

Condensed interim statement of financial position

As at September 30, 2016

	Note	Un-audited Sep. 30, 2016 Rupees in '000	Audited June 30, 2016 Rupees in '000
Assets			
Cash and balances with treasury banks		429,869	770,803
Balances with other banks		775,377	885,556
Lending to financial institutions		-	-
Investments - net	7	2,221,932	2,525,001
Advances - net	8	9,593,502	9,434,539
Operating fixed assets		4,645,531	4,645,212
Deferred tax assets - net		-	-
Other assets - net	9	976,894	912,480
Total Assets		18,643,105	19,173,591
Liabilities			
Bills payable		103,526	14,807
Borrowings from financial institutions		-	-
Deposits and other accounts	10	3,589,578	4,186,617
Deferred tax liabilities - net		-	-
Other liabilities		3,147,175	3,199,188
Total Liabilities		6,840,279	7,400,612
Net assets		11,802,826	11,772,979
Represented by :			
Share capital		7,886,842	7,886,842
Reserves		682,766	682,816
Accumulated loss		(1,510,050)	(1,580,623)
		7,059,558	6,989,035
Fair value reserve - investments		392,481	433,157
Surplus on revaluation of assets		4,350,787	4,350,787
		11,802,826	11,772,979

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**MUHAMMAD AYUB**
A.PRESIDENT / CEO

The Punjab Provincial Cooperative Bank Limited

Condensed interim profit and loss account

For the quarter ended September 30, 2016

	Un-audited For the Quarter ended September	
	2016	2015
	Rupees in '000	
Mark-up / return / interest earned	359,515	317,883
Mark-up / return / interest expensed	22,104	38,448
Net Mark-up / interest income	337,411	279,435
Less: provisions:		
Against non-performing loans and advances	-	-
Against bill purchased	-	-
	-	-
Net mark-up / interest income after provisions	337,411	279,435
Non mark-up / interest income		
Fee, commission and brokerage income	3,978	4,294
Dividend income	31,907	25,598
Income from dealing in foreign currency	-	-
Gain on sale of operating fixed assets	-	44
Other income	18,019	14,776
Total non-markup / interest income	53,904	44,712
Total Income	391,315	324,147
Non mark-up / interest expenses		
Administrative expenses	320,742	310,844
Other provisions / write - offs	-	-
Other charges	-	-
Total non-markup / interest expenses	320,742	310,844
Extra ordinary / unusual items	-	-
Profit before taxation	70,573	13,303
Taxation		
Current	-	-
Prior years	-	-
Deferred	-	-
	-	-
Profit after taxation	70,573	13,303

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

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

MUHAMMAD AYUB
A.PRESIDENT / CEO

Statement of comprehensive income
For the quarter ended September 30, 2016

	Un-audited	
	For the Quarter ended	
	September	
	2016	2015
	Rupees in '000	
Profit after taxation	70,573	13,303
Other comprehensive income	-	-
Comprehensive income transferred to equity	70,573	13,303
Components of comprehensive income not reflected in equity		
Net change in fair value of available for sale investment	(40,676)	(52,747)
Total comprehensive income	29,897	(39,444)

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

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

MUHAMMAD AYUB
A.PRESIDENT / CEO

The Punjab Provincial Cooperative Bank Limited

Condensed interim statement of cash flows

For the quarter ended September 30, 2016

	Un-audited	
	September 30, 2016	September 30, 2015
Rupees in '000		
Cash flow from operating activities		
Profit before taxation	70,573	13,303
Less: Dividend income	(31,907)	(25,598)
	38,666	(12,295)
Adjustments for non-cash charges:		
Depreciation	3,085	2,796
Charge for defined benefit plans	-	-
Provision against non-performing advances	-	-
Provision for other assets	-	-
Gain on sale of operating fixed assets	-	(44)
	3,085	2,752
	41,751	(9,543)
(Increase) / decrease in operating assets		
Advances	(158,963)	135,362
Others assets (excluding advance taxation) - net	(64,414)	(79,714)
	(223,377)	55,648
	(181,626)	46,105
Increase/ (decrease) in operating liabilities		
Bills payable	88,719	(12,499)
Borrowings from financial institutions	-	-
Deposits	(597,039)	(1,096,631)
Other liabilities (excluding current taxation)	(48,528)	20,743
	(556,848)	(1,088,387)
	(738,474)	(1,042,282)
Income tax paid - net	(6,570)	(2,368)
Net cash flows from operating activities	(745,044)	(1,044,650)
Cash flow from investing activities		
Dividend income received	31,907	25,598
Investment in operating fixed assets	(319)	(2,632)
Capital work in progress	-	-
Net (investments in) / encashment of 'held-to-maturity' securities	262,393	259,303
Proceeds of operating fixed assets disposed-off	-	-
Net cash (used in) / flows from investing activities	293,981	282,269
Cash flow from financing activities		
Issue of share capital	-	9
Medical aid to employees from Common Good Fund	(50)	(50)
Net cash flows from / (used in) financing activities	(50)	(41)
Increase in cash and cash equivalents during the period	(451,113)	(762,422)
Cash and cash equivalents at beginning of the period	1,656,359	2,642,492
Cash and cash equivalents at end of the period	1,205,246	1,880,070
Cash and cash equivalents are comprised of:		
Cash and balances with treasury banks	429,869	402,471
Balances with other banks	775,377	1,477,599
	1,205,246	1,880,070

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

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

MUHAMMAD AYUB
A.PRESIDENT / CEO

Condensed interim statement of changes in equity
For the quarter ended September 30, 2016

	Share capital	Statutory reserves	Un-audited		Un-appropriated profit / (loss)	Total
			Common Good Fund	Other reserve (Note)		
Rupees in 000						
Balance as on June 30, 2015	1,938,243	653,189	2,012	5,948,573	(1,678,728)	6,863,289
Issue of share capital	9	-	-	-	-	9
Medical aid to staff	-	-	(50)	-	-	(50)
Comprehensive income for the period	-	-	-	-	13,303	13,303
Balance as on September 30, 2015	1,938,252	653,189	1,962	5,948,573	(1,665,425)	6,876,551
Issue of share capital	5,948,590	-	-	(5,948,573)	-	17
Medical aid to staff	-	-	(322)	-	-	(322)
Transfer to statutory reserve	-	25,987	-	-	(25,987)	-
Transfer to common good fund	-	-	2,000	-	(2,000)	-
Comprehensive income for the period	-	-	-	-	112,789	112,789
Balance as on June 30, 2016	7,886,842	679,176	3,640	-	(1,580,623)	6,989,035
Issue of share capital	-	-	-	-	-	-
Medical aid to staff	-	-	(50)	-	-	(50)
Funds received from the Government of Punjab	-	-	-	-	-	-
Transfer of surplus on revaluation of asset	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	70,573	70,573
Balance as on September 30, 2016	7,886,842	679,176	3,590	-	(1,510,050)	7,059,558

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

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

MUHAMMAD AYUB
A.PRESIDENT / CEO

Notes to the condensed interim financial statements

For the quarter ended September 30, 2016

1 Status and nature of business

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, 2016 : 151) branches in the province of Punjab. The Registered Office of the Bank is located at Bank Square, The Mall, Lahore.

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, 2016.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2016, 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, 2016.

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 Profit and Loss Account and basic & diluted EPS.

Notes to the condensed interim financial statements

For the quarter ended September 30, 2016

7 Investments

	Un-audited			Audited		
	September 30, 2016			June 30, 2016		
	Held by	Given as	Total	Held by	Given as	Total
	bank	collateral		bank	collateral	
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	1,803,700	-	1,803,700	1,022,168	-	1,022,168
Pakistan Investment Bonds	16,766	-	16,766	1,060,691	-	1,060,691
Non-banking finance company	88,059	-	88,059	88,059	-	88,059
	1,919,099	-	1,919,099	2,181,492	-	2,181,492

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)	1,829,451	-	1,829,451	2,091,844	-	2,091,844
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Surplus on revaluation of 'available-for-sale' securities	392,481	-	392,481	433,157	-	433,157
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Total investments at market value	2,221,932	-	2,221,932	2,525,001	-	2,525,001
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	Un-audited	Audited
	September 30, 2016	June 30, 2016
	Rupees in '000'	
Note		

8 Advances

Loans, cash credits, running finances, etc.		
In Pakistan	11,199,589	11,040,626
Bills discounted and purchased (excluding treasury bills)		
Payable in Pakistan	184	184
Advances - gross	11,199,773	11,040,810
Provision for non-performing advances		
Specific	(1,605,893)	(1,605,893)
General	(378)	(378)
	(1,606,271)	(1,606,271)
Advances - net of provision	9,593,502	9,434,539

8.1 Advances include Rs. 2,549,222 (in thousand) (June 30, 2016: Rs. 2,270,105 thousand) which have been placed under non-performing status.

Notes to the condensed interim financial statements

For the quarter ended September 30, 2016

	Un-audited September 30, 2016				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000'				

Category of classification

Other Assets Especially Mentioned	669,611	-	669,611	-	-
Substandard	244,995	-	244,995	5,999	5,999
Doubtful	127,591	-	127,591	10,669	106,669
Loss	1,507,025	-	1,507,025	1,491,992	1,493,225
	2,549,222	-	2,549,222	1,508,660	1,605,893

	Audited June 30, 2016				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000'				

Category of classification

Other Assets Especially Mentioned	379,901	-	379,901	925	925
Substandard	243,888	-	243,888	10,092	10,092
Doubtful	127,089	-	127,089	8,168	8,168
Loss	1,519,227	-	1,519,227	1,503,374	1,586,708
	2,270,105	-	2,270,105	1,522,559	1,605,893

	Note	Un-audited	Audited
		September 30, 2016	June 30, 2016
Rupees in '000'			

9 OTHER ASSETS - NET

Income / markup accrued on loans and advances in local currency	691,720	602,218
Advances, deposits, advance rent and other prepayments	6,194	3,672
Advance taxation (payments less provisions)	7,064	494
Sundry debtors	2,529	2,219
Profit receivable from banks	2,689	2,226
Crop insurance recoverable	189,672	178,343
Live Stock insurance recoverable	7,189	10,068
Others	110,396	110,423
Branch adjustment account	25,920	69,296
Other assets - gross	1,043,373	978,959
Less: Provision held against other assets	(66,479)	(66,479)
Other assets net of provision	976,894	912,480

Notes to the condensed interim financial statements

For the quarter ended September 30, 2016

	Note	Un-audited	Audited
		September 30, 2016	June 30, 2016
Rupees in '000'			
10 DEPOSITS AND OTHER ACCOUNTS			
Customers			
Fixed deposits		455,578	561,863
Savings deposits		2,260,650	2,445,064
Current accounts - non-remunerative		831,609	1,089,524
Call deposits		4,150	4,498
Other deposits	10.1	37,591	85,668
		3,589,578	4,186,617

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

11 Contingencies and commitments

	Note	Un-audited September 30, 2016	Audited June 30, 2016
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, 2016.

12 RELATED PARTY TRANSACTIONS

Related parties comprise of key bank executives, provident fund trust, pension fund trust, member societies, Registrar Co-operative 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.

	Note	Un-audited	Audited
		September 30, 2016	June 30, 2016
Rupees in '000'			
Amount due from related parties			
Loan to Executives			
Loans disbursed during the half year		2,790	7,097
Repayments during the half year		(4,106)	(8,701)
Mark up earned		855	2,242
Contribution to provident fund trust		-	10,941
Contribution to pension fund trust		-	381,069

13 Date of authorization

The un-audited condensed interim financial statements were authorised for issue on 27.10.2016 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

MUHAMMAD AYUB
A.PRESIDENT / CEO