

The Punjab Provincial Cooperative Bank Limited

Condensed interim statement of financial position

As at March 31, 2018

	Note	Un-audited March 31, 2018	Audited June 30, 2017
Rupees in '000			
Assets			
Cash and balances with treasury banks		476,899	1,127,957
Balances with other banks		1,408,579	1,482,580
Lending to financial institutions		-	-
Investments - net	7	2,764,788	2,633,412
Advances - net	8	9,909,855	9,678,398
Operating fixed assets	9	7,182,603	7,176,211
Deferred tax assets - net		-	-
Other assets - net	10	849,382	802,095
Total Assets		22,592,106	22,900,653
Liabilities			
Bills payable		24,731	52,584
Borrowings from financial institutions		-	-
Deposits and other accounts	11	4,674,091	5,057,990
Other liabilities		3,091,880	3,190,750
Total Liabilities		7,790,702	8,301,324
Net assets		14,801,404	14,599,329
Represented by :			
Share capital		7,886,842	7,886,842
Reserves		712,280	712,873
Accumulated loss		(1,188,680)	(1,486,922)
		7,410,442	7,112,793
Surplus on revaluation of assets		6,868,774	6,868,774
Fair value reserve - investments		522,188	617,762
		14,801,404	14,599,329
Contingencies and commitments	12		

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

MUHAMMAD AYUB
ACTING PRESIDENT / CEO

The Punjab Provincial Cooperative Bank Limited

Condensed interim profit and loss account

For the quarter ended March 31, 2018 (Un-audited)

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2018	2017	2018	2017
		Rupees in '000		Rupees in '000	
Mark-up / return / interest earned		1,313,329	1,249,013	408,923	377,142
Mark-up / return / interest expensed		104,068	77,752	35,882	28,529
Net Mark-up / interest income		1,209,261	1,171,261	373,041	348,613
Less : provisions					
Against non-performing loans and advances		-	-	-	-
Against bill purchased		-	-	-	-
		-	-	-	-
Net mark-up / interest income after provisions		1,209,261	1,171,261	373,041	348,613
Non mark-up / interest income					
Fee, commission and brokerage income		13,188	12,305	4,329	4,238
Dividend income		34,069	31,914	28	-
Income from dealing in foreign currency		-	-	-	-
Gain on sale of operating fixed assets		2,506	-	2,506	-
Other income		71,592	67,023	22,872	21,542
Total non-markup / interest income		121,355	111,242	29,735	25,780
Total Income		1,330,616	1,282,503	402,776	374,393
Non mark-up / interest expenses					
Administrative expenses	13	1,019,986	1,025,443	281,406	272,268
Other provisions / write - offs		-	-	-	-
Total non-markup / interest expenses		1,019,986	1,025,443	281,406	272,268
Extra ordinary / unusual items		-	-	-	-
Profit before taxation		310,630	257,060	121,370	102,125
Taxation					
Current		12,388	15,215	-	-
Prior years		-	-	-	-
Deferred		-	-	-	-
		12,388	15,215	-	-
Profit after taxation		298,242	241,845	121,370	102,125
Basic / diluted earnings per share - Rupees		6.75	5.48	2.75	2.31

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

MUHAMMAD AYUB
ACTING PRESIDENT / CEO

The Punjab Provincial Cooperative Bank Limited

Condensed interim statement of comprehensive income

For the quarter ended March 31, 2018 (Un-audited)

	Nine months ended		Quarter ended	
	March 31,		March 31,	
	2018	2017	2018	2017
	Rupees in '000			
Profit after taxation for the period	298,242	241,845	121,370	102,125
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	298,242	241,845	121,370	102,125

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

MUHAMMAD AYUB
ACTING PRESIDENT / CEO

The Punjab Provincial Cooperative Bank Limited

Condensed interim statement of cash flows

For the quarter ended March 31, 2018 (Un-audited)

	Nine months ended	
	March 31, 2018	March 31, 2017
Rupees in '000		
Cash flow from operating activities		
Profit before taxation	310,630	257,060
Less: Dividend income	(34,069)	(31,914)
	276,561	225,146
Adjustments for non-cash charges:		
Depreciation	12,237	11,246
Charge for defined benefit plans	160,154	163,452
Provision for the year as per SME Prudential Regulations	-	-
	169,885	174,698
	446,446	399,844
(Increase) / decrease in operating assets		
Advances	(231,457)	264,460
Lending to financial institutions	-	-
Others assets - net	(44,354)	84,059
	(275,811)	348,519
	170,635	748,363
Increase/ (decrease) in operating liabilities		
Bills payable	(27,853)	12,223
Deposits	(383,899)	(229,352)
Other liabilities	(268,755)	(440,360)
	(680,507)	(657,489)
Income tax paid	(509,872)	90,874
	(15,321)	(23,849)
Net cash (used in) / generated from operating activities	(525,193)	67,025
Cash flow from investing activities		
Dividend income received	34,069	31,914
Investment in operating fixed assets	(10,007)	(13,445)
Cost incurred on capital work in progress	3,615	(10,222)
Net investments in of 'held-to-maturity' securities	(226,950)	(720,243)
Net cash used in investing activities	(199,273)	(711,996)
Cash flow from financing activities		
Issue of share capital	-	-
Medical aid to employees from common good fund	(593)	(261)
Net cash used in financing activities	(593)	(261)
(Decrease) / Increase in cash and cash equivalents during the period	(725,059)	(645,232)
Cash and cash equivalents at beginning of the period	2,610,537	1,656,359
Cash and cash equivalents at end of the period	1,885,478	1,011,127
Cash and cash equivalents are comprised of:		
Cash and balances with treasury banks	476,899	402,134
Balances with other banks	1,408,579	608,993
	1,885,478	1,011,127

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

MUHAMMAD AYUB
ACTING PRESIDENT / CEO

The Punjab Provincial Cooperative Bank Limited

Condensed interim statement of changes in equity

For the quarter ended March 31, 2018 (Un-audited)

	Share capital	Reserves			Un-appropriated profit / (loss)	Total
		Statutory reserves	Common good fund (Note)	Total reserves		
Rupees in '000						
Balance as on June 30, 2016	7,886,842	679,176	3,640	682,816	(1,580,623)	6,989,035
Issue of share capital	-	-	-	-	-	-
Medical aid to staff	-	-	(261)	(261)	-	(261)
Provision for the period	-	-	-	-	-	-
Profit for the period	-	-	-	-	241,845	241,845
Other comprehensive income for the period	-	-	-	-	-	-
Balance as on March 31, 2017	7,886,842	679,176	3,379	682,555	(1,338,778)	7,230,619
Transfer to statutory reserve	-	28,483	-	28,483	(28,483)	-
Transfer to common good fund	-	-	2,000	2,000	(2,000)	-
Issue of share capital	-	-	-	-	-	-
Medical aid to staff	-	-	(165)	(165)	-	(165)
Provision for the period	-	-	-	-	-	-
Profit for the period	-	-	-	-	(117,661)	(117,661)
Other comprehensive income for the period	-	-	-	-	-	-
Balance as on June 30, 2017	7,886,842	707,659	5,214	712,873	(1,486,922)	7,112,793
Provision for the period	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-
Medical aid to staff	-	-	(593)	(593)	-	(593)
Profit for the period	-	-	-	-	298,242	298,242
Other comprehensive income for the period	-	-	-	-	-	-
Balance as on March 31, 2018	7,886,842	707,659	4,621	712,280	(1,188,680)	7,410,442

Common good fund

This reserve is created to provide for financial assistance to employees of the bank as per policy.

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

MUHAMMAD AYUB
ACTING PRESIDENT / CEO

**Notes to the condensed interim financial information
For the quarter ended March 31, 2018 (Un-audited)**

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 branches (June 30, 2017 : 151) in the province of Punjab. The Registered Office of the Bank is located at Bank Square, The Mall, Lahore.

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 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 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 that are stated at revalued amounts and certain investments have been 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, 2017.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2017, 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

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, 2017.

The Bank follows a consistent practice of conducting actuarial valuation annually at each year end. Accordingly, the half yearly provision, based on the expected expenses as on 30-06-2018 does not have material impact on Bank's Condensed Interim Balance Sheet, Profit and Loss Account and basic & diluted EPS.

The Punjab Provincial Cooperative Bank Limited
**Notes to the condensed interim financial information
For the quarter ended March 31, 2018 (Un-audited)**

	Un-audited			Audited		
	March 31, 2018			June 30, 2017		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	----- Rupees in '000 -----					

7 Investments
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	2,233,615	-	2,233,615	1,996,114	-	1,996,114
Pakistan Investment Bonds	-	-	-	10,551	-	10,551
Investment with NBFC	88,059	-	88,059	88,059	-	88,059
	2,332,248	-	2,332,248	2,105,298	-	2,105,298

Less : Provision for diminution in value of shares of Cooperative Institutions and NBFC

	(89,648)	-	(89,648)	(89,648)	-	(89,648)
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Investment (net of provisions)

	2,242,600	-	2,242,600	2,015,650	-	2,015,650
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Surplus on revaluation of

'available-for-sale' securities	522,188	-	522,188	617,762	-	617,762
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Total investments at fair value - net of provisions	2,764,788	-	2,764,788	2,633,412	-	2,633,412
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	Note	Un-audited	Audited
		March 31, 2018	June 30, 2017
		Rupees in '000	

8 Advances

Loans, cash credits, running finances, etc.

In Pakistan	11,515,942	11,284,485
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Bills discounted and purchased (excluding treasury bills)

Payable in Pakistan	184	184
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Advances - gross

	11,516,126	11,284,669
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Less : Provision for non-performing advances

Specific	(1,605,893)	(1,605,893)
General	(378)	(378)

	(1,606,271)	(1,606,271)
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Advances - net of provision	9,909,855	9,678,398
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8.1 Advances include Rs. 2,483,578 thousand (June 30, 2017 : Rs.2,246,337 thousand) which have been placed under non-performing status as detailed below:-

	Un-audited March 31, 2018				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	----- Rupees in '000 -----				

Category of classification

Other Assets Especially Mentioned	587,898	-	587,898	156	156
Substandard	206,928	-	206,928	1,970	1,970
Doubtful	172,304	-	172,304	14,346	14,346
Loss	1,516,448	-	1,516,448	1,475,653	1,589,421
	2,483,578	-	2,483,578	1,492,125	1,605,893

The Punjab Provincial Cooperative Bank Limited

Notes to the condensed interim financial information
For the quarter ended March 31, 2018 (Un-audited)

	Audited June 30, 2017				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				
Category of classification					
Other Assets Especially Mentioned	316,231	-	316,231	-	-
Substandard	245,332	-	245,332	1,865	1,865
Doubtful	152,345	-	152,345	13,266	13,266
Loss	1,532,429	-	1,532,429	1,506,261	1,590,762
	2,246,337	-	2,246,337	1,521,392	1,605,893

	Note	Un-audited	Audited
		March 31, 2018	June 30, 2017
Rupees in '000			

9 Operating fixed assets

Operating Fixed Assets		7,182,603	7,176,211
		7,182,603	7,176,211

9.1 The value of land and buildings include properties under litigation / disputes amounts to Rs. 101.183 million (June 30, 2017: Rs. 101.183 million) for which legal title has been acquired but the physical possession is under dispute.

	Note	Un-audited	Audited
		March 31, 2018	June 30, 2017
Rupees in '000			

10 Other assets - net

Income / markup accrued on loans and advances in local currency		708,831	626,929
Advances, deposits, advance rent and other prepayments		13,769	9,551
Advance taxation (payments less provisions)		(16,399)	(19,332)
Sundry debtors		1,979	2,038
Profit receivable from banks		3,345	595
Crop insurance recoverable		94,082	125,725
Live stock insurance recoverable		13,932	16,894
Branch adjustment account		-	11,357
Others		96,322	94,817
Other assets - gross		915,861	868,574
Less: Provision held against other assets		(66,479)	(66,479)
Other assets net of provision		849,382	802,095

	Note	Un-audited	Audited
		March 31, 2018	June 30, 2017
Rupees in '000			

11 Deposits and other accounts

Customers

Fixed deposits		552,646	563,927
Savings deposits		2,931,958	2,826,634
Current accounts - non-remunerative		1,031,851	1,544,158
Call deposits		2,441	3,566
Other deposits	11.1	155,195	119,705
		4,674,091	5,057,990

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

Notes to the condensed interim financial information
For the quarter ended March 31, 2018 (Un-audited)

	Note	Un-audited March 31, 2018	Audited June 30, 2017
Rupees in '000			
12 Contingencies and commitments			
12.1 The Bank has total of 119 cases (June 30, 2017 : 118) under litigation in different courts. The total amount involved in such outstanding cases aggregate to;		214,710	193,571

12.2 The remaining contingencies and commitments are the same as were disclosed in preceding audited annual financial statements of the Bank.

13 Administrative expenses

These include expense for post employment benefits (gratuity, pension and leave encashment) amounting to Rs. 160 million as of December 31, 2017.

14 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:

	Note	Un-audited March 31, 2018	Audited June 30, 2017
Rupees in '000			
Transactions with related parties			
Remuneration of key executives		25,960	31,702
Contribution to Pension Fund Trust		36,406	51,065
Contributions to Provident Fund Trust		-	-

	Note	Un-audited March 31, 2017	Audited June 30, 2017
Rupees in '000			
Amount due from related parties			
Loan to Executives			
Loans disbursed during the period / year		4,074	6,741
Repayments during the period / year		(793)	(11,837)
Mark up earned during the period / year		764	5,193

15 Date of authorization

The un-audited condensed interim financial information was authorised for issue on 25.04.2018 by the Administrator of the Bank.

16 General

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

ZAHID MANSOOR
CHIEF FINANCIAL OFFICER

MUHAMMAD AYUB
ACTING PRESIDENT / CEO