

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
UN-AUDITED BALANCE SHEET AS AT MARCH 31, 2010

	<u>Note</u>	<u>Un-audited</u> <u>March 31, 2010</u>	<u>Audited</u> <u>June 30, 2009</u>
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		356,534	601,882
Balances with other banks		759,690	2,017,990
Lending to financial institutions		-	-
Investments	4	1,810,796	451,012
Advances	5	6,165,195	6,733,775
Operating fixed assets		3,701,368	3,705,253
Deferred tax assets		-	-
Other assets		191,190	202,010
		12,984,773	13,711,922
LIABILITIES			
Bills payable		32,304	44,305
Borrowings from financial institutions		6,000,000	8,000,000
Deposits and other accounts		1,689,000	1,837,175
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		103,364	134,690
		7,824,668	10,016,170
NET ASSETS		<u>5,160,105</u>	<u>3,695,752</u>
REPRESENTED BY :			
Share capital		435,050	434,647
Reserves		2,151,371	401,727
Accumulated loss		(1,027,182)	(749,013)
		1,559,239	87,361
Surplus on revaluation of assets		3,600,866	3,608,391
		<u>5,160,105</u>	<u>3,695,752</u>
CONTINGENCIES AND COMMITMENTS	6		

MUHAMMAD AQEEL SHAHID
'DEPUTY HEAD ACCOUNTS

TAHIR IQBAL BUTT
CHIEF FINANCIAL OFFICER

(LIAQAT DURRANI)
MANAGING DIRECTOR

THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
UN-AUDITED PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED MARCH 31, 2010

UN-AUDITED

	Quarter ended		For the nine months	
	March 31, 2010	March 31, 2009	July to March 2010	July to March 2009
	Rupees in '000			
Mark-up / return / interest earned	285,793	301,636	858,054	789,609
Mark-up / return / interest expensed	5,149	6,761	683,274	41,878
Net Mark-up / interest income	280,644	294,875	174,780	747,731
Less: provisions:				
Against non-performing loans and advances	-	-	-	-
For diminution in the value of investments	-	-	-	-
Bad debts written off	-	-	-	-
Net Mark-up / interest income after provisions	280,644	294,875	174,780	747,731
Non mark-up / interest income				
Fee, commission and brokerage income	7,539	7,479	23,929	23,376
Dividend income	-	-	14,772	7,386
Income from dealing in foreign currency	-	-	-	-
Other income	7,330	10,659	19,590	29,271
	14,869	18,138	58,291	60,033
	295,513	313,013	233,071	807,764
Non mark-up / interest expenses				
Administrative expenses	155,977	159,226	510,658	518,269
Other provisions / write - offs	-	-	-	-
Other charges	524	-	582	-
	156,501	159,226	511,240	518,269
Extra ordinary / unusual items	-	-	-	-
(Loss) / profit before taxation	139,012	153,787	(278,169)	289,495
Taxation				
Current	-	-	-	-
Prior years	-	-	-	-
Deferred	-	-	-	-
	139,012	153,787	(278,169)	289,495
(Loss) / profit after taxation	139,012	153,787	(278,169)	289,495
Unappropriated / unremitted profit / (loss) brought forward	(1,166,194)	356,748	(749,013)	221,040
(Loss) / profit available for appropriation	(1,027,182)	510,535	(1,027,182)	510,535
Basic / Diluted Earnings/(Loss) per share - Rupees	32.0	35.5	(64.1)	66.8

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THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2010
UN-AUDITED

	Share capital	Statutory reserve	General Reserve against Consumer Finance	Common Good Fund Rupees in 000	Other Fund	Unappropriated Profit / Accumulated (Loss)	Total
Balance as on June 30, 2008	434,155	394,278	3,528	4,493	-	230,058	1,066,512
Profit for the 1st half year	-	-	-	-	-	2,834	2,834
Issue of share capital	57	-	-	-	-	-	57
Medical aid to staff	-	-	-	(373)	-	-	(373)
Balance as on December 31, 2008	434,212	394,278	3,528	4,120	-	232,892	1,069,030
Loss for the next half year	-	-	-	-	-	(981,905)	(981,905)
Issue of share capital	435	-	-	-	-	-	435
Medical aid to staff	-	-	-	(199)	-	-	(199)
Balance as on June 30, 2009	434,647	394,278	3,528	3,921	-	(749,013)	87,361
Loss for the six months period	-	-	-	-	-	(278,169)	(278,169)
Transfer to statutory reserve	-	-	-	-	-	-	-
Issue of share capital	403	-	-	-	-	-	403
Other fund from the Government of Punjab	-	-	-	-	1,750,000	-	1,750,000
Medical aid to staff	-	-	-	(356)	-	-	(356)
Balance as on March 31, 2010	435,050	394,278	3,528	3,565	1,750,000	(1,027,182)	1,559,239

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DEPUTY HEAD ACCOUNTS

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THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
CASH FLOW STATEMENT FOR THE QUARTER ENDED MARCH 31, 2010

UN-AUDITED

March 31, 2010 **March 31, 2009**
Rupees in '000

CASH FLOW FROM OPERATING ACTIVITIES

(Loss) / profit before taxation	(278,169)	289,495
Less: Dividend income	(14,772)	(7,386)
	(292,941)	282,109
Adjustments for non-cash charges:		
Depreciation	8,162	8,192
Gain on sale of fixed assets net of adjustments	-	(22)
	8,162	8,170
	(284,779)	290,279
(Increase)/ decrease in operating assets		
Advances	568,580	494,960
Others assets (excluding advance taxation)	10,820	(47,022)
	579,400	447,938
	294,621	738,217
Increase/ (decrease) in operating liabilities		
Bills payable	(12,001)	(35,726)
Borrowings from financial institutions	(2,000,000)	-
Deposits	(148,175)	(272,055)
Other liabilities (excluding current taxation)	(31,326)	(7,656)
	(2,191,502)	(315,437)
	(1,896,881)	422,780
Income tax paid	(3,600)	(4,436)
Net cash inflow from operating activities	(1,900,481)	418,344

CASH FLOW FROM INVESTING ACTIVITIES

Dividend income	14,772	7,386
Investment in operating fixed assets	(678)	(879)
Capital work in progress	-	-
Investment in term deposits acquired during the year	(1,367,308)	12,051
Sale proceeds of operating fixed assets disposed-off	-	22
Net cash (outflow) / inflow from investing activities	(1,353,214)	18,580
	(3,253,695)	436,924

CASH FLOW FROM FINANCING ACTIVITIES

Issue of share capital	403	57
Other fund from the Government of Punjab	1,750,000	-
Medical aid to employees from Common Good Fund	(356)	(418)
Net cash outflow from financing activities	1,750,047	(361)
(Decrease) / Increase in cash and cash equivalents	(1,503,648)	436,563
Cash and cash equivalents at beginning of the period	2,619,872	2,925,425
Cash and cash equivalents at end of the period	1,116,224	3,361,988

Cash and cash equivalents are comprised of:

Cash and balances with treasury banks	356,534	423,611
Balances with other banks	759,690	2,938,377
	1,116,224	3,361,988

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DEPUTY MANAGER ACCOUNTS

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THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED
NOTES TO THE FINANCIAL INFORMATION FOR THE QUARTER ENDED MARCH 31, 2010
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 the year 1924. It was given the status of a scheduled Bank by the State Bank of Pakistan w.e.f. November 07, 1955. The Bank is operating under the supervision of Cooperative Department and State Bank of Pakistan. 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 159 branches in Punjab. Its Head Office is located at Bank Square, The Mall, Lahore.

The State Bank of Pakistan discontinued funding and did not sanction the financing limit for the year 2007-2008 to the Bank. Currently the Bank has no alternative arrangement for additional borrowing. However, 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 08-09-1998 and No. BSD(RU-43)512-09(B)/X/1138/2001 dated 25-01-2001. Moreover the competent authority has approved to restructure / revempt the Bank. As advised by the SBP, restructuring plan has been submitted vide letter no. MD/COO/025-27 dated 31-12-2009. Accordingly the financial information has been prepared by using the going concern assumption.

2. STATEMENT OF COMPLIANCE

The condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Cooperative Societies Act, 1925, Cooperative Societies Rules, 1927 and State Bank of Pakistan. Wherever the requirements of the directives issued by the State Bank of Pakistan differ with the requirements of these standards, the requirements of the said directives take precedence. The disclosures made in these financial information have, however, been limited based on the format prescribed by the State Bank of Pakistan for condensed interim financial information vide BSD Circular Letter No.2 dated May 12, 2004 and International Accounting Standard 34, "Interim Financial Reporting" and should be read in conjunction with the annual statements of the Bank for the year ended June 30, 2009.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for preparation of the condensed interim financial information is the same as those applied in preparation of the annual financial statements of the Bank for the year ended June 30, 2009.

4. INVESTMENTS

	March 31, 2010			June 30, 2009		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
Rupees in '000						
4.1 Investments by types:						
Available-for-sale securities						
Shares of Listed Companies	7,023	-	7,023	7,022	-	7,022
Shares of Cooperative Institutions	3,551	-	3,551	3,551	-	3,551
Held to maturity securities						
Pakistan Investment Bonds	300,000	-	300,000	300,000	-	300,000
Pakistan Loan	-	-	-	-	-	-
Provincial Government Securities	-	-	-	-	-	-
Investment with other banks	1,367,308	-	1,367,308	-	-	-
	1,677,882	-	1,677,882	310,573	-	310,573
Less: Provision for diminution in value of shares of Cooperative Institutions	(3,551)	-	(3,551)	(3,551)	-	(3,551)
Add: Surplus on revaluation of Securities	136,465	-	136,465	143,990	-	143,990
	1,810,796	-	1,810,796	451,012	-	451,012

6.2 The Sales Tax Department has issued a show cause notice dated 14.07.2003 to the bank as to why the sales tax amounting to Rs. 5.041 million had not been paid to the Government in regard to sale of machinery valuing Rs. 33.600 million of Rahwali Sugar Mills to Messrs Ali Industrial and Engineering Works, Karachi without charging and depositing sales tax leviable thereon. Further the Sales Tax Department reported that Messrs Ali Industrial and Engineering Works filed written statement before Deputy Collector Audit-I, that they had paid sales tax on purchase of such machinery. The bank filed petition against the above show cause notice on the ground that bank has sold debris, scrap and non-operative machinery which were not sales tax leviable items on which Lahore High Court has suspended the Show Cause Notice vide order dated 06.08.2003. The case is still pending in Lahore High Court.

7 DATE OF AUTHORIZATION

The un-audited condensed interim financial information was authorised for issue on 03.05.2010 by the President of the Bank.

8 GENERAL

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

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