sale of operating fixed assets   -     (Increase) / decrease in operating assets   -     Advances   (16,623)     Others assets (excluding advance taxation) - net   (16,623)     (Increase) / decrease in operating liabilities   -     Bills payable   (59,869)     Borrowings from financial institutions   -     Deposits   (20,6433)     Other labilities (excluding current taxation)   (27,326)     (144   (337,195)     (15   (58,456)     (10,0000 fax,455)   (39,251)     (11,0000 fax, paint in operating activities   (39,251)     Net cash flows from operating activities   (13,395)     Net cash flows from investing activities   (29,853)     Dividend in come received   -     Investments in / encashment of held-to-maturity' securities   -     Net cash flows from financing activities   (29,853)     Staf flow from financing activities   (29,853)     Staf flow from financing activities   -     I	Adjustments for non-cash charges:		
Provision against non-performing advances   -     Provision for other assets   -     Gain on sale of operating fixed assets   -     (Increase) / decrease in operating assets   -     Advances   (16,823)     Others assets (excluding advance taxation) - net   (16,823)     Increase/ (decrease) in operating liabilities   (16,823)     Bills payable   (9,299)     Borrowings from financial institutions   (9,299)     Borrowings from financial institutions   (16,643)     Other liabilities (excluding current taxation)   (27,226)     Income tax paid - net   (23,046)     Net cash flows from operating activities   (539,251)     Dividend income received   12,408     Dividend income received   12,408     Dividend income received   (23,406)     Cash flow from investing activities   (23,406)     Dividend income received   -     Dividend income factivities	Depreciation	1,524	2,327
Provision for other assets Gain on sale of operating fixed assets (15,823) (Increase) / decrease in operating assets Advances (Intercase) / decrease in operating assets Advances (Intercase) (decrease) in operating liabilities Increase (decrease) in operating liabilities Bilic payable Bilic payable Bilic payable Deposits (Other liabilities (excluding current taxation) (Increase) (decrease) in operating liabilities Deposits (Increase) (decrease) in operating liabilities Deposits (Increase) (decrease) in operating current taxation) (Increase) (decrease) (decrease) (Increase) (decrea	Charge for defined benefit plans	-	-
Gain on sale of operating fixed assets     -	Provision against non-performing advances		-
1,524   1     Advances   (16,23)   (1     Others assets (excluding advance taxation) - net   (164,201)   (164,201)     (164,201)   (164,201)   (164,201)     (164,201)   (164,201)   (164,201)     (164,201)   (164,201)   (164,201)     (164,201)   (164,201)   (164,201)     (160,201)   (164,201)   (164,201)     Bills payable   (9,289)   (166,483)     Deposits   (166,483)   (164)     Other liabilities (excluding current taxation)   (163,7195)   (66     Other liabilities (excluding current taxation)   (27,326)   (144)     (537,195)   (61   (164)   (164)     (164)   (164)   (163,7195)   (61   (164)     (17,326)   (144)   (153,7195)   (61   (144)   (144)   (144)   (153,7195)   (61   (142)			-
(Ifecrease) / decrease in operating assets   (Ife,823)   (Ife,823)     Advances   (Ife,823)   (Ife,823)     Others assets (excluding advance taxation) - net   (Ife,823)   (Ife,823)     Others assets (excluding advance taxation) - net   (Ife,823)   (Ife,823)     Increase/ (decrease) in operating liabilities   (Ife,823)   (Ife,823)     Bills payable   (Ife,823)   (Ife,823)     Borrowings from financial institutions   (Ife,823)   (Ife,823)     Other liabilities (excluding current taxation)   (Ife,823)   (Ife,823)     Other liabilities (excluding current taxation)   (Ife,823)   (Ife,823)     Income tax paid - net   (2,056)   (Ife,823)   (Ife,823)     Income tax paid - net   (2,056)   (Ife,823)   (Ife,823)   (Ife,823)   (Ife,823)     Dividend income received   12,408   1   (Income received)   12,408   1     Investmen in operating fixed assets   (Ife,823)   (Ife,823)   (Ife,823)   (Ife,823)     Univestmen in operating fixed assets disposed-off   -   -   -   -     Net cash flows from investing activities   (Ife,92)   (Ife,92)   Ife	Gain on sale of operating fixed assets	-	-
(Increase) / decrease in operating assets   (328,145)     Advances   (328,145)     Others assets (excluding advance taxation) - net   (164,901)     (Free assets) in operating liabilities   (493,046)     Bills payable   (9,299)     Borrowings from financial institutions   -     Deposits   (606,483)     (144)   (537,195)     (511)   (538,455)     (144)   (537,195)     (511)   (539,251)     Income tax paid - net   (2,056)     Net cash flows from operating activities   (539,251)     Dividend income received   12,408     Investment in operating fixed assets   (5,560)     Cash flow from investing activities   (23,406)     Dividend income received   -     Investment in operating inxel assets disposed-off   -     Net cash (lused in) / flows from investing activities   (23,406)     Cash flow from financing activities   (24,953)     Use of share capital   8     Medical aid to employees from Common Good Fund   (25)     Net cash flows from / (used in) financing activities   (17)     Increase in cash and cash equivalents du		· · · · · · · · · · · · · · · · · · ·	2,327
Advances   (328,145)   (164     Others assets (excluding advance taxation) - net   (483,046)   (7     Increase/ (decrease) in operating liabilities   (609,869)   88     Bills payable   (9,299)   (155     Borrowings from financial institutions   -   (1660,443)   (155     Deposits   (606,443)   (155   (127,326)   (144     (637,195)   (55   (55   (559,625)   (144   (539,251)   (55     Income tax paid - net   (2,056)   (24,056)   (12,056)   (13,395)   (13,395)   (13,395)   (24,408)   11     Investment in operating fixed assets   (5,560)   (24,408)   11   (13,395)   (24,408)   (144,408)   (13,395)   (24,408)   (144,408)   (13,395)   (24,408)   (144,408)   (144,408)   (15,560)   (24,408)   (144,408)   (144,408)   (15,560)   (24,408)   (144,408)   (15,560)   (24,408)   (15,560)   (24,408)   (144,408)   (15,560)   (24,408)   (15,560)   (24,408)   (144,408)   (13,395)   (165,560)   (24,408)   (16,569,201)   (29,553)   (23,406		(16,823)	(5,244)
Others assets (excluding advance taxation) - net   (164,901)   (74     (493,046)   9     Increase/ (decrease) in operating liabilities   (599,869)   83     Bills payable   (9,299)   -     Borrowings from financial institutions   (9,299)   -     Other liabilities (excluding current taxation)   (606,43)   (156     Deposits   (606,43)   (156     Other liabilities (excluding current taxation)   (27,326)   (144     (537,195)   (616   (539,251)   (616     Income tax paid - net   (2,056)   (23,925)   (24     Dividend income received   12,408   1   1     Investment in operating fixed assets   (13,395)   (24,006)   (24     Proceeds of operating fixed assets disposed-off   -   -   -     Net cash flows from investing activities   (23,953)   (23-   (23-     Suse of share capital   8   -   -   -     Investments in / encashment of "held-to-maturity' securities   (23,953)   (23-   (23-     Suse of share capital   8   -   -   -   -  <			105 701
(493,046)   9     (493,046)   9     (509,869)   88     Bills payable   (9,299)     Borrowings from financial institutions   (150     Deposits   (606,483)     Other liabilities (excluding current taxation)   (588,456)     (144   (537,195)     (50   (51     Income tax paid - net   (2,056)     Net cash flows from operating activities   (539,251)     Dividend income received   12,408     Investment in operating fixed assets   (5,560)     (Capital work in progress   (13,395)     Net cash flows from investing activities   (23,406)     Proceeds of operating fixed assets disposed-off   -     Net cash (used in) / flows from investing activities   (23,406)     Issue of share capital   8     Medical aid to employees from Common Good Fund   (25)     Net cash flows from / (used in) financing activities   (17)     Increase in cash and cash equivalents during the period   (2020,433     Cash and cash equivalents at beginning of the period   2,020,433     Cash and cash equivalents at end of the period   1,451,212   2,322			165,731
increase/ (decrease) in operating liabilities   (509,869)   88     Bills payable   (9,299)   (4     Borrowings from financial institutions   (666,433)   (156     Deposits   (606,433)   (156     Other liabilities (excluding current taxation)   (27,326)   (144     (537,195)   (50     Increase flows from operating activities   (2,056)   (24     Dividend income received   12,408   1     Investment in operating fixed assets   (5,560)   (1     Cash flows from operating fixed assets   (5,560)   (1     Capital work in progress   (13,395)   (23     Net cash (used in) / flows from investing activities   (29,953)   (23     Proceeds of operating fixed assets disposed-off   -   -     Net cash (used in) / flows from investing activities   (29,953)   (23     Issue of share capital   8   -   -     Medical aid to employees from Common Good Fund   (25)   -     Net cash flows from / (used in) financing activities   (17)   -     Increase in cash and cash equivalents during the period   2,020,433   2,622     Cash	Others assets (excluding advance taxation) - net		(74,561)
Increase/ (decrease) in operating liabilities Bills payable Borrowings from financial institutions Deposits Other liabilities (excluding current taxation) (606, 433) (606, 433) (606, 433) (606, 433) (77, 326) (144) (537, 195) (51) (77, 326) (144) (537, 195) (51) (142) (537, 195) (51) (142) (537, 195) (52) (142) (537, 195) (53) (54) (539, 251) (51) (54) (54) (55, 660) (12) Cash flows from operating activities Dividend income received 12, 408 11 Investment in operating fixed assets (5, 560) (12) (24) Proceeds of operating fixed assets disposed-off - Net cash (used in) / flows from investing activities (23, 406) (24) Proceeds of operating fixed assets disposed-off - Net cash (used in) / flows from investing activities Issue of share capital Medical aid to employees from Common Good Fund (25) Net cash flows from / (used in) financing activities (17) Increase in cash and cash equivalents during the period (269, 221) (29) Cash and cash equivalents at beginning of the period 2,020,433 2,622 Cash and cash equivalents at end of the period 2,020,433 2,62			91,170
Bills payable   (9,299)     Borrowings from financial institutions   (606,483)     Deposits   (606,483)     Other liabilities (excluding current taxation)   (27,326)     (144)   (27,326)     (144)   (537,195)     (144)   (537,195)     (144)   (537,195)     (144)   (537,195)     (144)   (537,195)     (144)   (537,195)     (144)   (539,251)     (144)   (537,195)     (144)   (537,195)     (144)   (539,251)     (144)   (539,251)     (144)   (539,251)     (144)   (539,251)     (145)   (144)     (151)   (144)     (152)   (144)     (151)   (144)     (152)   (144)     (153)   (151)     (151)   (144)     (152)   (144)     (153)   (151)     (144)   (153)     (17)   (144)     (17)   (144)     (17)   (144)	Increase/(decrease) in energing lightlitics	(509,869)	85,926
Borrowings from financial institutions   -     Deposits   (606,483)   (151     Other liabilities (excluding current taxation)   588,456   11     (27,326)   (144     (537,195)   (53     Income tax paid - net   (2,056)     Net cash flows from operating activities   (539,251)   (55     Dividend income received   12,408   11     Investment in operating fixed assets   (5,560)   (1     Capital work in progress   (13,395)   (23,406)   (24     Proceeds of operating fixed assets disposed-off   -   -   -     Net cash (used in) / flows from investing activities   (29,953)   (23,406)   (24     Proceeds of operating fixed assets disposed-off   -   -   -     Net cash (used in) / flows from investing activities   (29,953)   (23,406)   (24     Proceeds of share capital   8   -   -   -     Net cash flow from financing activities   (29,953)   (23,406)   (24     Proceeds of share capital   8   -   -   -     Net cash flow from financing activities   (17)   -		(0.200)	(646)
Deposits     (606,483)     (150)       Other liabilities (excluding current taxation)     588,456     11       (27,326)     (144)       (27,326)     (144)       (537,195)     (53)       Income tax paid - net     (2,056)       Net cash flows from operating activities     (539,251)     (55)       Dividend income received     12,408     1       Investment in operating fixed assets     (5,560)     (1       Investments in ) + encashment of 'held-to-maturity' securities     (23,406)     (244)       Proceeds of operating fixed assets disposed-off     -     -       Net cash (used in) / flows from investing activities     (29,953)     (23-       Cash flow from financing activities     (29,953)     (23-       Sue of share capital     8     -       Medical aid to employees from Common Good Fund     (25)     -       Net cash flows from / (used in) financing activities     (17)     -       Increase in cash and cash equivalents during the period     2,020,433     2,627       Cash and cash equivalents at end of the period     2,020,433     2,627       Cash and cash		(3,233)	(040)
Other liabilities (excluding current taxation)     588,456     11       (27,326)     (144       (537,195)     (51       Income tax paid - net     (2,056)       Net cash flows from operating activities     (539,251)     (51       Dividend income received     12,408     1       Investment in operating fixed assets     (5,560)     (1       Capital work in progress     (13,395)     (23,406)     (24       Proceeds of operating fixed assets disposed-off     -     (29,953)     (23,406)     (24       Proceeds of operating fixed assets disposed-off     -     -     (29,953)     (23,406)     (24       Proceeds of operating fixed assets disposed-off     -     -     (29,953)     (23,406)     (24       Proceeds of operating fixed assets disposed-off     -     -     (29,953)     (23,406)     (24       Sue of share capital     8     -     -     (25)     (24     -     (25)     (24     -     -     (25)     (25     (24     -     -     (25)     (24     -     -     (25)	-	(606 483)	(156,083)
(27,326)(144)(537,195)(531)Net cash flows from operating activities(539,251)Dividend income received12,408Dividend income received12,408Investment in operating fixed assets(5,560)Capital work in progress(13,395)Net (investments in / encashment of 'held-to-maturity' securities(23,406)Proceeds of operating fixed assets disposed-off-Net cash (used in) / flows from investing activities(29,953)Issue of share capital8Medical aid to employees from Common Good Fund(25)Net cash flows from / (used in) financing activities(17)Increase in cash and cash equivalents during the period(569,221)Cash and cash equivalents at end of the period2,020,433Cash and cash equivalents at end of the period1,451,212Cash and cash equivalents are comprised of:2Cash and cash equivalents are comprised of:347,617Cash and balances with other banks1,103,5951,103,5951,97	•		12,792
(537,195)(51Income tax paid - net(2,056)Net cash flows from operating activities(539,251)Cash flow from investing activities(539,251)Dividend income received12,408Investment in operating fixed assets(5,560)(Capital work in progress(13,395)Net (investments in ) / encashment of 'held-to-maturity' securities(23,406)Proceeds of operating fixed assets disposed-off-Net cash (used in) / flows from investing activities(29,953)(Cash flow from financing activities(29,953)Issue of share capital8Medical aid to employees from Common Good Fund(25)Net cash flows from / (used in) financing activities(17)Increase in cash and cash equivalents during the period(569,221)Cash and cash equivalents at beginning of the period2,020,433Cash and cash equivalents are comprised of:247,617Cash and balances with treasury banks347,617Balances with other banks1,103,595			(143,937)
Income tax paid - net(2,056)Net cash flows from operating activities(539,251)(54Dividend income received12,40811Investment in operating fixed assets(5,560)(1Capital work in progress(13,395)(24Proceeds of operating fixed assets disposed-offNet cash (used in) / flows from investing activities(29,953)(23Cash flow from financing activities(29,953)(23Cash flows from Common Good Fund(25)-Net cash quivalents at beginning of the period(569,221)(29)Cash and cash equivalents at beginning of the period2,020,4332,622Cash and cash equivalents at end of the period1,451,2122,322Cash and cash equivalents are comprised of:Cash and balances with treasury banks347,617354Balances with other banks1,103,5951,97			(58,011)
Cash flow from investing activities     Dividend income received   12,408   11     Investment in operating fixed assets   (5,560)   (11     Capital work in progress   (13,395)   (13,395)     Net (investments in) / encashment of 'held-to-maturity' securities   (23,406)   (24     Proceeds of operating fixed assets disposed-off   -   -     Net cash (used in) / flows from investing activities   (29,953)   (23     Cash flow from financing activities   (29,953)   (23     Sue of share capital   8   -     Medical aid to employees from Common Good Fund   (25)   -     Increase in cash and cash equivalents during the period   (569,221)   (29     Cash and cash equivalents at beginning of the period   2,020,433   2,622     Cash and cash equivalents are comprised of:   -   -     Cash and cash equivalents are comprised of:   -   -     Cash and balances with other banks   347,617   357     Balances with other banks   1,103,595   1,974	Income tax paid - net		(583)
Dividend income received12,40811Investment in operating fixed assets(5,560)(11Capital work in progress(13,395)(13,395)Net (investments in) / encashment of 'held-to-maturity' securities(23,406)(24Proceeds of operating fixed assets disposed-offNet cash (used in) / flows from investing activities(29,953)(23Cash flow from financing activities(29,953)(23Issue of share capital8-Medical aid to employees from Common Good Fund(25)(29)Net cash flows from / (used in) financing activities(17)-Increase in cash and cash equivalents during the period(569,221)(29)Cash and cash equivalents at beginning of the period2,020,4332,622Cash and cash equivalents at end of the period1,451,2122,322Cash and cash equivalents are comprised of:347,617353Cash and balances with treasury banks347,617353Balances with other banks1,103,5951,974	Net cash flows from operating activities	(539,251)	(58,594)
Dividend income received12,40811Investment in operating fixed assets(5,560)(11Capital work in progress(13,395)(13,395)Net (investments in) / encashment of 'held-to-maturity' securities(23,406)(24Proceeds of operating fixed assets disposed-offNet cash (used in) / flows from investing activities(29,953)(23Cash flow from financing activities(29,953)(23Issue of share capital8-Medical aid to employees from Common Good Fund(25)(29)Net cash flows from / (used in) financing activities(17)-Increase in cash and cash equivalents during the period(569,221)(29)Cash and cash equivalents at beginning of the period2,020,4332,622Cash and cash equivalents at end of the period1,451,2122,322Cash and cash equivalents are comprised of:347,617353Cash and balances with treasury banks347,617353Balances with other banks1,103,5951,974	Cash flow from investing activities		
Investment in operating fixed assets (5,560) (1 Capital work in progress (13,395) Net (investments in) / encashment of 'held-to-maturity' securities (23,406) (24 Proceeds of operating fixed assets disposed-off - Net cash (used in) / flows from investing activities (29,953) (23 Cash flow from financing activities Issue of share capital 8 Medical aid to employees from Common Good Fund (25) Net cash flows from / (used in) financing activities (17) Increase in cash and cash equivalents during the period (569,221) (29 Cash and cash equivalents at beginning of the period 2,020,433 2,662 Cash and cash equivalents at end of the period 1,451,212 2,322 Cash and cash equivalents are comprised of: Cash and cash equivalents are comprised of: Cash and balances with treasury banks 347,617 355 Balances with other banks 1,103,595 1,974	-	12.408	11,817
Capital work in progress(13,395)Net (investments in) / encashment of 'held-to-maturity' securities(23,406)(24Proceeds of operating fixed assets disposed-offNet cash (used in) / flows from investing activities(29,953)(23-Cash flow from financing activities8-Issue of share capital8-Medical aid to employees from Common Good Fund(25)-Net cash flows from / (used in) financing activities(17)-Increase in cash and cash equivalents during the period(569,221)(29-Cash and cash equivalents at beginning of the period2,020,4332,62-Cash and cash equivalents at end of the period1,451,2122,32-Cash and cash equivalents are comprised of:Cash and balances with treasury banks347,61735-Balances with other banks1,103,5951,97-			(1,731)
Net (investments in ) / encashment of 'held-to-maturity' securities(23,406)(24,406)Proceeds of operating fixed assets disposed-offNet cash (used in) / flows from investing activities(29,953)(23-Cash flow from financing activities8-Issue of share capital8-Medical aid to employees from Common Good Fund(25)-Net cash flows from / (used in) financing activities(17)-Increase in cash and cash equivalents during the period(569,221)(29-Cash and cash equivalents at beginning of the period2,020,4332,62-Cash and cash equivalents at end of the period1,451,2122,329Cash and balances with treasury banks347,617358Balances with other banks1,103,5951,974			(773)
Proceeds of operating fixed assets disposed-off   -     Net cash (used in) / flows from investing activities   (29,953)   (23     Cash flow from financing activities   8   -     Issue of share capital   8   -     Medical aid to employees from Common Good Fund   (25)   -     Net cash flows from / (used in) financing activities   (17)   -     Increase in cash and cash equivalents during the period   (569,221)   (29     Cash and cash equivalents at beginning of the period   2,020,433   2,62°     Cash and cash equivalents at end of the period   1,451,212   2,32°     Cash and cash equivalents are comprised of:   -   -     Cash and balances with treasury banks   347,617   35°     Balances with other banks   1,103,595   1,97°			(244,000)
Cash flow from financing activities     Issue of share capital   8     Medical aid to employees from Common Good Fund   (25)     Net cash flows from / (used in) financing activities   (17)     Increase in cash and cash equivalents during the period   (569,221)   (29)     Cash and cash equivalents at beginning of the period   2,020,433   2,62°     Cash and cash equivalents at end of the period   1,451,212   2,329     Cash and cash equivalents are comprised of:   Cash and balances with treasury banks   347,617   358     Balances with other banks   1,103,595   1,974		-	-
Issue of share capital8Medical aid to employees from Common Good Fund(25)Net cash flows from / (used in) financing activities(17)Increase in cash and cash equivalents during the period(569,221)Cash and cash equivalents at beginning of the period2,020,433Cash and cash equivalents at end of the period1,451,212Cash and cash equivalents are comprised of:2Cash and balances with treasury banks347,617Balances with other banks1,103,5951,974	Net cash (used in) / flows from investing activities	(29,953)	(234,687)
Issue of share capital8Medical aid to employees from Common Good Fund(25)Net cash flows from / (used in) financing activities(17)Increase in cash and cash equivalents during the period(569,221)Cash and cash equivalents at beginning of the period2,020,433Cash and cash equivalents at end of the period1,451,212Cash and cash equivalents are comprised of:2Cash and balances with treasury banks347,617Balances with other banks1,103,5951,974	Cook flow from financing activities		
Medical aid to employees from Common Good Fund(25)Net cash flows from / (used in) financing activities(17)Increase in cash and cash equivalents during the period(569,221)Cash and cash equivalents at beginning of the period2,020,433Cash and cash equivalents at end of the period1,451,212Cash and cash equivalents are comprised of:2Cash and balances with treasury banks347,617Balances with other banks1,103,5951,974	-	0	1,718
Net cash flows from / (used in) financing activities(17)Increase in cash and cash equivalents during the period(569,221)(29'Cash and cash equivalents at beginning of the period2,020,4332,62'Cash and cash equivalents at end of the period1,451,2122,32'Cash and cash equivalents are comprised of: Cash and balances with treasury banks347,61735'Balances with other banks1,103,5951,97'			(10)
Increase in cash and cash equivalents during the period(569,221)(29)Cash and cash equivalents at beginning of the period2,020,4332,62°Cash and cash equivalents at end of the period1,451,2122,329Cash and cash equivalents are comprised of: Cash and balances with treasury banks347,617358Balances with other banks1,103,5951,974			1,708
Cash and cash equivalents at beginning of the period2,020,4332,62°Cash and cash equivalents at end of the period1,451,2122,329Cash and cash equivalents are comprised of:22Cash and balances with treasury banks347,617359Balances with other banks1,103,5951,974	· · · · · · · · · · · · · · · · · · ·		
Cash and cash equivalents at end of the period1,451,2122,329Cash and cash equivalents are comprised of:2Cash and balances with treasury banks347,617359Balances with other banks1,103,5951,974	Increase in cash and cash equivalents during the period	(569,221)	(291,573)
Cash and cash equivalents are comprised of:Cash and balances with treasury banks347,617355Balances with other banks1,103,5951,974	· · · · ·		2,621,566
Cash and balances with treasury banks347,617355Balances with other banks1,103,5951,97	Cash and cash equivalents at end of the period	1,451,212	2,329,993
Balances with other banks 1,103,595 1,974			
			355,048
<b>1,451,212</b> 2,329	Balances with other banks	1,103,595	1,974,945
		1,451,212	2,329,993

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

ZAHID MANSOOR CHIEF FINANCIAL OFFICER

# Condensed interim statement of changes in equity For the quarter ended September 30, 2014

			U	n-audited		
	Share capital	Statutory reserves	Common Good Fund Ru	Other reserve (Note) pees in 000	Un-appropriated profit / (loss)	Total
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	1,718	-	-	-	-	1.718
Medical aid to staff	-	-	(10)	-	-	(10)
Comprehensive income for the period	-	-	-	-	4,246	4,246
Balance as on September 30, 2013	438,128	609,793	2,423	7,448,573	(1,831,887)	6,667,030
Issue of share capital	1,500,082	-	-	(1,500,000)	-	82
Medical aid to staff	-	-	(69)	-	-	(69)
Transfer to statutory reserve		20,965			(20,965)	
Comprehensive income for the period	-	-	-	-	196,144	196,144
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	8	-	-	-	-	8
Medical aid to staff	-	-	(25)	-	-	(25)
Funds received from the Government of Punjab Transfer of surplus on revaluation of asset	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	(5,939)	(5,939)
Balance as on September 30, 2014	1,938,218	630,758	2,329	5,948,573	(1,662,647)	6,857,231

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

ZAHID MANSOOR CHIEF FINANCIAL OFFICER

## Notes to the condensed interim financial statements

### For the quarter ended September 30, 2014

#### **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 has been prepared on going concern assumption.

#### **2** Basis of presentation

These financial statements have 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 statements have 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 these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

#### **4** Basis of measurement

These condensed interim financial statements have 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.

These condensed interim financial statements are 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 these condensed interim financial statements are 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 anually at each year end and also considers that the above does not have material impact on Bank's Condensed Interim Profit and Loss Account and basic & diluted EPS.

#### 7 Investments

Un-audited	Audited
eptember 30, 2014	June 30, 2014

## Notes to the condensed interim financial statements

## For the quarter ended September 30, 2014

		Held by	Given as	Total	Held by	Given as	Total
		bank	collateral	TOtal	bank	collateral	rotai
				Rupee	s in '000		
.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	894,939	-	894,939	1,375,545	-	1,375,545
	Pakistan Investment Bonds	993,880		993,880	518,788		518,788
	Investment with NBFIs	88,059	-	88,059	88,059	-	88,059
		1,987,452	-	1,987,452	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
	Investment (net of provisions)	1,897,804	-	1,897,804	1,903,318	-	1,903,318
	Surplus on revaluation of						
	'available-for-sale' securities	229,462	-	229,462	247,354	-	247,354
	Total investments at market value	2,127,266	-	2,127,266	2,150,672	-	2,150,672
_				_		Un-audited	Audited
						Sentember	

		Un-audited	Audited
		September 30, 2014	June 30, 2014
	Note	Rupees i	in '000'
Advances			
Loans, cash credits, running finances, etc.			
In Pakistan		9,909,743	9,581,598
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		184	184
Advances - gross		9,909,927	9,581,782
Provision for non-performing advances			
Specific		(1,602,549)	(1,602,549)
General		(3,528)	(3,528)
		(1,606,077)	(1,606,077)
Advances - net of provision		8,303,850	7,975,705

**8.1** Advances include Rs. 2,457,966 (in thousand) (June 30, 2014: Rs. 2,265,220 thousand) which have been placed under non-performing status.

# Notes to the condensed interim financial statements For the quarter ended September 30, 2014

		Un-audited September 30, 2014					
	Cla	ssified advan	ices	Provision	Provision		
	Domestic	Overseas	Total	required	held		
			Rupees in	'000'			
Other Assets Especially Mentioned	441,370	-	441,370	-	-		
<u>Category of classification</u> Other Assets Especially Mentioned	441 370	_	441 370	-	-		
Substandard	317,097	-	317,097	6,402	6,402		
Doubtful	244,259	-	244,259	27,718	27,718		
Loss	1,455,240	-	1,455,240	1,442,092	1,571,957		
	2,457,966	-	2,457,966	1,476,212	1,606,077		

		Audited June 30, 2014						
	Cla	Classified advances			Provision			
	Domestic	Overseas	Total	required	held			
			'000'					
Category of classification								
Other Assets Especially Mentioned	274,309	-	274,309	-	-			
Substandard	352.743	-	352,743	7,293	7.293			

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	
	September 30, 2014	June 30, 2014	
Note	Rupees in '000'		

#### 9 OTHER ASSETS - NET

Income / markup accrued on loans and advances in local currency	622,053	514,878
Advances, deposits, advance rent and other prepayments	1,359	1,639
Advance taxation (payments less provisions)	14,366	12,310
Sundry debtors	8,147	7,209
Profit receivable from banks	-	20,036
Crop insurance recoverable	215,856	118,624
Others	88,934	83,519
Branch adjustment account	26,060	39,293
Other assets - gross	976,775	797,508
Less: Provision held against other assets	(53,808)	(53,808)
Other assets net of provision	922,967	743,700

### Notes to the condensed interim financial statements

## For the quarter ended September 30, 2014

		Un-audited September 30, 2014	Audited June 30, 2014
0 DEPOSITS AND OTHER ACCOUNTS	Note	Rupees in '000'	
Customers			
Fixed deposits		492,560	363,084
Savings deposits		1,932,700	2,073,742
Current accounts - non-remunerative		625,218	1,206,465
Call deposits		3,610	27,873
Other deposits	10.1	47,148	36,555
		3,101,236	3,707,719

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

#### **11** Contingencies and commitments

1

Show cause notices by sales tax-under appeal	11.1	5,041	5,041
		5,041	5,041

**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, member societies, Registrar Cooperative Societies, Punjab and the Government of Punjab. The transactions and contracts with related parties, other than those under the terms of employment, are carried out on an Arm's length basis. However, no material related party transaction was carried out during the quarter.

		Un-audited September 30, 2014	Audited June 30, 2014
	Note	Rupees i	in '000'
Amount due from related parties			
Markup recoverable on loan to pension fund trust		3,980	3,980
Loan to Executives			
Loans disbursed during the half year		1,608	4,363
Repayments during the half year		791	11,064
Mark up earned		216	1,488

#### **13** Date of authorization

The un-audited condensed interim financial statements were authorised for issue on  $\underline{29.10.2014}$  by the Administrator of the Bank.

#### 14 General

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

ZAHID MANSOOR CHIEF FINANCIAL OFFICER