

STATE BANK OF PAKISTAN

Balance Sheet as at 30th June, 1997

ISSUE DEPARTMENT

LIABILITIES			ASSETS					
	30th June, 1997 Rupees	30th June, 1996 Rupees			30th June, 1997 Rupees			30th June, 1996 Rupees
Notes held in the Banking Department	219,266,375	164,701,370	I. A. Gold Coin and Bullion ⁽¹⁾		27,515,932,752			27,116,613,540
Notes in Circulation	259,144,651,013	250,455,588,026	Silver Bullion		Nil			Nil
			Special Drawing Rights held with the					
			International Monetary Fund		Nil			Nil
Total Notes Issued	259,363,917,388	250,620,289,396	Approved Foreign Exchange		21,332,555,196			32,381,501,329
			India notes representing assets receivable					
			from the Reserve Bank of India		487,100,660			430,993,541
					49,335,588,608			59,929,108,410
			B. Rupee Coin		407,820,185			305,461,722
			Government of Pakistan Securities		193,849,995,086			174,664,028,087
			Internal Bill Of Exchange and other					
			Commercial Paper:-					
			(i) Agricultural Sector	Rs. Nil		Rs. Nil		
			(ii) Industrial Sector	Rs. 5,078,500,000		Rs. 5,078,500,000		
			(iii) Export Sector	Rs. Nil		Rs. Nil		
			(iv) Housing Sector	Rs. 10,000,000,000		Rs. 10,000,000,000		
			(v) Others	Rs. Nil	15,078,500,000	Rs. Nil		15,078,500,000
					209,336,315,271			190,047,989,809
			II. Held with the Reserve Bank of India					
			pending transfer to Pakistan:-					
			Gold Coin and Bullion ⁽¹⁾		454,595,313			450,306,915
			Sterling Securities		222,597,109			179,745,612
			Government of India Securities		11,426,075			10,109,953
			Rupee Coin		3,395,012			3,028,697
					692,013,509			643,191,177
Total Liabilities	259,363,917,388	250,620,289,396	Total Assets		259,363,917,388			250,620,289,396

STATE BANK OF PAKISTAN
Balance Sheet as at 30th June, 1997
BANKING DEPARTMENT

LIABILITIES			ASSETS					
	30th June, 1997 Rupees	30th June, 1996 Rupees				30th June, 1997 Rupees	30th June, 1996 Rupees	
Capital Paid Up	100,000,000	100,000,000	Notes			219,266,375		164,701,370
Reserve Fund	4,000,000,000	4,000,000,000	Rupee Coin			14		42,015
Rural Credit Fund	2,600,000,000	2,600,000,000	Subsidiary Coins			185,252		415,527
Industrial Credit Fund	1,600,000,000	1,600,000,000	Bills Purchased and Discounted:-					
Export Credit Fund	1,500,000,000	1,500,000,000	(a) Internal:-					
Loans Guarantee Fund	500,000,000	500,000,000	(i) Agricultural Sector	Rs.	Nil	Rs.	Nil	
Housing Credit Fund	700,000,000	700,000,000	(ii) Industrial Sector	Rs.	Nil	Rs.	Nil	
			(iii) Export Sector	Rs.	3,566,738	Rs.	3,566,738	
			(iv) Housing Sector	Rs.	Nil	Rs.	Nil	
			(v) Others	Rs.	33,400,000	Rs.	33,400,000	36,966,738
Deposits:-			(b) External			Nil		Nil
(a) Federal Government	29,911,690,612	26,732,551,215	(c) Government Treasury Bills			3,431,735,000		3,030,281,104
(b) Provincial Government	8,591,177,922	2,444,892,392						
(c) Banks ⁽²⁾	77,949,291,075	49,851,646,024	Balances held outside Pakistan in					
(d) Others	51,366,897,411	52,309,851,185	Approved Foreign Exchange ⁽³⁾			24,679,744,691		39,547,502,659
Allocating of Special Drawing Rights	9,571,162,650	8,618,629,288	Special Drawing Rights held with the International Monetary Fund			35,668,063		54,983,264
Bills Payable	355,155,360	127,936,533	Loans and Advances to Governments			300,000,000		300,000,000
Revaluation Account ⁽³⁾	25,363,942,170	25,101,604,200	Government Debtors balances			7,680,087,500		7,464,404,756
Other Liabilities ^{(4) (8)}	57,458,984,800	69,328,555,388	Loans and Advances to Scheduled Banks					
			A. Agricultural Sector	Rs.	44,852,442,424	Rs.	43,000,762,475	
			B. Industrial Sector	Rs.	8,476,886,137	Rs.	9,054,940,467	
			C. Export Sector	Rs.	22,412,025,460	Rs.	83,933,000	
			D. Housing Sector	Rs.	Nil	Rs.	Nil	
			E. Others	Rs.	4,678,881,720	Rs.	4,475,146,871	56,614,782,813
			Loans and Advances to Non-Bank Financial Institutions ⁽⁶⁾ :-			80,420,235,741		
			A. Agricultural Sector	Rs.	Nil		Nil	
			B. Industrial Sector	Rs.	6,015,805,604	Rs.	6,655,198,773	
			C. Export Sector	Rs.	Nil	Rs.	Nil	
			D. Housing Sector	Rs.	6,496,300,000	Rs.	6,496,300,000	
			E. Others	Rs.	11,971,839,011	Rs.	12,447,159,808	25,598,658,581
			Investments ⁽⁷⁾ :-			24,483,944,615		
			A. Scheduled Banks	Rs.	9,329,497,191	Rs.	9,312,818,692	
			B. Non-Bank Financial Institutions	Rs.	2,067,587,105	Rs.	2,151,088,605	
			C. Government Securities	Rs.	76,135,952,790	Rs.	47,697,156,718	
			D. Others	Rs.	Nil	Rs.	Nil	59,161,064,015
			Other Assets ⁽⁸⁾			87,533,037,086		53,541,863,383
						42,747,430,925		
Total Liabilities	271,568,302,000	245,515,666,225	Total Assets			271,568,302,000		245,515,666,225

Notes: Entire Capital paid up vests in the Federal Government.

Commitments for forward exchange operations stood at U.S.\$ 10,237.890 million against forward sales.

⁽¹⁾ Gold in pursuance of Section 30(2) of the State Bank of Pakistan Act, 1956 has been valued at market value of fine gold contents thereof on the basis of gold rates obtaining in London Bullion Market.

⁽²⁾ Refers to scheduled banks. ⁽³⁾ Represents unrealised appreciation/depreciation on revaluation of Gold. ⁽⁴⁾ Includes Contingency Accounts.

⁽⁵⁾ Includes Cash and Short Term Securities. ⁽⁶⁾ Returns on Profit and Loss sharing accounts included in Loans and Advances is accounted for when declared by the loanees. ⁽⁷⁾ Principally valued at cost.

⁽⁸⁾ Includes "special deposit of bank under Export Refinance" and "Loans and Advances to scheduled banks--Export sector".

Assets and Liabilities of Pakistan Banking Council (dissolved) were assumed by the State Bank of Pakistan in pursuance of the Banks Nationalisation Act, 1974 (as modified up to June 7, 1997). but pending the preparation of the accounts of Pakistan Banking Council (dissolved) and audit thereof as on January 21, 1997. the same have not been reflected in these accounts.

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS
OF THE STATE BANK OF PAKISTAN

We have examined the balance sheets of Issue Department and Banking Department of the State Bank of Pakistan as at June 30, 1997 and also the annexed Profit and loss account for the year ended on that date with the books and records maintained at Central Directorate and with returns submitted and certified by the Chief Managers of the respective offices and branches including returns received from Dacca Office and Chittagong, Sylhet and Rajshahi Branches till December 3, 1971 and Khulna and Bogra Branches till November 26, 1971. The Books of account of Karachi, Quetta and Faisalabad Offices were audited by M/s. Ford, Rhodes, Robson, Morrow and of Lahore, Peshawar and Rawalpindi Offices by M/s. AF. Ferguson & Co., while the books of the Central Directorate were audited jointly.

(2) Events have rendered impossible the verification of assets held with the Reserve Bank of India pending transfer to Pakistan and balances pertaining to transactions in Former East Pakistan included in the Balance sheets of the Issue and Banking Departments. Reliability of the aforesaid balances is subject to a final settlement between the Government of Pakistan and the Government of India and Bangladesh respectively.

(3) Subject to the contents of the preceding paragraph we report that, in our opinion the balance sheets are full and fair balance sheets containing all necessary particulars prescribed by the State Bank of Pakistan Act, 1956 and are properly drawn up in accordance with the Act and such balance sheets exhibit a true and fair view of the State of the Bank's affairs according to the best of our information and explanations given to us and as shown by the books of the Bank.

Karachi, the 21st day of August 1997

Sidat Hyder Qamar Maqbool & Co
Chartered Accountants

Ford, Rohdes, Robson, Morrow
Chartered Accountants

STATE BANK OF PAKISTAN

Profit and Loss Account for the Year ended 30th June,1997

I N C O M E		
	30th June, 1997	30th June, 1996
	<u>Rupees</u>	<u>Rupees</u>
Interest, Discount, Exchange, Commission and Return*,etc	14,682,989,610	18,456,598,133
EXPENDITURE		
Establishment	1,582,819,457	1,541,419,410
Directors' Fees and Expenses	464,516	269,593
Auditors' Fees	260,000	260,000
Rent, Taxes, Insurance, Lighting, etc	77,547,179	69,379,047
Law Charges	6,203,232	2,821,157
Postage and Telegram Charges	11,210,879	9,230,822
Remittance of Treasure	12,508,891	19,058,684
Stationary, etc	12,853,305	9,458,798
Depreciation and Repairs to Bank's Property	67,620,609	59,249,640
Agency Charges	492,078,917	359,003,469
SDR Charges	364,704,163	350,472,420
Contribution To Staff and Superannuation Funds	200,000,000	200,000,000
Contribution to Staff welfare Fund	123,520,000	128,600,000
Miscellaneous Expenses	474,367,830	426,873,017
Sub-Total	3,426,158,978	3,176,096,057
Security Printing (Cheques, Note Forms, etc)	1,277,100,190	1,549,002,076
Net Available Balance	9,979,730,442	13,731,500,000
Total	14,682,989,610	18,456,598,133
Amount transferred to Reserve Fund	Nil	350,000,000
Amount set aside for payment Dividend at the rate of 10 percent per annum	10,000,000	10,000,000
Amount transferred to Rural Credit Fund	Nil	100,000,000
Amount transferred to Industrial Credit Fund	Nil	100,000,000
Amount transferred to Export Credit Fund	Nil	150,000,000
Amount transferred to Loans Guarantee Fund	Nil	Nil
Amount transferred to Housing Credit Fund	Nil	Nil
Surplus payable to the Federal Government	9,969,730,442	13,021,500,000
Balance carried forward	Nil	Nil
Total	9,979,730,442	13,731,500,000

RESERVE FUND ACCOUNT

By balance on 30th June, 1996	4,000,000,000	3,650,000,000
By transfer from Profit and Loss Account	Nil	350,000,000
Total	4,000,000,000	4,000,000,000

*Return means income from non-bearing scheme/investments.

FARHAT SAEED
Director of Accounts

RASHID AKHTAR CHUGHTAI
Deputy Governor

DR. MUHAMMAD YAQUB
Governor