

The Best Retail Bank in Pakistan
The Asian Banker Award - 2005

Corporate Excellence Award
For 2003 by The Management Association of Pakistan



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Corporate Information

Board of Directors	<p>Lt. Gen. Waseem Ahmed Ashraf - <i>Chairman</i> Lt. Gen. (R) Masood Parwaiz - <i>Chairman Executive Committee</i> Mr. Kalim-ur-Rahman - <i>President & Chief Executive</i> Brig. (R) Muhammad Shiraz Baig - <i>Director</i> Brig. (R) Asmat Ullah Khan Niazi - <i>Director</i> Brig. (R) Muhammad Bashir Baz - <i>Director</i> Brig. (R) Shaukat Mahmood Chaudhari - <i>Director</i> Mr. Kashif Mateen Ansari - <i>Director</i> Mr. Zafar Alam Khan Sumbal - <i>Director</i> Mr. Muhammad Afzal Munif, FCA - <i>Director</i> Mr. Muhammad Najam Ali - <i>Director</i> Mr. Tariq Iqbal Khan, FCA - <i>Director (NIT Nominee)</i></p>
Audit Committee	<p>Mr. Muhammad Afzal Munif, FCA - <i>Chairman</i> Brig (R) Muhammad Shiraz Baig - <i>Member</i> Brig. (R) Asmat Ullah Khan Niazi - <i>Member</i></p>
Company Secretary	<p>Mr. Saleem Anwar, FCA</p>
Auditors	<p>A . F . Ferguson & Co. <i>Chartered Accountants</i></p>
Legal Advisors	<p>Rizvi, Isa, Afridi & Angell</p>
Registered / Head Office	<p>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 Website: www.askaribank.com.pk</p>
Registrar & Share Transfer Office	<p>THK Associates (Pvt) Limited Ground Floor, Modern Motors House, Beaumont Road, Karachi - 75530 P.O. Box: 8533, Karachi. Tel: (92-21) 568 9021, 568 6658, 568 5681 Fax: (92-21) 5655595</p>
Entity Ratings	<p>Long Term : AA + Short Term : A1 + by <i>PACRA</i></p>

Directors' Review

Dear Shareholders

We are pleased to present the un-audited accounts for the 2nd quarter and half-year ended June 30, 2005.

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

	Rupees in thousand	
For the quarter ended June 30	2005	2004
Profit before tax	619,116	1,110,257
Taxation	(220,131)	(237,039)
Profit after tax	<u>398,985</u>	<u>873,218</u>
For the six months ended June 30		
Profit before tax	1,311,597	1,617,360
Taxation	(447,606)	(438,759)
Profit after tax	<u>863,991</u>	<u>1,178,601</u>
Unappropriated profit brought forward	-	-
Unappropriated profit carried forward	<u>863,991</u>	<u>1,178,601</u>
Basic earnings per share - Rupees	<u>5.73</u>	<u>7.82</u>

During the six months period ended June 30, 2005, your Bank's Operating Profit (before loan loss provisions) stood at Rs. 1,706 million as compared to Rs. 1,733 million for the corresponding period last year, a decline of 2% - mainly due to one-off gains realized during the corresponding period last year. On a comparable basis, i.e. excluding the effect of such gains, the core banking profits increased by a healthy 35%. This increase was largely contributed by the net mark-up income that increased by 36% over the corresponding period, mainly due to increased branch network, effective asset/liability management and substantial increase in business volumes.

Customer Deposits increased by 24%, from Rs. 83,319 million as of December 31, 2004 to Rs. 103,646 million as at June 30, 2005 while advances increased by 9%, from Rs. 69,938 million as of December 31, 2004 to Rs. 76,388 million as at June 30, 2005. During the six months ended June 30, 2005, Non mark-up income, excluding the capital gains realized upon sale of investments, increased by 35% over the same period last year. The operating expenses for the six months ended June 30, 2005 increased by 37% over the corresponding period last year, mainly due to increase in branch network, from 59 to 76, and the increased technology related expenditures.

During the six months, the Bank's non-performing loans increased by 47%, from Rs. 1,101 million as of December 31, 2004 to Rs. 1,622 million as of June 30, 2005. The major increase is in the initial categories of the classification of non performing advances following the aging criteria due to certain advances showing signs of deterioration. While such advances are being closely monitored for early revival /recovery, an amount of Rs. 394 million, including Rs. 359 million as general provision, has been set aside as additional loan loss provisions. The increase in general provision is intended to provide maximum coverage for such additional NPLs - although the aging criteria did not require such a high level of coverage, at present. The cumulative provisions, amounting to Rs. 2,175 million as of June 30, 2005, provide 134% coverage to the entire classified portfolio as of June 30, 2005.

During the six months period, your Bank won the "Best Retail Bank in Asia" award from the reputed Asian Banker magazine, for the 2nd consecutive year. The Bank has also recently won the "1st Consumer Choice award 2004" for the commercial banking category, from the Consumer Association of Pakistan.

During the six months period, Askari Investment Management Limited; a wholly owned subsidiary of the Bank, was incorporated. The company will expand the scope of our services to our valued customers while contributing to the bottom line profits.

Your Bank continues to pursue strategic expansion and the present nation-wide branch network of 77 will increase further as the development work on some locations continues. Our branches are fully equipped to provide complete range of services to our valued 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 all our customers. As such, we remain committed to strategic growth and to 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.

Kalim-ur-Rahman
President & Chief Executive

Lt. Gen. (R) Masood Parwaiz
Director

Rawalpindi
August 10, 2005

Review Report to Members

We have reviewed the annexed balance sheet of Askari Commercial Bank Limited (the Bank) as at June 30, 2005 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (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 thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. The figures of the profit and loss account for the quarter ended June 30, 2005 alongwith related corresponding figures and the notes forming part thereof have not been reviewed by us as we were required to review only the cumulative figures for the half year ended June 30, 2005.

The financial statements of the Bank for the year ended December 31, 2004 were audited by Ford Rhodes Sidat Hyder & Co., Chartered Accountants, who had expressed an unqualified opinion thereon in terms of their report dated February 10, 2005. Further, corresponding figures for the half year ended June 30, 2004 were reviewed by the same firm of Chartered Accountants who expressed an unqualified review report thereon in terms of their report dated August 11, 2004.

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 the approved International Accounting Standards as applicable in Pakistan.

Islamabad.
August 10, 2005

A. F. Ferguson & Co.
Chartered Accountants

Balance Sheet (Un-audited)

As at June 30, 2005

	Notes	June 30, 2005 (Rupees in thousand)	December 31, 2004 (Rupees in thousand)
Assets			
Cash and balances with treasury banks		10,522,550	8,762,866
Balances with other banks		5,964,053	4,847,899
Lendings to financial institutions		7,463,527	2,324,839
Investments	4	21,989,600	17,239,157
Advances	5	76,388,429	69,938,041
Other assets		1,971,782	1,459,716
Operating fixed assets		2,984,843	2,595,023
Deferred tax assets		–	–
		127,284,784	107,167,541
Liabilities			
Bills payable		2,274,609	1,227,093
Borrowings from financial institutions		10,958,636	13,781,555
Deposits and other accounts		103,646,119	83,318,795
Sub-ordinated loans		1,500,000	1,000,000
Liabilities against assets subject to finance lease		4,448	14,159
Other liabilities		1,755,924	1,282,981
Deferred tax liabilities		431,588	526,865
		120,571,324	101,151,448
Net assets		<u>6,713,460</u>	<u>6,016,093</u>
Represented by:			
Share capital		1,507,018	1,255,848
Reserves	6	4,066,131	4,317,301
Unappropriated profit		863,991	–
		6,437,140	5,573,149
Surplus on revaluation of assets		276,320	442,944
		<u>6,713,460</u>	<u>6,016,093</u>
Contingencies and commitments	7		

The annexed notes 1 to 10 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. Waseem Ahmed Ashraf Chairman
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Profit and Loss Account (Un-audited)

For the half year ended June 30, 2005

	For the quarter ended June 30, 2005	For the half year ended June 30, 2005	For the quarter ended June 30, 2004	For the half year ended June 30, 2004
	(Rupees in thousand)			
Mark-up / return / interest earned	1,953,073	3,548,803	1,044,424	1,993,505
Mark-up / return / interest expensed	857,509	1,472,023	250,859	465,524
Net mark-up / interest income	1,095,564	2,076,780	793,565	1,527,981
Provision against non-performing loans and advances	247,728	394,193	57,931	115,933
Provision for impairment in the value of investments	-	-	-	-
Bad debts written off directly	-	-	-	-
	247,728	394,193	57,931	115,933
Net mark-up / interest income after provisions	847,836	1,682,587	735,634	1,412,048
Non mark-up / interest income				
Fee, commission and brokerage income	263,206	485,950	219,969	392,002
Dividend income	3,212	23,865	6,632	11,472
Gain / (loss) on sale of investments	(2,391)	75,370	519,480	522,758
Income from trading in government securities	22	22	540	566
Income from dealing in foreign currencies	83,245	142,009	46,219	71,806
Other income	10,820	23,030	14,697	26,213
Total non-markup / interest income	358,114	750,246	807,537	1,024,817
	1,205,950	2,432,833	1,543,171	2,436,865
Non mark-up / interest expenses				
Administrative expenses	585,498	1,119,890	432,894	819,485
Other provisions / write offs	-	-	-	-
Other charges	1,336	1,346	20	20
Total non-markup / interest expenses	586,834	1,121,236	432,914	819,505
	619,116	1,311,597	1,110,257	1,617,360
Extra ordinary / unusual items	-	-	-	-
Profit before taxation	619,116	1,311,597	1,110,257	1,617,360
Taxation - current	201,786	420,459	279,078	431,950
- prior years	-	-	-	-
- deferred	18,345	27,147	(42,039)	6,809
	220,131	447,606	237,039	438,759
Profit after taxation	398,985	863,991	873,218	1,178,601
Unappropriated profit brought forward	-	-	-	-
Unappropriated profit carried forward	398,985	863,991	873,218	1,178,601
Basic and diluted earnings per share (Rupees)	<u>2.65</u>	<u>5.73</u>	<u>5.79</u>	<u>7.82</u>

The annexed notes 1 to 10 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. Waseem Ahmed Ashraf Chairman
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Cash Flow Statement (Un-audited)

For the half year ended June 30, 2005

	June 30, 2005 (Rupees in thousand)	June 30, 2004 (Rupees in thousand)
Cash flow from operating activities		
Profit before taxation	1,311,597	1,617,360
Less: dividend income	(23,865)	(11,472)
	<u>1,287,732</u>	<u>1,605,888</u>
Adjustments for non-cash charges		
Depreciation	124,942	92,098
Provision against non-performing advances	394,193	115,933
Gain on sale of operating fixed assets	(465)	(2,376)
Finance charges on leased assets	391	1,618
	<u>519,061</u>	<u>207,273</u>
	<u>1,806,793</u>	<u>1,813,161</u>
(Increase) in operating assets		
Lendings to financial institutions	(3,938,688)	(1,107,504)
Advances	(6,844,581)	(10,861,412)
Other assets (excluding advance taxation)	(526,767)	(276,588)
	<u>(11,310,036)</u>	<u>(12,245,504)</u>
Increase / (decrease) in operating liabilities		
Bills Payable	1,047,516	349,549
Borrowings from financial institutions	(2,822,919)	(1,306,796)
Deposits	20,327,324	11,346,526
Other liabilities (excluding current taxation)	679,647	134,382
	<u>19,231,568</u>	<u>10,523,661</u>
	<u>9,728,325</u>	<u>91,318</u>
Income tax paid	(358,321)	(310,408)
Net cash inflow / (outflow) from operating activities	<u>9,370,004</u>	<u>(219,090)</u>
Cash flow from investing activities		
Net investments	(5,039,490)	928,659
Dividend income	23,865	11,472
Investments in operating fixed assets	(522,019)	(232,967)
Sale proceeds of operating fixed assets	7,722	6,090
Net cash (outflow) / inflow from investing activities	<u>(5,529,922)</u>	<u>713,254</u>
Cash flow from financing activities		
Receipts of sub-ordinated loans	500,000	—
Dividends paid	(254,070)	(223,015)
Payments of lease obligations	(10,174)	(13,163)
Net cash inflow / (outflow) from financing activities	<u>235,756</u>	<u>(236,178)</u>
Increase in cash and cash equivalents	<u>4,075,838</u>	<u>257,986</u>
Cash and cash equivalents at beginning of the period	<u>13,610,765</u>	<u>10,278,192</u>
Cash and cash equivalents at end of the period	<u>17,686,603</u>	<u>10,536,178</u>
Cash and cash equivalents at end of the period		
Cash and balances with treasury banks	10,522,550	7,245,405
Balances with other banks	5,964,053	2,467,330
Call money lendings	1,200,000	823,443
	<u>17,686,603</u>	<u>10,536,178</u>

The annexed notes 1 to 10 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. Waseem Ahmed Ashraf Chairman
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Statement of Changes in Equity (Un-audited)

For the half year ended June 30, 2005

(Rupees in thousand)

	Capital Reserves			Revenue Reserves			Total
	Share Capital	Reserve for Issue of Bonus Shares	Statutory Reserve	General Reserve	Reserve for Contingencies	Un-appropriated profit	
Balance as at January 01, 2004	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 half year	–	–	–	–	–	1,178,601	1,178,601
Balance as at June 30, 2004	1,255,848	–	1,060,262	1,275,169	310,000	1,178,601	5,079,880
Net profit for the six months period	–	–	–	–	–	744,439	744,439
Final dividend	–	–	–	–	–	(251,170)	(251,170)
Transferred to :							
Statutory Reserve	–	–	384,608	–	–	(384,608)	–
Reserve for issue of Bonus Shares	–	251,170	–	–	–	(251,170)	–
General Reserve	–	–	–	1,036,092	–	(1,036,092)	–
Balance as at December 31, 2004	1,255,848	251,170	1,444,870	2,311,261	310,000	–	5,573,149
Bonus shares issued	251,170	(251,170)	–	–	–	–	–
Net profit for the half year	–	–	–	–	–	863,991	863,991
Balance as at June 30, 2005	1,507,018	–	1,444,870	2,311,261	310,000	863,991	6,437,140

The annexed notes 1 to 10 form an integral part of these accounts.

Kalim-ur-Rahman **Zafar Alam Khan Sumbal** **Lt. Gen. (R) Masood Parwaiz** **Lt. Gen. Waseem Ahmed Ashraf**
 President & Chief Executive Director Director Chairman

Notes to the Accounts (Un-audited)

For the half year ended June 30, 2005

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 45.68% of the Bank's share capital at the half year end. The Bank has 76 branches (December 31, 2004: 75 branches); 75 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, the requirements of the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the Accounting Standards issued by the International Accounting Standards Committee (IASC) and interpretations issued by Standing Interpretations Committee of the 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 preparation of these financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these financial statements are the same as those used in the preparation of the preceding annual financial statements of the Bank.

4. INVESTMENTS

	(Rupees in thousand)		
	Held by the Bank	Given as collateral	Total
As at June 30, 2005	21,730,613	258,987	21,989,600
As at December 31, 2004	13,705,834	3,533,323	17,239,157

4.1 Investments by type

Held-for-trading securities	65,589	—	65,589
Available-for-sale securities	19,295,571	258,987	19,554,558
Held-to-maturity securities	2,396,337	—	2,396,337
Investment in an associated company	11,182	—	11,182
	21,768,679	258,987	22,027,666
Less: Provision for impairment in value of investments in unlisted shares	(38,066)	—	(38,066)
Investments (net of provisions)	21,730,613	258,987	21,989,600

5. ADVANCES

	June 30, 2005 (Rupees in thousand)	December 31, 2004 (Rupees in thousand)
Loans, cash credits, running finances, etc.		
In Pakistan	62,869,267	56,556,431
Bills discounted and purchased (excluding treasury bills)		
Payable in Pakistan	5,506,073	5,096,256
Payable outside Pakistan	9,935,999	9,406,325
	15,442,072	14,502,581
	78,311,339	71,059,012
Financing in respect of carry over transactions	251,703	659,480
	78,563,042	71,718,492
Provision for non-performing advances - note 5.1	(2,174,613)	(1,780,451)
	76,388,429	69,938,041

Notes to the Accounts (Un-audited)

For the half year ended June 30, 2005

5.1 Particulars of provision against non-performing advances

	June 30, 2005			December 31, 2004		
	Specific	General	Total	Specific	General	Total
	(Rupees in thousand)					
Opening balance	944,256	836,195	1,780,451	878,719	684,815	1,563,534
Charge for the period / year	35,262	358,931	394,193	126,018	151,380	277,398
Amounts written off	(31)	-	(31)	(60,481)	-	(60,481)
	<u>979,487</u>	<u>1,195,126</u>	<u>2,174,613</u>	<u>944,256</u>	<u>836,195</u>	<u>1,780,451</u>

5.2 Advances include Rs. 1,622,667 thousand (2004: Rs. 1,101,382 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	118,448	-	118,448	63,832	63,832
Substandard	246,464	-	246,464	16	16
Doubtful	61,574	-	61,574	24,503	24,503
Loss	1,196,181	-	1,196,181	891,136	891,136
	<u>1,622,667</u>	<u>-</u>	<u>1,622,667</u>	<u>979,487</u>	<u>979,487</u>

5.2.1 This represents provision made pursuant to the State Bank of Pakistan's advice.

6. RESERVES	June 30, 2005 (Rupees in thousand)	December 31, 2004 (Rupees in thousand)
Balance at the beginning of the period / year	4,317,301	2,759,599
Bonus shares issued @ of 20 shares (2004: 10 shares) for every 100 shares held i.e. 20% (2004: 10%)	(251,170)	(114,168)
Transfer from profit and loss account	-	1,671,870
Balance at the end of the period / year	<u>4,066,131</u>	<u>4,317,301</u>

7. CONTINGENCIES AND COMMITMENTS

7.1 Direct credit substitutes

Government	-	545,047
Others	6,900,758	6,678,538
	<u>6,900,758</u>	<u>7,223,585</u>

7.2 Transaction-related contingent liabilities

Money for which the bank is contingently liable:

Guarantees given on behalf of directors or officers or any of them (severally or jointly) with any other person, subsidiaries and associated undertakings

Guarantees given, favouring:

Government	19,825,449	16,361,130
Banks and other financial institutions	1,386,070	1,382,497
Others	3,953,248	3,099,898
	<u>25,164,767</u>	<u>20,843,525</u>
	<u>25,171,192</u>	<u>20,843,525</u>

7.3 Trade-related contingent liabilities	<u>21,637,329</u>	<u>17,015,306</u>
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Notes to the Accounts (Un-audited)

For the half year ended June 30, 2005

7.4 Other contingencies

7.4.1 For tax assessments carried out to date, tax demands of Rs. 926 million, related to disallowances for bad debts and interest credited to suspense account are being contested. The management is confident that these issues will be ultimately decided in the Bank's favour. However, if such demands are materialised it will not result in any charge to profit and loss account, since these being the temporary differences will give rise to a deferred tax asset.

7.4.2 The Bank is contesting certain claims by third parties in the courts of law amounting to Rs. 556 million (2004: Rs. 445 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, 2005 (Rupees in thousand)	December 31, 2004 (Rupees in thousand)
Commitment against "Repo" transactions		
Purchase and resale agreements	4,749,873	753,480
Sale and repurchase agreements	<u>489,129</u>	<u>3,127,143</u>
7.6 Commitments in respect of forward exchange contracts		
Purchase	4,432,113	8,791,180
Sale	<u>7,298,755</u>	<u>5,854,758</u>
7.7 Commitments for the acquisition of operating fixed assets	<u>304,710</u>	<u>338,827</u>
7.8 Other commitments		
a) Undrawn facilities	<u>41,685,267</u>	<u>31,328,845</u>
b) Commitment towards equity of Askari Investment Management Limited (AIML); a wholly owned subsidiary of the Bank	<u>100,000</u>	<u>-</u>
7.9 Bills for collection		
Payable in Pakistan	496,230	412,758
Payable outside Pakistan	<u>22,149,992</u>	<u>19,767,519</u>
	<u>22,646,222</u>	<u>20,180,277</u>

8. RELATED PARTY TRANSACTIONS

Army Welfare Trust (AWT) holds 45.68% (2004: 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, the Bank has related party relationships with its subsidiary company, its directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds.

Detail of transactions with related parties during the half year and balances as at June 30, 2005, are as follows:

	June 30, 2005 (Rupees in thousand)	December 31, 2004 (Rupees in thousand)
Balances outstanding at the period / year end		
- Advances / investments / placements at the period / year end	610,263	442,574
- Deposits at the period / year end	955,492	1,065,845
- Outstanding commitments and contingent liabilities for irrevocable commitments and contingencies	6,587	6,392
- Investment in shares of related parties - at cost	66,862	16,862

Notes to the Accounts (Un-audited)

For the half year ended June 30, 2005

Transactions during the period	Half year ended June 30, 2005 (Rupees in thousand)	Half year ended June 30, 2004 (Rupees in thousand)
- Net mark-up / interest expensed	14,294	11,122
- Mark-up / interest earned	8,529	-
- Contributions to employees' funds	32,604	25,753
- Rent of property / service charges paid	26,807	6,417
- Rent of property received	18,913	17,522
- Insurance premium paid	3,465	5,567
- Insurance claims received	119	999
- Dividend income	2,682	1,839
- Share registrar fees and costs	-	2,053
- Security services costs	13,599	8,825
- Fee, commission and brokerage income	166	148
- Payment on behalf of AMLL; a wholly owned subsidiary of the Bank	2,784	-
- Payment to associated undertaking	3,000	-

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

9. DATE OF AUTHORIZATION

These accounts were approved for issue by the Board of Directors on August 10, 2005.

10. GENERAL

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

10.2 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. Waseem Ahmed Ashraf Chairman
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Branch Network

RAWALPINDI / ISLAMABAD REGION

ISLAMABAD

Aabpara

Plot No. 4, Ghousia Plaza, I&T Centre,
Shahrah-e-Suharwardy, Aabpara, Islamabad.

PABX: (051) 2875933-35

Direct: (051) 2871520

Fax: (051) 2875936

F-7 Markaz

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

PABX: (051) 9222411-14, 9208353,
(051) 9208355,

Direct: (051) 9222418

Fax: (051) 9222415

F-10 Markaz

Block 5-C, 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,
Blue Area, 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) 9273168-72

Direct: (051) 9273178, 9273175

Fax: (051) 9273180, Tlx: 54647 ASKRI PK

Chaklala Scheme-III

18-Commercial Area, Imran Khan Avenue,
Chaklala Scheme - III, Rawalpindi.

PABX: (051) 9281097-99,

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) 9272794-99,

Direct: (051) 9272702

Fax: (051) 9272704

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

DERA ISMAIL KHAN

Kaif Gulbahar Building, A.Q. Khan Chowk,

Circular Road, Dera Ismail Khan

PABX: (0966) 720180-82

Direct: (0966) 720178, 720179

Fax: (0966) 720184

JHELUM

Plot No. 225 & 226, Kohinoor Plaza,

Old G.T. Road, Jhelum Cantt.

PABX: (0541) 720053-55

Direct: (0541) 720051, 720052

Fax: (0541) 720060

MARDAN

The Mall, Mardan, P.O. Box: 197.

PABX: (0937) 867502-3,

Direct: (0937) 867545

Fax: (0937) 867515

MIRPUR (AK)

Nathia Building, Chowk Shaheedan, Mirpur

PABX: (05-8610) 45451-52

Direct: (05-8610) 45450

Fax: (05-8610) 35429

PESHAWAR

Cantt.

3-7, Fakhr-e-Alam Road, Cantt. Plaza Branch,

Peshawar, P.O. Box: 606.

PABX: (091) 9212433-6,

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

SWAT

Opposite Park Hotel, Makaan Bagh,

Saidu Sharif Road, Mingora - Swat.

PABX: (0936) 713358-9,

Direct: (0936) 713356

Fax: (0936) 713361

LAHORE REGION

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

Baghbanpura

6/7, Shalimar Link Road,

Baghbanpura, Lahore.

PABX: (042) 6830361-63

Direct: (042) 6830360, 6830366

Fax: (042) 6830367

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

D.H.A.Phase-II

Plot No. 53-T, Block CCA, Phase-II C,

DHA, Lahore Cantt.

PABX: (042) 5746421-22,

Direct: (042) 5896615, Fax: (042) 5746423

Gulberg

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

Shahalam

41, Shahalam Market, Lahore
PABX: (042) 7642652-55
Direct: (042) 7642650, 7642651
Fax:(042) 7642656

Shahdara

N-127R-70C,
Opposite Rustom Sohrab Cycle Factory,
Sheikupura Road, Shahdara, Lahore.
PABX: (042) 7919302-05
Direct: (042) 7919300, 7919301
Fax:(042) 7919306

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.
PAB X: (042) 9220940-45,
Direct: (042) 9220931
Fax: (042) 9220947,
Tx: 47746 ASKCT PK

EAST REGION**BAHAWALPUR**

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

FAISALABAD

Khurrianwala
Chak No. 266 RB, Khurrianwala,
Tehsil Jaranwala, Distt. Faisalabad.
Direct: (041) 364029

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 Tx: 53441 ASKRI PK

GUJRANWALA

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

64/A-1, Abdali Road, Multan.
PABX: (061) 9201391-4,
Direct: (061) 9201399
Fax: (061) 9201395, Tx: 54338 ASKRI PK

OKARA

Chak No. 2/42, M.A. Jinnah Road,
(Old name Sahiwal Road),
Tehsil & District Okara.
PABX: (0442) 529973-74 & 529976
Direct: (0442) 550973, Fax: (0442) 550974

PHOOL NAGAR

Plot Khasra No. 1193, Main Multan Road,
Distt. Kasur, Phool Nagar
PABX: (04943) 510437,
Direct: (04943) 510431
Fax: (04943) 510436

RAHIM YAR KHAN

Ashraf Complex, Model Town,
Rahim Yar Khan.
PABX: (068) 5879851-52,
Direct: (068) 5879848
Fax: (068) 5879850

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, Tx: 46263 ASKRI PK

SADIQABAD

78-D, Allama Iqbal Road,
New Town, Sadiqabad.
PABX: (068) 5802377-78,
Direct: (068) 5802387, Fax: (068) 5802374

SOUTH I REGION**DAHARKI**

1276, Main Road, Zafar Bazar,
Daharki, Distt. Ghotki
PABX: (0703) 41260
Direct: (0703) 41626, 42626
Fax: (0703) 42260

GAWADAR

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

Ghotki

Plot No. D-9, Deh Odher Wali,
Qadirpur Road,
Opposite Town Committee, Ghotki.
PABX: (0703) 600500
Direct: (0703) 600707, Fax: (0703) 600526

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) 4632500-04,
Direct: (021) 4630166,
Fax: (021) 4632505

Hydri North Nazimabad

Plot No. 5F/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

Marriot Road

Rawalpindiwala Building,
Marriot Road, Market Quarters, Karachi.
PABX: (021) 2418424-28,
Direct: (021) 2418412
Fax: (021) 2418429

New Challi

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

North Napier Road

Ishaq Chamber, North Napier Road, Karachi.
PABX: (021) 2549581-2,
Direct: (021) 2549588
Fax: (021) 2549585

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,
(021) 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, Postal Code 75700.
PABX: (021) 2585913-17,
Direct: (021) 2585911, Fax: (021) 2585525

SUKKUR

Sarafa Bazar, Sukkur
PABX: (071) 28267-8 & 86,
Direct: (071) 27218, Fax: (071) 27219

SOUTH II REGION**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.

Shaheed-e-Millat

A/22, Block No. 7 & 8, Anum Pride, K.C.H.S
Commercial Area, Main Shaheed-e-Millat
PABX: (021) 4392875-76 & 4392878-79
Direct: (021) 4392850, 4392859,
Fax: (021) 4392886

D H A

Jami Commercial Street No. 11,
Khayaban-e-Ittehad, Defence Housing
Authority, Phase-VII, Karachi.
PABX: (021) 5387490, 5384902-4
Direct: (021) 5384905
Fax: (021) 5387491

Korangi Industrial Area

Plot No. ST 2/3, Sector 23,
Main Korangi Road,
Korangi Industrial Area, Karachi
PABX: (021) 5078406-10
Direct: (021) 5078401
Fax: (021) 5078412

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

Mirpurkhas

C.S. 835, Ward B, M.A. Jinnah Road,
Mirpurkhas
PABX: (0231) 9290331-2
Direct: (0231) 9290333
Fax: (0231) 9290335

WEST AREA**CHAMAN**

Trunch Road, Off Mall Road,
Chaman (Balochistan)
PABX: (0826) 613330, 614447,
Fax: (0826) 613331, Cable: Askaribank

QUETTA**Canit.**

Bolan Complex, Chilton Road, Quetta Canit.
PABX: (081) 833889, 833228
Direct: (081) 833333, Fax: (081) 833316

Hazar Ganji

Fruit Market, Hazar Ganji, Quetta
PABX: (081) 460808,
Direct: (081) 460806
Fax: (081) 460807

M.A. Jinnah Road

Quetta,
PABX: (081) 843751-2, 843754
Direct: (081) 2844374
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