



“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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## **The President's Review**

On behalf of the Board I am pleased to present the un-audited financial statements of our Bank, for the half year ended December 31, 2010. A limited scope review by the Bank's external auditors is also attached with these financial statements.

### **State of Pakistan's Economy**

On the economic front, though the foreign exchange reserves remained at a comfortable position of USD 16.8 billion but persistent inflationary pressures and fiscal position remained a cause of concern in the six month period. Moreover the CPI inflation which stood at 12.7% as at June 2010, on a year to year basis had increased as at the end of December 2010. During this six month period State Bank of Pakistan increased the discount rate twice to bring it around to 14% as of the close of the calendar year. This decision was driven by persistent inflation and fiscal imbalances which continued to put pressure on the economy. Additionally increasing food and fuel prices, increased Government borrowings and the aftermath effects of the floods continue to pose severe threats to the already rising inflation.

### **Performance**

In the midst of the state of the economy and political uncertainty, by the Grace of Almighty, your Bank continued to progress as can be seen from the attached financial statements for the half year ended December 31, 2010. The total assets of the Bank stood at Rs 13.9 billion whereas the Bank's deposits grew by 8.3% from 2.4 billion as at December 31, 2009 to Rs 2.6 billion as at December 31, 2010. Net advances of the Bank stood at Rs 5.8 billion as at December 31, 2010 since the Bank continued to focus on its strategy to vigorously make efforts to recover its non-performing loans. However during this half year ended December 31, 2010 the Bank disbursed agricultural loans to the farmers of Punjab.

The Bank earned a pretax profit of Rs 315.1 million for the half year ended December 31, 2010 compared to the previous year's pretax loss of Rs 417.2 million for the corresponding half year ended December 31, 2009. Vigorous efforts to recover stuck up loans and its markup coupled with a reduction in its mark up expense helped the Bank to earn net interest/markup income of Rs 485.9 million during this half year ended December 31, 2010 compared to a net marginal loss of Rs 105.9 million for the corresponding half year ended December 31, 2009. Non mark up income earned during the period under review amounted to Rs 229.9 million as against Rs 43.4 million for the same corresponding period of 2009.

### **Future Outlook**

Keeping in line with its impressive non- performing loan's strategy for recovery of stuck up loans the litigation process continues to be vigorously initiated. Resultantly during this half year the Bank was able to recover Rs 821 million, inclusive of mark up, from its infected portfolio. Furthermore, for the reduction of its NPLs, the initiation of an extensive recovery drive has led to getting 23,225 loan cases under litigation referred to different courts. Your Bank's new management has been able to get 19,905 decrees in its favour during the period under review. Under the execution process 3,290 stuck up loans have been fully adjusted and the rest are in their final stages for their logical conclusion for recovery. The Management is quite hopeful that with the help of the Cooperative Department, by the close of June 30, 2011, a good majority of the infected portfolio will be cleaned up.

The Bank's commitment to launch the process of automation is in its final stages and is expected to commence shortly in the coming half year. Hiring of post graduates for its first batch of Management Trainee Officers is in process and is expected to be completed shortly. This will go a long way in helping to plug in the gap in the area of human resources requirements of the Bank. Moreover the Bank continues its progress in implementing its restructuring plans already submitted to the State Bank of Pakistan.

On behalf of the Board, I wish to express our sincere gratitude to the Government of the Punjab, State Bank of Pakistan and the Cooperative Societies for their support and continued guidance and to our valued customers for their continuous trust and support. Finally, we extend our sincere appreciation to our dear staff members and the Cooperative Department staff for their commitment, devotion & sincere efforts in our endeavor to bring the Bank to a self reliant and profitable institution.

**Lahore:**  
**February 23, 2011**

Sd/-  
**Liaqat Durrani**  
**President/Chief Executive**

**AUDITORS' REPORT TO THE REGISTRAR COOPERATIVE SOCIETIES  
PUNJAB  
ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

**Introduction**

We have reviewed the accompanying condensed interim balance sheet of The Punjab Provincial Cooperative Bank Limited as at December 31, 2010, and the related condensed interim profit and loss account, condensed statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the six months period then ended (here-in-after referred to as the “condensed interim financial information”). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2010 and 2009 have not been reviewed as we are required to review only the cumulative figures for the six months ended December 31, 2010 and 2009.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Basis for Qualified Conclusion***

Based on the information provided to us by the management of the Bank, we report that:

1. The Bank does not have proper title of ownership of properties as well as possession thereof, which are also litigated, pending adjudication; and even untraceable, having book value in the sum of Rs. 51.662 million. Accordingly, the amount of these properties as appearing in this interim financial information remained unverified to that extent.
2. The Bank has neither conducted actuarial valuation of defined benefit obligations nor complied with the disclosure requirements of Para 120 of International Accounting Standard -19, “Employees Benefits”.

3. The amounts of operating fixed assets as well as computation of depreciation are not in agreement with the under lying records of the Bank as well as its branches.
4. The provision for deferred taxation has not been computed and incorporated in this interim financial information.
5. As being constantly reported by the auditors in their previous reports, complete independent portfolio audit of loans and advances has not been carried out by the Bank so far, due to which the provision of non-performing loans and advances, as required under SBP Prudential Regulations, remained unverified to that extent. Further the basis of evaluation of agricultural properties of the borrowers of the Bank / branches could not be verified by us in the absence of appropriate documentation. Accordingly, the related amount and accounts remained unverified to that extent.

### **Qualified Conclusion**

Based on our review, with the exception of matters described in paragraphs 1 to 5 above, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respect, in accordance with approved accounting standards as applicable in Pakistan.

### **Matter of Emphasis**

Without further qualifying our report, we draw attention of the Registrar Cooperative Societies Punjab towards note 6.1 of this interim financial information, which refers to the fraud committed by the staff of Bank Alfalah Limited causing a loss of Rs. 101.413 million to the Bank. Although the case has been registered with FIA as well as the Banking Mohtasib, pending adjudication at the terminal date, the outcome of the same cannot be determined with any degree of certainty.

Lahore:

**February 23, 2011**

Sd/-  
Hyder Bhimji & Co.  
Chartered Accountants  
**Syed Aftab Hameed, FC**

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2010**

	<u>Un-audited</u> <u>Dec. 31, 2010</u>	<u>Audited</u> <u>June 30, 2010</u>
	Rupees in '000	
<b>ASSETS</b>		
Cash and balances with treasury banks	649,913	814,147
Balances with other banks	2,616,765	1,709,436
Lending to financial institutions	-	-
Investments	789,335	799,673
Advances	5,817,383	5,779,753
Operating fixed assets	3,562,044	3,700,872
Other assets	469,258	2,441,992
Deferred tax assets	-	-
	<b>13,904,698</b>	<b>15,245,873</b>
<b>LIABILITIES</b>		
Bills payable	17,285	21,777
Borrowings from financial institutions	3,611,110	5,250,000
Deposits and other accounts	2,552,078	3,820,343
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	219,451	263,270
	<b>6,399,924</b>	<b>9,355,390</b>
<b>NET ASSETS</b>	<b>7,504,774</b>	<b>5,890,483</b>
<b>REPRESENTED BY :</b>		
Share capital	435,437	435,060
Reserves	4,235,213	2,797,793
Accumulated loss	(631,537)	(928,639)
	<b>4,039,113</b>	<b>2,304,214</b>
Fair value reserve - investments	128,014	121,868
Surplus on revaluation of assets	3,337,647	3,464,401
	<b>7,504,774</b>	<b>5,890,483</b>

**CONTINGENCIES AND COMMITMENTS**

The annexed notes from 1 to 8 form an integral part of these financial statements.

Sd/  
**SAMUEL JAMES**  
 CHIEF FINANCIAL OFFICER

Sd/-  
**LIAQAT DURRANI**  
 PRESIDENT/CEO



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2010**

**UN-AUDITED**

	Half Year ended		Quarter ended	
	December <u>2010</u>	December <u>2009</u>	December <u>2010</u>	December <u>2009</u>
	Rupees in '000			
Mark-up / return / interest earned	716,382	572,261	473,938	386,328
Mark-up / return / interest expensed	230,521	678,125	111,949	187,557
<b>Net Mark-up / interest income</b>	<b>485,861</b>	<b>(105,864)</b>	<b>361,989</b>	<b>198,771</b>
<b>Less: provisions:</b>				
Against non-performing loans and advances	(60,855)	-	-	-
For diminution in the value of investments	-	-	-	-
Bad debts written off	-	-	-	-
	<b>(60,855)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Mark-up / interest income after provisions</b>	<b>546,716</b>	<b>(105,864)</b>	<b>361,989</b>	<b>198,771</b>
<b>Non mark-up / interest income</b>				
Fee, commission and brokerage income	12,434	16,390	6,410	8,321
Dividend income	14,772	14,772	-	-
Income from dealing in foreign currency	-	-	-	-
Gain / (loss) on sale of securities	-	-	-	-
Gain / (loss) on sale of operating fixed assets	186,815	-	-	-
Other income	15,888	12,260	10,294	6,776
	229,909	43,422	16,704	15,097
	<b>776,625</b>	<b>(62,442)</b>	<b>378,693</b>	<b>213,868</b>
<b>Non mark-up / interest expenses</b>				
Administrative expenses	405,668	354,681	211,067	177,557
Other provisions / write - offs	55,855	-	-	-
Other charges	-	58	-	58
	461,523	354,739	211,067	177,615
Extra ordinary / unusual items	-	-	-	-
<b>(Loss) / profit before taxation</b>	<b>315,102</b>	<b>(417,181)</b>	<b>167,626</b>	<b>36,253</b>
<b>Taxation</b>				
Current	10,000	-	-	-
Prior years	8,000	-	-	-
Deferred	-	-	-	-
	18,000	-	-	-
<b>(Loss) / profit after taxation</b>	<b>297,102</b>	<b>(417,181)</b>	<b>167,626</b>	<b>36,253</b>
<b>Unappropriated / unremitted profit / (loss) brought forward</b>	<b>(928,639)</b>	<b>(749,013)</b>	<b>(786,294)</b>	<b>(1,202,447)</b>
<b>(Loss) /profit available for appropriation</b>	<b>(631,537)</b>	<b>(1,166,194)</b>	<b>(618,668)</b>	<b>(1,166,194)</b>
<b>Basic / Diluted Earnings/(Loss) per share - Rupees</b>	<b>68.24</b>	<b>(95.94)</b>	<b>38.50</b>	<b>8.34</b>

The annexed notes from 1 to 8 form an integral part of these financial statements.

Sd/-  
**SAMUEL JAMES**  
CHIEF FINANCIAL OFFICER

Sd/-  
**LIAQAT DURRANI**  
PRESIDENT/ CEO

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2010**

	<u>Note</u>	Dec. 2010	#	June, 2010
		<u>Rupees in '000'</u>		
Profit/(Loss) after taxation		297,102		(179,626)
Other comprehensive income		-		-
Comprehensive income transferred to equity		<u>297,102</u>		<u>(179,626)</u>
Components of comprehensive income not reflected in equity				
Surplus / (Deficit) on revaluation of investments		6,146		(22,122)
		<u><u>303,248</u></u>		<u><u>(201,748)</u></u>

The annexed notes from 1 to 8 form an integral part of these financial statements.

Sd/-  
**SAMUEL JAMES**  
 CHIEF FINANCIAL OFFICER

Sd/-  
**LIAQAT DURRANI**  
 PRESIDENT/ CEO

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2010**  
**UN-AUDITED**

	Share capital	Statutory reserve	General Reserve against Consumer Finance	Common Good Fund	Other Fund	Unappropriated Profit / Accumulated (Loss)	Total
	Rupees in 000						
Balance as on June 30, 2009	434,647	394,278	3,528	3,921	-	(749,013)	87,361
Profit for the 1st half year	-	-	-	-	-	(417,181)	(417,181)
Transfer to statutory reserve	-	-	-	-	-	-	-
Issue of share capital	184	-	-	-	-	-	184
Other fund from the Government of Punjab	-	-	-	-	1,000,000	-	1,000,000
Medical aid to staff	-	-	-	(296)	-	-	(296)
Balance as on December 31, 2009	434,831	394,278	3,528	3,625	1,000,000	(1,166,194)	670,068
Profit for the next half year	-	-	-	-	-	237,555	237,555
Transfer to bad and doubtful advances	-	-	(3,528)	-	-	-	(3,528)
Issue of share capital	229	-	-	-	-	-	229
Other fund from the Government of Punjab	-	-	-	-	1,400,000	-	1,400,000
Medical aid to staff	-	-	-	(110)	-	-	(110)
Balance as on June 30, 2010	435,060	394,278	-	3,515	2,400,000	(928,639)	2,304,214
Profit for the six months period	-	-	-	-	-	297,102	297,102
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer to other reserve	-	-	-	-	-	-	-
Issue of share capital	377	-	-	-	-	-	377
Other fund from the Government of Punjab	-	-	-	-	1,437,463	-	1,437,463
Medical aid to staff	-	-	-	(43)	-	-	(43)
<b>Balance as on December 31, 2010</b>	<b>435,437</b>	<b>394,278</b>	<b>-</b>	<b>3,472</b>	<b>3,837,463</b>	<b>(631,537)</b>	<b>4,039,113</b>

The annexed notes 1 to 8 form an integral part of these financial statements.

Sd/-  
**SAMUEL JAMES**  
 CHIEF FINANCIAL OFFICER

Sd/-  
**LIAQAT DURRANI**  
 PRESIDENT/ CEO

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2010**  
UN-AUDITED

	<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>
	Rupees in '000	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	315,102	(417,181)
Less: Dividend income	(14,772)	(14,772)
	<u>300,330</u>	<u>(431,953)</u>
Adjustments for non-cash charges:		
Depreciation	4,942	5,441
Amortization	-	-
Provision Against Non-performing Advances	(60,855)	-
Provision for Diminution in the value of investments/ other assets	-	-
Gain on sale of operating fixed assets	(186,815)	-
	<u>(242,728)</u>	<u>5,441</u>
	57,602	(426,512)
(Increase)/ decrease in operating assets		
Advances	18,225	437,245
Others assets (excluding advance taxation)	1,958,292	(41,119)
	<u>1,976,517</u>	<u>396,126</u>
	2,034,119	(30,386)
Increase/ (decrease) in operating liabilities		
Bills payable	(4,492)	1,310
Borrowings from financial institutions	(1,638,890)	(1,250,000)
Deposits	(1,268,265)	574,492
Other liabilities (excluding current taxation)	(43,819)	124,825
	<u>(2,955,466)</u>	<u>(549,373)</u>
	(921,347)	(579,759)
Income tax paid	(3,558)	(3,316)
<b>Net cash outflow from operating activities</b>	<u>(924,905)</u>	<u>(583,075)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend income	14,772	14,772
Investment in operating fixed assets	(2,128)	(3,251)
Capital work in progress	(1,027)	(410)
Investment in treasury Bills	(400,000)	-
Proceeds from encashment of certificates	416,484	-
Investment in term deposits acquired during the year	-	(835,745)
Sale proceeds of operating fixed assets disposed-off	202,102	-
<b>Net cash inflow / outflow from investing activities</b>	<u>230,203</u>	<u>(824,634)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of share capital	377	184
Other fund from the Government of Punjab	1,437,463	1,000,000
Medical aid to employees from Common Good Fund	(43)	(296)
<b>Net cash outflow from financing activities</b>	<u>1,437,797</u>	<u>999,888</u>
(Decrease )/Increase in cash and cash equivalents	743,095	(407,821)
Cash and cash equivalents at beginning of the period	<u>2,523,583</u>	<u>2,619,872</u>
<b>Cash and cash equivalents at end of the period</b>	<u><u>3,266,678</u></u>	<u><u>2,212,051</u></u>
Cash and cash equivalents are comprised of:		
Cash and balances with treasury banks	649,913	588,104
Balances with other banks	2,616,765	1,623,947
	<u><u>3,266,678</u></u>	<u><u>2,212,051</u></u>

The annexed notes 1 to 8 form an integral part of these financial statements.

Sd/-  
**SAMUEL JAMES**  
 CHIEF FINANCIAL OFFICER

Sd/-  
**LIAQAT DURRANI**  
 PRESIDENT/ CEO

**THE PUNJAB PROVINCIAL COOPERATIVE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2010**  
**UN-AUDITED**

**1. STATUS AND NATURE OF BUSINESS**

The Punjab Provincial Cooperative Bank Limited (the "Bank") was incorporated in Punjab in the year 1924 as a Cooperative Bank under the Cooperative Societies Act, 1912 (repealed) and commenced its operations from the year 1924. It was given the status of a scheduled Bank by the State Bank of Pakistan w.e.f. November 07, 1955. The Bank is operating under the supervision of Cooperative Department and State Bank of Pakistan. The objects for which the Bank is established are to carry out the business of agricultural credit and other activities as defined in the Cooperative Societies Act, 1925 and its Rules. The Bank operates through its 159 branches in Punjab. Its Head Office is located at Bank Square, The Mall, Lahore.

The State Bank of Pakistan discontinued funding and did not sanction the financing limit for the year 2007-2008 to the Bank. Currently the Bank has no alternative arrangement for additional borrowing. However, the State Bank of Pakistan has exempted the Bank from meeting Minimum Capital Requirement (MCR) vide their letter no. BPRD(RU-43)512-09(B)/X/15161/98 dated 08-09-1998 and No. BSD(RU-43)512-09(B)/X/1138/2001 dated 25-01-2001. Moreover the competent authority has approved to restructure / revamp the Bank. As advised by the SBP, restructuring plan has been submitted vide letter no. MD/COO/025-27 dated 31-12-2009. Accordingly the financial information has been prepared by using the going concern assumption.

**2. STATEMENT OF COMPLIANCE**

The condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Cooperative Societies Act, 1925, Cooperative Societies Rules, 1927 and State Bank of Pakistan. Wherever the requirements of the directives issued by the State Bank of Pakistan differ with the requirements of these standards, the requirements of the said directives take precedence. The disclosures made in these financial information have, however, been limited based on the format prescribed by the State Bank of Pakistan for condensed interim financial information vide BSD Circular Letter No.2 dated May 12, 2004 and International Accounting Standard 34, "Interim Financial Reporting" and should be read in conjunction with the annual financial statements of the Bank for the year ended June 30, 2010.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for preparation of the condensed interim financial information are the same as those applied in preparation of the annual financial statements of the Bank for the year ended June 30, 2010.

4. INVESTMENTS

	December 31, 2010			June 30, 2010		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
Rupees in '000						
<b>4.1 Investments by types:</b>						
<b>Available-for-sale securities</b>						
Shares of Listed Companies	7,023	-	7,023	7,023	-	7,023
Shares of Cooperative Institutions	3,551	-	3,551	3,551	-	3,551
<b>Held to maturity securities</b>						
Pakistan Investment Bonds	-	-	-	300,000	-	300,000
Treasury Bills	400,000	-	400,000	-	-	-
Provincial Government Securities	-	-	-	-	-	-
Investment with NBFIs	254,298	-	254,298	370,782	-	370,782
	<u>664,872</u>	<u>-</u>	<u>664,872</u>	<u>681,356</u>	<u>-</u>	<u>681,356</u>
Less: Provision for diminution in value of shares of Cooperative Institutions	(3,551)		(3,551)	(3,551)		(3,551)
Add: Surplus on revaluation of Securities	128,014	-	128,014	121,868	-	121,868
	<u>789,335</u>	<u>-</u>	<u>789,335</u>	<u>799,673</u>	<u>-</u>	<u>799,673</u>

5. ADVANCES

Loans, cash credits, running finances, etc.

In Pakistan

7,362,237

7,385,463

Bills discounted and purchased (excluding treasury bills)

Payable in Pakistan

184

184

7,362,421

7,385,647

Provision for non-performing advances

Specific

(1,004,909)

-

General

(540,129)

(1,605,894)

(1,545,038)

(1,605,894)

5,817,383

5,779,753

Dec. 31, 2010

Rupees in '000

June 30, 2010

5.1 Advances include Rs. 3,070,462 (in thousand) as of 31.12.2010 (30.06.2010 : 3,430,614 thousand) which have been placed under non-performing status. However, the provision required has been calculated after taking benefit of collateral in agricultural loans only as per Prudential Regulations on Agricultural Loans & Advances in terms of approval of Administrator/Board of director.

<u>Category of Classification</u>	<u>Domestic</u>	<u>Overseas</u>	<u>Total</u>	<u>Provision Required</u> Rupees in '000	<u>Provision Held</u>
Other Assets Especially Mentioned	152,023	-	152,023	-	-
Substandard	64,714	-	64,714	12,996	12,996
Doubtful	107,578	-	107,578	11,118	11,118
Loss	2,746,147	-	2,746,147	980,795	1,581,780
	<u>3,070,462</u>	<u>-</u>	<u>3,070,462</u>	<u>1,004,909</u>	<u>1,605,894</u>

## 6 CONTINGENT AND COMMITMENTS

Bank Alfalah Limited, Township Branch, Lahore - Fraud case	6.1	101,413	101,413
Guarantee Acceptances.		445	445
Show cause notices by sales tax-under appeal		5,041	5,041
		<u>106,899</u>	<u>106,899</u>

6.1 During November 2003, the bank opened a Royal Profit Account in Bank Alfalah Limited, Township Branch. In July 2010, it revealed that during the year under audit, 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 in these cases comes to Rs. 101.413 million (i.e. Principal Rs. 97.250 million and mark up Rs.4.163 million) as reported by the Bank to the FIA, which matter is under its investigation at the terminal date. A writ petition in this regard has also been filled with the Banking Mohtasib, the next hearing of which is fixed for February 26, 2011. The management of the Bank is hopeful that the matter will be resolved in its favour and the whole amount is fully recovered.

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

## 7 DATE OF AUTHORIZATION

The un-audited condensed interim financial information is authorised for issue on 23-02-2011 by the Administrator of the Bank.

## 8 GENERAL

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

Sd/-  
SAMUEL JAMES  
CHIEF FINANCIAL OFFICER

Sd/-  
LIAQAT DURRANI  
PRESIDENT/ CEO