



“IN THE NAME OF ALLAH,
THE MOST BENEFICIAL,
THE MOST MERCIFUL”



The Punjab Provincial Cooperative Bank Limited

A Farmer Friendly Bank Committed to Development of Agriculture Sector

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AUDITOR'S REPORT TO THE ADMINISTRATOR

We have audited the annexed statement of financial position of **The Punjab Provincial Cooperative Bank Limited** (the "Bank") as at **June 30, 2013** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the 'financial statements') for the year then ended, which include the unaudited certified returns from the branches and other offices except for twenty five branches which have been audited by us and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Bank's Administrator (the Board) to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with approved accounting standards and the requirements of the BSD Circular No. 4 dated February 17, 2006 of the State Bank of Pakistan (SBP). Our responsibility is to express an opinion on these statements based on our audit.

Except for the matters referred from 1 and 2 below, we conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and after due verification, we report that:

1. The Bank received funds of Rs. 7,448.573 million during the year ended June 30, 2013 from the Government of Punjab (GoPb) for the repayment of borrowings from State Bank of Pakistan. This amount has been reported in "Reserve Fund" and grouped along with the equity and other reserves of the Bank. Management asserts that share against this amount will be issued to GoPb. In the absence of necessary approval/consent of the GoPb for such treatment, we are unable to verify the correctness and treatment of this transaction; and
2. We are unable to verify the correctness of required provision for non-performing loans, accrued mark up and extension of advance in compliance with Prudential Regulations issued by the SBP in absence of complete reliable and comprehensive qualitative and quantitative analysis of advance extended by the Bank.
 - a) in our opinion, proper books of account have been kept by the Bank as required by the Cooperative Societies Act, 1925 and Rules of 1927, and the returns referred to above received from the branches have been found adequate for the purposes of our audit;

- b) in our opinion:
- (i) the statement of financial position and profit and loss account together with the notes thereon have been drawn up in conformity with the requirements of the BSD Circular No. 4 dated February 17, 2006 of the SBP, and are in agreement with the books of account and further in accordance with accounting policies consistently applied except for the changes as stated in note 5 with which we concur;
 - (ii) the expenditure incurred during the year was for the purpose of the Bank's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank;
- c) in our opinion and to the best of our information and according to the explanations given to us and except for the matters discussed in paragraph 1 and 2 above, the statement of financial position, profit and loss account, statement of comprehensive income, cash flow statement, and statement of changes in equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and, give the information required by the BSD Circular No. 4 dated February 17, 2006 of the SBP, in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at June 30, 2013 and its true balance of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Anjum Asim Shahid Rahman

Chartered Accountants

Engagement Partner: Imran Afzal

Lahore

Date

Statement of financial position

As at June 30, 2013

	Note	June 30, 2013	June 30, 2012 (Restated)	July 01, 2012 (Restated)
Rupees in '000				
Assets				
Cash and balances with treasury banks	8	634,679	533,867	468,879
Balances with other banks	9	1,986,887	923,473	2,123,846
Lending to financial institutions		-	-	-
Investments - net	10	791,599	1,108,617	1,503,620
Advances - net	11	7,862,562	7,810,420	6,020,045
Operating fixed assets	12	4,571,028	3,445,150	3,736,445
Deferred tax assets - net		-	-	-
Other assets - net	13	762,731	730,999	506,363
Total assets		16,609,486	14,552,526	14,359,198
Liabilities				
Bills payable	14	13,746	30,845	11,994
Borrowings	15	-	-	1,944,442
Deposits and other accounts	16	2,747,708	2,409,075	2,443,098
Sub-ordinated loans		-	-	-
Liabilities against assets subject to finance lease		-	-	-
Deferred tax liabilities - net		-	-	-
Other liabilities	17	2,641,887	2,579,800	2,249,729
Total liabilities		5,403,341	5,019,720	6,649,263
Net assets		11,206,145	9,532,806	7,709,935
Represented by :				
Share capital	18	436,410	436,148	435,584
Reserves		8,060,799	7,941,588	6,103,037
Unappropriated profit / (loss)		(1,836,133)	(2,198,924)	(2,442,881)
		6,661,076	6,178,812	4,095,740
Fair value reserve - investments		194,282	126,437	114,548
Surplus on revaluation of assets-net of tax	19	4,350,787	3,227,557	3,499,647
Total equity		11,206,145	9,532,806	7,709,935
Contingencies and commitments	20			

The annexed notes from 1 to 40 form an integral part of these financial statements.

MEHBOOB HUSSAIN
CHIEF FINANCIAL OFFICER

SYED TALAT MAHMOOD
PRESIDENT/ CEO

Profit and loss account
For the year ended June 30, 2013

	Note	June 30, 2013	June 30, 2012
		Rupees in '000	
Mark-up/return/interest earned	21	1,595,985	1,580,867
Mark-up/return/interest expensed	22	115,098	126,469
Net mark-up/ interest income		1,480,887	1,454,398
Provision against non-performing loans and advances-net	11.4	184	-
(Reversal) / provision for diminution in the value of investments-net	10.3	(1,962)	88,059
Bad debts written off directly		-	-
		(1,778)	88,059
Net mark-up/ interest income after provisions		1,482,665	1,366,339
Non mark-up/interest income			
Fee, commission and brokerage income		24,148	25,052
Dividend income		18,693	14,829
Income from dealing in foreign currencies		-	-
Gain / (loss) on sale of securities		-	-
Unrealized gain / (loss) on revaluation of investments classified as held for trading		-	-
Other income	23	57,891	46,015
Total non-mark-up/interest income		100,732	85,896
Total Income		1,583,397	1,452,235
Non mark-up/ interest expenses			
Administrative expenses	24	1,147,041	1,154,265
Other provisions/write offs-net	25	(36,192)	171,413
Other charges	26	18	-
Total non-markup/interest expenses		1,110,867	1,325,678
Extra ordinary/ unusual items		-	-
Profit before taxation		472,530	126,557
Taxation			
- Current	27	(6,198)	19,661
- Prior years		-	-
- Deferred		-	-
		(6,198)	19,661
Profit after taxation		478,728	106,896
Unappropriated profit brought forward		(2,198,924)	(2,442,881)
Transfer from surplus on revaluation of fixed assets - net of tax		-	-
		(2,198,924)	(2,442,881)
Profit / (loss) available for appropriation		(1,720,196)	(2,335,985)
Basic / diluted earnings per share	28	110.16	88.24

The annexed notes from 1 to 40 form an integral part of these financial statements.

MEHBOOB HUSSAIN
CHIEF FINANCIAL OFFICER

SYED TALAT MAHMOOD
PRESIDENT/ CEO

Statement of comprehensive income
For the year ended June 30, 2013

	Note	June 30, 2013	June 30, 2012
		Rupees in '000	
Profit after taxation		478,728	106,896
<i>Items that may not be reclassified to profit and loss account</i>			
Components of comprehensive income reflected in equity			
Remeasurement of post employment obligations - net of deferred tax		3,745	(5,508)
Comprehensive income transferred to equity		482,473	101,388
Components of comprehensive income not reflected in equity			
Surplus on revaluation of investments, transferred to fair value reserve - net of deferred tax		67,845	11,889
Total comprehensive income		550,318	113,277

The annexed notes from 1 to 40 form an integral part of these financial statements.

MEHBOOB HUSSAIN
CHIEF FINANCIAL OFFICER

SYED TALAT MAHMOOD
PRESIDENT/ CEO

Statement of changes in equity
For the year ended June 30, 2013

	Reserves					Total
	Share capital	Statutory reserves	Common good fund	Other reserve (Note - 1)	Unappropriated / profit / (loss)	
-----Rupees in 000-----						
Balance as on July 01, 2011 - previously reported	435,584	394,278	3,202	5,705,557	(448,866)	6,089,755
Effect of retrospective application changes in accounting policy referred in note 31	-	-	-	-	(1,994,015)	(1,994,015)
Balance as on July 01, 2011 - restated	435,584	394,278	3,202	5,705,557	(2,442,881)	4,095,740
Profit for the year	-	-	-	-	101,388	101,388
Issue of share capital	564	-	-	-	-	564
Transfer to statutory reserve	-	95,833	-	-	(95,833)	-
Transfer of surplus on revaluation of fixed asset realised on disposal	-	-	-	-	238,402	238,402
Transfer to other reserve - funds from the Govt. of Punjab	-	-	-	1,743,016	-	1,743,016
Medical aid to staff (Note - 2)	-	-	(298)	-	-	(298)
Balance as on June 30, 2012 - restated	436,148	490,111	2,904	7,448,573	(2,198,924)	6,178,812
Profit for the year	-	-	-	-	482,473	482,473
Issue of share capital	262	-	-	-	-	262
Transfer to statutory reserve	-	119,682	-	-	(119,682)	-
Transfer of surplus on revaluation of asset realised on disposal	-	-	-	-	-	-
Transfer to other reserve - funds from the Govt. of Punjab	-	-	-	-	-	-
Medical aid to staff (Note - 2)	-	-	(471)	-	-	(471)
Balance as on June 30, 2013	436,410	609,793	2,433	7,448,573	(1,836,133)	6,661,076

Note - 1

As per the agreement dated September 16, 2009 between the Government of Punjab and the Bank, the Government of Punjab may convert this amount as considered appropriate depending upon the future status of the bank to meet the consequential regularity requirements or financial position of the Bank. Accordingly, this amount has been shown and grouped under this head of account / statement.

Note - 2

This reserve is created to provide for medical treatment to employees of the Bank with respect to any unforeseen accidents / injuries during the duty hours.

The annexed notes from 1 to 40 form an integral part of these financial statements.

Statement of cash flows

For the year ended June 30, 2013

	Note	June 30, 2013	June 30, 2012
		Rupees in '000	
Cash flows from operating activities			
Profit before taxation		472,530	126,557
Less: Dividend income		(18,693)	(14,829)
		453,837	111,728
Adjustments for non-cash items:			
Depreciation		13,482	9,199
Provision against non-performing advances - net		184	-
Charge for defined benefit plan		186,612	276,434
Provision for diminution in the value of investments - net		(1,962)	88,059
Other provisions/write offs - net		(36,192)	70,000
Gain on sale of fixed assets		(172)	(5,401)
		161,952	438,291
(Increase)/ Decrease in operating assets			
Advances - net	11	(52,142)	(1,650,374)
Others assets (excluding advance taxation) - net	13	21,460	(226,014)
		(30,682)	(1,876,388)
Increase/ (Decrease) in operating liabilities			
Bills payable	14	(17,099)	18,851
Borrowings from financial institutions		-	(1,944,442)
Deposits and other accounts	16	338,633	(34,023)
Other liabilities	17	(124,525)	(21,871)
		197,009	(1,981,485)
		782,116	(3,307,854)
Income tax paid		(516)	(18,283)
Defined benefit paid		(888)	-
Net cash outflows from operating activities		780,713	(3,326,137)
Cash flows from investing activity			
Investment in NBFIs / Treasury bills		386,825	178,833
Dividend income		18,693	14,829
Investments in operating fixed assets		(22,113)	(14,662)
Net changes in capital work in progress		(1,080)	(2,020)
Sale proceeds of property and equipment disposed-off		1,397	270,490
Net cash inflows / (outflows) from investing activities		383,722	447,470
Cash flows from financing activity			
Issue of share capital		262	564
Funds from the Government of Punjab		-	1,743,016
Medical aid to employees from common good fund		(471)	(298)
Net cash inflows from financing activities		(209)	1,743,282
(Decrease) / Increase in cash and cash equivalents		1,164,226	(1,135,385)
Cash and cash equivalents at beginning of the year		1,457,340	2,592,725
Cash and cash equivalents at end of the year	29	2,621,566	1,457,340

The annexed notes from 1 to 40 form an integral part of these financial statements.

MEHBOOB HUSSAIN
CHIEF FINANCIAL OFFICER

SYED TALAT MAHMOOD
PRESIDENT/ CEO

Notes to the financial statements

For the year ended June 30, 2013

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 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 vide its BSD Circular No. 07 dated April 20, 2010 has clarified that for the purpose of preparation of financial statements in accordance with International Accounting Standard (IAS) - 1 (Revised), 'Presentation of Financial Statements', two statement approach shall be adopted i.e. separate 'Profit and Loss Account' and 'Statement of Comprehensive Income' shall be presented, and Balance Sheet shall be renamed as 'Statement of Financial Position'. Furthermore, only the surplus / (deficit) on revaluation of available for sale (AFS) securities, may be included in the 'Statement of Comprehensive Income'. However, it should continue to be shown separately in the statement of financial position below equity. Accordingly, the above requirements have been adopted in the preparation of these financial statements.

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.

IFRS 8, 'Operating Segments' is effective for the Bank's accounting period beginning on or after January 1, 2009. All banking companies in Pakistan are required to prepare their annual financial statements in line with the format prescribed under BSD Circular No. 4 dated February 17, 2006, 'Revised Forms of Annual Financial Statements', effective from the accounting year ended December 31, 2006. The management of the Bank believes that as the SBP has defined the segment categorisation in the above mentioned circular, the SBP's requirements prevail over the requirements specified in IFRS - 8. Accordingly, segmental information disclosed in these financial statements is based on the requirements laid down by the SBP.

3.1 Standards, amendments or interpretations that became effective during the year

During the year, following amendments to existing standards that were issued in prior periods became effective; however, these amendments are either not relevant or did not have any material effect on the financial statements of the Bank.

Amendments in IAS 1 'Presentation of Financial Statements' have been made that require to group together items within other comprehensive income that may be reclassified to profit or loss section of the income statement.

Amendments to IAS 12 'Income Taxes' have been made that provide a practical solution to the problem regarding whether the entity expects to recover carrying amount of an asset through use or through sale when the asset is measured using the fair value model in IAS 40 'Investment Property' by introducing a presumption that recovery of the carrying amount will normally be through sale. As a result of the amendments, the Standing Interpretations Committee (SIC) 21 'Income Taxes – Recovery of Revalued Non-Depreciable Assets' would no longer apply to investment properties carried at fair value.

3.2 New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following new interpretation and amendments to standards are only effective for annual periods beginning from the dates specified below. These amendments and interpretation are either not relevant to the Bank's operations or are not expected to have significant impact on the financial statements of the Bank.

- i) On 29 May 2013 the International Accounting Standard Board (IASB) issued amendments to IAS 36 'Impairment of Assets'. These amendments clarify that the scope of recoverable amount disclosures for non-financial assets is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014.
- ii) On 27 June 2013 the IASB issued amendments to IAS 39 'Financial Instruments: Recognition and Measurement'. These amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 'Financial Instruments'. The amendments are effective for annual periods beginning on or after 1 January 2014.

Notes to the financial statements

For the year ended June 30, 2013

- iii) On 20 May 2013 the IASB issued IFRIC Interpretation 21 Levies, an interpretation on the accounting for levies imposed by governments. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014.

There are other new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after January 1, 2013 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these financial statements.

4 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention in accordance with the Cooperative Societies Rules 1927, except that free hold land and securities (available for sale) have been recognized in these financial statements at revalued amounts. In addition, obligation in respect of staff retirement benefits is carried at present value. These financial statements are presented in Pak Rupees which is the bank's functional and presentation currency. The accounts are rounded off to the nearest thousand.

5 CHANGES IN ACCOUNTING POLICIES

5.1 Adoption of amendments in IAS 19, (Revised) 'Employee Benefits'

IAS 19 (Revised) 'Employee benefits' amends the accounting for the Bank's defined benefit plan. The revised standard has been applied retrospectively. The impact of the adoption of IAS 19 (revised) has been in the following areas:

- The standard requires all actuarial gains and losses to be recognised immediately in 'other comprehensive income'. This has resulted in unrecognised net actuarial losses aggregating to Rs 3.745 million as at June 30, 2013 being recognised in 'other comprehensive income' whereas expense recognised in the profit and loss account as a charge to defined benefit plan for the year ended June 30, 2013 is Rs 241.07 million.
- The effect of this change in accounting policy on the cash flow statement and on 'earnings per share' is not material in the overall context of these financial statements.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT BASIS OF MEASUREMENT

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgments in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies that have a significant risk of material adjustment to the carrying amounts of assets and liabilities are disclosed below:

The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgement was exercised in application of the accounting policies are as follows:

- i) Classification and provisioning against investments (notes 7.4 and 10).
- ii) Income taxes (notes 7.6, 27).
- iii) Classification and provisioning against advances (notes 7.3 and 11).
- iv) Depreciation of operating fixed assets (notes 7.5 and 12).
- v) Staff retirement benefits (notes 7.8 and 31).

7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

7.1 Cash and cash equivalents

Cash and cash equivalents comprise cash and balances with treasury banks and balances with other banks in current and deposit accounts.

7.2 Borrowings / deposits

Borrowings / deposits are recorded at the proceeds received. The cost of borrowings / deposits is recognized as an expense in the period in which this is incurred.

7.3 Advances

Advances are stated at net of general and specific provisions. General and specific provision is calculated as per the Prudential Regulations issued by the SBP from time to time and is charged to profit and loss account.

7.4 Investments

Investments are classified on the basis of the intended purpose of holding such investments, which is as follows:

Held-for-trading securities

These are investment securities, which are acquired principally for the purpose of generating profit from short-term fluctuations in price or dealer's margin.

Held-to-maturity securities

These are investment securities with fixed or determinable payments and fixed maturity and the Bank has the positive intent and ability to hold them till maturity.

Available-for-sale securities

Notes to the financial statements

For the year ended June 30, 2013

These are investments, other than those in subsidiaries and associates, that do not fall under the 'held for trading' or 'held to maturity' categories.

Investments are initially recognized at cost which in case of investments other than 'held for trading' include transaction costs associated with the investment.

All purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognized at the trade date. Trade date is the date on which the Bank commits to purchase or sell the investment.

Investments in quoted securities other than held to maturity are valued at market prices prevailing at the terminal date except investments in government securities, and the difference between the carrying value and the revalued amount of available for sale is recognized in the surplus / (deficit). Gain or loss on disposal is charged to current year's profit and loss account.

In accordance with the requirements of the State Bank of Pakistan, quoted securities, other than those classified as 'held to maturity', investments in subsidiaries and investments in associates are subsequently re-measured to market value. Surplus / (deficit) arising on revaluation of quoted securities which are classified as 'available for sale', is taken to a separate account which is shown in the balance sheet below equity. Surplus / (deficit) arising on revaluation of quoted securities which are classified as 'held for trading', is taken to the profit and loss account, currently.

Impairment loss in respect of investments classified as available for sale (except for quoted securities) and held to maturity is recognised based on management's assessment of objective evidence of significant and prolonged decline in the estimated future cash flows of such securities, and charged to profit and loss account. Surplus / (deficit) arising on revaluation of quoted securities which are classified as available for sale is taken to a separate account which is shown in the statement of financial position below equity.

7.5 Operating fixed assets

These are stated at cost less accumulated depreciation except freehold land which is stated at revalued amount and capital work in progress, that is stated at cost.

Depreciation is computed over the estimated useful lives of the related fixed assets at the rates specified in note 12.2 on monthly diminishing balance method, except vehicles which are being depreciated on straight line method. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed.

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditures connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to relevant asset as and when assets become available for use.

7.6 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or below equity, in which case it is recognised in equity or below equity.

7.6.1 Current

Provision for current taxation is based on taxable income for the year. Tax charge for the current year is determined in accordance with the prevailing laws for taxation. The charge for the current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date. The charge for the current tax also includes adjustments relating to prior years, if necessary, arising from assessments finalised during the year.

7.6.2 Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. In addition, the Bank also records deferred tax asset on available tax losses.

Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised. The carrying amount of the deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

The Bank also recognises deferred tax asset / liability on deficit / surplus on revaluation of securities / fixed assets which is adjusted against the related deficit / surplus in accordance with the requirements of IAS 12 'Income Taxes'.

7.7 Revenue recognition and other items

Mark-up income / interest on advances and returns on investments are recognised on a time proportion basis except that mark-up income / interest / returns on non-performing advances and investments are recognised on receipt basis in accordance with the requirements of the Prudential Regulations issued by the SBP. Interest / returns / mark-up on rescheduled / restructured advances and investments are recognised as permitted by the SBP, except where, in the opinion of the management, it would not be prudent to do so.

Fees, commission, brokerage, and other income are recognized on receipt basis, whereas mark up on advances, rental income, markup on deposits & on investment in government securities, mark up on customer's deposits are recognized on accrual basis.

Dividend income from investments is recognised when the Bank's right to receive the dividend is established.

Notes to the financial statements

For the year ended June 30, 2013

7.8 Staff retirement benefits

The Bank operates the following staff retirements benefits schemes for its employees:

7.8.1 Defined benefit plan

(a) Pension scheme

The Bank operates defined benefits funded pension scheme approved by the income tax authorities for its eligible employees. Monthly contribution at the rate of 15% and 10% of employees basic salaries is being made by the bank and employees respectively. However, the Bank's costs are determined on the basis of actuarial valuation carried out by independent actuaries by using 'Projected Unit Credit Method'.

(b) Gratuity Scheme

The Bank operates defined benefits gratuity scheme for employees under gratuity scheme. Prior to year 2012, 08 employees were covered under gratuity scheme, however management offered a voluntary option to transfer from Pension scheme to gratuity scheme and 76 employees opted for gratuity scheme. The bank makes annual provisions in the accounts for its liability towards employees gratuity scheme on the basis of actuarial valuation.

(c) Employees compensated absences

The bank makes annual provisions in the accounts for its liability towards vested compensated absences accumulated by its employees on the basis of actuarial valuation.

7.8.2 Defined contribution plan

The bank also operates a provident fund scheme for all its regular employees, which is administered by the board of trustees. Employees under provident fund scheme contribute 10% of the basic salaries in accordance with the terms of the scheme and equal monthly contributions of 10% of the basic salary by bank and employee are made only for those staff members who have not opted the pension scheme.

7.9 Impairment of assets

The carrying amount of the Bank's assets are reviewed at each date of statement of financial position for impairment. If such indication exists, and whenever events or changes in circumstances indicate that the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets which is adjusted against the revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of assets.

7.10 Transactions with related parties

The transactions with related parties are entered into at arm's length prices using the comparable uncontrolled price method except for advances to the employees which are extended in accordance with rules and regulations of the Bank.

7.11 Offsetting

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is legally enforceable right to set off the recognized amounts and the Bank intends to either settle on net basis or to realize the assets and settle the liability simultaneously.

7.12 Provision

A provision is recognized in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

7.13 Contingencies & Commitments

Capital commitments and contingencies, unless those are actual liabilities, are not incorporated in the accounts.

Contingent liabilities are disclosed when:

- There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events wholly within the control of the Bank.
- There is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

7.14 Deferred grant

Deferred grants are not recognized until there is reasonable assurance that the Bank will comply with the conditions attaching to them and that the grants will be received.

Deferred grants are recognized in income and expenditure account on a systematic basis over the periods in which the Bank recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, SBP institutional strengthening fund (ISF) grants whose primary condition is that the Bank should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the balance sheet and transferred to income and expenditure account on a systematic and rational basis over the useful lives of the related assets.

Notes to the financial statements
For the year ended June 30, 2013

	Note	June 30, 2013	June 30, 2012
		Rupees in '000'	
8 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		297,602	219,346
With State Bank of Pakistan (SBP) in			
Local currency current account	8.1	178,697	185,917
With National Bank of Pakistan (NBP) in			
Local currency current account		117,054	97,068
Local currency deposit account (NIDA)	8.2	41,326	31,536
		634,679	533,867

8.1 Deposits with SBP are maintained to comply with the statutory requirements issued from time to time.

8.2 The NIDA account bears profit @ 6.00% per annum (2012 : 9.00% per annum).

9 BALANCES WITH OTHER BANKS

In Pakistan			
On current accounts		15,392	14,427
On deposit accounts	9.1		
Consider good		1,971,495	909,046
Consider doubtful		11,413	101,413
		1,982,908	1,010,459
Less: provision for balance doubtful of recovery		(11,413)	(101,413)
		1,971,495	909,046
		1,986,887	923,473

9.1 These accounts carry interest rate ranging from 6% to 10% per annum (2012 : 6.00% to 13.30%) per annum.

10 INVESTMENT - NET

	Note	2013			2012		
		Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
		Rupees in '000'					
10.1 Investments by types:							
Available-for-sale securities							
Fully paid ordinary shares of listed companies		7,023	-	7,023	7,023	-	7,023
Fully paid ordinary shares of cooperative institutions		3,551	-	3,551	3,551	-	3,551
Held-to-maturity securities							
Market Treasury Bills		588,332	-	588,332	975,157	-	975,157
Non-banking financial institutions		88,059	-	88,059	88,059	-	88,059
Investments at cost		686,965	-	686,965	1,073,790	-	1,073,790
Less: Provision for diminution in value of Investments	10.3	(89,648)	-	(89,648)	(91,610)	-	(91,610)
Investments (net of provisions)		597,317	-	597,317	982,180	-	982,180
Surplus / deficit on revaluation							
Surplus / (deficit) on revaluation of available for-sale securities-net		194,282	-	194,282	126,437	-	126,437
Total investments at market value		791,599	-	791,599	1,108,617	-	1,108,617

Notes to the financial statements
For the year ended June 30, 2013

	Note	June 30, 2013	June 30, 2012
		Rupees in '000'	
10.2 Investment by Segments:			
Federal Government Securities			
-Market Treasury Bills	10.6	588,332	975,157
Investment with other Financial Institution			
-Non-banking financial institutions	10.7	88,059	88,059
Fully Paid up Ordinary Shares:			
-Listed Companies	10.8	7,023	7,023
-Cooperative Institutions	10.8	3,551	3,551
Total investment at cost		686,965	1,073,790
Less: Provision for diminution in value of investments	10.3	(89,648)	(91,610)
Investments (net of provisions)		597,317	982,180
Add: Surplus on revaluation on Available-for-sale securities		194,282	126,437
Total investments at market value		791,599	1,108,617

10.3 Particulars of provision for diminution in value of Investments

Opening balance	91,610	3,551
Charge for the year	-	88,059
Reversals	(1,962)	-
Closing balance	89,648	91,610

10.4 Particulars of provision for diminution in value of Investments by type and segment

Available-for-sale securities	-	-
Fully paid up ordinary shares		
Cooperative Institutions	1,589	3,551
Held-to-maturity securities	-	-
Investments with other banks		
Non-banking financial institutions	88,059	88,059
	89,648	91,610

10.5 Quality of available for sale securities

Securities	2013		2012	
	Amount Rs. '000'	Rating	Amount Rs. '000'	Rating
Shares of listed companies				
Security Papers Limited	6,708	AAA	6,708	AAA
NIB Bank Limited	-	AA-	-	AA-
Dawood Lawrencepur Limited	315	Unrated	315	Unrated
PICIC Insurance Limited	-	BBB+	-	A-
	7,023		7,023	

10.6 These securities have a maturity period of one year (2012: six months to one year) with yield 9.35% (2012 : 11.85% to 12.58%) per annum.

10.7 This represents investment made in the Certificate of Investment / Deposit of Trust Investment Bank Limited, Gulberg, Lahore for a period of six months, commencing from 01-03-2010, carrying profit rate of 12.55% per annum. During last year, the Bank accepted a swap proposal of Rs. 140 million in loans granted to M/s Vital Enterprises (Pvt) Limited by Trust Investment Bank. This was a funded facility against mortgaged of urban property. Another proposal submitted by Trust Investment Bank to settle the remaining amount of Rs. 88.059 million is under negotiation. However, based on financial health of Trust Investment Bank as well as dictated by prudence, a provision for diminution in the value of this investment in the sum of Rs. 88.059 million had been made in these financial statements in last year which was ended on June 30, 2012.

Notes to the financial statements
For the year ended June 30, 2013

10.8 Investment in Listed Companies

2013	2012	Face Value of Shares Rs.	Name of company	2013	2012
Number of Shares				At Cost Rupees in '000'	
Investment in Listed Companies					
2,954,362	2,954,362	10	Security Papers Limited	6,708	6,708
218,287	218,287	10	NIB Bank Limited	-	-
48,710	48,710	10	Dawood Lawrencepur Limited	315	315
2,314	2,314	10	PICIC Insurance Limited	-	-
Shares of Cooperative Institutions					
21,791,370	21,791,370	10	Coop: Insurance Society of Pakistan	1,919	1,919
460	460	100	National Coop. Supply Corporation	43	43
3,410	3,410	100	Coop: Investment & Management Agency	341	341
71	71	1000	Oberoi Coop: Society Sialkot	71	71
3,041	3,041	100	Shahdara Pioneer Coop: M.P. Society	300	300
7,360	7,360	100	Lahore Central Coop: Store	536	536
10	10	100	Jhelum Distt. Coop: Society	1	1
12	12	1000	All Pakistan Coop: Multi Purpose Society	11	11
129	129	500	Punjab Prov. Coop: Cotton Corp.	65	65
1	1	100	Pakistan Product Coop: Marketing	-	-
250	250	100	Anjuman Imdad-e-Bahami M.P. Society	12	12
30	30	1000	Pioneer Coop: Leather & Rubber Society	30	30
4	4	500	Punjab Prov. Coop: Marketing	2	2
10	10	100	West Pakistan Coop: Consumer Society	1	1
52	52	500	Sargodha Distt. Coop: Society	18	18
4	4	100	Sialkot Central Coop: Multi Purpose Society	-	-
200	200	50	Multan Distt. Coop: Multi Purpose Society	8	8
100	100	100	Lyalpur Distt. Coop: Multi Purpose Society	10	10
20	20	100	Lyalpur Distt. Coop: Store	1	1
1,020	1,020	100	Montgomery Coop: Society	102	102
250	250	100	Bahawalpur Coop: Society	25	25
500	500	100	Arifwala Mills Society	45	45
1	1	10	Jhang Coop: Supervising	-	-
200	200	50	Rawalpindi Multi Purpose Union	10	10
				10,574	10,574
Impairment in available for Sale listed shares / units				(1,589)	(3,551)
Investment in listed shares / units (net of impairment)				8,985	7,023
Surplus / (deficit) on revaluation of shares/units-(net)				194,282	126,437
Market value as on 30 June, 2013				203,267	133,460

10.8.1 The shares of Cooperative institutions showing nil value is due to amounts rounded off to the nearest thousand rupees.

Notes to the financial statements
For the year ended June 30, 2013

	Note	June 30, 2013	June 30, 2012
		Rupees in '000'	
11 ADVANCES - NET			
Loans, cash credits, running finances, etc.			
In Pakistan		9,468,455	9,416,129
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		184	184
Advances - gross		9,468,639	9,416,313
Provision for non-performing advances	11.4	(1,606,077)	(1,605,893)
Advances - net of provision		7,862,562	7,810,420
11.1 Particulars of advances (Gross)			
11.1.1 In local currency		9,468,639	9,416,313
In foreign currency		-	-
		9,468,639	9,416,313
11.1.2 Short term (for up to one year)		7,313,829	6,929,824
Long term (for over one year)		2,154,810	2,486,489
		9,468,639	9,416,313

11.2 Advances include Rs. 2,303,522 (thousand) (2012 : Rs. 2,189,476 thousand) which have been placed under non-performing status as detailed below:-

	2013				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	----- Rupees in '000' -----				
Category of classification					
Other Assets Especially Mentioned	455,356	-	455,356	-	-
Substandard	221,482	-	221,482	20,457	20,457
Doubtful	75,487	-	75,487	27,869	27,869
Loss	1,551,197	-	1,551,197	714,565	1,557,751
	2,303,522	-	2,303,522	762,891	1,606,077

	2012				
	Classified Advances			Provision Required	Provision Held
	Domestic	Overseas	Total		
	----- Rupees in '000' -----				
Category of classification					
Other Assets Especially Mentioned	258,173	-	258,173	-	-
Substandard	54,512	-	54,512	10,988	10,988
Doubtful	28,228	-	28,228	3,016	3,016
Loss	1,848,563	-	1,848,563	871,127	1,591,889
	2,189,476	-	2,189,476	885,131	1,605,893

11.3 Position is calculated as on June 30, 2013 after taking benefit of collateral in agricultural loans as per Prudential Regulations on Agricultural Loans & Advances.

Notes to the financial statements
For the year ended June 30, 2013

11.4 Particulars of provision against non-performing advances

	2013			2012		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000' -----					
Opening balance	1,602,365	3,528	1,605,893	1,602,365	3,528	1,605,893
Charge for the year	184	-	184	-	-	-
Amounts written off	-	-	-	-	-	-
Reversals	-	-	-	-	-	-
Transfer from consumer finance	-	-	-	-	-	-
Closing balance	1,602,549	3,528	1,606,077	1,602,365	3,528	1,605,893

11.5 Particulars of provisions against non-performing advances

In local currency	1,602,549	3,528	1,606,077	1,602,365	3,528	1,605,893
In foreign currency	-	-	-	-	-	-
	1,602,549	3,528	1,606,077	1,602,365	3,528	1,605,893

11.6 Particulars of write offs

	Note	June 30, 2013	June 30, 2012
		Rupees in '000'	
Against provisions	11.4	-	-
Directly charged to profit & loss account		-	-
Total		-	-
11.6.1 Write offs of Rs. 500,000 and above	11.7	-	-
Write offs of below Rs. 500,000		-	-
		-	-

11.7 Details of loan write off of Rs. 500,000 and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962, the Statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended June, 2013 is Nil. (2012: Nil).

Notes to the financial statements
For the year ended June 30, 2013

11.8 Particulars of loans and advances to directors (key executives), associated companies etc.

	Note	June 30,	June 30,
		2013	2012
		Rupees in '000'	
Debts due by directors, executives or officers			
Debts due by directors, executives or officers of the bank or any of them either severally or jointly with any other persons:			
Balance at the beginning of the year		18,194	18,632
Loans granted during the year		4,217	7,369
Repayments		8,141	7,807
Balance at the end of the year		14,269	18,194
Debts due by subsidiary company or Firms in which directors (executives) of the bank are interested as directors (executives)			
Balance at the beginning of the year		-	-
Loans granted during the year		-	-
Repayments		-	-
Balance at the end of the year		-	-

The Punjab Provincial Cooperative Bank Limited

Notes to the financial statements
For the year ended June 30, 2013

12 OPERATING FIXED ASSETS

	Note	June 30,	June 30,
		2013	2012
		Rupees in '000'	
Capital work-in-progress	12.1	8,146	12,904
Property and equipment	12.2	4,562,882	3,432,246
Intangible assets		-	-
		4,571,028	3,445,150

12.1 Capital work-in-progress

	Opening balance as at July 01	During the year addition	During the year transfers to fixed assets	Closing balance as at June 30
-----Rupees in '000'-----				
Civil works	7,504	-	5,838	1,666
Advances to suppliers of Banking System Module	5,400	1,080	-	6,480
2013	12,904	1,080	5,838	8,146
2012	10,884	5,224	3,204	12,904

Notes to the financial statements
For the year ended June 30, 2013

12.2 Property and equipment

	Cost / revaluation				Depreciation				Net book value	Rate of depreciation
	Opening balance	Additions/ Revaluations/Transfers	(Deletions)/ Transfers	Closing balance	Opening balance	Charge for the year	(Deletion)/ Transfer	Closing balance		
-----Rupees in '000'-----										%
Free hold land	110,479	-	-	110,479	-	-	-	-	110,479	-
Revaluation surpluses	3,227,558	1,123,230	-	4,350,788	-	-	-	-	4,350,788	-
Total	3,338,037	1,123,230		4,461,267	-	-	-	-	4,461,267	
Building on free hold land	113,285	7,938	-	121,223	42,584	2,995	-	45,579	75,644	2.5
Building on lease hold land	4,286	-	-	4,286	2,014	108	-	2,122	2,164	2.5
Furniture and fixtures	26,526	3,639	(964)	29,201	17,247	5,188	(924)	21,511	7,690	20
Electrical, office and computer equipment	16,025	5,834	(109)	21,750	9,431	3,355	(89)	12,697	9,053	20
Vehicles	50,171	4,700	(1,519)	53,352	45,134	1,616	(354)	46,396	6,956	20
Telephone Exchange & Conference system	1,020	-	(69)	951	836	174	(69)	941	10	20
Arms & Ammunitions	249	2	-	251	107	46	-	153	98	20
	3,549,599	22,113	(2,661)	4,692,281	117,353	13,482	(1,436)	129,399	4,562,882	
		1,123,230								
2013	3,549,599	1,145,343	(2,661)	4,692,281	117,353	13,482	(1,436)	129,399	4,562,882	
2012	3,846,083	(293,514)	(2,970)	3,549,599	120,523	(200)	(2,970)	117,353	3,432,246	

- 12.2.1** Included in cost of property and equipments are fully depreciated assets that are still in use of the Bank. Moreover, the Bank has policy to report fully depreciated asset at nominal value for identification purposes.
- 12.2.2** Freehold land was revalued on March 9, 2013 by Star Tech Consultants, an independent professional valuer firm, on the basis of fair market value. This revaluation resulted in surplus of Rs. 1,123,230 thousand (note 19.1) in respect of freehold land. However, without the effect of revaluation, the carrying amount of the land would have been Rs.110.479 million (2012: Rs.110.479 million).
- 12.2.3** The value of land and buildings include properties under litigation / disputes amounts to Rs. 80.442 million (2012: Rs. 80.444 million) for which legal title has been acquired but the physical possession is under dispute.

Notes to the financial statements
For the year ended June 30, 2013

12.1.3 Details of disposal of property and equipment during the year:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of purchaser
Items having cost of more than Rs. 1,000,000 or net book value of more than Rs. 250,000							
Vehicles	1,519	(354)	1,165	1,165	-	As per terms of employment	Mr Liaquat Durrani, Ex-President / CEO
Sub-total	1,519	(354)	1,165	1,165	-		
Items having cost of less than Rs. 1,000,000 or net book value of less than Rs. 250,000							
Furniture and fixtures	964	(924)	40				
Electrical, office and computer equipment	109	(89)	20	232	172	Auction	Mr. Niamat Ali
Telephone exchange and conference system	69	(69)	-				
	1,142	(1,082)	60	232	172		
2013	2,661	(1,436)	1,225	1,397	172		

12.1.4 Restriction on disposal of assets

The Government of Punjab vide Clause 1, sub-clause (v) of the agreement dated September 16, 2009 with the Bank, has restricted the Bank from selling its immovable properties. The Additional Secretary (Staff) to Chief Secretary through letter # PA/AS(S)/34/07-505 dated July 20, 2007 had also restricted the sale of properties of the Bank till such time the merger/restructuring issue of the bank is finalized.

12.1.5	Deferred Tax	Note	June 30, 2013	June 30, 2012 (Restated)
			Rupees in '000'	
Deductible temporary differences on:				
	Provision for Gratuity		42,189	35,971
	Provision for Compensated Leave Absences		99,697	86,200
	Provision against other assets		53,808	-
			195,694	122,171
Taxable temporary differences on:				
	Operating fixed assets		14,153	4,013
	Investments		102,672	34,827
			116,825	38,840
	Net- Temporary differences for which no deferred tax is recognized		78,869	83,331

12.1.6 In the absence of future taxable profits projections, amount of **Rs. 839,843 thousands** (2012 Rs.898,711 thousands) is not recognized as deferred tax assets.

Notes to the financial statements
For the year ended June 30, 2013

	Note	June 30,	June 30, 2012
		2013	(Restated)
		Rupees in '000'	
13 OTHER ASSETS - NET			
Income / markup accrued on loan and advances in local currency		548,464	511,912
Advances, deposits, advance rent and others prepayments		2,374	1,798
Advance taxation (payments less provisions)		33,901	23,629
Sundry debtors		11,483	33,676
Profit recoverable from banks		7,961	6,242
Crop insurance recoverables		126,722	77,662
Others		85,634	76,080
		816,539	730,999
Less: Provision held against other assets		(53,808)	-
Total		762,731	730,999
14 BILLS PAYABLES			
In Pakistan		13,746	30,845
Outside Pakistan		-	-
		13,746	30,845
15 BORROWINGS FROM FINANCIAL INSTITUTIONS			
In Pakistan		-	-
Outside Pakistan		-	-
		-	-
15.1 Particulars of borrowings with respect of currencies			
In local currency		-	-
In foreign currencies		-	-
		-	-
16 DEPOSITS AND OTHER ACCOUNTS			
Customers			
Fixed deposits		250,615	212,349
Savings deposits		1,828,236	1,609,179
Current accounts - non-remunerative		613,788	496,415
Call deposits		3,653	28,315
Other deposits	16.1	51,416	62,817
		2,747,708	2,409,075
Financial institutions			
Remunerative deposits		-	-
Non-remunerative deposits		-	-
		-	-
16.1 Others deposits include Staff Security Deposits, Employee's Provident fund, Pension Fund.			
16.2 Particulars of deposits			
In local currency		2,747,708	2,409,075
in Foreign currencies		-	-
		2,747,708	2,409,075

Notes to the financial statements
For the year ended June 30, 2013

	Note	June 30, 2013	June 30, 2012
		(Restated)	
Rupees in '000'			
17 OTHER LIABILITIES			
Mark-up/ Return/ Interest payable in local currency		39,940	34,808
Accrued expenses		3,119	2,778
Branch adjustment account		41,286	80,763
Sundry creditors	17.1	36,189	37,323
Dissolved bank payable		37,427	37,427
Provision for employees' gratuity	31.4	42,189	35,971
Provision for employees' pension fund	31.4	2,320,683	2,153,786
Provision for employees' compensated absences	31.4	99,697	86,200
Deferred grant from SBP	17.2	7,486	-
Withholding tax payable		518	-
Others		13,353	110,744
		2,641,887	2,579,800

17.1 This includes amount of Rs. 6,274 thousands payable on account of Rahwall Sugar Mills (RSM), and Bid Money of Rs. 12,300 thousands that was forfeited by the PPCBL as per settled agreement with respect to auction of land in 1999 on failure of the purchaser to deposit the remaining purchase money. However, the purchaser has filed a suit in the court against the Bank for recovery of the above said amounts that is still pending adjudication.

17.2 This represents institutional strengthening fund (ISF) received from the State Bank of Pakistan (SBP) for the purpose of (a) Review of HR Policy Framework, Training Needs Assessment and Development of Training Modules (b) Implementation of HRIS system (c) Development of IT infrastructure through review of existing CBS and acquisition of licences for operating systems.

18 SHARE CAPITAL

June 30, 2013		June 30, 2012		Note	June 30, 2013		June 30, 2012	
(Number of shares)					(Rupees in '000')			
18.1 Authorized Capital								
Unlimited	Unlimited	Ordinary shares of Rs.100 each			Unlimited	Unlimited		
18.2 Issued, subscribed and paid up capital								
3,988,370	3,985,750	Ordinary shares of Rs. 100 each, fully paid in cash			398,837	398,575		
375,730	375,730	Ordinary shares of Rs. 100 each, issued as fully paid bonus shares			37,573	37,573		
4,364,100	4,361,480				436,410	436,148		

19 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

19.1 Surplus on revaluation of fixed assets

As at July 01,	3,227,557	3,499,647
Recognised during the year	1,123,230	-
Reversal of deficit on account of properties written off	-	(33,688)
Transfer to unappropriated profit on disposal	-	(238,402)
	4,350,787	3,227,557

19.2 Surplus / (Deficit) on revaluation of available for sale securities

As at July 01,	126,437	114,548
Recognised during the year	67,845	11,889
Reversal of deficit on account of properties written off	-	-
Transfer to unappropriated profit on disposal	-	-
	194,282	126,437

Notes to the financial statements
For the year ended June 30, 2013

20 CONTINGENCIES AND COMMITMENTS

Note	June 30, 2013	June 30, 2012
	(Rupees in '000')	
20.1		
The Bank has total of 214 cases under litigation in different courts. The total amount involved in such outstanding cases aggregate to;	245,046	280,504

20.2	5,041	5,041
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The sales tax department had issued a show cause notice dated: 14-07-2003 to the bank stating 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 Messers Ali Industrial and Engineering Works, Karachi without charging and depositing sales tax leviable thereon. Further the sales tax department reported that Messers 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 had 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 has been remanded to Sales tax department by the Lahore High Court on 18-06-2010, pending adjudication before the Department.

20.3 Income tax status / exposure:

20.3.1 The Income Tax Returns up to the tax year 2012 have been filed under Self Assessment Scheme with the Income Tax Department of Federal Board of Revenue(FBR) which are "deemed assessment orders" unless selected for Audit or revised under respective sections of Income Tax Ordinance by the FBR Authorities.

20.3.2 The Bank is in litigation with the Income Tax Department whereby appeals and cross appeals for the assessment years 1999-2000 to 2002-2003 as well as for tax years 2003-2008 on account of orders passed under section 62 of the Income Tax Ordinance, 1979 (Repealed Ordinance) and 122(1) / 122(5A) of the Income Tax Ordinance, 2001 are pending adjudication before the Appellate Tribunal Inland Revenue. Whereas, the bank has been charged & paid accordingly all the respective amounts of tax demand for all the Assessment Year/ Tax Years under litigation and contesting for Refunds of the same. The management of the Bank as well as its tax advisor consider that the Bank has fair chance to get the decision of these 2appeals in its favour. Accordingly, no provision of tax demands raised through above said assessment orders has not been made in these financial statements.

20.4	June 30, 2013	June 30, 2012
	(Rupees in '000')	
- Civil work commitment	20,297	6,168

20.5 Bank Al-falah town ship fraud of royal profit account no. 02905313

During November 2003, the bank opened a Royal Profit Account in Bank Alfalah Limited, Town Ship Branch. In July 2010, it revealed that some cheques were forged by the staff members of Bank Alfalah Limited who had routed the proceeds of these cheques through their associates and family members' accounts. The total misappropriated amount comes to Rs. 101.413 Million (i.e. Principal Rs. 97.250 Million and Mark up Rs.4.163 Million) .After lodging cases at different judicial level, the cases have been withdrawn and an agreement subsequent to year ended June30, 2013 has been entered into between the bank and Bank Alfalah Limited. According to which an amount of Rs. 90 million has been received by the bank from the Bank Alfalah Limited whereas the remaining amount of Rs. 11,413 thousands has been provided in the Financial Statements.

21 MARK-UP/ RETURN / INTEREST EARNED

	June 30, 2013	June 30, 2012
	(Rupees in '000')	
On loans and advances		
to customers	1,359,222	1,289,992
to employees of the bank	35,572	34,007
On investments in held to maturity securities		
Treasury Bills	88,493	101,675
On deposits with financial institutions	112,698	155,193
	1,595,985	1,580,867

Notes to the financial statements
For the year ended June 30, 2013

	Note	June 30, 2013	June 30, 2012
		(Restated)	
Rupees in '000'			

22 MARK-UP / RETURN / INTEREST EXPENSED

Deposits		115,098	83,470
Other short term borrowings		-	42,999
Total		115,098	126,469

23 OTHER INCOME

Rent on property		28,011	18,798
Net profit on gain on sale of fixed assets		172	5,401
Profit on sale of books		3,298	3,713
Bank and service charges		6,411	4,528
Others		19,999	13,575
Total		57,891	46,015

24 ADMINISTRATIVE EXPENSES

Salaries, allowances and benefits		751,457	702,132
Charge for defined benefit plan	31	241,070	305,730
Contribution to defined contribution plan		6,973	268
Non-executives directors' fees, allowances, and other expenses		-	-
Rent, taxes, insurance, electricity, etc.		36,819	32,710
Legal and professional charges		3,466	2,807
Communications		17,323	13,136
Repairs and maintenance		2,365	3,237
Stationery and printing		3,077	3,047
Advertisement and publicity		2,099	1,221
Subscription		500	2,125
Auditors' remuneration	24.1	622	537
Depreciation	12.2	13,482	9,199
General bank charges		20,096	18,853
Vehicles expenses		24,415	23,172
Incentive paid to field staff		13,713	25,711
Others		9,564	10,380
Total		1,147,041	1,154,265

24.1 Auditors' remuneration

Statutory audit fee		495	450
Fee for the review of the half yearly financial statements		38	42
Out of pocket expenses		-	45
Others		89	-
Sub-total		622	537

Notes to the financial statements
For the year ended June 30, 2013

	Note	June 30,	June 30, 2012
		2013	(Restated)
		Rupees in '000'	
25	OTHER PROVISIONS / WRITE OFFS		
	(Reversals) / provision against deposit with Bank Alfalah Limited	(90,000)	101,413
	Provision for staff retirement benefits	-	70,000
	Provision for other assets	53,808	-
	Total	(36,192)	171,413
26	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	18	-
	Total	18	-
27	TAXATION		
	For the year		
	Current	12,985	19,661
	Deferred	12.1.5	-
	For the prior year(s)		
	Current	(19,183)	-
	Deferred		
	Total	(6,198)	19,661
28	EARNINGS PER SHARE - BASIC		
	Profit for the year	478,728	106,896
	Weighted average number of ordinary shares	(Numbers) 4,345,562	4,343,958
	Basic earnings per share	(Rupees) 110.16	88.24
	There is no dilutive effect on earnings per share during the year.		
29	CASH AND CASH EQUIVALENTS		
	Cash and balance with treasury banks	634,679	533,867
	Balance with other banks	1,986,887	923,473
	Total	2,621,566	1,457,340
30	STAFF STRENGTH		
		2013	2012
		Numbers	
	Permanent	1,226	1,292
	Temporary / on contractual basis	396	345
	Daily wages	219	76
	Total	1,841	1,713
31	DEFINED BENEFIT PLAN		
	31.1 The Bank operates the following retirement benefits for its employees:		
	- Pension fund scheme - funded		
	- Employees gratuity scheme - unfunded		
	- Employees compensated absences - unfunded		
	31.1.1 At present, the bank is operating a contributory Pension Fund for all its permanent employees who do not opted for gratuity. The serving employees shall also contribute @ 10% of their basic pay towards the Pension Fund Trust along with the bank contribution to make it viable and keep solvent in absorbing the pension / commutation bill of the employees upon their departure from the bank.		
	The valuation has been prepared using the Projected Unit Credit (PUC) actuarial cost method. This is the method mandated under the latest International Accounting Standard IAS 19 (revised 2011).		
	The Projected Unit Credit Method requires an enterprise to attribute benefit to the current and prior periods (in		

Notes to the financial statements

For the year ended June 30, 2013

order to determine the present value of defined benefit obligations). An enterprise attributes benefit to periods in which the obligation to provide post-employment benefits arises. Actuarial techniques allow an enterprise to measure that obligation with reliability to justify recognition of a liability.

Under this method the projected value at retirement of the benefits under the schemes are determined for each member and using the service till the curtailment date. Actuarial present value is then determined from this projected value using the valuation rate of discount and after discounting for the probability of survival in service up to the retirement age.

31.1.2 Gratuity is payable under the scheme to employees on cessation of employment on the following grounds:

- Retirement upon the attainment of the normal retirement age
- Death in service of the employer
- Resignation from service

The valuation has been prepared using the Projected Unit Credit (PUC) Actuarial Cost method. This is the method mandated under the latest International Accounting Standard 19 (revised 2011).

31.1.3 The employees of the Bank who opted for pension are getting leave salary equivalent to 30 days or one month as compared to the employee opted for gratuity who are getting leave salary for 48 days. Therefore, Bank will pay back the amount of leave salary equivalent to 18 days (per year) to the serving employees, who will opt for gratuity at this stage. The payment of such amount shall be arranged by the bank through quarterly contribution basis with in a period of five years. In the past a reverse exercise was done by the Bank for employees who opted pension from gratuity and recovered excess paid leave salary over and above for 30 days.

31.2 Principal actuarial assumptions

The latest actuarial valuations of the pension fund, employees' gratuity scheme and employee's compensated absences were carried out at June 30, 2013. The principal actuarial assumptions used are as follows:

	Note	Pension fund		Gratuity fund		Compensated absences	
		2013	2012	2013	2012	2013	2012
Valuation discount rate		11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Salary increase rate		8.00%	10.50%	8.00%	10.50%	8.00%	10.50%
Pension indexation rate		5%	5%	-	-	-	-
Expected return on plan assets		11.50%	11.50%				
Leave accumulation factor (days)		-	-	-	-	15	15

31.3 (Receivable from) / payable to defined benefit plans and other benefits

	Note	Pension fund		Gratuity fund		Compensated absences	
		2013	2012	2013	2012	2013	2012
(Rupees in '000')							
Present value of defined benefit obligation		2,320,683	2,153,786	42,189	35,971	99,697	86,200
Fair value of plan assets		(50,132)	(39,325)	-	-	-	-
Present value of employees' contribution		(160,856)	(157,720)	-	-	-	-
Net actuarial gain / (losses) not recognized		-	-	-	-	-	-
Net (receivable) / payable at the year end		2,109,695	1,956,741	42,189	35,971	99,697	86,200

Notes to the financial statements
For the year ended June 30, 2013

31.4 Reconciliation of the present value of the defined benefit obligations

	Note	Pension fund		Gratuity fund		Compensated absences	
		2013	2012	2013	2012	2013	2012
		(Rupees in '000')					
Present value of defined benefit obligation as at July 01		2,153,786	1,888,311	35,971	30,962	86,200	74,742
Charge for the year	31.5	313,888	294,879	5,912	5,103	13,276	11,897
Employees' contribution		(141,832)	(35,445)	-	-	-	-
Benefits paid		-	-	(420)	-	(468)	-
Other comprehensive income		(5,159)	6,041	725	(94)	689	(439)
Present value as at June 30		2,320,683	2,153,786	42,189	35,971	99,697	86,200

31.6 Movement in fair value of plan assets

Pension fund	Note	June 30,	June 30,
		2013	2012
(Rupees in '000')			
Opening balance as at July 01			
Present value of employee contribution		157,720	159,614
Plan assets		39,325	110,120
		197,045	269,734
Expected return on plan assets		4,522	12,664
Contribution made - Bank		141,832	35,445
Contribution made - Employees		19,799	1,894
Benefits paid by the fund		(154,114)	(123,988)
Gain / (loss) on plan assets		1,904	1,296
Closing balance as at June 30		210,988	197,045
- Present value of employee contribution		160,856	157,720
31.5 Charge for the defined benefit plan		50,132	39,325
- Plan assets			

The following amounts have been charged to the profit and loss account in respect of defined benefit plans:

	Note	Pension fund		Gratuity fund		Compensated absences	
		2013	2012	2013	2012	2013	2012
		(Rupees in '000')					
Current service cost		72,295	64,826	1,775	1,543	3,363	3,302
Interest cost		261,392	231,947	4,137	3,560	9,913	8,595
Expected return on plan assets		-	-	-	-	-	-
Transitional liability / (assets) to be recognised		-	-	-	-	-	-
Contribution - employee		(19,799)	(1,894)	-	-	-	-
Charge for the year		313,888	294,879	5,912	5,103	13,276	11,897

Notes to the financial statements
For the year ended June 30, 2013

32 COMPENSATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

	President / Chief Executive		Directors		Executives	
	2013	2012	2013	2012	2013	2012
----- Rupees in '000' -----						
Fees	2,507	2,205	-	-	-	-
Managerial remuneration	-	-	-	-	9,371	7,623
Charge for defined benefit plan	-	-	-	-	-	-
Rent and house maintenance	785	600	-	-	3,110	2,857
Utilities	147	117	-	-	381	303
Medical	60	57	-	-	1,296	1,184
Conveyance	-	-	-	-	959	1,264
Others	538	69	-	-	4,335	2,886
Total	4,037	3,048	-	-	19,452	16,117
Number of persons	1	1	-	-	13	11

32.1 At present, the Secretary Co-operatives, Government of the Punjab is the Administrator of the Bank, who has full powers and duties that of a Board of Directors.

33 FAIR VALUE OF FINANCIAL INSTRUMENTS

33.1 On-balance sheet financial instruments

	2013		2012	
	Book value	Fair value	Book value	Fair value
----- Rupees in '000' -----				
Assets				
Cash balances with treasury banks	634,679	634,679	533,867	533,867
Balances with other banks	1,986,887	1,986,887	923,473	923,473
Lending to financial institutions	-	-	-	-
Investments	791,599	791,599	1,108,617	1,108,617
Advances	7,862,562	7,862,562	7,810,420	7,810,420
Other assets	728,830	728,830	707,370	707,370
Total	12,004,557	12,004,557	11,083,747	11,083,747
Liabilities				
Bills payable	13,746	13,746	30,845	30,845
Borrowings	-	-	-	-
Deposits and other accounts	2,747,708	2,747,708	2,409,075	2,409,075
Sub-ordinated loans	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-
Other liabilities	2,641,887	2,641,887	303,843	303,843
	5,403,341	5,403,341	2,743,763	2,743,763

33.2 The fair value of investments is based on quoted market price with the exception of unlisted securities and held to maturity securities.

33.3 In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature or in the case of customer loans and deposits are frequently repriced.

34 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 year.

Loan to Executives	2013	2012
	(Rupees in '000')	
Loans disbursed during the year	4,217	7,369
Repayments during the year	8,141	7,807
Mark up earned	2,271	2,636

Notes to the financial statements
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35 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:

	Corporate / Consumer Finance	Commercial Banking
	Rupees '000'	
2013		
Total income	1,394,794	301,923
Total expenses	1,109,089	115,098
Net income/ (loss)	285,705	186,825
Segment assets (gross)	16,044,029	2,319,985
Segment non performing loans	1,606,078	101,104
Segment provision required	762,891	-
Segment liabilities	5,435,487	-
Segment Return on net Assets (ROA) (%)	2.31%	4.35%
Segment cost of funds (%)	4.19%	4.19%
2012		
Total income	1,358,006	308,757
Total expenses	1,314,008	226,198
Net income	43,998	82,559
Segment assets (gross)	15,012,035	1,324,980
Segment non performing loans	1,605,893	193,023
Segment provision required	885,131	-
Segment liabilities	5,019,720	-
Segment Return on net Assets (ROA) (%)	0.29%	4.70%
Segment cost of funds (%)	5.25%	5.25%

Notes to the financial statements
For the year ended June 30, 2013

	Note	June 30,	June 30,		
		2013	2012		
Rupees in '000'					
36 CAPITAL ADEQUACY					
The risk weighted assets to capital ratio, calculated in accordance with the State Bank of Pakistan guidelines on capital adequacy is as follows:					
Regulatory Capital Base					
Tier I Capital					
Shareholders capital / assigned capital		436,410	436,148		
Reserves		8,060,799	9,780,139		
Unappropriated / unremitted profits (net of losses)		(1,836,133)	602,932		
Total Tier I Capital		6,661,076	10,819,219		
Tier II Capital					
Subordinated debt (up to 50% of total Tier I Capital)		-	-		
General provisions subject to 1.25% of total risk weighted assets		3,528	3,528		
Revaluation reserve (up to 50%)		2,272,535	1,540,952		
Total Tier II Capital (restricted up to the amount of total tier I capital)		2,276,063	1,544,480		
Eligible Tier III Capital		-	-		
Total Regulatory Capital	(a)	8,937,139	12,363,699		
Risk-Weighted Exposures					
		2013		2012	
		Book Value	Risk Adjusted	Book Value	Risk Adjusted
Rupees in '000'					
Credit Risk					
Balance sheet items:-					
Cash and balances with treasury banks		634,679	-	533,867	-
Balances with other banks		1,986,887	397,377	923,473	184,695
Investments		791,599	203,267	1,108,617	133,460
Loans & Advances		7,862,562	7,050,940	7,810,420	7,463,735
Operating fixed assets		4,571,028	4,571,028	3,445,150	3,445,150
Other assets		762,731	765,336	730,999	726,005
Sub-total		16,609,486	12,987,948	14,552,526	11,953,045
Off balance sheet items					
Loan repayment guarantees		-	-	-	-
Purchase and resale agreements		-	-	-	-
Guarantee acceptance		-	-	-	-
Revolving underwriting commitments		-	-	-	-
Stand by letters of credit		-	-	-	-
Outstanding foreign exchange contracts		-	-	-	-
-Purchase		-	-	-	-
-Sale		-	-	-	-
		-	-	-	-
Credit risk-weighted exposures			12,987,948		11,953,045
Market Risk					
General market risk		-	-	-	-
Specific market Risk		-	-	-	-
Market risk-weighted exposures		-	-	-	-
Total Risk-Weighted exposures	(b)	-	12,987,948	-	11,953,045
Capital Adequacy Ratio [(a) / (b) x 100]			68.81		103.44

The Bank has obtained exemption from The State Bank of Pakistan for the implementation of Basel II requirements vide letter no.RCS/PA/2242 dated December 16, 2008.

Notes to the financial statements
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37 RISK MANAGEMENT

37.1 Credit Risk

The Bank's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits Bank's exposure to credit risk through monitoring of clients' credit exposure, review and conservative estimates of provisions for doubtful receivable and through the prudent use of collateral for major amounts of credit. The management is of the view that the Bank is exposed to significant concentration of credit risk as its financial assets mostly relate to agriculture sector. Detail is given below:

37.1.1 Segmental Information

Segments by class of business	2013					
	Advances (gross)		Deposits		Contingencies and commitments	
	Rupees	%age	Rupees	%age	Rupees	%age
Agriculture, Forestry, Hunting and Fishing	8,702,536	92	182,256	7	-	-
Mining and Quarrying	-	-	-	-	-	-
Textile	712	0.01	35	-	-	-
Chemical and Pharmaceuticals	-	-	-	-	-	-
Cement	-	-	-	-	-	-
Sugar	-	-	-	-	-	-
Footwear and Leather garments	-	-	-	-	-	-
Automobile and Transportation equipment	-	-	-	-	-	-
Electronics and Electrical appliances	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Power (electricity), Gas, Water, Sanitary	-	-	-	-	-	-
Financial	-	-	-	-	-	-
Insurance	-	-	481	0.02	-	-
Services	-	-	-	-	-	-
Individuals	32,651	0.34	2,252,977	82	-	-
Others	732,740	8	311,959	11	250,087	100
Total	9,468,639	100	2,747,708	100	250,087	100
Segmental Information						
Public / Government	-	-	-	-	-	-
Private	9,468,639	100	2,747,708	100	250,087	100
Total	9,468,639	100	2,747,708	100	250,087	100

Notes to the financial statements
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37.1.2 Details of non-performing advances and specific provisions by class of business segment

	2013		2012	
	Classified advances	Provisions specific	Classified advances	Provisions specific
		Held		Held
----- Rupees in '000 -----				
Agriculture, Forestry, Hunting and Fishing	2,187,409	1,508,702	2,070,156	1,508,702
Mining and Quarrying	-	-	-	-
Textile	712	1,244	712	1,244
Chemical and Pharmaceuticals	-	-	-	-
Cement	-	-	-	-
Sugar	-	-	-	-
Footwear and Leather garments	-	-	-	-
Automobile and transportation equipment	-	-	-	-
Electronics and electrical appliances	-	-	-	-
Construction	-	-	-	-
Power (electricity), Gas, Water, Sanitary	-	-	-	-
Wholesale and Retail Trade	-	-	-	-
Exports/Imports	-	-	-	-
Transport, Storage and Communication	-	-	-	-
Financial	-	-	-	-
Insurance	-	-	-	-
Services	-	-	-	-
Individuals	15,333	20,686	13,958	20,686
Others	100,068	75,446	104,650	71,733
Total	2,303,522	1,606,078	2,189,476	1,602,365

Details of non-performing advances and specific provisions by sector

Public / Government	-	-	-	-
Private	2,303,522	1,606,078	2,189,476	1,602,365
Total	2,303,522	1,606,078	2,189,476	1,602,365

37.1.3 Geographical segment analysis

	2013			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
	Rupees in '000'			
Pakistan	472,530	16,609,486	11,206,145	270,384
Asia Pacific (including South Asia)	-	-	-	-
Europe	-	-	-	-
United States of America and Canada	-	-	-	-
Middle East	-	-	-	-
Others	-	-	-	-
Total	472,530	16,609,486	11,206,145	270,384

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37.2 Market risk

Foreign exchange risk

Foreign exchange is the risk that the earnings and share capital will fluctuate due to changes in foreign exchange rates. The Bank only deals in Pakistan Rupees and does not deal in foreign currency, therefore the Bank does not have any exposure which is liable to foreign exchange risk.

	2013			
	Assets	Liabilities	Off-balance sheet items	Net foreign currency exposure
	----- Rupees in '000 -----			
Pakistan rupee	16,609,486	5,403,341	-	-

Yield / markup rate risk

Yield / markup rate risk is the risk of decline in earnings due to adverse movement of yield curve. It arises from the possibility that changes in yield / markup rates will affect the value of financial instruments. The bank is exposed to yield / markup rate risk as a result of mismatch or gaps in the amounts of assets and liabilities that mature or reprice in a given period. Sensitivity of the bank's financial assets and financial liabilities to yield / markup rate can be evaluated from the following:

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	2013											Non-interest bearing financial instruments
	Effective yield / interest rate	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 Years	
----- Rupees in '000' -----												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		634,679	41,326	-	-	-	-	-	-	-	-	593,353
Balances with other banks	8.82%	1,986,887	1,221,495	550,000	200,000	-	-	-	-	-	-	15,392
Lending to financial institutions		-	-	-	-	-	-	-	-	-	-	-
Investments	10.92%	791,599	113,619	-	-	588,332	-	-	-	-	-	89,648
Advances	14.90%	7,862,562	423,362	111,148	1,537,233	1,606,471	2,843,339	345,663	728,236	191,464	75,646	-
Other assets		762,731	-	-	-	-	-	-	-	-	-	762,731
Sub-total		12,038,458	1,799,802	661,148	1,737,233	2,194,803	2,843,339	345,663	728,236	191,464	75,646	1,461,124
Liabilities												
Bills payable		13,746	-	-	-	-	-	-	-	-	-	13,746
Borrowings		-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts	4.46%	2,747,708	2,008,167	96,779	9,703	257,164	16,610	16,427	232,001	19,328	42,989	48,540
Sub-ordinated loans		-	-	-	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease		-	-	-	-	-	-	-	-	-	-	-
Other liabilities		2,641,887	-	-	-	-	-	-	-	-	-	2,641,887
Sub-total		5,403,341	2,008,167	96,779	9,703	257,164	16,610	16,427	232,001	19,328	42,989	2,704,173
On-balance sheet gap		6,635,117	(208,365)	564,369	1,727,530	1,937,639	2,826,729	329,236	496,235	172,136	32,657	(1,243,049)
Off-balance sheet financial instruments												
Forward Lending (including call lending, repurchase agreement lending, commitments to extend credit, etc.)		-	-	-	-	-	-	-	-	-	-	-
Forward borrowings (including call borrowing, repurchase agreement borrowing, etc.)		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-
Total Yield/Interest Risk Sensitivity Gap		6,635,117	(208,365)	564,369	1,727,530	1,937,639	2,826,729	329,236	496,235	172,136	32,657	(1,243,049)
Cumulative Yield/Interest Risk Sensitivity Gap		6,635,117	(208,365)	356,004	2,083,534	4,021,173	6,847,902	7,177,138	7,673,373	7,845,509	7,878,166	6,635,117

Notes to the financial statements

For the year ended June 30, 2013

37.3 Liquid risk

Liquidity risk is the risk that the Bank will encounter difficulties in raising funds to meet the commitments associated with financial instruments. To safeguard this risk, the Bank has diversified its funding sources and managed its assets with liquidity in mind thereby maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile of assets and liabilities is monitored on regular basis to ensure that the adequate liquidity is maintained. The maturity profile of the Bank's assets and liabilities is summarized below:

37.3.1 Maturities of assets and liabilities

	2013									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
----- Rupees in '000 -----										
Assets										
Cash and balances with treasury banks	634,679	634,679	-	-	-	-	-	-	-	-
Balances with other banks	1,986,887	1,236,887	550,000	200,000	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	791,599	203,267	-	-	588,332	-	-	-	-	-
Advances	7,862,562	423,362	111,148	1,537,233	1,606,471	2,843,339	345,663	728,236	191,464	75,646
Other assets	762,731	204,570	531,239	26,922	-	-	-	-	-	-
Operating fixed assets	4,571,028	-	-	-	-	13,238	17,549	-	-	4,540,241
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Sub-total	16,609,486	2,702,765	1,192,387	1,764,155	2,194,803	2,856,577	363,212	728,236	191,464	4,615,887
Liabilities										
Bills payable	13,746	13,746	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts	2,747,708	2,056,707	96,779	9,703	257,164	16,610	16,427	232,001	19,328	42,989
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-
Other liabilities	2,641,887	141,891	-	-	246,256	492,512	492,512	492,512	738,777	37,427
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Sub-total	5,403,341	2,212,344	96,779	9,703	503,420	509,122	508,939	724,513	758,105	80,416
Net assets	11,206,145	490,421	1,095,608	1,754,452	1,691,383	2,347,455	(145,727)	3,723	(566,641)	4,535,471
Share capital	436,410									
Reserves	8,060,799									
Unappropriated profit	(1,836,133)									
Fair value reserve - investments	194,282									
Surplus on revaluation of assets	4,350,787									
	11,206,145									

37.3.2 Some assets / liabilities of the bank do not have a contractual maturity date. The period in which these assets / liabilities are assumed to mature is taken as the expected date on which the assets / liabilities be realized / settled. The above maturity analysis is based on the remaining period at the balance sheet date to the contractual maturity date.

Notes to the financial statements

For the year ended June 30, 2013

38 CREDIT RATING

The SBP has exempted the Bank from credit rating requirements under Prudential Regulation G-4, till the completion of restructuring process vide letter no. BPRD/LRD-02/RATING/2009/1856 dated March 17, 2009.

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 26, 2013 by the Administrator of the Bank.

40 GENERAL

40.1 The figures of the corresponding period have been reclassified wherever necessary to achieve better comparison. However no material restatement / reclassification has been made.

40.2 Figures in these financial statements have been rounded off to the nearest thousand rupees.

MEHBOOB HUSSAIN
CHIEF FINANCIAL OFFICER

SYED TALAT MAHMOOD
PRESIDENT/ CEO

THE PUNJAB PROVINCIAL CO-OPERATIVE BANK LIMITED HEAD OFFICE, SHARAH-E-QUAID-E-AZAM, LAHORE.

30-06-2013

S.R. NO.	(EXPENDITURE)	HEAD OFFICE.	LAHORE. ZONE.	GUJRANWALA. ZONE.	RAWALPINDI. ZONE.	FAISALABAD. ZONE.	SARGODHA. ZONE.	MULTAN. ZONE.	D.G.KHAN. ZONE.	BAHAWALPUR. ZONE.	TOTAL. Rounded
1	Salary & Allowances.	162,379,268.00	95,925,451.00	66,941,026.00	43,717,709.00	60,842,947.00	61,971,335.00	103,016,206.00	74,166,034.00	72,926,224.00	741,886,200.00
2	Provident Fund Allotment.	6,486,647.00	136,885.00	52,568.00	0.00	141,570.00	113,583.00	41,758.00	0.00	0.00	6,973,011.00
3	Contribution to Pension Fund.	18,726,920.00	4,965,480.00	3,650,265.00	2,367,082.00	2,970,700.00	3,023,898.00	5,955,051.00	4,266,096.00	3,900,998.00	49,826,490.00
4	Education Cess.	0.00	0.00	0.00	3,340.00	0.00	0.00	0.00	0.00	0.00	3,340.00
5	Professional Fee	0.00	0.00	0.00	0.00	2,688.00	0.00	0.00	0.00	0.00	2,688.00
6	Property Tax.	2,355,840.00	23,883.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,379,723.00
7	Profit/Interest Paid on Deposit.	9,800,020.00	17,816,341.56	9,000,003.00	19,435,432.88	7,202,858.46	10,743,852.82	19,732,896.86	11,803,333.00	9,563,487.00	115,098,225.58
8	Service Charges on Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Stationary and Printing.	720,106.80	606,057.77	261,965.90	101,235.27	258,384.00	264,859.79	339,222.70	239,596.01	285,555.53	3,076,983.77
10	Excise Duty.	0.00	7,634.00	0.00	1,125.00	8,851.00	0.00	5,575.00	11,734.00	3,400.00	38,319.00
11	General Charges.	4,830,779.86	2,288,649.11	1,507,812.84	1,673,067.00	1,892,339.00	1,238,725.00	2,890,436.81	1,919,442.61	1,854,964.76	20,096,216.99
12	Postage & Telegrams.	714,068.00	1,078,974.00	594,199.00	524,630.00	579,836.00	763,494.00	1,008,300.00	758,360.00	1,047,832.00	7,069,693.00
13	Telephones.	1,165,286.00	1,482,688.00	972,241.00	676,833.00	1,251,721.00	968,196.00	1,760,657.00	666,992.00	1,308,569.00	10,253,183.00
14	Entertainment.	928,753.00	125,640.00	94,650.00	79,350.00	96,362.00	78,200.00	138,450.00	94,950.00	86,700.00	1,723,055.00
15	T.A. to Staff.	4,272,975.00	387,335.00	715,962.00	394,515.00	676,065.00	557,293.00	1,304,471.00	829,274.00	1,061,386.00	10,199,276.00
16	BOD Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Electricity Charges.	4,383,452.00	2,127,827.00	1,080,603.00	980,052.00	1,477,550.00	866,315.00	1,830,719.00	1,195,073.00	1,545,631.00	15,487,222.00
18	Audit Fee.	373,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	373,500.00
19	Advertisement.	1,576,392.00	22,400.00	36,606.00	39,101.00	119,270.00	0.00	199,235.00	106,084.00	0.00	2,099,088.00
20	Law / Professional / App fee/consultancy Charges.	2,447,893.00	113,500.00	127,194.00	109,920.00	176,985.00	105,000.00	274,476.00	71,150.00	40,000.00	3,466,118.00
21	Insurance Premium.	752,970.00	398,941.00	346,314.00	336,396.77	288,850.00	344,592.00	519,671.00	329,466.50	425,063.00	3,742,264.27
22	Subscription.	500,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500,000.00
23	Car & Vehicle Expenses.	3,579,616.00	3,510,629.00	1,412,457.00	801,950.00	3,414,251.00	1,648,353.00	4,603,102.22	2,276,310.50	3,168,182.00	24,414,850.72
24	Commission Paid.	3,150.00	133,614.00	32,200.00	2,429.00	64,507.00	5,368.00	56,238.30	85,532.80	15,483.32	398,522.42
25	Rent Paid.	0.00	1,281,409.00	1,768,166.00	1,463,451.00	1,321,847.00	1,369,833.00	1,747,170.00	1,526,401.00	2,608,913.00	13,087,190.00
26	Building Repairs Charges.	311,496.00	4,640.00	167,716.00	0.00	121,899.00	7,140.00	113,230.00	0.00	0.00	726,121.00
27	Depreciation.	4,105,175.00	701,239.46	288,145.00	563,157.58	451,622.00	512,121.57	719,581.79	474,083.47	739,194.00	8,554,319.87
28	Liveries to staff	123,000.00	92,000.00	96,550.00	53,250.00	76,000.00	69,000.00	150,000.00	113,000.00	70,000.00	842,800.00
29	Incentive Paid to Field Staff of Coop.Deptt	1,511,868.00	4,496,719.00	928,324.00	78,720.00	790,365.00	344,692.00	2,020,161.00	1,876,771.00	1,665,582.00	13,713,202.00
30	Welfare & Donation.	161,216.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	161,216.00
31	Water & Gas Charges.	456,572.00	225,362.00	221,160.00	279,224.00	133,622.00	88,556.00	123,607.00	46,120.00	125,591.00	1,699,814.00
32	Books & Magazin.	115,956.00	60,891.00	58,709.00	48,310.00	54,365.00	43,108.00	77,896.00	35,604.00	52,783.00	547,622.00
33	Training Expenses.	164,420.00	13,000.00	0.00	20,600.00	29,569.00	0.00	31,102.00	0.00	0.00	258,691.00
34	Dead Stock.	278,404.00	152,977.00	241,103.00	151,050.00	439,466.00	265,610.00	349,830.00	427,594.00	469,587.00	2,775,621.00
35	Repair Alteration.	638,094.00	29,127.00	512,780.00	188,650.00	183,059.00	16,000.00	30,556.00	0.00	41,099.00	1,639,365.00
36	Provision For Bad & Doubtful Fund.	184,259.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	184,259.61
37	Custodian Charges	21,438.00	36,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	57,438.00
38	Clearing House Charges.	0.00	0.00	0.00	0.00	0.00	0.00	12,000.00	0.00	0.00	12,000.00
39	Premium Paid on PIB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Security Charges	0.00	126,870.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	126,870.00
41	Bad Debt Written Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Loss On Sale Of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
43	Penalty paid to SBP	0.00	0.00	0.00	0.00	0.00	0.00	18,331.00	0.00	0.00	18,331.00
44	Sales Tax Paid on Cheque Books	341,416.00	0.00	0.00	125.00	0.00	0.00	0.00	0.00	0.00	341,541.00
45	Branches Licences Renewal Fee	2,400,000.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,403,000.00
46	With Holding Tax	0.00	0.00	0.00	12,360.40	0.00	0.00	9,940.00	0.00	17,554.46	39,854.86
47	Provision for other assets	662,783.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	662,783.00
48	Provision for Income Tax	4,010,770.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,010,770.00
49	Cash Reward to Staff	75,000.00	5,000.00	0.00	100,000.00	0.00	0.00	30,000.00	60,000.00	0.00	270,000.00
50	Verisys Charges (NIC)	0.00	73,925.00	3,175.00	0.00	0.00	0.00	0.00	21,000.00	58,675.00	156,775.00
51	Federal Excise Duty	2,505.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,505.18
52	Provision against Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
53	Provision against Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
54	Provision for staff retirements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
											0.00
	Total:-	241,562,009.45	138,454,088.90	91,111,894.74	74,203,065.90	85,067,548.46	85,409,125.18	149,109,870.68	103,400,001.89	103,082,454.07	1,071,400,059.27

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED.
DEPRECIATION SCHEDULE OF OPERATING FIXED ASSETS AS ON 30-06-2013**

FURNITURE & FIXTURE.

PARTICULAR	COST.						RATE.	DEPRECIATION.						WRITTEN DOWN VALUE As at June 30, 2013
	As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013		As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013	
HEAD OFFICE.	7,867,000	477,170		-	(963,876)	7,380,294	-	5,888,581	437,137			(924,121)	5,401,597	1,978,697
MAIN BRANCH.	-					-	-	-					-	
BAHAWALPUR	1,974,728	836,840				2,811,568	-	1,394,511	316,971				1,711,482	1,100,086
D. G. KHAN	2,556,699	947,655				3,504,354	-	1,231,460	437,822				1,669,282	1,835,072
FAISALABAD	1,702,938	254,480				1,957,418	-	739,213	249,693				988,906	968,512
GUJRANWALA	2,264,085	258,490				2,522,575	-	1,458,887	150,087				1,608,974	913,601
LAHORE	3,369,939	22,245				3,392,184	-	2,644,712	178,426				2,823,138	569,046
MULTAN	2,690,011	92,156				2,782,167	-	1,906,016	189,733				2,095,749	686,418
RAWALPINDI	2,617,844	276,353	-	-	-	2,894,197	-	1,113,397	446,515				1,559,912	1,334,285
SARGODHA	1,483,070	480,500				1,963,570	-	870,671	218,615				1,089,286	874,284
TOTAL:-	26,526,314	3,645,889	-	-	(963,876)	29,208,327		17,247,448	2,624,999	-	-	(924,121)	18,948,326	10,260,001

CAR & VEHICLES.

PARTICULAR	COST.						RATE.	DEPRECIATION.						WRITTEN DOWN VALUE As at June 30, 2013
	As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013		As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013	
HEAD OFFICE.	13,659,900	4,700,000	(914,500)		(1,519,000)	15,926,400		9,422,091	1,464,500	(939,816)		(354,433)	9,592,342	6,334,058
MAIN BRANCH.	-					-		-					-	
BAHAWALPUR	3,960,083					3,960,083		3,952,178	7,899				3,960,077	6
D. G. KHAN	3,474,558					3,474,558		3,278,983	36,261				3,315,244	159,314
FAISALABAD	4,494,071					4,494,071		4,494,064					4,494,064	7
GUJRANWALA	6,762,211					6,762,211		6,693,858	27,343				6,721,201	41,010
LAHORE	7,192,775					7,192,775		6,665,755	105,585				6,771,340	421,435
MULTAN	6,102,899					6,102,899		6,102,888					6,102,888	11
RAWALPINDI	917,780					917,780		917,776					917,776	4
SARGODHA	2,524,301					2,524,301		2,524,295					2,524,295	6
TOTAL:-	49,088,578	4,700,000	(914,500)	-	(1,519,000)	51,355,078		44,051,888	1,641,588	(939,816)	-	(354,433)	44,399,227	6,955,851

ELECTRIC & MEC APPLIANCES.

PARTICULAR	COST.						RATE.	DEPRECIATION.						WRITTEN DOWN VALUE As at June 30, 2013
	As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013		As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013	
HEAD OFFICE.	2,534,155	770,242			(102,400)	3,201,997	-	1,561,440	255,770			(88,893)	1,728,317	1,473,680
MAIN BRANCH.	-					-	-	-					-	-
BAHAWALPUR	1,592,238	619,460				2,211,698	-	671,061	399,321				1,070,382	1,141,316
D. G. KHAN	-					-	-	-					-	-
FAISALABAD	1,448,756	619,936			(24,936)	2,043,756	-	740,731	201,929				942,660	1,101,096
GUJRANWALA	277,759	98,218				375,977	-	156,452	108,757				265,209	110,768
LAHORE	3,852,849	879,687				4,732,536	-	2,427,388	415,866				2,843,254	1,889,282
MULTAN	4,344,077	1,370,517				5,714,594	-	2,672,381	529,841				3,202,222	2,512,372
RAWALPINDI	374,450	833,870				1,208,320	-	174,788	115,257				290,045	918,275
SARGODHA	1,604,454	740,370				2,344,824	-	1,030,427	290,311				1,320,738	1,024,086
TOTAL:-	16,028,738	5,932,300	-	-	(127,336)	21,833,702	-	9,434,668	2,317,052	-	-	(88,893)	11,662,827	10,170,875

ARMS & AMMUNATION.

PARTICULAR	COST.						RATE.	DEPRECIATION.						WRITTEN DOWN VALUE As at June 30, 2013
	As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013		As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013	
HEAD OFFICE.	-					-	-	-					-	-
MAIN BRANCH.	-					-	-	-					-	-
BAHAWALPUR	74,954					74,954	-	17,448	15,003				32,451	42,503
D. G. KHAN	26,477					26,477	-	11,529					11,529	14,948
FAISALABAD	10					10	-	-					-	10
GUJRANWALA	21,346					21,346	-	3,889	1,955				5,844	15,502
LAHORE	72,318					72,318	-	54,973	1,362				56,335	15,983
MULTAN	11,781	1,293			(20)	13,054	-	5,338					5,338	7,716
RAWALPINDI	15,763	277				16,040	-	2,197	1,386				3,583	12,457
SARGODHA	26,276					26,276	-	11,610	3,149				14,759	11,517
TOTAL:-	248,925	1,570	-	-	(20)	250,475	-	106,984	22,855	-	-	-	129,839	120,636

LIBRARY.

PARTICULAR	COST.						RATE.	DEPRECIATION.						WRITTEN DOWN VALUE As at June 30, 2013
	As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013		As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013	
HEAD OFFICE.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAIN BRANCH.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BAHAWALPUR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. G. KHAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FAISALABAD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GUJRANWALA	327	-	-	-	-	327	-	321	3	-	-	-	324	3
LAHORE	1	-	-	-	-	1	-	-	-	-	-	-	-	1
MULTAN	54	-	-	-	-	54	-	35	-	-	-	-	35	19
RAWALPINDI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SARGODHA	236	-	-	-	-	236	-	63	47	-	-	-	110	126
TOTAL:-	618	-	-	-	-	618	-	419	50	-	-	-	469	149

TELEPHONE EXCHANGE & CONFERENCE SYSTEM.

PARTICULAR	COST.						RATE.	DEPRECIATION.						WRITTEN DOWN VALUE As at June 30, 2013
	As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013		As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013	
HEAD OFFICE.	1,019,818	-	-	-	(69,050)	950,768	-	835,914	36,780	-	-	(69,049)	803,645	147,123
MAIN BRANCH.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BAHAWALPUR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. G. KHAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FAISALABAD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GUJRANWALA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LAHORE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MULTAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RAWALPINDI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SARGODHA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL:-	1,019,818	-	-	-	(69,050)	950,768	-	835,914	36,780	-	-	(69,049)	803,645	147,123

LAND

PARTICULAR	COST.						RATE.	DEPRECIATION.						WRITTEN DOWN VALUE As at June 30, 2013
	As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013		As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013	
HEAD OFFICE.	3,338,036,481	1,123,229,519				4,461,266,000		-	-			-	-	4,461,266,000
MAIN BRANCH.	-	-			-	-		-	-			-	-	-
BAHAWALPUR	-	-			-	-		-	-			-	-	-
D. G. KHAN	-	-			-	-		-	-			-	-	-
FAISALABAD	-	-			-	-		-	-			-	-	-
GUJRANWALA	-	-			-	-		-	-			-	-	-
LAHORE	-	-			-	-		-	-			-	-	-
MULTAN	-	-			-	-		-	-			-	-	-
RAWALPINDI	-	-			-	-		-	-			-	-	-
SARGODHA	-	-			-	-		-	-			-	-	-
TOTAL:-	3,338,036,481	1,123,229,519	-	-	-	4,461,266,000		-	-	-	-	-	-	4,461,266,000

BUILDING

PARTICULAR	COST.						RATE.	DEPRECIATION.						WRITTEN DOWN VALUE As at June 30, 2013	
	As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013		As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013		
HEAD OFFICE.	113,285,147	7,937,811	-	-	-	121,222,958		42,583,516	1,879,519			-	-	44,463,035	76,759,923
MAIN BRANCH.	-	-			-	-		-	-			-	-	-	
BAHAWALPUR	-	-			-	-		-	-			-	-	-	
D. G. KHAN	-	-			-	-		-	-			-	-	-	
FAISALABAD	-	-			-	-		-	-			-	-	-	
GUJRANWALA	-	-			-	-		-	-			-	-	-	
LAHORE	-	-			-	-		-	-			-	-	-	
MULTAN	-	-			-	-		-	-			-	-	-	
RAWALPINDI	-	-			-	-		-	-			-	-	-	
SARGODHA	-	-			-	-		-	-			-	-	-	
TOTAL:-	113,285,147	7,937,811	-	-	-	121,222,958		42,583,516	1,879,519	-	-	-	-	44,463,035	76,759,923

LEASED HOLD BUILDING

PARTICULAR							RATE.	DEPRECIATION.						WRITTEN DOWN VALUE As at June 30, 2013
	As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013		As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013	
HEAD OFFICE.	4,286,000	-	-	-	-	4,286,000	-	2,014,588	56,786	-	-	-	2,071,374	2,214,626
MAIN BRANCH.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BAHAWALPUR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. G. KHAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FAISALABAD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GUJRANWALA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LAHORE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MULTAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RAWALPINDI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SARGODHA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL:-	4,286,000	-	-	-	-	4,286,000	-	2,014,588	56,786	-	-	-	2,071,374	2,214,626

SUMMARY

PARTICULAR							RATE.	DEPRECIATION.						WRITTEN DOWN VALUE As at June 30, 2013
	As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013		As at June 30, 2012	Additions.	Transfer	IBT	Deletions	As at June 30, 2013	
HEAD OFFICE.	3,480,688,501	1,137,114,742	(914,500)	-	(2,654,326)	4,614,234,417	-	62,306,130	4,130,492	(939,816)	-	(1,436,496)	64,060,310	4,550,174,107
MAIN BRANCH.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BAHAWALPUR	7,602,003	1,456,300	-	-	-	9,058,303	-	6,035,198	739,194	-	-	-	6,774,392	2,283,911
D. G. KHAN	6,057,734	947,655	-	-	-	7,005,389	-	4,521,972	474,083	-	-	-	4,996,055	2,009,334
FAISALABAD	7,645,775	874,416	-	-	(24,936)	8,495,255	-	5,974,008	451,622	-	-	-	6,425,630	2,069,625
GUJRANWALA	9,325,728	356,708	-	-	-	9,682,436	-	8,313,407	288,145	-	-	-	8,601,552	1,080,884
LAHORE	14,487,882	901,932	-	-	-	15,389,814	-	11,792,828	701,239	-	-	-	12,494,067	2,895,747
MULTAN	13,148,822	1,463,966	-	-	(20)	14,612,768	-	10,686,658	719,574	-	-	-	11,406,232	3,206,536
RAWALPINDI	3,925,837	1,110,500	-	-	-	5,036,337	-	2,208,158	563,158	-	-	-	2,771,316	2,265,021
SARGODHA	5,638,337	1,220,870	-	-	-	6,859,207	-	4,437,066	512,122	-	-	-	4,949,188	1,910,019
TOTAL:-	3,548,520,619	1,145,447,089	(914,500)	-	(2,679,282)	4,690,373,926	-	116,275,425	8,579,629	(939,816)	-	(1,436,496)	122,478,742	4,567,895,184