

# The Best Retail Bank in Pakistan

*The Asian Banker Award for 2003*

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# Corporate Information

## Board of Directors

Lt. Gen. Faiz Jilani  
Chairman

Lt. Gen. (R) Masood Parwaiz  
Chairman Executive Committee

Mr. Kalim-ur-Rahman  
President & Chief Executive

Brig. (R) Muhammad Shiraz Baig  
Director

Brig. (R) Asmat Ullah Khan Niazi  
Director

Brig. (R) Muhammad Safdar Ali  
Director

Brig. (R) Muhammad Bashir Baz  
Director

Mr. Javed Ahmed Noel  
Director

Mr. Zafar Alam Khan Sumbal  
Director / Secretary

Mr. Shahid Hafeez Azmi  
Director

Mr. Muhammad Afzal Munif, FCA  
Director

Mr. Tariq Iqbal Khan, FCA  
Director (NIT Nominee)

## Audit Committee

Mr. Muhammad Afzal Munif, FCA  
Chairman

Mr. Javed Ahmed Noel  
Member

Brig. (R) Asmat Ullah Khan Niazi  
Member

Mr. Zafar Alam Khan Sumbal  
Secretary

## Company Secretary

Mr. Zafar Alam Khan Sumbal

## Auditors

Ford Rhodes Sidat Hyder & Co.  
Chartered Accountants

## Legal Advisors

Rizvi, Isa, Afridi & Angell

## Registered / Head Office

AWT Plaza, The Mall,  
P.O. Box No. 1084  
Rawalpindi, Pakistan.  
Tel: (92 51) 927 2150-53  
Fax: (92 51) 927 2455  
E-mail: [webmaster@askaribank.com.pk](mailto:webmaster@askaribank.com.pk)  
Website: [www.askaribank.com.pk](http://www.askaribank.com.pk)

## Registrar & Share Transfer Office

Askari Associates (Private) Limited,  
6th Floor, AWT Plaza, The Mall,  
P.O. Box 678, Rawalpindi.  
Tel: (92 51) 927 2442-44  
Fax: (92 51) 927 2447  
E-mail: [askari@isb.compul.com](mailto:askari@isb.compul.com)

# Directors' Review

Dear Shareholders

We are pleased to present the accounts for the 2nd quarter and half-year ended June 30, 2004 along-with the Auditors' review report thereon.

The financial results of the 2nd quarter and the half-year are summarized as under:

	Rupees in thousand	
	2004	2003
<b>For the quarter ended June 30</b>		
Profit before tax	1,110,257	479,731
Taxation	(237,039)	(224,751)
Profit after tax	<u>873,218</u>	<u>254,980</u>
<b>For the six months ended June 30</b>		
Profit before tax	1,617,360	915,550
Taxation	(438,759)	(389,735)
Profit after tax	<u>1,178,601</u>	<u>525,815</u>
Unappropriated profit brought forward	-	-
Unappropriated profit carried forward	<u>1,178,601</u>	<u>525,815</u>
Basic earnings per share - Rupees	<u>9.38</u>	<u>4.19</u>

During the six months period, your Bank's Operating Profit (before loan loss provisions) stood at Rs. 1,733 million as compared to Rs. 1,046 million for the corresponding period last year, thereby registering a healthy increase of 66%. A significant contribution to the half-year's profit came in the form of one-off gains realized by selling some of our long term investments in equities and a mutual fund. The sale was prompted in view of the bullish market sentiment that prevailed during most of the six months period. Even otherwise, our core banking profits increased by 20% over the corresponding period mainly due to increased branch network, effective asset / liability management and substantial increase in business volumes, though mark-up revenues dropped by 8% from the comparable period, clearly showing the impact of declining yields on earning assets.

Deposits increased by 18%, from Rs. 61,657 million as of December 31, 2003 to Rs. 73,003 million as at June 30, 2004 and were the main source to fund advances that increased by 23%, from Rs. 46,341 million as of December 31, 2003 to Rs. 57,142 million as at June 30, 2004, in line with the sharp increase in the private sector credit demand. However, the average lending rates continued to slide downwards due to the re-pricing of relatively higher rate advances, to the current lower rates, at their respective maturities / renewals, thus negating the impact of slight improvement in the benchmark KIBOR during the half-year. The declining trend is likely to continue till the entire advances portfolio is re-priced / bench-marked to the current market rates. Non mark-up income increased by 145% over the comparable period last year, mainly due to unusual gains from investment portfolio, as mentioned above. The operating expenses for the six months ended June 30, 2004 increased by 26% over the corresponding period, mainly due to increase in branch network, from 51 to 59, and the increased technology related expenditure.

Continuing with our prudent policy, an amount of Rs. 116 million has been set aside as loan loss provision, which has increased the cumulative provisions to Rs. 1,619 million against the total classified portfolio of Rs. 1,161 million as at June 30, 2004. The high coverage is intended to provide cushion against any pressure on future earnings.

As part of our strategy to meet the growing needs of our diversified customer segments, we have established a dedicated Agriculture Division based in Lahore to provide easy credit availability to this major local sector, in a more efficient manner. The Division has developed a comprehensive menu of customized agriculture and related financing products which are primarily aimed to provide quick and cheap credit to the farmers at their door-step, in a simplified manner. We have also applied to the State Bank of Pakistan (SBP) for the opening of our first Islamic Banking branch which will, InshAllah commence Islamic Banking operations during the 2nd half of the current year. Thus, the Islamic Banking products and services will also be available to our valued customers. While we reach out to serve our customers, we maintain our focus on the proactive credit, operational and market risk management functions.

During the period, the Pakistan Credit Rating Agency (Pvt) Limited upgraded your Bank's long-term rating from AA+ and maintained the short term rating at A1+, the highest possible for this category. According to PACRA, "these ratings reflect sustained ability of revenue growth from core operations while maintaining a low risk profile and also dynamic as well as efficient fund deployment strategy. Going forward, given the strong technological platform and enhanced geographical outreach, the Bank is well positioned to maintain its competitive edge despite an increasingly competitive operating environment".

In our previous review, we had indicated our interest to participate in the bidding process for the acquisition of Allied Bank of Pakistan. The bidding was recently conducted by the SBP and our bid was unsuccessful in the final round of the 'open' bidding, as we did not raise our price beyond a pre-determined level, worked out by us after detailed due diligence of the transaction, to protect the value and interest of our shareholders.

Your Bank now intends to open more retail outlets in the high potential markets in a planned but aggressive manner and to improve our technology to further strengthen our position as the market leader in this area. Existing branches are also being renovated and upgraded and human resource is being provided improved training. The present nation-wide network of 58 branches is fully equipped to provide complete range of services to the customers including on-line funds transfer, SWIFT, electronic settlement for the largest phone utility company's bills, tele and web information services. Further, the usage of credit cards, debit cards and ATM cards is growing satisfactorily. The Bank's infrastructure, policies and plans are all geared towards promoting speedy service to customers both on risk assets and liability side. As such, we remain committed to grow from within and further consolidate our strong brand franchise.

We would like to thank our valued customers for their continued patronage and support, to the SBP and other regulatory authorities for their guidance, to our staff for their commitment, hard work and dedication, and to our shareholders for the trust and confidence reposed in us.

for and on behalf of the Board

**Lt. Gen. Faiz Jilani**  
Chairman

Rawalpindi  
August 11, 2004

# Auditors' Review Report to the Members

We have reviewed the annexed Balance Sheet of **Askari Commercial Bank Limited** as at **June 30, 2004** and the related Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity together with notes forming part thereof (here-in-after referred to as the "financial statements"), for the half year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Auditing applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Islamabad  
August 11, 2004

Ford Rhodes Sidat Hyder & Co.  
Chartered Accountants

# Balance Sheet (Un-audited)

As at June 30, 2004

	Notes	June 30, 2004 (Rupees in thousand)	December 31, 2003 (Rupees in thousand)
<b>Assets</b>			
Cash and balances with treasury banks		7,245,405	6,678,026
Balances with other banks		2,467,330	2,650,166
Lendings to financial institutions		6,728,346	5,770,842
Investments	4	20,313,354	22,104,425
Advances	5	55,523,017	44,777,538
Other assets		1,621,675	1,425,986
Operating fixed assets		2,117,073	1,979,919
Deferred tax assets		—	—
		96,016,200	85,386,902
<b>Liabilities</b>			
Bills payable		1,323,252	973,703
Borrowings from financial institutions		14,596,259	15,903,055
Deposits and other accounts		73,003,133	61,656,607
Sub-ordinated loans		—	—
Liabilities against assets subject to finance lease		24,815	37,350
Other liabilities		873,799	962,592
Deferred tax liabilities		586,789	806,753
		90,408,047	80,340,060
<b>Net assets</b>		<u>5,608,153</u>	<u>5,046,842</u>
<b>Represented by:</b>			
Share capital		1,255,848	1,141,680
Reserves	6	2,645,431	2,759,599
Unappropriated profit		1,178,601	—
		5,079,880	3,901,279
Surplus on revaluation of assets		528,273	1,145,563
		<u>5,608,153</u>	<u>5,046,842</u>
<b>Contingencies and commitments</b>	7		

The annexed notes 1 to 11 form an integral part of these accounts.

**Kalim-ur-Rahman**  
President & Chief Executive

**Zafar Alam Khan Sumbal**  
Director

**Lt. Gen. (R) Masood Parwaiz**  
Director

**Lt. Gen. Faiz Jillani**  
Chairman

## Profit and Loss Account (Un-audited)

For the half year ended June 30, 2004

Note	June 30, 2004		June 30, 2003	
	Quarter end	Half year end	Quarter end	Half year end
	(Rupees in thousand)		(Rupees in thousand)	
<b>Mark-up / return / interest earned</b>	1,044,424	1,993,505	1,022,676	2,160,070
<b>Mark-up / return / interest expensed</b>	250,859	465,524	349,483	881,904
Net mark-up / interest income	793,565	1,527,981	673,193	1,278,166
Provision against non-performing loans and advances	57,931	115,933	61,106	130,815
Provision for diminution in the value of investments	-	-	-	-
Bad debts written off directly	-	-	-	-
	57,931	115,933	61,106	130,815
Net mark-up / interest income after provisions	735,634	1,412,048	612,087	1,147,351
<b>Non mark-up / interest income</b>				
Fee, commission and brokerage income	219,969	392,002	168,562	294,894
Dividend income	6,632	11,472	1,839	6,239
Gain on sale of investments	8	520,020	523,324	15,242
Income from dealing in foreign currencies	46,219	71,806	17,946	54,186
Other income	14,697	26,213	10,972	21,194
Total non-markup / interest income	807,537	1,024,817	214,561	418,671
	1,543,171	2,436,865	826,648	1,566,022
<b>Non mark-up / interest expenses</b>				
Administrative expenses	432,894	819,485	346,917	650,472
Other provisions / write offs	-	-	-	-
Other charges	20	20	-	-
Total non-markup / interest expenses	432,914	819,505	346,917	650,472
	1,110,257	1,617,360	479,731	915,550
Extra ordinary / unusual items	-	-	-	-
<b>Profit before taxation</b>	1,110,257	1,617,360	479,731	915,550
Taxation - current	260,729	413,601	247,835	416,215
- deferred	(23,690)	25,158	(23,084)	(26,480)
	237,039	438,759	224,751	389,735
<b>Profit after taxation</b>	873,218	1,178,601	254,980	525,815
Unappropriated profit brought forward	-	-	-	-
Unappropriated profit carried forward	873,218	1,178,601	254,980	525,815
<b>Basic earnings per share - Rupees</b>	6.95	9.38	2.03	4.19

The annexed notes 1 to 11 form an integral part of these accounts.

**Kalim-ur-Rahman**  
President & Chief Executive

**Zafar Alam Khan Sumbal**  
Director

**Lt. Gen. (R) Masood Parwaiz**  
Director

**Lt. Gen. Faiz Jillani**  
Chairman

# Cash Flow Statement (Un-audited)

For the half year ended June 30, 2004

	June 30, 2004 (Rupees in thousand)	June 30, 2003 (Rupees in thousand)
<b>Cash flow from operating activities</b>		
Profit before taxation	1,617,360	915,550
Less: dividend income	(11,472)	(6,239)
	<u>1,605,888</u>	<u>909,311</u>
Adjustments for non-cash charges		
Depreciation	92,098	78,149
Provision against non-performing advances (net)	115,933	130,815
Net gain on sale of operating fixed assets	(2,376)	(2,106)
Finance charges on leased assets	1,618	3,096
	<u>207,273</u>	<u>209,954</u>
	<u>1,813,161</u>	<u>1,119,265</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	(1,107,504)	(559,610)
Advances	(10,861,412)	(3,541,187)
Other assets (excluding advance taxation)	(276,588)	78,286
	<u>(12,245,504)</u>	<u>(4,022,511)</u>
Increase / (decrease) in operating liabilities		
Deposits and other accounts	11,346,526	9,002,647
Borrowings from financial institutions	(1,306,796)	(4,390,245)
Bills payable	349,549	111,834
Other liabilities (excluding current taxation)	134,382	(4,295)
	<u>10,523,661</u>	<u>4,719,941</u>
Cash flow before tax	91,318	1,816,695
Income tax paid	(310,408)	(388,603)
Net cash flow (used in) / from operating activities	<u>(219,090)</u>	<u>1,428,092</u>
<b>Cash flow from investing activities</b>		
Net investments - available for sale securities	928,659	2,583,435
Dividend income	11,472	6,239
Investments in operating fixed assets	(232,967)	(135,248)
Sale proceeds of operating fixed assets	6,090	3,379
Net cash from investing activities	<u>713,254</u>	<u>2,457,805</u>
<b>Cash flow from financing activities</b>		
Payments of lease obligations	(13,163)	(21,544)
Dividends paid	(223,015)	(210,625)
Net cash used in financing activities	<u>(236,178)</u>	<u>(232,169)</u>
<b>Increase in cash and cash equivalents</b>	<u>257,986</u>	<u>3,653,728</u>
Cash and cash equivalents at the beginning of the period	<u>10,278,192</u>	<u>7,355,751</u>
Cash and cash equivalents at the end of the period	<u>10,536,178</u>	<u>11,009,479</u>

The annexed notes 1 to 11 form an integral part of these accounts.

**Kalim-ur-Rahman**  
President & Chief Executive

**Zafar Alam Khan Sumbal**  
Director

**Lt. Gen. (R) Masood Parwaiz**  
Director

**Lt. Gen. Faiz Jillani**  
Chairman

# Statement of Changes in Equity (Un-audited)

For the half year ended June 30, 2004

(Rupees in thousand)

	Capital Reserves			Revenue Reserves				Total
	Share Capital	Share Premium Account	Reserve for issue of Bonus Shares	Statutory Reserve	General Reserve	Reserve for Contingencies	Un-appropriated profit	
<b>Balance as at January 01, 2003</b>	1,087,314	6,214	48,152	839,649	735,221	310,000	–	3,026,550
Bonus shares issued	54,366	(6,214)	(48,152)	–	–	–	–	–
Net profit for the period	–	–	–	–	–	–	525,815	525,815
<b>Balance as at June 30, 2003</b>	1,141,680	–	–	839,649	735,221	310,000	525,815	3,552,365
Net profit for the period	–	–	–	–	–	–	577,250	577,250
Final dividend	–	–	–	–	–	–	(228,336)	(228,336)
Transferred to :								
Statutory reserve	–	–	–	220,613	–	–	(220,613)	–
Reserve for issue of bonus shares	–	–	114,168	–	–	–	(114,168)	–
General reserve	–	–	–	–	539,948	–	(539,948)	–
<b>Balance as at December 31, 2003</b>	1,141,680	–	114,168	1,060,262	1,275,169	310,000	–	3,901,279
Bonus shares issued	114,168	–	(114,168)	–	–	–	–	–
Net profit for the period	–	–	–	–	–	–	1,178,601	1,178,601
<b>Balance as at June 30, 2004</b>	1,255,848	–	–	1,060,262	1,275,169	310,000	1,178,601	5,079,880

The annexed notes 1 to 11 form an integral part of these accounts.

**Kalim-ur-Rahman**  
President & Chief Executive

**Zafar Alam Khan Sumbal**  
Director

**Lt. Gen. (R) Masood Parwaiz**  
Director

**Lt. Gen. Faiz Jillani**  
Chairman

# Notes to the Accounts (Un-audited)

For the half year ended June 30, 2004

## 1. STATUS AND NATURE OF BUSINESS

Askari Commercial Bank Limited ("the Bank") was incorporated in Pakistan on October 9, 1991 as a Public Limited Company and is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Bank is situated at AWT Plaza, The Mall, Rawalpindi.

The Bank obtained its business commencement certificate on February 26, 1992 and started operations from April 1, 1992. Army Welfare Trust directly and indirectly holds a significant portion of the Bank's equity at the half year end. The Bank has 59 branches (December 31, 2003: 58 branches); 58 in Pakistan and Azad Jammu and Kashmir and an Offshore Banking Unit in the Kingdom of Bahrain.

The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962.

## 2. STATEMENT OF COMPLIANCE

These financial statements are un-audited and are being submitted as required by Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the directives issued by the State Bank of Pakistan and International Accounting Standards issued by the International Accounting Standards Committee (IASC), as adopted in Pakistan and presented in accordance with the format of quarterly and half yearly financial statements prescribed by the State Bank of Pakistan.

International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property are not applicable for Banking Companies in Pakistan. Accordingly, the requirements of these Standards have not been considered in the preparation of these financial statements.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparation of these half yearly financial statements are the same as those adopted in the preparation of the preceding annual financial statements of the Bank.

## 4. INVESTMENTS

### 4.1 Investments by type

	June 30, 2004			December 31, 2003		
	Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
Available for sale investments	15,290,716	4,997,010	20,287,726	13,016,352	9,065,854	22,082,206
Investment in associated company	25,628	—	25,628	22,219	—	22,219
	<u>15,316,344</u>	<u>4,997,010</u>	<u>20,313,354</u>	<u>13,038,571</u>	<u>9,065,854</u>	<u>22,104,425</u>

## 5. ADVANCES

	June 30, 2004 (Rupees in thousand)	December 31, 2003 (Rupees in thousand)
Loans, cash credits, running finances, etc.		
In Pakistan	44,303,514	36,771,434
Outside Pakistan	—	60
	<u>44,303,514</u>	<u>36,771,494</u>
Bills discounted and purchased (excluding Treasury Bills)		
Payable in Pakistan	4,310,827	2,351,974
Payable outside Pakistan	8,527,720	7,217,604
	<u>12,838,547</u>	<u>9,569,578</u>
	<u>57,142,061</u>	<u>46,341,072</u>
Provision for non-performing advances	(1,619,044)	(1,563,534)
	<u>55,523,017</u>	<u>44,777,538</u>

# Notes to the Accounts (Un-audited)

For the half year ended June 30, 2004

5.1 Particulars of provision against non-performing advances	(Rupees in thousand)					
	June 30, 2004			December 31, 2003		
	Specific	General	Total	Specific	General	Total
Opening balance	878,719	684,815	1,563,534	867,685	438,681	1,306,366
Charge for the period / year	108,023	7,910	115,933	62,394	246,134	308,528
Amounts written off	(60,423)	–	(60,423)	(51,360)	–	(51,360)
	<u>926,319</u>	<u>692,725</u>	<u>1,619,044</u>	<u>878,719</u>	<u>684,815</u>	<u>1,563,534</u>

5.2 Advances include Rs. 1,160,960 thousand (2003: Rs. 1,277,936 thousand) which have been placed under non-performing status as detailed below:

Category of Classification	(Rupees in thousand)				
	Domestic	Overseas	Total	Provision Required	Provision Held
Other Assets Especially Mentioned 5.2.1	4,604	–	4,604	63,832	63,832
Substandard	42,928	–	42,928	248	248
Doubtful	77,122	–	77,122	42,909	42,909
Loss	<u>1,036,306</u>	–	<u>1,036,306</u>	<u>819,330</u>	<u>819,330</u>
	<u>1,160,960</u>	–	<u>1,160,960</u>	<u>926,319</u>	<u>926,319</u>

5.2.1 This represents provision made pursuant to the Regulator's advice.

6. RESERVES	June 30, 2004 (Rupees in thousand)	December 31, 2003 (Rupees in thousand)
Balance at the beginning of the period / year	2,759,599	1,939,236
Bonus shares issued @ of 10 shares (2003: 5 shares) for every 100 shares held i.e. 10% (2003: 5%)	(114,168)	(54,366)
Transfer from profit and loss account	–	874,729
Balance at the close of the period / year	<u>2,645,431</u>	<u>2,759,599</u>

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Direct credit substitutes

Government	245,047	250,000
Others	<u>5,092,667</u>	<u>3,124,083</u>
	<u>5,337,714</u>	<u>3,374,083</u>

### 7.2 Transaction-related contingent liabilities

Contingent liability in respect of guarantees given, favouring:		
i) Government	14,320,910	13,098,363
ii) Banks and other financial institutions	1,231,830	1,649,161
iii) Others	<u>2,095,576</u>	<u>1,761,371</u>
	<u>17,648,316</u>	<u>16,508,895</u>

### 7.3 Trade-related contingent liabilities

	<u>14,869,573</u>	<u>10,216,103</u>
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## Notes to the Accounts (Un-audited)

For the half year ended June 30, 2004

### 7.4 Other contingencies

- a) For tax assessments carried out to date, tax demands of Rs. 926 million approximately, relating to disallowances for bad debts and interest credited to suspense account, are under litigation. The management is hopeful that these will be ultimately decided in the Bank's favour.
- b) The Bank is contesting certain claims by third parties in the Courts of law amounting to Rs. 37 million (2003: Rs. 26 million) approximately. The management is of the view that these relate to the normal course of business and are not likely to result in any liability against the Bank.

### 7.5 Commitments in respect of forward lending

	June 30, 2004 (Rupees in thousand)	December 31, 2003 (Rupees in thousand)
Commitment against "Repo" transactions		
Purchase and resale agreements	4,571,731	3,552,363
Sale and repurchase agreements	<u>4,969,490</u>	<u>8,134,307</u>

### 7.6 Commitments in respect of forward exchange contracts

Purchase	7,777,370	2,604,618
Sale	<u>8,264,918</u>	<u>3,019,068</u>

### 7.7 Commitments for the acquisition of operating fixed assets

201,847	<u>204,162</u>
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### 7.8 Other commitments

Undrawn facilities	<u>32,302,059</u>	<u>27,178,682</u>
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### 7.9 Bills for collection

Payable in Pakistan	650,077	327,850
Payable outside Pakistan	15,522,192	11,045,125
	<u>16,172,269</u>	<u>11,372,975</u>

## 8. GAIN ON SALE OF INVESTMENTS

	Half year end June 30, 2004 (Rupees in thousand)	Half year end June 30, 2003 (Rupees in thousand)
Gain on sale of government securities	7,715	42,158
Gain on sale of other investments	515,609	-
	<u>523,324</u>	<u>42,158</u>

## 9. RELATED PARTY TRANSACTIONS

Army Welfare Trust (AWT) holds 45.68% (2003: 45.68%) of the Bank's share capital at the half year end, therefore, all subsidiaries and associated undertakings of AWT are related parties of the Bank. Also, related parties comprise of directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds.

Summary of transactions with related parties during the half year and balance as at June 30, 2004, is as follows:

	June 30, 2004 (Rupees in thousand)	December 31, 2003 (Rupees in thousand)
Balances outstanding at the period/year end		
- Deposits at the period/year end	682,214	968,493
- Outstanding commitments and contingent liabilities for irrevocable commitments and contingencies	70	714
- Investment in shares of a related party - at cost	7,504	7,504

# Notes to the Accounts (Un-audited)

For the half year ended June 30, 2004

Transactions during the period	Half year end June 30, 2004 (Rupees in thousand)	Half year end June 30, 2003 (Rupees in thousand)
- Net mark-up / interest expensed	11,122	22,250
- Mark-up / interest earned	-	74
- Contributions to employees' funds	25,753	17,959
- Rent of property / service charges paid	6,417	4,868
- Rent of property received	17,522	1,643
- Insurance premium paid	5,567	6,164
- Insurance claims received	999	1,037
- Dividend income received	1,839	1,839
- Share registrar fees and costs	2,053	883
- Security services costs	8,825	6,592
- Fee, commission and brokerage income	148	-

Transactions entered into with key management personnel including the Chief Executive as per their terms of employment are excluded from related party transactions.

The Bank recognizes transactions with related party at arm's length basis using price / rate determined in accordance with the methods prescribed in SRO 66(I) 2003 dated January 22, 2003.

## 10. DATE OF AUTHORIZATION

These accounts were approved for issue by the Board of Directors on August 11, 2004.

## 11. GENERAL

11.1 Figures have been rounded off to the nearest thousand of rupees.

11.2 Figures of the previous period have been re-arranged where ever necessary for the purposes of comparison.

**Kalim-ur-Rahman**  
President & Chief Executive

**Zafar Alam Khan Sumbal**  
Director

**Lt. Gen. (R) Masood Parwaiz**  
Director

**Lt. Gen. Faiz Jillani**  
Chairman

# Branch Network

## RAWALPINDI / ISLAMABAD AREA

### ISLAMABAD

#### F-7 Markaz

13-I, F-7 Markaz, Jinnah Super Market, Islamabad.

PABX: (051) 9222411-4, 9208353, 9208355  
Direct: (051) 9222418, Fax: (051) 9222415

#### F-10 Markaz

Block 5-C, F-10 Markaz, Islamabad, P.O. Box: 1324.  
PABX: (051) 9267283-6, Direct: (051) 9267278  
Fax: (051) 9267280

#### I-9 Industrial Area

Plot No. 408, Main Double Road,  
Sector I-9/3, Industrial Area, Islamabad.  
PABX: (051) 4100811-3, Direct: (051) 4100819  
Fax: (051) 4100814

#### Jinnah Avenue

24-D, Rasheed Plaza, Jinnah Avenue, Islamabad, P.O. Box: 1499.  
PABX: (051) 2271794-6, 2823943  
Direct: (051) 2871144, 2271801  
Fax: (051) 2271797, Tlx: 54683 ASKRI PK

### RAWALPINDI

#### AWT Plaza

The Mall, Rawalpindi, P.O. Box 1083, Gram: Askari Br  
PABX: (051) 5586634-7, Direct: (051) 5586638  
Fax: (051) 5586643, Tlx: 54647 ASKRI PK

#### Chaklala Scheme-III

18-Commercial Area, Imran Khan Avenue,  
Chaklala Scheme - III, Rawalpindi.  
PABX: (051) 5962071-3, Direct: (051) 5960030  
Fax: (051) 9281025

#### General Headquarters (GHQ)

Near Gate No. 7, Rawalpindi.  
PABX: (051) 9271739-40, 561-31192  
Direct: (051) 9271738, Fax: (051) 5580354

#### Haider Road

Bilal Plaza, Haider Road, Rawalpindi.  
PABX: (051) 9272880-3, Direct: (051) 9272885  
Fax: (051) 9272886

#### Peshawar Road

Zahoor Plaza, Peshawar Road, Rawalpindi.  
PABX: (051) 5584183-5, Direct: (051) 5565989  
Fax: (051) 5584186

#### Raja Bazar

Iqbal Road, Raja Bazar, Rawalpindi.  
PABX: (051) 5540234, 5540557, 5540587  
Direct: (051) 5540227, Fax: (051) 5540321

#### Satellite Town

313-D, Commercial Market, Satellite Town, Rawalpindi.  
PABX: (051) 9290262-5, Direct: (051) 9290244  
Fax: (051) 9290270

## NORTH AREA

### ABBOTTABAD

Lala Rukh Plaza, Mansehra Road, Abbottabad.  
PABX: (0992) 332182-3, Direct: (0992) 332157  
Fax: (0992) 332184

### MARDAN

The Mall, Mardan, P.O. Box: 197.  
PABX: (0931) 67502-3, Direct: (0931) 67545  
Fax: (0931) 67515 Tlx: 52331 ASKRI PK

### MIRPUR (AK)

Nathia Building, Chowk Shaheedan, Mirpur.  
PABX: (05-8610) 45451-2, Direct: (05-8610) 45450  
Fax: (05-8610) 35429

### PESHAWAR

#### Cannt.

3-7, Fakhr-e-Alam Road, Cannt. Plaza Branch,  
Peshawar, P.O. Box: 606.  
PABX: (091) 279437-8, Direct: (091) 271653  
Fax: (091) 276391, Tlx: 52314 ACBL PK

#### City

Bank Square, Chowk Yadgar, Peshawar.  
PABX: (091) 2561246-7, Direct: (091) 2560156  
Fax: (091) 2561245, Tlx: 53423 ACBL PK

## LAHORE AREA

### Aiwan-e-Tijarat

7-A, Shahrah-e-Aiwan-e-Tijarat, Lahore, P.O. Box 1624.  
PABX: (042) 9203673-77, Direct: (042) 9203081  
Fax: (042) 9203351, Tlx: 53539 ASKRI PK

### Badami Bagh

165-B, Badami Bagh, Lahore.  
PABX: (042) 7727601-2, Direct: (042) 7721318, 7725300  
Fax: (042) 7704775, Tlx: 44383 ACBBB PK

### Circular Road

77-Circular Road, Lahore.  
PABX: (042) 7635920-22, Direct: (042) 7633694, 7633702  
Fax: (042) 7635919, Tlx: 44254 ACBCR PK

### D.H.A.

324-Z, Defence Housing Authority, Lahore - 54792  
PABX: (042) 5898891-5, Direct: (042) 5726818  
Fax: (042) 5732310

### Gulberg

10-E/II, Main Boulevard, Gulberg-III, Lahore.  
PABX: (042) 5764842-4, 5878431-2, 5877297  
Direct: (042) 5760369, Fax: (042) 5760958, Tlx: 44349 ACBLG PK

**The Mall**

Bank Square, 47 - The Mall,  
(Shahrah-e-Quaid-e-Azam), Lahore.  
PABX: (042) 7211851-5, Direct: (042) 7314196  
Fax: (042) 7211865

**Township**

48/10, B-1, Akbar Chowk, Township, Lahore - 54770  
PABX: (042) 5140520-22, Direct: (042) 5151279  
Fax: (042) 5124222

**Tufail Road**

12-Tufail Road, Lahore Cantt.  
PABX: (042) 9220940-45, Direct: (042) 9220931  
Fax: (042) 9220947, Tlx: 47746 ASKCT PK

**EAST AREA****BAHAWALPUR**

1-Noor Mahal Road, Bahawalpur.  
PABX: (0621) 9255322-3, Direct: (0621) 9255320  
Fax: (0621) 9255324

**FAISALABAD****Peoples Colony**

Faisalabad.  
PABX: (041) 739326-8, Direct: (041) 739323  
Fax: (041) 739321

**University Road**

Faisalabad, P.O. Box 346.  
PABX: (041) 9201008-11, Direct: (041) 9201001, 9201002  
Fax: (041) 9201006, Tlx: 53441 ASKRI PK

**GUJRANWALA**

G.T. Road, Gujranwala.  
PABX: (0431) 9200855-56, 9200861-62  
Direct: (0431) 9200857  
Fax: (0431) 9200858, Tlx: 45253 ASKRI PK

**GUJRAT**

Hassan Plaza, (Opp. Pak Fan Mosque) G.T. Road, Gujrat.  
PABX: (0433) 530164-5, 530362  
Direct: (0433) 530178, Fax: (0433) 530179

**JALALPUR BHATTIAN**

Ghala Mandi, Jalalpur Bhattian.  
PABX: (04363) 401013-14, Direct: (04363) 401012  
Fax: (04363) 401015

**MULTAN**

Abdali Road, Multan.  
PABX: (061) 580711-3, Direct: (061) 580714  
Fax: (061) 580715, Tlx: 54338 ASKRI PK

**PHOOL NAGAR**

Lahore-Multan Road, Distt. Kasur, Phool Nagar.  
PABX: (04943) 510431, 510437  
Direct: (04943) 510431, Fax: (04943) 510436

**RAHIM YAR KHAN**

Ashraf Complex, Model Town, Rahim Yar Khan.  
PABX: (0731) 79851-3, Direct: (0731) 79848  
Fax: (0731) 79850

**SAHIWAL**

48/B & B1, High Street Branch, Sahiwal.  
PABX: (0441) 67737-9, Direct: (0441) 67748  
Fax: (0441) 67746

**SARGODHA**

80-Club Road, Old Civil Lines, Sargodha.  
PABX: (0451) 725490, 725590  
Direct: (0451) 722728, Fax: (0451) 725240

**SIALKOT**

Paris Road, Sialkot, P.O. Box 2890.  
PABX: (0432) 262806-8, Direct: (0432) 265522,  
Fax: (0432) 265532, Tlx: 46263 ASKRI PK

**SOUTH I AREA****GAWADAR**

Airport Road, Gawadar - 91200  
PABX: (0864) 211359-60  
Direct: (0864) 211357, Fax: (0864) 211358

**KARACHI****Cloth Market**

Laxmidas Street, Karachi - 74000  
PABX: (021) 2472611-5, Direct: (021) 2472607  
Fax: (021) 2472605

**Gabol Town**

Plot No. 1, Sector 12-B  
North Karachi Industrial Area, Karachi - 75850  
PABX: (021) 6950332, Direct: (021) 6950331  
Fax: (021) 6950333

**Gulistan-e-Jauhar**

Asia Pacific Trade Centre, Rashid Minhas Road, Karachi.  
P.O. Box: 75290.  
PABX: (021) 8132500-4, Direct: (021) 8130166  
Fax: (021) 8132505

**Hydri North Nazimabad**

Plot No. SF/14-18, Al Burhan Arcade,  
Block-E, Barkat-e-Hydri, North Nazimabad, Karachi.  
PABX: (021) 6632904-6, Direct: (021) 6632921  
Fax: (021) 6632922

**Jodia Bazar**

Qazi Usman Road, Near Lal Masjid, Karachi, P.O. Box 6831.  
PABX: (021) 2410025-8, Direct: (021) 2421148  
Fax: (021) 2421149, Tlx: 27597 ACBJB PK

**New Challi**

Abdullah Square Building,  
Shahrah-e-Liaquat, New Challi, Karachi - 74000  
PABX: (021) 2471042-44, Direct: (021) 2471021  
Fax: (021) 2471023

**North Napier Road**

Ishaq Chamber, North Napier Road, Karachi.  
PABX: (021) 7549581-3, Direct: (021) 7549588  
Fax: (021) 7549585

**Saddar**

Sindh Small Industries Building, Regal Chowk, Saddar, Karachi.

PABX: (021) 7762841-2, Direct: (021) 7760505

Fax: (021) 7760992

**Saima Trade Tower**

I.I. Chundrigar Road, Karachi, P.O. Box 1096.

PABX: (021)2630731-3, 2624316, 2634610

Direct: (021) 2624714, 2631178

Fax: (021) 2631176 Tlx: 27499 ASKRI PK

**S.I.T.E.**

B-17, Estate Avenue, S.I.T.E, Karachi - 75700

PABX: (021) 2585913-17, Direct: (021) 2585911

Fax: (021) 2585525

**SUKKUR**

Sarafa Bazar, Sukkur.

PABX: (071) 28267-8, 28286,

Direct: (071) 27218, Fax: (071) 27219

**SOUTH II AREA****HYDERABAD**

332-333, Saddar Bazar, Hyderabad, P.O Box 470.

PABX: (0221) 783616, 783618-20

Direct: (0221) 783615

Fax: (0221) 783617, Tlx: 22054 ACBL PK

**KARACHI****Badar Commercial**

29-C, Badar Commercial Area, Street No. 1,

Phase-V, DHA, Karachi - 75500.

PABX: (021) 5344175-78, Direct: (021) 5344171

Fax: (021) 5344174

**Bahadurabad**

Zeenat Terrace, Plot No. 265, Block No. 3,

Bahaduryar Jang Society, Bahadurabad, Karachi.

PABX: (021) 9232565-68, Direct: (021) 9232569

Fax: (021) 9232574

**Clifton**

Marine Trade Centre, Block-9, Clifton, Karachi, P.O. Box 13807.

PABX: (021) 5868551-4, Direct: (021) 5862868

Fax: (021) 5868555, Tlx: 29787 ASKCL PK

**Dar-ul-Aman**

47-A, Housing Society, Block No. 7 & 8, Shahrah-e-Faisal, Karachi.

PABX: (021) 4389417-8, Direct: (021) 4389416

Fax: (021) 4389419

**D H A**

Jami Commercial Street No. 11,

Khayaban-e-Ittehad, DHA Phase - VII, Karachi.

PABX: (021) 5387490, 5384902-4 Direct: (021) 5384905

Fax: (021) 5387491

**Shahrah-e-Faisal**

11-A, Progressive Square, Block 6, P.E.C.H.S., Karachi.

P.O. Box: 12696.

PABX: (021) 4520026-9, Direct: (021) 4526641

Fax: (021) 4520030, Tlx: 27041 ASKSF PK

**WEST AREA****CHAMAN**

Trunch Road, Off Mall Road, Chaman (Balochistan)

PABX: (0826) 613330, 614447,

Fax: (0826) 613331, Cable: Askaribank

**QUETTA****Cantt.**

Bolan Complex, Chiltan Road, Quetta Cantt.

PABX: (081) 833889, 833228

Direct: (081) 833333, Fax: (081) 833316

**M.A. Jinnah Road**

Quetta, P.O. Box 573.

PABX: (081) 820511, 836074, Direct: (081) 836051

Fax: (081) 824602

**OVERSEAS OPERATIONS****Bahrain (OBU)**

P.O. Box 11720, Diplomatic Area, Manama Kingdom of Bahrain.

Tel: (00973) 175 30500, Direct: (00973) 175 35439,

Fax: (00973) 175 32400